

The Narragansett Electric Company  
d/b/a National Grid

## **2021 LAST RESORT SERVICE PROCUREMENT PLAN**

Consisting of the  
Pre-Filed Joint Direct Testimony and  
Schedules of:  
James Ruebenacker  
Robin E. Pieri

October 11, 2019

Submitted to:  
Rhode Island Public Utilities Commission  
RIPUC Docket No. 4978

Submitted by:  
**nationalgrid**



October 11, 2019

**BY HAND DELIVERY AND ELECTRONIC MAIL**

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

**RE: Docket 4978 - 2021 Last Resort Service Procurement Plan**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed the Company's proposed 2021 Last Resort Service (LRS) Procurement Plan pursuant to R.I. Gen. Laws § 39-1-27.3(c). In support of its 2021 LRS Procurement Plan, the Company has enclosed the pre-filed joint testimony and schedules of James Ruebenacker and Robin Pieri (Joint Testimony).

As described in the enclosed filing, the Company's requirement to arrange power supply for customers through standard offer service (SOS) concludes at the end of 2020.<sup>2</sup> Rhode Island General Laws § 39-1-27.3(c) requires the Company to arrange for a last resort power supply for customers who are not otherwise receiving electric service from a Non-regulated Power Producer or through SOS. Pursuant to R.I. Gen. Laws § 39-1-27.3(c), the Company must file a supply procurement plan with the Rhode Island Public Utilities Commission (PUC) that includes the procurement procedure, the pricing options being sought, and a proposed term of service for which LRS will be acquired.

The proposed 2021 LRS Procurement Plan is intended to begin in calendar year 2021 and operate in subsequent calendar years. To avoid customer confusion, the Company proposes to call LRS "Standard Offer Service" because service under the existing SOS and the proposed LRS are essentially the same. Also, the continued use of the name SOS will minimize customer confusion.

For 2021 and future years, the Company proposes to continue the method of procuring supply through Full Requirements Service contracts for the Residential, Commercial, and Industrial Groups of SOS customers. The Joint Testimony includes the following schedules:

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

<sup>2</sup> Rhode Island General Laws § 39-1-27.3(b).

- Schedule 1: the approved SOS procurement plan for 2020;
- Schedule 2: the proposed LRS Procurement Plan for 2021 for each of three customer groups;
- Schedule 3: historical wholesale loads;
- Schedule 4: the standard Master Power Agreement;
- Schedule 5: the SOS Request for Proposal (RFP) Notice template;
- Schedule 6: the SOS RFP Summary template; and
- Schedule 7: the Benefit-Cost Framework Analysis.

The Company is seeking PUC approval of its proposed LRS Procurement Plan, the Master Power Agreement, and the RFP documents. The Company's proposed Schedule 4, Schedule 5, and Schedule 6 documents remain the same with the exception of edits necessary to implement the Company's proposal in this filing, which are redlined in the documents.

In Docket 4149, the PUC approved, starting in April 2011, the establishment of three customer groups: an Industrial Group, a Commercial Group, and a Residential Group. The Company proposes to continue to procure supply by customer group. The specific procurement schedules for each of the three customer groups are included in Schedules 2A, 2B, and 2C of the Joint Testimony. As shown in Schedule 2A, the Company proposes to continue procuring supply for the Industrial Group through three-month Full Requirements Service contracts, solicited quarterly, for 100% of the load. The Company proposes procuring SOS supply for the Commercial and Residential Groups separately through Full Requirements Service contracts as shown in Schedules 2B and 2C. The proposed LRS Procurement Plan includes the following adjustments to the current SOS Procurement Plan that the PUC approved in 2019:

- Instead of submitting annual procurement plan filings, the Company recommends submitting an updated LRS procurement plan when it believes that the 2021 LRS Procurement Plan needs to be modified or at the PUC's request; and
- As described in the enclosed filing, the Company has removed two steps in the RFP procedure.

Thank you for your attention to this matter. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosure

cc: Docket 4809 Service List  
Christy Hetherington, Esq.  
John Bell, Division

**Testimony of  
Ruebenacker & Pieri**

**PRE-FILED JOINT DIRECT TESTIMONY**

**OF**

**JAMES RUEBENACKER**

**AND**

**ROBIN E. PIERI**

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1 **I. Introduction**

2 **James Ruebenacker**

3 **Q. Please state your name, place of employment, and business address.**

4 A. My name is James Ruebenacker. I work for National Grid USA Service Company, Inc.  
5 (National Grid), and my business address is 100 E. Old Country Road, Hicksville,  
6 New York 11801.

7  
8 **Q. Please describe your position and responsibilities at National Grid.**

9 A. I am the Manager of Wholesale Electric Supply, New England for National Grid. In this  
10 role, I manage the procurement of energy, capacity, and ancillary services, portfolio  
11 hedging strategies, and other energy supply-related activities for National Grid's  
12 New England operating company affiliates, including The Narragansett Electric  
13 Company d/b/a National Grid (the Company). These activities include the procurement  
14 of power for Standard Offer Service (SOS) and transactions of Rhode Island Renewable  
15 Energy Standard (RES) renewable energy certificates.

16  
17 **Q. Please describe your educational background.**

18 A. I graduated from the University of Notre Dame with a Bachelor of Science degree in Pre-  
19 professional Studies Science-Business Sequence. I graduated with distinction from  
20 New York University's Leonard N. Stern School of Business with a Master of Business  
21 Administration degree. I am also a CFA Charterholder.



1   **Q.     Please describe your professional experience.**

2   A.     In 2002, I was hired as a Retail Electric Pricing Analyst at Peoples Energy Services. I  
3           joined National Grid as a Senior Analyst in the Wholesale Electric Supply department in  
4           2009 and became Manager in 2011.

5  
6   **Q.     Have you previously testified before the Rhode Island Public Utilities Commission**  
7           **(PUC)?**

8   A.     Yes, I have testified before the PUC on several occasions involving SOS and the RES  
9           Charge.

10  
11   **Q.     Have you testified before any other state regulatory agencies?**

12   A.     Yes. I submitted pre-filed testimony before the Massachusetts Department of Public  
13           Utilities (DPU) in several dockets.

14  
15         **Robin Pieri**

16   **Q.     Please state your name, place of employment, and business address.**

17   A.     My name is Robin E. Pieri, and my business address is 40 Sylvan Road, Waltham,  
18           Massachusetts 02451.

1   **Q.     Please describe your position and responsibilities at National Grid.**

2   A.     I am a Senior Analyst for Electric Pricing, New England in the Strategy and Regulation  
3           Department of National Grid. This department provides rate-related support to the  
4           Company.

6   **Q.     Please describe your educational background.**

7   A.     In 1998, I graduated from the University of Massachusetts in Lowell, MA with a  
8           Bachelor of Psychology degree.

10  **Q.     Please describe your professional experience.**

11  A.     For approximately fifteen years before joining National Grid, I was employed by  
12           Advantage Resourcing America (Advantage) as a Senior Financial Analyst, responsible  
13           for budgeting, forecasting, and analysis for numerous Advantage business units around  
14           the world, as well as Advantage's Corporate Division. Prior to my employment at  
15           Advantage, I held various positions in accounting and finance. I began my employment  
16           with National Grid as a Senior Analyst in New England Electric Pricing in March 2015.

18  **Q.     Have you previously testified before the PUC?**

19  A.     Yes, I have testified before the PUC on several occasions involving SOS and the RES  
20           Charge. In addition, I have testified in the annual retail rate filing proceeding.

1   **Q.    Have you testified before any other state regulatory agencies?**

2    A.    Yes, I have submitted testimony in Massachusetts to the DPU in D.P.U. 19-04,  
3           Massachusetts Electric Company's and Nantucket Electric Company's 2019 Revenue  
4           Decoupling Mechanism filing.

5  
6   **II.   Purpose of Testimony**

7   **Q.    What is the purpose of your testimony?**

8    A.    First, regarding SOS, we will provide an overview of the existing 2020 Standard Offer  
9           Service Procurement Plan (2020 SOS Plan), which the PUC approved in Docket No.  
10          4935. Second, we will discuss the Last Resort Service (LRS) Procurement Plan that the  
11          Company is proposing in this filing that would become effective in 2021 (2021 LRS  
12          Plan) and which would continue until altered by an updated LRS Plan, as described later  
13          in our testimony.

14  
15   **Q.    What is the basis for the Company's submission of its proposed 2021 LRS Plan for**  
16          **PUC approval?**

17   A.    The Company's requirement to arrange power supply for customers through SOS  
18          concludes at the end of 2020.<sup>1</sup> Rhode Island General Laws § 39-1-27.3(c) requires the  
19          Company to arrange for a last resort power supply for customers who are not otherwise  
20          receiving electric service from a Non-regulated Power Producer (NPP) or through SOS.

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<sup>1</sup> Rhode Island General Laws § 39-1-27.3(b).

Specifically, pursuant to R.I. Gen. Laws § 39-1-27.3(c), the Company must file a supply procurement plan with the PUC that includes the procurement procedure, the pricing options being sought, and a proposed term of service for which LRS will be acquired. All such components of the procurement plan are subject to the PUC's review and approval.

**Q. Are you sponsoring any schedules in your testimony?**

A. Yes. We are sponsoring the following schedules:

Schedule 1 – Approved 2020 SOS Plan

Schedule 2 – Proposed 2021 LRS Plan

Schedule 3 – SOS Wholesale Loads

Schedule 4 – Proposed Master Power Agreement (MPA)

Schedule 5 – Proposed SOS Request for Proposal Notice (Template)

Schedule 6 – Proposed SOS Request for Proposal Summary (Template)

Schedule 7 – Benefit-Cost Framework Analysis

**III. Current 2020 SOS Plan**

**Q. Please provide an overview of the procurement of supply under the approved 2020 SOS Plan.**

A. The 2020 SOS Plan (Docket No. 4935, approved on June 12, 2019) segregates customers into three customer groups:

1           (1) Industrial Group: This group includes customers who receive service on Large  
2           Demand Rate G-32, Backup Service Rate B-32, and Electric Propulsion Rate  
3           X-01;

4           (2) Commercial Group: This group includes customers who receive service on  
5           General C&I Rate G-02, Small C&I Rate C-06, Limited Private Lighting Rate S-  
6           10, Customer-Owned Streetlighting Equipment Rate S-05, Decorative Street and  
7           Area Lighting Service Rate S-06, and General Streetlighting Rate S-14; and

8           (3) Residential Group: This group includes customers who receive service on Basic  
9           Residential Rate A-16 and Low Income Rate A-60.

10  
11       The 2020 SOS Plan involves acquiring load-following, Full Requirements Service  
12       contracts with different term durations through periodic solicitations. With a Full  
13       Requirements Service contract, the supplier becomes responsible for the energy, ancillary  
14       services, and miscellaneous Independent System Operator-New England (ISO-NE)  
15       charges of the particular SOS customer group for a fixed dollar per megawatt-hour  
16       (\$/MWh) price. For this fixed price, the supplier assumes all price and load risks  
17       associated with these market components. The suppliers will pass through the capacity  
18       charges or credits it receives from ISO-NE to the Company without any markup for  
19       margin or risk. Notably, the term “contract” used in this context may in fact be several  
20       “bid blocks” or “segments” that add up to the total load solicited. The smaller bid blocks  
21       are designed to benefit pricing and supplier diversity.

1       The 2020 SOS Plan for the Industrial Group involves acquiring a load-following, Full  
2       Requirements Service contract for 100% of the load through quarterly solicitations for  
3       three months in duration: January through March, April through June, July through  
4       September, and October through December.

5  
6       The 2020 SOS Plan for the Residential Group and the Commercial Group involves a  
7       combination of Full Requirements Service contracts and ISO-NE spot market purchases.  
8       The Company layers Full Requirements Service contracts for the benefit of diverse  
9       pricing points in a manner that diversifies risk for customers in each customer group.  
10      Each contract for the Residential and Commercial Groups is comprised of six-month bid  
11      blocks. For example, a 24-month contract will include four independent bid blocks.  
12      Dividing the contract in this fashion creates the opportunity to award the bid blocks to a  
13      combination of suppliers, rather than a single supplier, if the overall cost is lower. If a  
14      single supplier has the lowest overall cost for each bid block, it will be awarded all four  
15      bid blocks.

16  
17      Schedule 1A is the approved 2020 SOS Plan, which consists of four quarterly  
18      solicitations. Each quarterly solicitation procures SOS for a specific term and load  
19      obligation and some contracts will have delivery periods beyond 2020. For the  
20      Residential Group and the Commercial Group, the procurements resulting from the 2020  
21      SOS Plan, in conjunction with procurements from the 2019 Standard Offer Service

1 Procurement Plan (2019 SOS Plan),<sup>2</sup> fully satisfy the Company's SOS obligation for the  
2 period April 2020 through March 2021. The 2020 SOS Plan also partially satisfies the  
3 Company's SOS obligation for April 2021 through March 2022. The Company's SOS  
4 obligations for this period will be fully met in conjunction with procurements made as a  
5 result of the proposed 2021 LRS Plan. Schedule 1B is an illustration of the various  
6 procurement plans' contracts that satisfy the SOS and LRS obligations for the April 2020  
7 through March 2022 period.

8  
9 In Docket No. 4149 (approved on August 5, 2010), the Company proposed a Residential  
10 Group procurement schedule for 2011 that would allow a transition to a repeating  
11 schedule. The 2016 Standard Offer Service Procurement Plan (2016 SOS Plan)<sup>3</sup>  
12 amended the Commercial Group's schedule to match the Residential Group's repeating  
13 procurement schedule. Also, in the 2016 SOS Plan, the retail rate periods for the  
14 Residential and Commercial Groups were modified from January through June and July  
15 through December to October through March and April through September, effective  
16 October 1, 2016.

17  
18 The Full Requirements Service contracts for the Residential and Commercial Groups are  
19 executed for different percentages of load (15% and 20%) and four durations: 6 months,  
20 12 months, 18 months, and 24 months. When all Full Requirements Service contracts

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<sup>2</sup> Docket No. 4809.

<sup>3</sup> Docket No. 4556.

1 have been acquired, each month will have Full Requirements Service contracts, totaling  
2 90% of the Residential and Commercial load, and the remaining 10% of the load would  
3 be procured by the Company through ISO-NE spot market purchases.

4  
5 The additional laddering and varying lengths of the Full Requirements Service contracts  
6 allows for mitigation of price volatility because the individual contracts are procured at  
7 different times and are dollar-cost averaged to create a blended supply rate. In a  
8 decreasing electric prices market, the lower-cost most recent transactions will help offset  
9 the higher-cost older transactions. Conversely, in an increasing electric prices market,  
10 the higher-cost most recent transactions will be partially offset by the lower-cost older  
11 transactions. Because it is effective in mitigating price volatility in all market  
12 environments, the Company is not proposing changes to a ladder and layered Full  
13 Requirements Service procurement approach in the 2021 LRS Plan.

14  
15 **Q. Please describe the pricing options available to customers under the 2020 SOS Plan.**

16 A. The Residential Group has two six-month retail rate periods as identified above  
17 (April through September and October through March). The SOS rate applicable to the  
18 Residential Group is a fixed-price rate that represents a weighted average of the actual  
19 monthly contract prices over the six-month period plus an estimate of the costs of any  
20 supply not procured through Full Requirements Service contracts including, but not  
21 limited to, spot market purchases and capacity costs from ISO-NE.



1 Similar to the Residential Group, the Commercial Group has two six-month retail rate  
2 periods of April through September and October through March. There are two rate  
3 options available to customers in the Commercial Group. The first option is referred to  
4 as the “Fixed Price Option.” The Fixed Price Option represents a weighted average of  
5 the actual monthly contract prices over six-month period plus an estimate of the costs of  
6 any supply not procured through Full Requirements Service contracts including, but not  
7 limited to, spot market purchases and capacity costs from ISO-NE. Customers receiving  
8 retail delivery service on Rate C-06 are placed on the Fixed Price Option when initially  
9 requesting SOS from the Company. The second option is referred to as the “Variable  
10 Price Option.” The Variable Price Option represents the actual monthly contract prices  
11 from the applicable winning bids for each month of the same six-month period plus an  
12 estimate of the costs of any supply not procured through Full Requirements Service  
13 contracts including, but not limited to, spot market purchases and capacity costs from  
14 ISO-NE. Customers receiving retail delivery service on Rates G-02, S-06, S-10, and  
15 S-14 are placed on the Variable Price Option when initially requesting SOS from the  
16 Company. The rates for each option change at the end of each six-month period.

17  
18 The rates applicable to this Industrial Group are fixed monthly prices, representing the  
19 actual monthly contract prices for each month of the period, or may be based upon  
20 estimates of the cost of any supply not procured through Full Requirements Service  
21 contracts including, but not limited to, capacity costs from ISO-NE.

1 **Q. Please describe briefly the process of reconciling revenue and costs associated with**  
2 **SOS.**

3 A. The Company is required to reconcile SOS revenue and expense in accordance with the  
4 SOS Adjustment Provision, RIPUC No. 2157. This provision requires the Company to  
5 reconcile, on an annual basis, its total cost of purchased power for SOS supply against its  
6 total SOS revenue, and to credit the excess to or recover the deficiency from customers  
7 through a rate recovery/refund methodology approved by the PUC when the Company  
8 files its annual reconciliation. Total revenue is generated from charges billed to SOS  
9 customers through the SOS rates for the applicable reconciliation period, which has  
10 traditionally been the calendar year. Since the Company procures and prices SOS  
11 separately for the Residential Group, the Commercial Group, and the Industrial Group,  
12 the Company performs separate reconciliations for each group. The SOS reconciliations  
13 and the proposed SOS Adjustment factors for each customer group are filed each year as  
14 part of the Company's annual retail rate filing in February.

15  
16 **IV. Proposed 2021 LRS Plan and Subsequent Periods**

17 **Q. What name does the Company propose for LRS?**

18 A. In the 2019 SOS Plan, the PUC ordered the Company to "propose a name for the service  
19 which will appear on customers' bills."<sup>4</sup> The Company proposes to continue to call this  
20 service on customers' bills "Energy Charge." For communications, tariffs, procurement

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<sup>4</sup> Order 23366, page 9.

1 materials, and any other references to LRS, the Company proposes to call LRS “Standard  
2 Offer Service” because the existing SOS and the proposed LRS are essentially the same.  
3 The continued use of the name SOS will also minimize customer confusion, as described  
4 further in Section VI.

5  
6 **Q. Please summarize the Company’s proposed LRS Procurement Plan for periods**  
7 **subsequent to those addressed in the approved 2020 SOS Plan.**

8 A. The Company is proposing to continue procuring supply through Full Requirements  
9 Service contracts and ISO-NE spot market purchases with the mix of different duration  
10 contracts tailored to meet the needs of each customer group. The Full Requirements  
11 Service contract is a fixed price for energy, ancillary services, and miscellaneous ISO-NE  
12 charges. The LRS suppliers will pass through the capacity charges and credits it receives  
13 from ISO-NE to the Company without any markup for margin or risk. The Company’s  
14 LRS procurement proposal is similar to how it procures SOS today.

15  
16 In this filing, the Company is requesting approval of the proposed 2021 LRS Plan to  
17 conduct Full Requirements Service solicitations for all procurement groups during  
18 calendar year 2021, recognizing that some contracts will have delivery periods beyond  
19 2021. The proposed 2021 LRS Plan is intended to commence in calendar year 2021 and  
20 operate in subsequent calendar years, as described below.

1   **Q.     Does the Company recommend submitting annual LRS procurement plans for PUC**  
2       **approval?**

3   A.    No. The Company does not recommend submitting annual LRS procurement plans for  
4       PUC approval. Rhode Island General Laws § 39-1-27.3(c) does not require the Company  
5       to submit annual procurement plans for PUC approval. The Company recommends  
6       submitting an updated LRS procurement plan when it believes that the 2021 LRS Plan  
7       needs to be modified or at the PUC’s request.<sup>5</sup>

9   **Q.     Why does the Company propose the continuation of procuring supply by customer**  
10       **group?**

11   A.    The Company believes that there are differences between various types of customers, and  
12       it is important to tailor the LRS supply portfolio for a given type of customer to the  
13       appropriate balance of price stability, given the customer’s ability and willingness to  
14       respond to price signals to encourage efficient consumption, customer investment, and  
15       service decisions. Using a tailored and separate supply portfolio for each distinct  
16       customer group is also consistent with the Company’s experience in other service areas  
17       and ensures proper assignment of costs and risks.

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<sup>5</sup> Section 39-1-27.3(c) does not require an annual approval of the plan. Instead, section 39-1-27.3(c) provides that “[the] commission may periodically review the acquisition plan to determine whether it should be prospectively modified due to changed market conditions.”

1 Industrial customers are generally the most willing and/or able to access the competitive  
2 retail supply market to meet their needs. Approximately 74% of Industrial Group  
3 customers are currently receiving supply in the competitive retail supply market.  
4 Consequently, these customers do not need to rely upon LRS to provide them price  
5 stability to the same degree as commercial and residential customers. Therefore, the LRS  
6 supply portfolio for customers in the Industrial Group should comprise a greater portion  
7 of shorter-term supply products. As a result of these observations, under the Company's  
8 plan, the supply portfolio for the Industrial Group involves the highest portion of shorter-  
9 term Full Requirements Service contracts, and, therefore, the lowest level of price  
10 stability and the strongest market price signals.

11  
12 Customers in the Residential and Commercial Groups have different usage patterns.  
13 Additionally, Commercial Group customers are generally more willing and/or able to  
14 access the competitive retail supply market to meet their needs than are residential  
15 customers. Approximately 24% of customers in the Commercial Group and 11% of  
16 customers in the Residential Group are currently receiving supply in the competitive  
17 retail supply market. Therefore, it is appropriate that LRS supply for these two customer  
18 groups is procured separately.

1   **Q.     How is the Company proposing to procure LRS supply for the Industrial Group in**  
2       **2021 and subsequent years?**

3   A.   For the Industrial Group, the Company is proposing to continue the approved method of  
4       procuring supply through Full Requirements Service contracts, three months in duration,  
5       solicited quarterly, for 100% of Industrial Group load. The final contract in 2021 will be  
6       executed in the fourth quarter for the three-month period ending March 31, 2022, as  
7       shown in Schedule 2A. This proposed plan is the same as the approved 2020 SOS Plan  
8       under which the Company currently operates for the Industrial Group with one exception.  
9       The proposed 2021 LRS Plan does not conclude with the fourth quarter procurement; it  
10      shall continue for all future years.

12   **Q.     What is the Company’s proposal to procure LRS supply for the Commercial and**  
13       **Residential Groups in 2021 and subsequent years?**

14   A.   Electricity supply for the Commercial and Residential Groups will continue to be  
15       procured separately. Both portfolios will include a combination of Full Requirements  
16       Service contracts with the same contract durations and frequency of dollar-cost averaging  
17       discussed above for SOS. The Residential and Commercial Groups’ contracts for 90% of  
18       the load obligation are executed over five requests for proposals (RFPs), or five price  
19       points. The sixth price point is provided through the 10% procured in the spot market.  
20       The term “contract” used in this context may in fact be several “bid blocks” that add up  
21       to the total load solicited. This proposed plan is the same as the approved 2020 SOS Plan

1 under which the Company currently operates for the Residential and Commercial Groups  
2 with one exception. The proposed 2021 LRS Plan does not conclude with the fourth  
3 quarter procurement; it shall continue for all future years.

4  
5 **Q. Please describe the specific procurement schedules for the Industrial, Commercial,**  
6 **and Residential Groups.**

7 A. In 2019 in Docket No. 4935, the Company filed with the PUC specific procurement  
8 schedules for the 2020 SOS Plan. As described below, the Company has updated these  
9 schedules, which are attached as Schedule 2 to the proposed 2021 LRS Plan. Schedule 2  
10 shows the procurement calendar for each customer group: Schedule 2A is for the  
11 Industrial Group, Schedule 2B is for the Commercial Group, and Schedule 2C is for the  
12 Residential Group. The white-colored blocks in the Schedule represent contracts for  
13 future solicitations that have been approved in the 2020 SOS Plan. The green-colored  
14 blocks in the Schedule represent solicitations in 2021 and later years for which the  
15 Company is requesting approval in the 2021 LRS Plan.

16  
17 As set forth above, Schedule 2B and Schedule 2C describe the details of the Commercial  
18 and Residential Groups' procurement schedules, respectively. As approved in Docket  
19 No. 4935, through the fourth quarter of 2020, the Company will procure power for 2020  
20 through 2022 through quarterly Full Requirements Service solicitations of two years or  
21 less in duration. In 2021, the Company proposes that quarterly Full Requirements

1 Service solicitations occur for contracts of various durations up to two years in length that  
2 would serve customers in 2021 through 2023. The Company proposes that the 2021 LRS  
3 Plan continue indefinitely through future years. For example, in 2022, the Company  
4 proposes that quarterly Full Requirements Service solicitations occur for contracts of  
5 various durations up to two years in length that would serve customers in 2022 through  
6 2024. This schedule will continue until a modification to the 2021 LRS Plan is proposed  
7 and approved by the PUC.

8  
9 **Q. Is the Company proposing any modifications to the Residential and Commercial**  
10 **Groups' schedules?**

11 A. No. The Company proposes to continue to employ a repeating schedule similar to the  
12 one initially approved in Docket No. 4149. The repeating procurement schedule for both  
13 groups will continue to consist of quarterly solicitations for four different durations and  
14 percentages of load. The four contracts would be for 6 months, 12 months, 18 months,  
15 and 24 months. When all Full Requirements Service contracts have been completed,  
16 each month will have Full Requirements Service contracts for 90% of both groups' load,  
17 and the remaining 10% of the load would be procured by the Company through ISO-NE  
18 spot market purchases.



1   **Q.     Is the Company requesting approval to modify any additional requirements in the**  
2           **current 2020 SOS Plan as part of this filing?**

3   A.     No.  
4

5   **Q.     Does the Company intend to follow the same process established in Docket No. 4490**  
6           **for solicitations involving single bids?**

7   A.     Yes, the Company intends to follow the approved contingency plan described in the  
8           Direct Testimony of Margaret M. Janzen in Docket No. 4490 (filed March 3, 2014), and  
9           later amended in a letter on June 25, 2014. This contingency plan established a  
10          procedure in the event of inadequate bidder participation, which is defined as zero or one  
11          bid for a bid block. The contingency plan also addresses a significant market event that  
12          impacts the competitiveness of pricing or bidders.  
13

14   **V.     Last Resort Service Procurement Process and Schedule**

15   **Q.     What are the expected loads for the three LRS groups?**

16   A.     Schedule 3A is a graph and table of the historical wholesale SOS loads since January  
17          2007. The table included in Schedule 3A also includes historical wholesale competitive  
18          supply loads. Schedule 3B is a table of the forecasted monthly LRS loads for 2021.  
19

1   **Q.     Is the Company seeking approval of certain documents used to procure Full**  
2       **Requirements Service contracts?**

3   A.     Yes, the Company is seeking approval of its standard Master Power Agreement (MPA),  
4       which is included as Schedule 4. This document is redlined to show the proposed edits to  
5       the version of the MPA that the PUC previously approved, as are all subsequent redlined  
6       schedules. Schedule 4 includes minor, administrative edits. If approved by the PUC, in  
7       future RFPs, the Company would only accept non-substantive changes to the standard  
8       MPA if such changes proposed by suppliers do not shift risk to the Company's  
9       customers.

11   **Q.     Is the Company requesting that the PUC approve any other documents?**

12   A.     Yes, the Company is requesting approval of the proposed SOS RFP Notice, which is  
13       included as Schedule 5. The Company also requests approval of the proposed SOS RFP  
14       Summary, which is included as Schedule 6. The Company is proposing edits to the  
15       current SOS RFP Notice and current SOS RFP Summary and including these revised  
16       documents in Schedules 5 and 6, respectively. The proposed edits document that the  
17       procurements are made pursuant to the 2021 LRS Plan and also include minor,  
18       administrative changes.

20   **Q.     Please explain the procedure that the Company will utilize to procure LRS.**

21   A.     The Company will take the following steps to procure LRS:

- 1 (1) Issue an RFP to all interested wholesale power suppliers approximately 15 weeks  
2 prior to the start of the first service period;
- 3 (2) Require that all suppliers that will bid have an executed MPA;
- 4 (3) Receive initial responses to the RFP, which will include background information  
5 for each respondent and the indicative pricing for the Full Requirements Service  
6 contracts;
- 7 (4) Receive final binding prices and evaluate final prices and security requirements  
8 within the day;
- 9 (5) Select a supplier(s) and execute a power supply confirmation(s); and
- 10 (6) File the RFP Summary of the procurement process provided in Schedule 6,  
11 including bids received, on a confidential basis with the PUC for its review.  
12

13 **Q. What form of RFP will the Company use to obtain Full Requirements Service**  
14 **contracts?**

15 A. The proposed LRS RFP Notice document, provided in Schedule 5, will be used by the  
16 Company to obtain Full Requirements Service contracts. This document reserves the  
17 Company's right to make non-substantive changes to the form and requirements of the  
18 RFP to address any issues that may arise during the solicitation process. In addition, the  
19 Company reserves the right to make non-substantive changes to the form and  
20 requirements of the RFP to address any issues that may arise or to incorporate best

1 practices learned between the date of the Company's filing in this proceeding and the  
2 date the RFP is issued.

3  
4 **Q. Are there any proposed changes to the RFP procedure for the proposed 2021 LRS**  
5 **Plan from what is approved in the 2020 SOS Plan?**

6 A. Yes, the Company proposes that it discontinue two steps that are included in the 2020  
7 SOS Plan. These steps require the Company to file with the PUC and the Rhode Island  
8 Division of Public Utilities and Carriers (the Division) within 24 hours a summary of all  
9 indicative and final bids received, which shall include, without limitation, the name of the  
10 bidder, the amount of power bid, and the price. These steps were added at the  
11 recommendation of the Division's consultant, Mr. Dick Hahn in the 2012 SOS Plan, and  
12 approved by the PUC in Order No. 20478.

13  
14 All of the information included in these two steps are also included in the Company's  
15 RFP Summary filed in step six above as part of the SOS rate filing. The SOS rate filing  
16 is usually filed within two weeks of the final bid dates. The Company believes that the  
17 discontinued steps are redundant given that step six includes all the required information.  
18 Accordingly, the Company proposes that it discontinue these two steps for the 2021 LRS  
19 Plan.

1 **VI. LRS Rates, Cost Recovery, and Name**

2 **Q. Is the Company proposing any changes to the currently effective pricing options or**  
3 **the manner by which it calculates the rates it proposes to charge for LRS?**

4 A. No. The Company is proposing to continue the pricing options available to customers  
5 receiving SOS from the Company, as described in detail above, under the 2021 LRS  
6 Plan. The Company is also proposing to calculate the rates for LRS in the same manner  
7 as it calculates the rates for SOS pursuant to the Tariff for Standard Offer Service.

8  
9 **Q. Is the Company proposing any changes to the recovery of costs associated with LRS,**  
10 **including both supply costs and administrative costs, and the reconciliation of costs**  
11 **and revenue?**

12 A. No. The Company is proposing to continue the same cost recovery provisions for LRS  
13 procurements that it has for SOS procurements pursuant to the SOS Adjustment  
14 Provision.

15  
16 **Q. Will the Company need to revise any of its tariffs to implement LRS?**

17 A. The Company is proposing to retain the name ‘Standard Offer Service’ to reference the  
18 electric service provided by the Company to those customers who are not provided  
19 electric supply by a NPP. The Company believes that retaining this nomenclature would  
20 be the least disruptive to its customers and mitigate, if not eliminate, customer confusion  
21 as a result of the termination of SOS and the implementation of LRS. The Company does

1 not believe that R.I. Gen. Laws § 39-1-27.3(c) requires that last resort service supply be  
2 referred to as Last Resort Service, and, therefore, recommends that as few changes be  
3 made to customers' bills and communications with customers as possible to avoid  
4 confusion and anxiety at a time when the Company is proposing no changes to the  
5 underlying nature of electric supply procurement and pricing options as Rhode Island  
6 transitions from SOS to LRS. Therefore, since the Company is proposing the same  
7 procurement and pricing procedures for the 2021 LRS Plan as are currently approved in  
8 the 2020 SOS Plan and is proposing that all references to last resort service supply be  
9 'Standard Offer Service,' the Company does not believe that any revisions are required to  
10 its tariffs to implement LRS.

11  
12 **VII. Analysis of Docket No. 4600 Benefit-Cost Framework**

13 **Q. Does the PUC's Guidance on "Goals, Principles and Values for Matters Involving**  
14 **The Narragansett Electric Company d/b/a National Grid" (Guidance Document)**  
15 **provide further detail about how the Docket 4600 Benefit-Cost Framework**  
16 **(Framework) should be applied in this case?**

17 **A.** Yes. The Guidance Document provides that a proponent of any proposal affecting the  
18 Company's electric rates should provide evidence demonstrating how the proposal  
19 advances, detracts from, or is neutral to each of the stated goals of the electric system.  
20 Additionally, specific to the Framework, the Guidance Document provides that "any rate  
21 design proposal should, at the very least, reference each category within the first two

1 columns of the Report: Mixed Cost-Benefit, Cost, or Benefit Category and System  
2 Attribute Benefit/Cost Driver (Categories and Drivers, respectively).”<sup>6</sup> The Guidance  
3 Document states that each Categories and Drivers should be discussed and where costs  
4 and benefits can be quantified, the proponent should provide the basis for the  
5 quantification reached. Where quantification is not possible or practical, the proponent  
6 should explain.<sup>7</sup>

7  
8 **Q. How has the Company applied the Framework to the review of the 2021 LRS Plan?**

9 A. To support this filing, the Company conducted its own analysis to demonstrate that the  
10 2021 LRS Plan will result in net benefits and is consistent with state energy policies.  
11 Based on additional guidance from the PUC,<sup>8</sup> the Company applied the Framework and  
12 related business case to the 2021 LRS Plan.

13  
14 To apply the Framework, the Company first reviewed each category of costs and benefits  
15 identified in the Framework to determine which categories are applicable to the PUC’s  
16 review of the 2021 LRS Plan. The analysis attached as Schedule 7 indicates the  
17 Framework category in the column on the left, and the column on the right indicates  
18 whether the criteria is applicable, and if so, how it has been addressed through the  
19 analysis.

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<sup>6</sup> Guidance Document, at 6.

<sup>7</sup> Guidance Document, at 6.

<sup>8</sup> The PUC provided additional guidance on the appropriate application of the Framework in an Open Meeting held on August 29, 2018 in docket No. 4822 and at a technical session held in docket No. 4600 on November 1, 2018.

1   **Q.     Did the Company determine that any of the costs and benefits within the Power**  
2       **System Level category are not applicable to the review of the 2021 LRS Plan?**

3   **A.**    Yes. The 2021 LRS Plan consists of wholesale power contracts for the purchase of  
4       energy to be delivered and settled at the zonal level. Therefore, there are no costs or  
5       benefits to be quantified at the generation, transmission, and distribution levels.

6  
7       The 2021 LRS Plan provides several positive net benefits that cannot be quantified.  
8       There is a moderate impact on Retail Supplier Risk Premiums, which is the differential  
9       between retail prices and the ISO-NE market prices. As part of the 2016 Standard Offer  
10      Service Procurement Plan and in compliance with a PUC order, the Company engaged  
11      The NorthBridge Group (NorthBridge), a consulting firm with expertise regarding  
12      electricity market pricing and SOS procurement, to complete a comprehensive review of  
13      procurement approaches for SOS for residential customers. NorthBridge prepared a  
14      report for National Grid entitled, “Analysis of Rhode Island Standard Offer Service  
15      Supply Procurement” (the NorthBridge Report), which the Company filed with the PUC  
16      on January 29, 2016.<sup>9</sup> In the NorthBridge Report, NorthBridge determined that the SOS  
17      Plan resulted in a higher Expected Rate Level compared to a 100% spot market  
18      procurement plan, but the SOS Plan significantly protected customers from Rate Shock  
19      and Oct-Mar Supply Cost Surprise.<sup>10</sup> Additionally, the 2021 LRS Plan provides an  
20      alternative, cost effective rate that allows customers to evaluate competitive suppliers’

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<sup>9</sup> See National Grid’s Compliance Filing, Docket No. 4556 (January 29, 2016).

<sup>10</sup> See page 13 of the NorthBridge Report.



1        offered rates. Competitively procured SOS rates prohibits NPPs from offering artificially  
2        high rates, thus lowering the differential between retail prices and the ISO-NE market  
3        prices for competitive suppliers and allowing customer to make well-informed decisions.

4  
5        The 2021 LRS Plan may have positive, but minimal, benefit impact on Energy Demand  
6        Reduction Induced Price Effect and Utility Low Income categories. The 2021 LRS Plan  
7        results in seasonal SOS rates: higher winter costs may increase energy efficiency, reduce  
8        usage, or encourage budget billing.

9  
10    **Q.    Are any of the Customer Level costs and benefits applicable to the 2021 LRS Plan?**

11    A.    Yes, some of the Customer Level costs and benefits are applicable to the 2021 LRS Plan  
12        but are not quantifiable. The costs and benefits in the Customer Level category are  
13        intended to measure direct participant costs and benefits of retail customer program  
14        participation, such as energy efficiency or distributed energy resource programs. The  
15        2021 LRS Plan has positive net benefits and moderate impact on Program participant /  
16        prosumer benefits / costs. In the NorthBridge Report, NorthBridge determined that the  
17        SOS Plan resulted in a \$3.27 per MWh higher Expected Rate Level compared to a 100%  
18        spot market procurement plan, which equates to approximately \$13 million in increased  
19        costs annually. However, the Company cannot quantify the benefits provided by the SOS  
20        Plan associated with price stability and protection from rate shocks. Additionally, the  
21        2021 LRS Plan has positive net benefits and large impact on Consumer Empowerment &

1 Choice. The 2021 LRS Plan results in SOS rates that reflect current market prices,  
2 therefore creating a market for NPPs to compete for customers. However, the 2019 SOS  
3 Plan determined that customers with competitive suppliers paid \$56 million more than if  
4 they remained on SOS over a 5-year period. Based on this analysis, the Company  
5 quantified the annual amount all SOS customers saved by remaining on SOS instead of  
6 taking generation service from competitive supply. For one year, this is approximately a  
7 \$68 million benefit.

8  
9 Additionally, the 2021 LRS Plan has minimal impact on Low-Income Participant  
10 Benefits and Non-participant (equity) rate and bill impacts. Seasonal rate impacts may  
11 increase energy efficiency, reduce usage, or encourage budget billing, which benefits low  
12 income customers. Finally, the existing rate structure does result in some inequities  
13 caused by customers switching to and from SOS, which may lead them to pay for costs  
14 they did not incur or avoid costs they did incur.

15  
16 **Q. Are any of the Societal Level costs and benefits applicable to the 2021 LRS Plan?**

17 A. The Societal Low-Income Impact category is intended to measure attributes such as  
18 poverty alleviation, reduced energy burden, reduced involuntary disconnections from  
19 service, and other reductions in the costs of social services. The 2021 LRS Plan is not  
20 intended to address these issues, and therefore most of this category is not applicable. To  
21 the extent this category is intended to measure local economic benefits, the 2021 LRS

1 Plan's fixed prices will result in higher or lower costs than market but provides price  
2 stability. Also, the LRS Plan provides cost effective SOS rates to compare competitive  
3 suppliers' prices, allowing customers to save money by making well-informed decisions.  
4 Additionally, seasonal rate impacts may increase energy efficiency or encourage  
5 customers to reduce usage.

6  
7 **VIII. Conclusion**

8 **Q. Does this conclude your testimony?**

9 A. Yes.



**INDEX TO SCHEDULES**

Schedule 1	Approved 2020 SOS Plan
Schedule 2	Proposed 2021 LRS Plan – Industrial, Commercial, and Residential
Schedule 3	Wholesale Loads – Historical and Forecasted
Schedule 4	Master Power Agreement (MPA)
Schedule 5	Standard Offer Service RFP Notice (Template)
Schedule 6	Standard Offer Service RFP Summary (Template)
Schedule 7	Benefit-Cost Framework Analysis



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Schedule 1A  
2020 SOS Plan

**THE NARRAGANSETT ELECTRIC COMPANY**  
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**2020 SOS Plan**

**Industrial Solicitations**

	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021
<b>NOTE:</b> Approved FRS solicitations are shown in white - 2020 SOS Plan.												
<b>Final Bid Date</b>												
2020 Q1	100%	100%	100%									
2020 Q2				100%	100%	100%						
2020 Q3							100%	100%	100%			
2020 Q4										100%	100%	100%
On-Going Spot Market Purchases	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

**Commercial Solicitations**

	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022
<b>NOTE:</b> Approved FRS solicitations are shown in white - 2020 SOS Plan.																								
<b>Final Bid Date</b>																								
2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2020 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q4													20%	20%	20%	20%	20%	20%						
On-Going Spot Market Purchases	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

**Residential Solicitations**

	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022
<b>NOTE:</b> Approved FRS solicitations are shown in white - 2020 SOS Plan.																								
<b>Final Bid Date</b>																								
2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2020 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q4													20%	20%	20%	20%	20%	20%						
On-Going Spot Market Purchases	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%



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**Schedule 1B  
SOS Plans for April 2020 through March 2022**

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4978**  
**2021 LAST RESORT SERVICE PROCUREMENT PLAN**  
**WITNESSES: RUEBENACKER AND PIERI**  
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**SOS Plans for April 2020 through March 2022**

**Commercial Solicitations**

	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022
Final Bid Date	<b>NOTE:</b>																							
	FRS solicitations that have been purchased are shown in yellow - 2019 SOS Plan.																							
	Approved FRS solicitations are shown in white - 2019 and 2020 SOS Plans.																							
	Solicitations shaded in gray are illustrative of the SOS plan.																							
2019 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%												
2019 Q2	20%	20%	20%	20%	20%	20%																		
2019 Q3	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%												
2019 Q4	20%	20%	20%	20%	20%	20%																		
2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2020 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%						
2020 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q4													20%	20%	20%	20%	20%	20%						
2021 Q1													15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2021 Q2																			20%	20%	20%	20%	20%	20%
2021 Q3																			20%	20%	20%	20%	20%	20%
On-Going	Spot	Market	Purchases																					
	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

**Residential Solicitations**

	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022
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2019 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%												
2019 Q2	20%	20%	20%	20%	20%	20%																		
2019 Q3	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%											
2019 Q4	20%	20%	20%	20%	20%	20%																		
2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2020 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%						
2020 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q4													20%	20%	20%	20%	20%	20%						
2021 Q1													15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2021 Q2																			20%	20%	20%	20%	20%	20%
2021 Q3																			20%	20%	20%	20%	20%	20%
On-Going	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Spot Market Purchases																								



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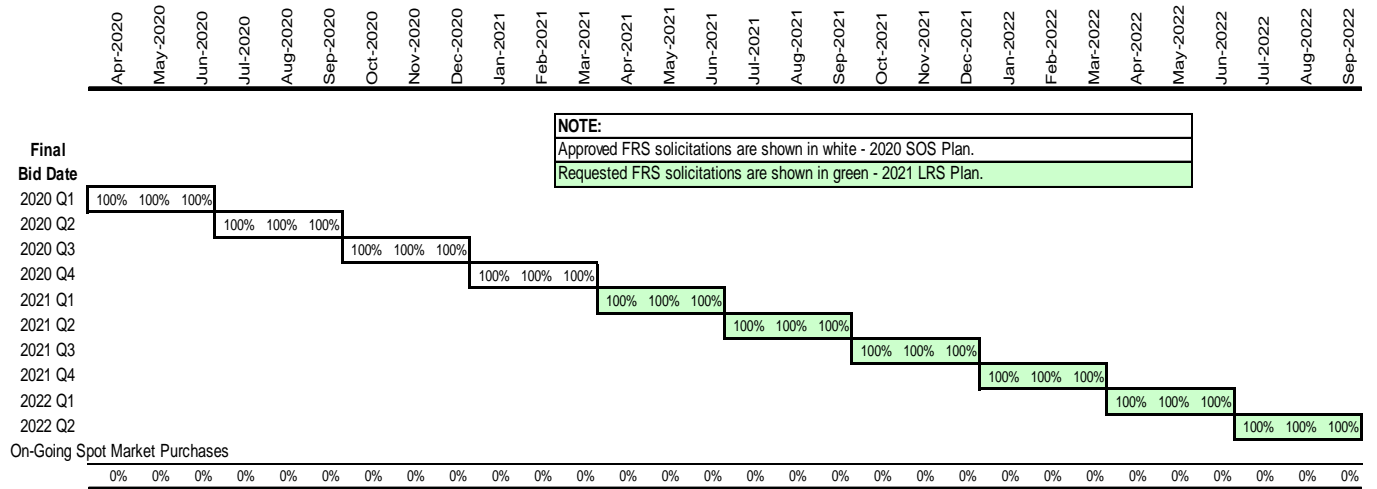
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Schedule 2A  
2021 LRS Plan  
Industrial Customers

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4978**  
**2021 LAST RESORT SERVICE PROCUREMENT PLAN**  
**WITNESSES: RUEBENACKER AND PIERI**  
**SCHEDULES**

## 2021 LRS Plan Industrial Customers

### Industrial Solicitations



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Schedule 2B  
2021 LRS Plan  
Commercial Customers

**THE NARRAGANSETT ELECTRIC COMPANY**  
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**WITNESSES: RUEBENACKER AND PIERI**  
**SCHEDULES**

## 2021 LRS Plan Commercial Customers

### Commercial Solicitations

	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023												
Final Bid Date													NOTE:																													
													Approved FRS solicitations are shown in white - 2020 SOS Plan.																													
													Requested FRS solicitations are shown in green - 2021 LRS Plan.																													
	2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%																														
	2020 Q2	20%	20%	20%	20%	20%	20%																																			
	2020 Q3	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%																														
	2020 Q4	20%	20%	20%	20%	20%	20%																																			
	2021 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%												
	2021 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%																								
	2021 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%												
2021 Q4													20%	20%	20%	20%	20%	20%																								
2022 Q1													15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%											
2022 Q2																			20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%								
2022 Q3																			20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%								
2022 Q4																									20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2023 Q1																									15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
On-Going Spot Market Purchases	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%												

**NOTE:**

Approved FRS solicitations are shown in white - 2020 SOS Plan.

Requested FRS solicitations are shown in green - 2021 LRS Plan.

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4978  
2021 LAST RESORT SERVICE PROCUREMENT PLAN  
WITNESSES: RUEBENACKER AND PIERI  
SCHEDULES**

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Schedule 2C  
2021 LRS Plan  
Residential Customers



**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
RIPUC DOCKET NO. 4978  
2021 LAST RESORT SERVICE PROCUREMENT PLAN  
WITNESSES: RUEBENACKER AND PIERI  
SCHEDULES**

**2021 LRS Plan  
Residential Customers**

**Residential Solicitations**

	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023
<b>Final</b>																														
<b>Bid Date</b>																														
2020 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2020 Q2	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q3	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2020 Q4	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2021 Q1	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2021 Q2							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2021 Q3							20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2021 Q4													20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2022 Q1													15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
2022 Q2																				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2022 Q3																				20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
2022 Q4																														
2023 Q1																									20%	20%	20%	20%	20%	20%
On-Going Spot Market Purchases	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%

**NOTE:**

Approved FRS solicitations are shown in yellow - 2020 SOS Plan.

Requested FRS solicitations are shown in green - 2021 LRS Plan.



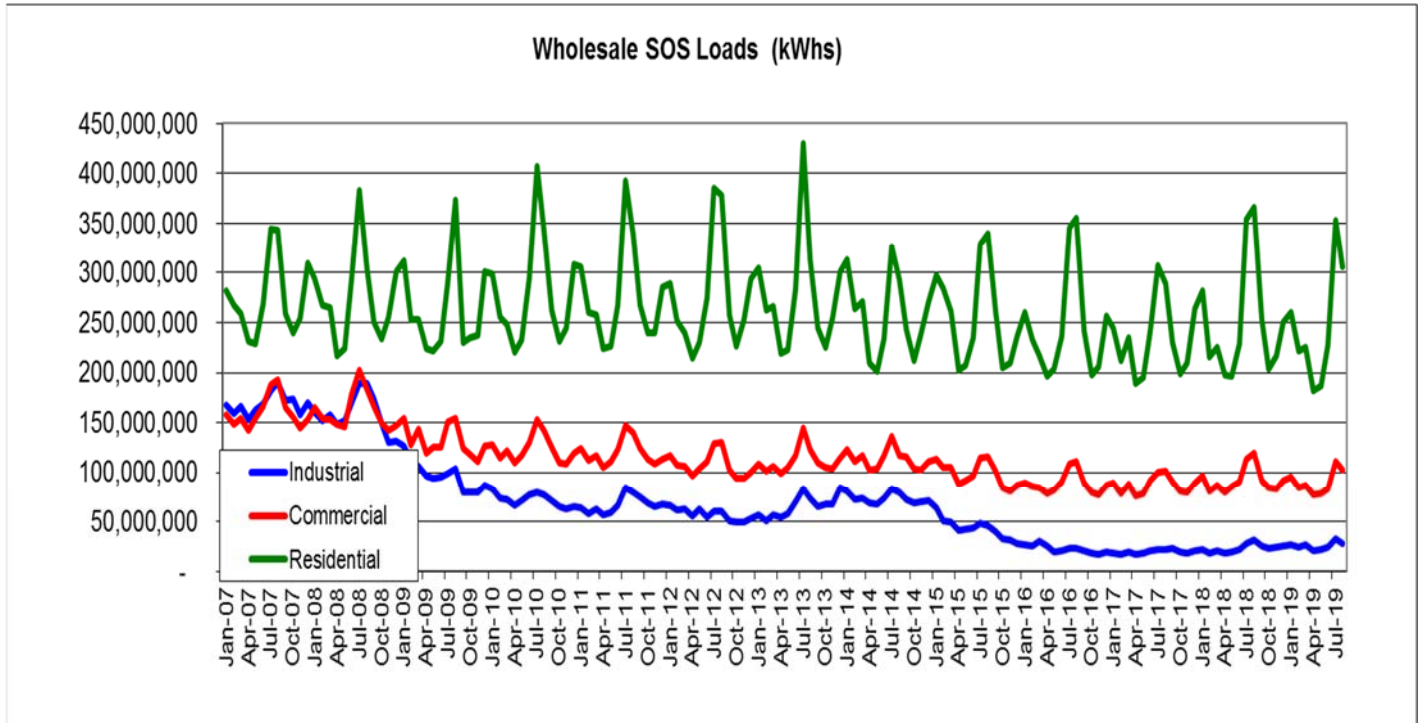
**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a NATIONAL GRID  
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2021 LAST RESORT SERVICE PROCUREMENT PLAN  
WITNESSES: RUEBENACKER AND PIERI  
SCHEDULES**

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**Schedule 3A  
Historical Wholesale Loads**

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4978**  
**2021 LAST RESORT SERVICE PROCUREMENT PLAN**  
**WITNESSES: RUEBENACKER AND PIERI**  
**SCHEDULES**

## Historical Wholesale Loads



	Wholesale Loads (GWhs)											
	Standard Offer Load				Competitive Supply Load				Total Load			
	Industrial	Commercial	Residential	Total	Industrial	Commercial	Residential	Total	Industrial	Commercial	Residential	Total
2007	2,025	1,921	3,286	7,232	871	255	6	1,132	2,895	2,176	3,292	8,363
2008	1,903	1,937	3,287	7,127	921	219	6	1,146	2,825	2,157	3,293	8,275
2009	1,158	1,582	3,163	5,903	1,528	471	11	2,010	2,686	2,053	3,174	7,913
2010	867	1,482	3,347	5,696	1,853	676	17	2,546	2,720	2,158	3,364	8,242
2011	810	1,439	3,305	5,554	1,865	700	35	2,600	2,675	2,140	3,341	8,156
2012	687	1,292	3,294	5,273	1,994	713	54	2,761	2,681	2,005	3,348	8,034
2013	789	1,337	3,326	5,452	1,875	719	89	2,683	2,664	2,056	3,415	8,135
2014	883	1,358	3,076	5,317	1,740	727	202	2,669	2,622	2,085	3,278	7,985
2015	520	1,183	3,070	4,773	2,040	924	282	3,246	2,560	2,107	3,352	8,019
2016	271	1,062	2,949	4,282	2,269	1,020	383	3,672	2,541	2,082	3,332	7,955
2017	237	1,045	2,816	4,098	2,258	992	394	3,644	2,495	2,037	3,210	7,742
2018	279	1,104	2,986	4,369	2,207	969	368	3,544	2,486	2,074	3,355	7,915

**Schedule 3B  
Forecasted Wholesale Loads**

**THE NARRAGANSETT ELECTRIC COMPANY**  
**d/b/a NATIONAL GRID**  
**RIPUC DOCKET NO. 4978**  
**2021 LAST RESORT SERVICE PROCUREMENT PLAN**  
**WITNESSES: RUEBENACKER AND PIERI**  
**SCHEDULES**

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Forecasted Wholesale Loads

<b>LRS PROCUREMENT GROUPS (MWhs)</b>				
		Industrial	Commercial	Residential
Jan	2021	21,450	91,639	254,506
Feb	2021	18,880	79,935	210,338
Mar	2021	20,919	88,055	222,225
Apr	2021	19,047	77,592	174,421
May	2021	19,611	82,028	170,998
Jun	2021	22,199	86,803	203,402
Jul	2021	28,903	108,927	293,149
Aug	2021	32,283	117,095	307,434
Sep	2021	21,526	90,429	213,268
Oct	2021	17,558	80,670	171,472
Nov	2021	19,544	82,215	194,387
Dec	2021	21,338	87,692	239,401
Total		263,257	1,073,079	2,655,002



**Schedule 4  
Master Power Agreement (MPA)**



## RHODE ISLAND MASTER POWER AGREEMENT

This **MASTER POWER AGREEMENT**- (“Master Power Agreement”) is dated as of [date] and is by and between **THE NARRAGANSETT ELECTRIC COMPANY**, a Rhode Island corporation (“Buyer”) and [Company], a [what] (“Seller”). This Master Power Agreement provides for the sale by Seller of Standard Offer Service, as defined herein, to the Buyer. Buyer and Seller are referred to herein individually as a “Party” and collectively as the “Parties”.

### **ARTICLE 1. BASIC UNDERSTANDINGS**

Seller and Buyer have agreed to execute this Master Power Agreement in order to establish the basic terms of Seller’s provision and sale of, and Buyer’s acceptance and purchase of, Standard Offer Service. This Master Power Agreement, together with the Appendices and written supplements (including any Confirmations) hereto, and any designated collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions (as defined in Article 2), shall be referred to as the “Agreement” and shall constitute the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such subject matter but specifically excluding written agreements executed by the Parties prior to the Effective Date.

### **ARTICLE 2. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings specified in this Article. In addition, except as otherwise expressly provided, terms with initial capitalization used in this Agreement and not defined herein shall have the meaning as defined in the NEPOOL Rules.

**Affiliate** means, with respect to any Party, any entity (other than a person) that, directly or indirectly, controls, or is controlled by, or is under common control with, such Party. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

**Aggregate RES Requirement** means the total of the RES Requirement for each calendar month during a Delivery Term in which there is an RES Requirement in a Transaction.

**Alternative Compliance Payment Rate means** the value as published by the Rhode Island Public Utilities Commission in accordance with Section 3.2 of the RES Regulations.

**Award Block** means the numerical designation, for administrative purposes only, as may be set forth on a Confirmation to identify Customer Groups to be served from and including the Commencement Date through the Conclusion Date and the associated Load Asset Number and Load Asset Name, or other information as may be associated therewith in a Confirmation.

**Bid Proxy Price** means, the product of (a) the Reference New England Internal Hub Price as set forth in the Confirmation for the applicable Transaction, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor.

**Business Day** means a 24-hour period ending at 5:00 p.m. EPT, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Providence, Rhode Island are authorized by law or other governmental action to close.

**Buyer** has the meaning set forth in the preamble of this Master Power Agreement, along with any successors, assigns, employees, agents and authorized representatives thereof.

**Buyer's Service Territory** means the geographic area served by The Narragansett Electric Company including the service territory formerly served by Blackstone Valley Electric Company and Newport Electric Corporation which has been merged with and into The Narragansett Electric Company.

**Buyer's System** means the electrical transmission and distribution system of the Buyer and the electrical transmission and distribution system of any Affiliate of the Buyer.

**Capacity Charges** means any [current or future](#) ISO capacity ~~costs~~[charges or credits](#) associated with providing Requirements as set forth in the Confirmation for the applicable Transaction as applicable to a month or period in the Delivery Term.

**CME Group** means the [CME Group Inc., its successors and assigns.](#)

**Commencement Date** means the period at HE 0100 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

**Commercial Contract Rate** means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month or period in the Delivery Term.

**Commercial Customer Group** means Narragansett's customers in the General C&I Rate G-02, Small C&I Rate C-06, Decorative Street and Area Lighting Rate S-06, Limited Private Lighting Rate S-10, and General Streetlighting Rate S-14 retail rate classes, or such other rate classes as may be added from time to time.

**Commission** means the Federal Energy Regulatory Commission, or its successor.

**Commodity Business Day** means Monday through Friday, excluding NERC Holidays.

**Competitive Supplier Terms** means Narragansett's Terms and Conditions for Nonregulated Power Producers, R.I.P.U.C. No. 1191, as may be amended from time to time and approved by the PUC.

**Conclusion Date** means the period at HE 2400 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

**Confirmation** means a confirmation that is mutually agreed to and executed by the Parties, which may be in the form set forth in Appendix B or in a form otherwise agreed to by the

Parties, such document to serve as a supplement or modification of this Master Power Agreement with respect to a specific Transaction.

**Confirmation Term** means, for the applicable Transaction, the period beginning as of the effective date set forth in a Confirmation and continuing through to the date both Parties have fulfilled all of their obligations with respect to such Transaction.

**Contract Rate** has the meaning set forth in the Confirmation for the applicable Transaction.

**Credit Rating** means, with respect to a Party (or its Credit Support Provider, as the case may be) or entity, on any date of determination, (1) the ratings assigned by Moody's, S&P and/or the other specified rating agency or agencies to such Party's (or its Credit Support Provider's, as the case may be) or entity's unsecured, senior, long-term debt not supported by third party credit enhancement, or (2) if the applicable entity does not have such a rating, then the rating assigned to such entity by Moody's and/or S&P as its corporate credit rating or issuer rating, or (3) if the applicable entity is a financial institution, its unsecured, unsubordinated, long-term deposits by Moody's, S&P and/or the other specified rating agency or agencies. In the event of an inconsistency in ratings by the rating agencies (a "split rating"), the lowest rating assigned shall control.

**Credit Support Annex or CSA** means the credit support annex mutually agreed to and executed by the Parties, in the form set forth as Appendix D hereto and incorporated by reference herein.

**Credit Support Provider** means the entity providing a guaranty substantially in the form set forth in Appendix C of this Master Power Agreement guaranteeing the financial obligations of a Party for the benefit of the other Party.

**Customer Disconnection Date** means the date when a Standard Offer Service Customer is disconnected from service, as determined by the Buyer in accordance with the Distribution Service Terms.

**Customer Group** means Buyer's customers who receive Standard Offer Service in the Industrial Customer Group, the Commercial Customer Group, and/or the Residential Customer Group corresponding to each of the foregoing customer groups as specified on the Confirmation for the applicable Transaction.

**Customer Termination Date** means the date when a Standard Offer Service Customer ceases to take service under the Standard Offer Service Tariff, each date as determined by the Buyer in accordance with the Distribution Service Terms.

**Daily Proxy Settlement Amount** means, for a given day, the product of (a) the Expected Daily Load and (b) the Proxy Price for such day minus the Bid Proxy Price.

**Delivered Energy** means the quantity of energy, expressed in megawatt-hours, provided by Seller with respect to a specific Transaction. This quantity shall be the sum of the quantity of energy reported to the ISO by the Buyer for each of the Load Assets identified in a specific Transaction, with such quantity determined by the Buyer in accordance with Section 6.3 of this Master Power Agreement. Such quantity shall not include any allocation of PTF losses (which the ISO may assess to Seller in relation to such energy) but shall include transmission and

distribution losses on the Buyer's System from the Delivery Point to the meters of Standard Offer Service Customers.

**Delivery Point** means, for each Load Asset (x) identified in or in accordance with a specific Transaction and (y) as set forth in the Confirmation related to a specific Transaction (i) the Nodes at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the registered Load Assets representing the physical loads of Standard Offer Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads With Nodes"), for any period and in any location in which there are Loads With Nodes and the ISO requires use of Nodes for Real-Time Load Obligations, or (ii) the Load Zones at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the Load Assets representing the physical loads of Standard Offer Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads with Zones") if (a) the ISO does not require use of Nodes for Real-Time Load Obligations and (b) the use of Loads with Zones in a calculation of ISO settlement charges and costs yields the same mathematical result as a calculation thereof using Loads with Nodes; or (iii) in the event of neither (i) nor (ii), Loads with Nodes and, in any location in which there are no Loads with Nodes, Loads with Zones.

**Delivery Term(s)** means the period(s) set forth in the Confirmation for a particular Transaction for the respective Standard Offer Service designations, beginning on at the top of the HE 01:00 EPT on the Commencement Date (set forth in the applicable Confirmation) and continuing through and including the end of HE 24:00 EPT on the Conclusion Date.

**Distribution Service Terms** means Narragansett's Terms and Conditions, R.I.P.U.C. No. [11972217](#), as may be amended from time to time and approved by the PUC.

**Effective Date** means the date that this Master Power Agreement is executed by all Parties.

**EPT** means Eastern Prevailing Time.

**Existing Renewable Energy Resource** means as defined in Section 3.10 of the RES Regulations.

**Governing Documents** means, with respect to any particular entity, (a) if a corporation, the (i) articles of organization, articles of incorporation or certificate of incorporation and (ii) the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or formation and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any entity or relating to the rights, duties and obligations of the equity holders of any entity; and (g) any amendment or supplement to any of the foregoing.

**Industrial Contract Rate** means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

**Industrial Customer Group** means Narragansett's customers in the 200 kW Demand Rate G-32, ~~3,000 kW Demand Rate G-62~~, Backup Service Rates B-32 ~~and B-62~~, and Electric Propulsion Rate X-01 retail rate classes, or such other rate classes as may be added from time to time.

**Initiation Date** means the date a retail customer of the Buyer begins taking service pursuant to the Standard Offer Service Tariff as determined by the Buyer in accordance with the Distribution Service Terms.

**Interest Rate** means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

**Investment Grade** means (i) if any entity has a Credit Rating from both S&P and Moody's then, a Credit Rating from S&P equal to "BBB-" and a Credit Rating from Moody's equal to "Baa3"; or (ii) if an entity has a Credit Rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to "BBB-" or a Credit Rating from Moody's equal to "Baa3 or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then a credit rating equal to that mutually agreed to in writing by the Parties in each Party's sole and exclusive judgment.

**ISO** means ISO New England Inc., authorized by the Commission to exercise for New England the functions required pursuant to the Commission's Order No. 2000 (and its progeny) and the Commission's regulations, and any successor organization (including but not limited to a Regional Transmission Organization.).

**ISO New England Operating Documents** means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.

**ISO Tariff** means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended, modified, superseded and supplemented from time to time, and including the Market Rules and Procedures.

~~ISO New England Operating Documents means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.~~

**Locational Marginal Pricing** means as set forth in the Market Rules and Procedures.

**Market Rules and Procedures** means the Market Rules, Manuals and Procedures adopted by the ISO and/or NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets.

**Material Adverse Effect** means, with respect to a Party, any change in or effect on such Party after the date of this Agreement that is materially adverse to the transactions contemplated hereby, excluding any change or effect resulting from (a) changes in the international, national, regional or local wholesale or retail markets for electric power; (b) changes in the international, national, regional or local markets for any fuel; (c) changes in the North American, national,

regional or local electric transmission or distribution systems; and (d) any action or inaction by a governmental authority, but in any such case not affecting the Parties or the transactions contemplated hereby in any manner or degree significantly different from others in the industry as a whole.

**Moody's** means Moody's Investors Service, its successors and assigns.

**MWh** means Megawatt-hour.

**NEPOOL** means the New England Power Pool, or its successor.

**NEPOOL Agreement** means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.

**NEPOOL-GIS** means the NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

**NEPOOL-GIS Certificates** means a document produced by the NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL-GIS from a generation unit.

~~**NEPOOL** means the New England Power Pool, or its successor.~~

~~**NEPOOL Agreement** means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.~~

**NEPOOL Rules** means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.

**NERC** means the North American Electric Reliability Corporation.

~~**Net Worth** means total assets, exclusive of intangible assets, less total liabilities, as reflected on the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of the Seller.~~

**New England Internal Hub Price** means for each day remaining in the current calendar month and each day in all future calendar months during the term of this Transaction : (A) the sum of (x) the product of the applicable On-Peak ISO New England Internal Hub Price times the number of On-Peak Hours in such day and (y) the product of the applicable Off-Peak New



England Internal Hub Price times the number of Off-Peak hours in such day and (B) then divided by twenty four (24).

**New Renewable Energy Resource** means as defined in Section 3.23 of the RES Regulations.

~~NYMEX means the New York Mercantile Exchange, Inc., its successors and assigns,~~

**Off-Peak Hour** means any hour that is not an On-Peak Hour.

**Off-Peak ISO New England Internal Hub Price** means, in a given month, the ISO New England Off-Peak LMP Swap price as published by ~~NYMEX~~CME Group on a Valuation Date and represented by the ~~NYMEX~~CME Group trading symbol ~~KHU6, or its successor.~~

**On-Peak Hour** means Hour Ending (“HE”) 08:00 EPT through HE 23:00 EPT on any Commodity Business Day.

**On-Peak ISO New England Internal Hub Price** means, in a given month, the ISO New England Internal Hub Peak LMP Swap price as published by ~~NYMEX~~CME Group on a Valuation Date and represented by the ~~NYMEX~~CME Group trading symbol ~~NH2, or its successor.~~

**PUC** means the Rhode Island Public Utilities Commission, or its successor.

**Proxy Price** means, for a given day, the product of (a) the New England Internal Hub Price for such day, (b) the Resulting Bid Factor for a calendar month, and (c) the Adjustment Factor.

**PTF** means facilities categorized as Pool Transmission Facilities under the ISO Tariff.

~~**Requirements** means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt-hours to meet the needs of Standard Offer Service Customers during the Delivery Term.~~

**RES** means Renewable Energy Standard.

**RES Regulations** means the Rules and Regulations Governing The Implementation Of A Renewable Energy Standard promulgated pursuant to the Renewable Energy Standard Law Section 39-26-1 et seq. of the General Laws of Rhode Island that implement a Renewable Energy Standard to facilitate the development of renewable energy resources for the benefit of customers in Rhode Island.

**RES Requirement** means the quantity of New Renewable Energy Resource NEPOOL-GIS Certificates and Existing Renewable Energy Resource NEPOOL-GIS Certificates to be provided by Seller as set forth in the Confirmation for a specific Transaction, if any.

**Residential Contract Rate** means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month or period in the Delivery Term.

**Residential Customer Group** means Narragansett’s customers in the Basic Residential Rate A-16 and Low Income Discount Rate A-60 retail rate classes, or such other rate classes as may be added from time to time.

**Resulting Bid Factor** means (A) the Contract Rate in a calendar month divided by (B) the Reference New England Internal Hub Price for the same calendar month.

~~**Requirements** means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt hours to meet the needs of Standard Offer Service Customers during the Delivery Term.~~

**RI Load Zone** means the Rhode Island Reliability Region as defined in the NEPOOL Rules.

**S&P** means Standard & Poor's Rating Group, its successors and assigns.

**Standard Offer Service** means the provision of Requirements by Seller at the Delivery Point to Narragansett to meet all needs of Standard Offer Service Customers.

**Standard Offer Service Customer(s)** means, for a specific Transaction, the customers in each Customer Group set forth in the applicable Confirmation taking service pursuant to the Standard Offer Service Tariff.

**Standard Offer Service Tariff** means Narragansett’s Tariff for Standard Offer Service, R.I.P.U.C. No. [20112202](#), as may be amended from time to time and approved by the PUC.

**Term** means as defined in Section 3.1.

**Transaction** means a particular transaction agreed to by Buyer and Seller relating to the purchase and sale of Standard Offer Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by Buyer and Seller setting forth the specific terms and conditions thereof.

### **ARTICLE 3. TERM, SERVICE PROVISIONS AND REGISTRATION REQUIREMENTS**

#### **Section 3.1 Term**

The term of this Master Power Agreement (the “Term”) shall commence on the Effective Date and shall continue in effect until the earlier of (i) its termination by any Party upon thirty (30) days’ prior written notice and (ii) its termination in accordance with Subsection 7.2(a); provided, however, that such termination shall not affect or excuse the performance of any Party under any provision of this Master Power Agreement that by its terms or operation survives any such termination and, provided further, that this Master Power Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s). As of the termination of this Master Power Agreement, subject to the immediately foregoing sentence, and subject to any time limits specifically set forth in this Master Power Agreement or in a Confirmation, the Parties



shall no longer be bound by the terms and provisions hereof, except (a) to the extent necessary to enforce the rights and obligations of the Parties arising under this Master Power Agreement before such expiration or termination or (b) that such terms and provisions expressly or by their operation survive the termination or expiration of this Master Power Agreement.

### Section 3.2 Commencement of Supply

(a) Beginning as of the Commencement Date for each specific Customer Group in a specific Transaction, Seller shall provide Requirements to the Buyer. For purposes of certainty: Seller's obligations on the Commencement Date shall be to provide Requirements for all Standard Offer Service Customers identified in the related Confirmation taking service as of and including the Commencement Date.

(b) With respect to each person or entity that becomes a Standard Offer Service Customer subsequent to the applicable Commencement Date, Seller shall provide Requirements to the Buyer to meet the needs of the Standard Offer Service Customer(s) as of and including the Initiation Date for such customer initiating such service during the applicable Delivery Term.

(c) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Initiation Date via electronic file transfer and in a format specified by the Buyer. Each notice of Initiation Date shall include the account number, the date Seller's service to the Buyer is to begin for a Standard Offer Service Customer and the customer's rate class.

### Section 3.3 Termination and Conclusion of Supply

(a) With respect to each Standard Offer Service Customer that terminates Standard Offer Service during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Termination Date but shall not provide Requirements for such customer after the Customer Termination Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Termination Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Termination Date shall include the account number, the Customer Termination Date and the customer's rate class.

(c) Seller's obligation to provide Requirements with respect to each specific Customer Group in a specific Transaction shall cease at the applicable Conclusion Date.

### Section 3.4 Customer Disconnection Date

(a) With respect to each Standard Offer Service Customer whose Standard Offer Service is disconnected during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Disconnection Date but shall not provide Requirements for such customer after the Customer Disconnection Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, The Buyer shall provide to Seller a notice of Customer Disconnection Date via electronic file transfer

and in a format specified by the Buyer. Each notice of Customer Disconnection Date shall include the account number, the Customer Disconnection Date and the customer's rate class.

### Section 3.5 Distribution Service Interruptions

Seller acknowledges that interruptions in distribution service occur and may reduce the load served hereunder. Seller further acknowledges and agrees that the Buyer may interrupt distribution service to customers consistent with the Distribution Service Terms and the Competitive Supplier Terms. In no event shall a Party have any liability or obligation to the other Party in respect of any such interruptions in distribution service.

### Section 3.6 Release of Customer Information

The Buyer will not issue any customer information to Seller unless Seller has first obtained the necessary authorization in accordance with the provisions of the Competitive Supplier Terms.

### Section 3.7 Electronic Notification

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol ("FTP"), files with Pretty Good Privacy ("PGP"), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt.

### Section 3.8 Change in Supply; No Prohibition on Programs

(a) Seller acknowledges and agrees that the number of customers and the Requirements to meet the needs of such customers will fluctuate throughout the Delivery Term and may equal zero. The Buyer shall not be liable to Seller for any losses Seller may incur, including but not limited to lost revenues, and losses that may result from any change in Requirements, number or location of customers taking service, the location of the Delivery Point(s), the composition or components of market products or Requirements, or the market for electricity, or change in the Distribution Service Terms or the Standard Offer Service Tariff. Seller further acknowledges and agrees that there is no limit on the number of Customer Initiation Dates, Customer Termination Dates and Customer Disconnection Dates.

(b) Seller acknowledges and agrees that the Buyer has the right but not the obligation to continue, initiate, support or participate in any programs, promotions, or initiatives designed to or with the effect of encouraging customers to leave Standard Offer Service for any reason ("Programs"). Nothing in this Agreement shall be construed to require notice to or approval of Seller in order for the Buyer to take any action in relation to Programs.

(c) Seller acknowledges and agrees that the Buyer and Affiliates of the Buyer will not provide Seller preferential access to or use of the Buyer's System and that Seller's sole and exclusive rights and remedies with regard to access to, use or availability of the Buyer's System, and the Buyer's or Affiliates of the Buyer's obligation to transmit electricity are those rights, remedies and obligations provided under the Distribution Service Terms or the NEPOOL Rules.

### Section 3.9 Uniform Disclosure Requirements

Seller shall provide the Buyer information pertaining to power plant emissions, fuel types, labor information and any other information required by the Buyer to comply with the uniform disclosure requirements contained in R.I.G.L. Section 39-26-9 and any other disclosure regulations which may be imposed upon the Buyer during the term of this Agreement, as such disclosure requirements apply to Standard Offer Service provided by Seller pursuant to this Agreement.

Seller shall utilize the NEPOOL-GIS to transfer Load Obligations or NEPOOL-GIS Certificates, as applicable, to the Buyer's certificate account in the number equal to the Delivered Energy for Standard Offer Service in a month during the term of a Transaction. Such Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller at least five (5) Business Days prior to the close of the applicable Trading Period. The Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller to an account within the NEPOOL-GIS designated by the Buyer.

## **ARTICLE 4. SALE AND PURCHASE**

### Section 4.1 Provision Delivery and Receipt

With respect to each Transaction, Seller shall provide and deliver to the Delivery Point and the Buyer shall receive at the Delivery Point the percent of the Requirements applicable to each Customer Group during the Delivery Term, all as set forth in the Confirmation related to such Transaction.

### Section 4.2 Responsibilities

(a) The Buyer shall arrange with the ISO for transmission service over the PTF and non-PTF from and after the Delivery Point to the customers' meters. The Buyer shall be responsible for all transmission costs over the PTF and non-PTF from the Delivery Point to the meters of the Buyer's customers. Seller shall be responsible for all transmission and distribution costs associated with the delivery of Requirements to and including the Delivery Point except the transmission costs otherwise provided for in this paragraph.

(b) Seller shall be responsible for all decisions and data submissions associated with the Ownership Share of the Load Assets in ARTICLE 6, Section 6.4 including any bids into the market system to manage these obligations.

(c) Seller shall be responsible for all present and future obligations, requirements, and costs associated with the Requirements and/or Seller's provision thereof, whether system wide or locational based including, but not limited to, the real-time load obligations, capacity obligations and/or charges( including but not limited to installed capacity, unforced capacity, locational installed capacity, locational unforced capacity, forward capacity market obligations, forward capacity market transition payment obligations), regulation obligations and/or charges (including any regulation opportunity costs), operating reserve obligations and/or charges (including, but not limited to, (w) any real-time reserve charges, (x) any forward reserve charges, (y) any

charges associated with reserve constraint penalty factors, and (z) net commitment period compensation (“NCPC”) charges (other than monthly fixed-cost charges paid to resources pursuant to reliability agreements negotiated under Market Rule 1 Appendix A, Section III.A.6 and Exhibit 2)), emergency energy charges, inadvertent energy revenue charges, ISO Schedule 1 charges (other than ISO Schedule 1 charges that are both (i) associated with the Buyer’s Regional Network Service and (ii) allocated on the basis of Regional Network Load), ISO Schedule 2 charges, ISO Schedule 3 charges, day-ahead energy market charges, and real-time energy market charges at the nodes, if any, and if none, the zones representing the actual locations of the meters of the Standard Offer Service Customers, and any other requirements, market products, expenses and charges imposed by NEPOOL or the ISO, as they may be in effect from time to time related to the provision and/or delivery of Requirements to and including the Delivery Point. Except as otherwise specifically excluded in this paragraph, Seller’s responsibility for costs and charges shall be without regard to the manner in which they are allocated by NEPOOL or the ISO.

(d) Seller shall be responsible for all costs and components thereof of any Locational Marginal Prices to provide Standard Offer Service (during the applicable Delivery Term), including its delivery to the Delivery Point. These components include the energy component, loss component, and congestion component.

(e) Seller shall be responsible for all congestion charges for delivery to the actual meters of Standard Offer Service Customers (during the applicable Delivery Term).

(f) Seller shall utilize the NEPOOL-GIS to transfer the quantity of NEPOOL-GIS Certificates from New or Existing Renewable Energy Resources equal to the RES Requirement to the account within the NEPOOL-GIS designated by the Buyer. Seller may satisfy the Aggregate RES Requirement at any time during the Delivery Term for a Confirmation provided such delivery occurs at least five (5) Business Days prior to the close of the applicable Trading Period associated with the Delivery Term; provided further, however, that the total number of NEPOOL-GIS Certificates from New or Existing Renewable Energy Resources shall not exceed the Aggregate RES Requirement for a Transaction.

(g) Seller shall notify Buyer within one Business Day of receipt of notice of termination from the ISO or event of default or similar occurrence under the Market Participant Service Agreement.

## **ARTICLE 5. AMOUNT, BILLING and PAYMENT**

### **Section 5.1 Amount**

The amount payable by the Buyer to Seller shall be the sum of the amounts due under all applicable Transactions.

### **Section 5.2 Billing and Payment**

(a) ~~On or before the tenth (10th) day of each month during the Term,~~ Seller shall calculate the amount due and payable to Seller pursuant to Section 5.1 of the Master Power Agreement and Section 4 of a Confirmation with respect to the preceding month (the

"Calculation"). Seller shall submit the Calculation to the Buyer on or before the tenth (10th) day of each month during the Term; provided, however, that with respect to the Capacity Charges, Seller shall calculate and submit that portion of the Calculation on or before the later of (i) the tenth (10th) day of each month during the Term, and (ii) two (2) Business Days after Seller's receipt from the ISO of the applicable settlement reports related to Capacity Charges ("ISO Capacity Settlement Report(s))" for such month. Seller shall provide the Calculation to the Buyer and such Calculation shall include sufficient detail for the Buyer to verify its formulation and computation. Seller shall also include copies of ISO certain portion(s) of the settlement reports ~~associated with the Seller receives from the ISO that specifically relate to Buyer's~~ Capacity Charges. Calculations under this paragraph shall be subject to recalculation in accordance with Article 6 and this Section 5.2(a) and shall be subject to adjustment (positive or negative) based upon such recalculation (a "Reconciliation Adjustment"). Seller shall promptly calculate the Reconciliation Adjustment upon receiving data described in Section 6.3 and any updated ISO Capacity Settlement Report(s) for such month and shall include the adjustment, if any, in the next month's Invoice. A Reconciliation Adjustment based upon a change in the quantity for an earlier month shall be calculated using the applicable Contract Rate for the month in which the Delivered Energy was received.

(b) Seller shall submit to ~~the Buyer~~ an invoice concurrently with ~~such Seller's submission of the~~ Calculation as provided for set forth in paragraph (a) of this Section ~~(the "Invoice")~~, an invoice reflective of such Calculation and the respective amounts due under this Master Power Agreement ~~not later than the tenth (10th) day of each (the "Invoice") for such month. The during the Term.~~ Buyer shall pay Seller the amount of the Invoice (including the Reconciliation Adjustment, if any, as a debit or credit) less any amounts disputed in accordance with Section 5.3, on or before the later of the twentieth (20th) day of the month or ten (10) Business Days ~~after receiving the Invoice (the "Due Date").~~ Except for amounts disputed in accordance with Section 5.3, if all or any part of the Invoice remains unpaid after the Due Date, interest shall accrue after but not including the Due Date and be payable to Seller on such unpaid amount at the Interest Rate in effect on the Due Date. ~~The Due Date for a Reconciliation Adjustment shall be the Due Date of the Invoice in which it is included.~~

(c) Each Party shall notify the other Party upon becoming aware of an error in an Invoice, Calculation or Reconciliation Adjustment (whether the amount is paid or not) and Seller shall promptly issue a corrected Invoice. Overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent invoices, with interest accrued at the Interest Rate from the date of the receipt of the overpayment until the date paid or deducted.

### Section 5.3 Challenge to Invoices

Unless otherwise agreed: (i) either Party may challenge, in writing, the accuracy of Calculations, Invoices or Reconciliation Adjustments (or the data utilized in the forgoing) no later than twenty-four (24) months after the Due Date of the Invoice in which the disputed information is contained; (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such Invoice shall be binding upon that Party and shall not be subject to challenge. If an Invoice is paid and thereafter the payment or the Invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other

Party, it shall be paid or returned (as the case may be) to the other Party within three (3) Business Days of such determination along with interest accrued at the Interest Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned.

#### Section 5.4 Taxes, Fees and Levies

Seller shall be obligated to pay all present and future taxes, fees and levies (“Taxes”) which may be assessed by any entity upon the Seller's performance under this Agreement including but not limited to the purchase and sale of Requirements and both Existing and New Renewable Energy Resource NEPOOL-GIS Certificates to the Buyer, if any. Seller shall pay all Taxes with respect to the Requirements up to and at the Delivery Point, and the Buyer will pay all Taxes with respect to the Requirements after the Delivery Point. All Requirements, including electricity and other related market products delivered hereunder by Seller to the Buyer shall be sales for resale with the Buyer reselling such electricity and products.

#### Section 5.5 Netting and Setoff

Except for security provided pursuant to this Agreement (which shall not be considered for purposes of this Section 5.5) and unless otherwise specified in another agreement between the Parties, if the Parties are required to pay an amount on the same date each to the other under this Agreement or any other agreement between the Parties, or if any costs that are a Party's responsibility under this Agreement are incorrectly or inappropriately charged to the Party by the ISO, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein or therein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Agreement or the other agreement. Further, if the Buyer incurs any costs or charges that are the responsibility of Seller under this Agreement, such costs or charges may, at the Buyer's election, be netted against any amount due to Seller under this Agreement. All outstanding obligations to make payment under this Agreement or any other agreement between the Parties may be netted against each other, set off or recouped therefrom, or otherwise adjusted.

### **ARTICLE 6.           QUALITY; LOSSES and QUANTITIES REQUIRED; DETERMINATION AND REPORTING OF HOURLY LOADS**

#### Section 6.1 Quality

All electricity shall be delivered to the Buyer in the form of three-phase sixty-hertz alternating current at the Delivery Point.

#### Section 6.2 Losses

Seller shall be responsible for all transmission and distribution losses and the costs related to such losses and associated with the Requirements, namely, losses from the Delivery Point to the meters of the Standard Offer Service Customers. Seller shall provide to the Buyer at the Delivery Point quantities of electricity and ancillary services, capacity and all other market products related thereto to cover such losses from the Delivery Point to the meters of Standard

Offer Service Customers. The quantities required for this purpose in each hour of a billing period shall be determined in accordance with ISO's and the Buyer's procedures for loss determination.

### Section 6.3 Determination and Reporting of Hourly Loads

(a) The Buyer will estimate the Delivered Energy for Standard Offer Service provided by Seller pursuant to each Transaction based upon average load profiles developed for each of the Buyer's customer classes and the Buyer's actual total hourly load. The Buyer shall report to the ISO and Seller, the estimated Delivered Energy for each Transaction. The Buyer will normally report to the ISO and to Seller Seller's estimated Delivered Energy by 1:00 P.M. EPT of the second following Business Day. Appendix A provides a general description of the estimation process that the Buyer will initially employ (the "Estimation Process"). The Buyer shall have the right but not the obligation, in its sole and exclusive judgment, to modify the Estimation Process from time to time, provided that any such modification is designed with the objective of improving the accuracy of the Estimation Process.

Each month, the Buyer shall reconcile the Buyer's estimate of the Delivered Energy for each Transaction based upon the Buyer's meter reads (such meter reads as provided for in the Distribution Service Terms). The reconciliation, including all losses, shall be the adjusted Delivered Energy. The Buyer will normally notify the ISO of any resulting adjustment (debit or credit) to Seller's account for the Load Assets (set forth in a specific Confirmation) no later than the last day of the third month following the billing month. Appendix A provides a general description of this reconciliation process, which process may be changed by the Buyer from time to time in its sole and exclusive discretion.

### Section 6.4 ISO Settlement Market System Implementation

As soon as possible after the execution of a Confirmation related to a specific Transaction and before the applicable Commencement Date, the Buyer shall assign to Seller, and Seller shall accept assignment of an Ownership Share for each Load Asset in such Confirmation. Such assignment shall be effective beginning on the applicable Commencement Date. Seller shall maintain such ownership until the Conclusion Date (or, if earlier, the termination date established in accordance with 7.2(a)). Seller shall take any and all actions necessary to effectuate such assignment and, if applicable in accordance with the foregoing, transfer, including executing documents required by the ISO. Once Seller's provision of Standard Offer Service terminates (effective as of the minute after the Conclusion Date or, if earlier, the termination date established in accordance with 7.2(a)), the Buyer will terminate Seller's Ownership Shares of the aforementioned Load Assets

The Buyer shall have the right to change the Load Asset designations from time to time, consistent with the definition and provision of Standard Offer Service. If and to the extent such designations change, the Buyer and Seller shall cooperate to timely put into effect the necessary ISO Settlement Market System contracts that may be necessary to implement the new designations and terminate the prior designations.

## **ARTICLE 7.           DEFAULT AND TERMINATION**

## Section 7.1 Events of Default

(a) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to the Buyer:

(i) Failure of the Buyer

(A) in any material respect to comply with, observe or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to Seller's wrongful act or failure to act in breach of this Agreement); and

(B) After receipt of written notice from Seller such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect such cure (but in no event longer than thirty (30) days), provided that the Buyer (x) commences within such five (5) Business Day period to effect a cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to Seller written documentation of its efforts and plan to cure and estimated time for completion of the cure.

(b) Any one or more of the following events shall constitute an "Event of Default" hereunder with respect to Seller:

(i) Failure of Seller

(A) in any material respect to comply with, observe, or perform any covenant, warranty or obligation under this Agreement (but excluding events that are otherwise specifically covered in this Section as a separate Event of Default and except due to causes excused by Force Majeure or attributable to the Buyer's wrongful act or wrongful failure to act in breach of this Agreement); and

(B) after receipt of written notice from the Buyer such failure continues for a period of five (5) Business Days, or, if such failure cannot be reasonably cured within such five (5) Business Day period, such further period as shall reasonably be required to effect a cure (but in no event longer than thirty (30) days), provided that Seller (x) commences within such five (5) Business Day period to effect such cure and at all times thereafter proceeds diligently to complete the cure as quickly as possible and (y) provides to the Buyer written documentation of its efforts and plan to cure and estimated time for completion of the cure;

(ii) Failure of Seller to provide Requirements in accordance with Articles 3 and 4;

(iii) Failure of Seller to satisfy its obligation to provide security when due and in accordance with the CSA;

(c) Any one or more of the following events with respect to either Party shall constitute an "Event of Default" hereunder with respect to such Party:



- (i) The entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or (B) a decree or order adjudging such Party as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such Party under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Party or of any substantial part of its property, or ordering the winding up or liquidation of its affairs;
- (ii) The commencement by such Party of a voluntary case or proceeding, or any filing by a third party of an involuntary case or proceeding against a Party that is not dismissed within thirty (30) days of such third party's filing, under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or of any other case or proceeding to be adjudicated as bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Party in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of a Party or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Party in furtherance of any such action;
- (iii) Any representation or warranty made by a Party is or becomes false or misleading in any material respect.
- (iv) The failure of such Party to deliver or return Eligible Collateral as required under the CSA or the failure of such Party to pay Interest as required under the CSA and the continuation of such failure for two (2) Business Days after notice of that failure is given to that Party;
- (v) The violation by such Party of any other obligation or agreement with respect to Credit Support under the CSA and the continuation of such violation for five (5) Business Days after notice of that failure is given to that Party."

## Section 7.2 Remedies Upon Default

The Parties shall have the following remedies available to them with respect to the occurrence of an Event of Default with respect to the other Party hereunder:

(a) Upon the occurrence of an Event of Default, the non-defaulting Party shall have the right to (i) continue performance under this Agreement and exercise such rights and remedies as it may have at law, in equity or under this Agreement and seek remedies as may be necessary or desirable to enforce performance and observation of any obligations and covenants under this Agreement, so long as such rights and remedies are not duplicative of any other rights and remedies hereof, and do not otherwise enable the non-defaulting Party to obtain performance or payments in excess of the performance and payments to which it is otherwise entitled pursuant to this Agreement, or (ii) at its option, give such defaulting Party a written notice (a “Termination Notice”) terminating this Agreement and all, but not less than all, Transactions. Upon a termination for an Event of Default under Section 7.1(a), (b) or (c)(iii), (c)(iv) or (c)(v), such termination shall be effective as of the date specified in the Termination Notice, which date shall be no earlier than the date such notice is effective and no later than thirty (30) days after the date such notice is provided to the defaulting Party in accordance with Article 8. Upon a termination for a default or Event of Default under Section 7.1(c)(i) or (ii), such termination shall be effective as of the Event of Default, provided that the non-defaulting Party provides written notice to the defaulting Party in accordance with Article 8 within ten (10) Business Days of the Event of Default. If such notice is not given within ten (10) Business Days of the Event of Default, the non-defaulting Party shall be entitled to terminate this Agreement effective as of the date specified in the written notice termination. Any attempted cure by a defaulting Party after this Agreement has been terminated by the non-defaulting Party shall be void and of no effect. The Parties’ obligations under this Agreement, in general and under this Section 7.2 in particular, are subject to the duty to mitigate damages as provided under common law. Termination of this Agreement shall in no way limit or restrict any Party’s right to pursue any legal or equitable remedies available to it arising from an Event of Default.

(b) Seller expressly agrees that at any time after the occurrence of an Event of Default by Seller, or the delivery of a Termination Notice to Seller by the Buyer, the Buyer may exercise any rights it may have pursuant to the CSA.

(c) In the event of termination for an Event of Default as provided in Section 7.1, in addition to any amounts owed for performance (or failure to perform) hereunder prior to such termination, the non-defaulting Party may recover, without duplication, its direct damages resulting from such Event of Default; such damages shall include the positive (if any) present value of this Agreement to the non-defaulting Party for the portion of the Delivery Term remaining at the time of such termination, to be determined by reference to market prices, transaction costs and load reasonably projected for the remaining portion of the Delivery Term (“Termination Damages”). The Termination Damages shall include all reasonably incurred transaction costs and expenses that otherwise would not have been incurred by the non-defaulting Party. In determining its Termination Damages, the non-defaulting Party shall offset its losses and costs by any gains or savings realized by the non-defaulting Party as a result of the termination. Seller and Buyer agree that the foregoing provision is intended to reflect a mutually acceptable measure of damages for such Event of Default.

Payment of Termination Damages, if any, shall be made by the defaulting Party to the non-defaulting Party within five (5) days after calculation of such Termination Damages and receipt of a notice including such calculation of the amounts owed hereunder and a written statement showing in reasonable detail the calculation and a summary of the method used to determine such amounts. Upon the reasonable request of the defaulting Party, the non-defaulting Party shall provide reasonable documentation to verify the costs underlying the Termination

Damages. If the defaulting Party disputes the non-defaulting Party's calculation of the Termination Damages, in whole or in part, the defaulting Party shall, within five (5) days of receipt of the non-defaulting Party's calculation of the Termination Damages, provide to the non-defaulting Party a detailed written explanation of the basis for such dispute; provided, however, that, the defaulting Party shall first pay the Termination Damages, if any, to the non-defaulting Party in accordance with the preceding sentence, and the non-defaulting Party shall then deposit such disputed amount into an interest bearing bankruptcy-remote escrow account for the benefit of the prevailing Party and the dispute shall be resolved in accordance with Section 15.2.

(d) Notwithstanding any other provision of this Agreement, the cure of any default or failure to comply with, observe or perform any covenant, warranty or obligation under this Agreement within the period provided therefor in this Article shall not release such defaulting Party from its obligations under Section 9.2 of this Agreement.

(e) Upon termination the Buyer shall, and upon the occurrence of an Event of Default by Seller, the Buyer shall have the right to, immediately notify the ISO that (i) the assignment from the Buyer to Seller of the Ownership Share has been terminated, (ii) the Load Asset(s) shall be removed from Seller's account and placed in the account of the Buyer and (iii) Seller consents to such action. In the event the Buyer so notifies the ISO, Seller shall immediately take any and all actions that may be required by the ISO to remove the Load Asset from Seller's account and place it in the account of the Buyer. If the Agreement and any Transactions have not been terminated, the Buyer, in its sole discretion with five (5) Business Days prior notice to Seller, may elect to assign the Ownership Share of the Load Asset(s) set forth in the associated Confirmation(s) to the account of Seller and Seller shall accept such assignment, consistent with the actions required by Section 6.4 of this Master Power Agreement.

### Section 7.3 Forward Contract.

Each Party represents and warrants to the other that it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code, that this Agreement is a “forward contract” within the meaning of the United States Bankruptcy Code, and that the remedies identified in this Agreement, including but not limited to those specified in Section 7, shall be “contractual rights” as provided for in 11 U.S.C. § 556 as that provision may be amended from time to time.

## **ARTICLE 8. NOTICES, REPRESENTATIVES OF THE PARTIES**

### Section 8.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. It shall either be sent by ~~facsimile~~[electronic mail](#) (with receipt confirmed by telephone ~~and electronic transmittal receipt~~), courier, personally delivered (including overnight delivery service) or mailed, postage prepaid, to the representative of the other Party designated in accordance with this Article. Any such notice, demand, or request shall be deemed to be given (i) when sent by ~~facsimile~~[electronic mail](#) confirmed by telephone ~~and electronic transmittal receipt~~, (ii) when actually received if delivered by courier or

personal delivery (including overnight delivery service) or (iii) seven (7) days after deposit in the United States mail, if sent by first class mail return receipt requested.

Notices and other communications by Seller to the Buyer shall be addressed to:

Director, Wholesale Electric Supply  
National Grid  
100 East Old Country Road  
Hicksville, NY 11801  
(516) 545-~~3282~~5403 (phone)  
~~(516) 545-3130 (fax)~~  
[ElectricSupply@NationalGrid.com](mailto:ElectricSupply@NationalGrid.com)

and

Notices concerning Article 7 shall also be sent to:

Michael Middleton  
Assistant General Counsel and Director, Commercial  
National Grid  
~~201 Jones~~40 Sylvan Road  
Waltham, MA 02451  
(781) 907-~~1600~~1804 (phone)  
~~(781) 907-1647 (fax)~~  
[Michael.Middleton@nationalgrid.com](mailto:Michael.Middleton@nationalgrid.com)

Notices and other communications by the Buyer to Seller shall be addressed to:

[Name]  
[Company]  
[Address]  
[City, State & Zip]  
[Phone]

[~~FAX~~EMAIL]

Any Party may change its representative or address for notices by written notice to the other Party; however such notice shall not be effective until it is received by the other Party.

#### Section 8.2 Authority of Representative

The Parties' representatives shall have full authority to act for their respective Party in all matters relating to the performance of this Agreement. Notwithstanding the foregoing, a Party's representative shall not have the authority to amend, modify, or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made in accordance with Article 17.

## **ARTICLE 9. LIABILITY; INDEMNIFICATION; RELATIONSHIP OF PARTIES**

#### Section 9.1 Limitation on Consequential, Incidental and Indirect Damages

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.2, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER THE BUYER NOR SELLER, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS, OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES (INCLUDING ATTORNEY'S FEES OR LITIGATION COSTS EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15.2 AND IN ACCORDANCE WITH THE LIMITATION THEREUNDER) CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, OR ANY OTHER THEORY OF RECOVERY. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

#### Section 9.2 Indemnification

(a) Seller agrees to defend, indemnify and save the Buyer, its officers, directors, employees, agents, successors assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by Seller, (b) any violation of applicable law, regulation or order by Seller, (c) any act or omission by Seller with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or Affiliate of the Buyer or its respective successors or assigns.

(b) The Buyer agrees to defend, indemnify and save Seller, its officers, directors, employees, agents, successor, assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of representation or warranty or failure to perform any covenant or agreement in this Agreement by said Buyer, (b) any violation of applicable law, regulation or order by Buyer, (c) any act or omission by the Buyer, with respect to this Agreement first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are

threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee or Affiliate of Seller or its respective successors or assigns.

(c) If any Party intends to seek indemnification under this Section from the other Party with respect to any action or claim, the Party seeking indemnification shall give the other Party notice of such claim or action within thirty (30) days of the later of the commencement of, or actual knowledge of, such claim or action; provided, however, that in the event such notice is delivered more than thirty (30) days after the Party seeking indemnification knows of such claim or action, the indemnifying Party shall be relieved of its indemnity hereunder only if and to the extent such indemnifying Party was actually prejudiced by such delay. The Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such claim or action. The Party seeking indemnification shall not compromise or settle any such claim or action without the prior consent of the other Party, which consent shall not be unreasonably withheld.

### Section 9.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between the Buyer and Seller other than that of independent contractors for the sale and delivery of Requirements for Standard Offer Service.

## **ARTICLE 10. ASSIGNMENT**

### Section 10.1 General Prohibition Against Assignments

Except as provided in Section 10.2, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

### Section 10.2 Exceptions to Prohibition Against Assignments

(a) Seller may, without the Buyer's prior written consent, collaterally assign this Agreement in connection with financing arrangements provided that any such collateral assignment that provides for the Buyer to direct payments to the collateral agent (i) shall be in writing, (ii) shall not be altered or amended without prior written notice to the Buyer from both Seller and the collateral agent, and (iii) provided that any payment made by the Buyer to the collateral agent shall discharge the Buyer's obligation as fully and to the same extent as if it had been made to the Seller. Seller must provide the Buyer at least ten (10) days advance written notice of collateral assignment and provide copies of any such assignment and relevant agreements or writings.

(b) The Buyer may assign all or a portion of its rights and obligations under this Agreement to any Affiliate of the Buyer without consent of Seller. Either Party may, upon written notice, assign its rights and obligations hereunder, or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other

entity agrees to be bound by the terms hereof and provided further, that such other entity's creditworthiness is comparable to or higher than that of such Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment

## **ARTICLE 11.           SUCCESSORS AND ASSIGNS**

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

## **ARTICLE 12.           FORCE MAJEURE**

(a) Force Majeure shall include but not be limited to acts of God, earthquakes, fires, floods, storms, strikes, labor disputes, riots, insurrections, acts of war (whether declared or otherwise), terrorism, acts of terrorism, acts of governmental, regulatory or judicial bodies, but if and only to the extent that such event or circumstance (i) directly affects the availability of the transmission or distribution facilities of the New England Transmission System, the Buyer or an Affiliate of the Buyer necessary to provide service to the Buyer's customers which are taking service pursuant to the Standard Offer Service Tariff and (ii) it is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (A) fluctuations in Standard Offer Service, (B) the cost to a Party to overcome or avoid, or cause to be avoided, the event or circumstance affecting such Party's performance or (C) events affecting the availability or cost of operating any generating facility.

(b) To the extent that either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations hereunder and (i) such Party gives notice and detail of the Force Majeure to the other Party as soon as practicable after the onset of the Force Majeure, including an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure, and (iii) the Party claiming Force Majeure uses commercially reasonable efforts to remedy or remove the inability to perform caused by Force Majeure, then the affected Party shall be excused from the performance of its obligations prevented by Force Majeure. However, neither Party shall be required to pay for any obligation the performance of which is excused by Force Majeure. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

(c) No obligations of either Party which arose before the Force Majeure occurrence causing the suspension of performance shall be excused as a result of the event of Force Majeure.

(d) Prior to the resumption of performance suspended as a result of a Force Majeure occurrence, the Party claiming the Force Majeure shall give the other Party written notice of such resumption.

## **ARTICLE 13. WAIVERS**

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. The waiver of any single breach or default of any term or condition of this Agreement shall not be deemed to constitute the waiver of any other prior or subsequent breach or default of the Agreement or any other term or condition.

## **ARTICLE 14. LAWS AND REGULATIONS**

(a) This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal and state laws, and to all duly promulgated orders and other duly authorized action of governmental authorities having jurisdiction hereof.

(b) The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 of the Federal Power Act as that section may be amended or superseded, absent the mutual written agreement of the Parties. Each Party irrevocably waives its rights, including its rights under §§ 205-206 of the Federal Power Act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement or any other agreements entered into in connection with this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties in the Agreement are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter and (z) that it shall not challenge or support a challenge to the enforceability of the waiver in this Section (b).

(c) Absent the agreement of all Parties to a proposed change, the standard of review for changes to this Agreement proposed by a non-party or the Commission acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

(d) The Parties agree that, if and to the extent that the Commission adopts a final rule or order which requires that, in order to exclude application of the just and reasonable standard of review and to mandate application of the public interest standard of review under the Mobile-Sierra doctrine for a proposed change to this Agreement which is not agreed to by all Parties, the Parties must agree to language which varies from that set forth in Article 14(c) then, without further action of either Party, Article 14(c) will be deemed amended to incorporate the specific language required by such final rule or order as is necessary to have the public interest standard of review under the Mobile-Sierra doctrine apply to any proposed change to this Agreement to which all Parties do not agree.

(e) Nothing in this Article 14 is intended to modify any Party's right to enforce the terms of this Agreement as written.



## **ARTICLE 15. INTERPRETATION, DISPUTE RESOLUTION**

### **Section 15.1 Governing Law**

The Agreement shall be governed by and construed and performed in accordance with and the laws of the State of Rhode Island, without giving effect to its conflict of laws principles.

### **Section 15.2 Dispute Resolution**

All disputes between the Buyer and Seller under this Agreement shall be referred, upon notice by one Party to the other Party, to a senior manager of Seller designated by Seller, and a senior manager of the Buyer designated by the Buyer, for resolution on an informal basis as promptly as practicable. In the event the designated senior managers are unable to resolve the dispute within ten (10) days of receipt of the notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in this Section. The arbitration shall be conducted in Boston, Massachusetts before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, Seller and the Buyer shall each choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable and have at least two (2) years experience in electric utility matters, including wholesale power transactions and power market issues, and shall not have any current or past material business or financial relationships with either Party or a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration. If a panel of arbitrators, all of their decisions shall be by majority vote. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction, subject expressly to Section 15.3. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the

arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. Nothing in this paragraph shall impair the ability of a Party to exercise any right or remedy it has under this Agreement, including those in Article 7. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties; provided, however, that either Party, or any of its Affiliates, may provide information regarding the arbitration without limitation to any regulatory agency requesting or requiring such information or to a court in a proceeding to confirm, appeal (as such appeal is limited hereby) or enforce the award; provided, further, that any such provision of information must include a request for confidential treatment.

### **Section 15.3 Venue; Waiver of Jury Trial**

Each Party hereto irrevocably (i) submits to the exclusive jurisdiction of the federal and state courts located in the State of Rhode Island, County of Providence (ii) waives any objection which it may have to the laying of venue of any proceedings brought in any such court; and (iii) waives any claim that such proceedings have been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

### **ARTICLE 16. SEVERABILITY**

Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining provisions and lawful obligations that arise under this Agreement. If any provision of this Agreement, or the application thereof to any Party or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability.

### **ARTICLE 17. MODIFICATIONS**

No modification or amendment of this Agreement will be binding on any Party unless it is in writing and signed by both Parties.

### **ARTICLE 18. ENTIRE AGREEMENT**

This Master Power Agreement, including the Appendices, any Confirmations relating to specific Transactions, the tariffs and agreements referred to herein or therein, embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. It is expressly acknowledged and agreed that there are no restrictions, promises, representations, warranties, covenants or undertakings contained in any material provided or otherwise made available by the

Seller or the Buyer to each other. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated hereby and specifically excludes written agreements executed by the Parties prior to the Effective Date.

## **ARTICLE 19. COUNTERPARTS**

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

## **ARTICLE 20. INTERPRETATION; CONSTRUCTION**

The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation". The Parties acknowledge that, each Party and its counsel have reviewed and or revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and it is the result of joint discussion and negotiation.

## **ARTICLE 21. REPRESENTATIONS; WARRANTIES AND COVENANTS**

Each Party represents to the other Parties, upon execution and continuing throughout the term of this Agreement, as follows:

(a) It is duly organized in the form of business entity set forth in the first paragraph of this Agreement, validly existing and in good standing under the laws of its state of its organization and has all requisite power and authority to carry on its business as is now being conducted, including all regulatory authorizations as necessary for it to legally perform its obligations hereunder.

(b) It has full power and authority to execute and deliver this Master Power Agreement and any and all Confirmations related to Transactions and to consummate and perform the transactions contemplated hereby. This Master Power Agreement has been, and any Confirmation will be, duly and validly executed and delivered by it, and, assuming that this Master Power Agreement, together with any and all Confirmations, constitutes a valid and binding agreement of the other Parties, constitute together its valid and binding agreement, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, or the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which it is bound, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) No declaration, filing with, notice to, or authorization, permit, consent or approval of any governmental authority is required for the execution and delivery of this Master Power Agreement or any and all Confirmations related to a Transaction by it or the performance by it of its obligations hereunder and thereunder, other than such declarations, filings, registrations, notices, authorizations, permits, consents or approvals which, if not obtained or made, will not, in the aggregate, have a Material Adverse Effect.

(e) Neither the execution and delivery of this Master Power Agreement or any and all Confirmations by it, nor the performance by it of its obligations under this Master Power Agreement and any and all Confirmations related to Transactions, will or does (i) conflict with or result in any breach of any provision of its Governing Documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not have a Material Adverse Effect; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it, which violation would have a Material Adverse Effect.

(f) There are no claims, actions, proceedings or investigations pending or, to its knowledge, threatened against or relating to it before any governmental authority acting in an adjudicative capacity relating to the transactions contemplated hereby that could have a Material Adverse Effect. It is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court or governmental authority which, individually or in the aggregate, would create a Material Adverse Effect.

(g) There are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it, or of its knowledge threatened against it.

(h) With respect to Seller, (i) it and the ISO have fully executed a Market Participant Service Agreement ("Seller's MPSA"), and it has been approved by the Commission in accordance with Subsection 7.1 of the MPSA with the ISO and (ii) the ISO has not filed with the Commission a notice of termination of Seller's MPSA.

(i) It is acting for its own account, has made its own independent decision to enter into this Master Power Agreement and any and all Confirmations related to a Transaction and as to whether this Master Power Agreement and any such Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party hereto, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Power Agreement and any such Confirmation or Transaction.

## **ARTICLE 22. CONSENTS AND APPROVALS**

The Parties shall cooperate so that each Party may take such actions as necessary and required for the other Party to effectuate and comply with this Agreement including to (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications,

notices, petitions and filings and execute all agreements and documents, and (iii) use all commercially reasonable efforts to obtain all necessary consents, approvals and authorizations of all other entities, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement. The Buyer shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing, press release or public announcement made in connection with the transactions contemplated hereby.

## **ARTICLE 23. CONFIDENTIALITY**

Neither Seller nor the Buyer shall provide copies of or disclose the contents or terms of Section 5.2(b), Article 7 and Appendix C [BIDDERS: Insert additional sections] of the Master Power Agreement, (the “Confidential Terms”) to any third party without the prior written consent of the other Party; provided, however, that either Party may provide a copy of the Confidential Terms, in whole or in part to (1) any regulatory agency, or governmental authority with jurisdictional interest, requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, provided that in the case of a disclosure pursuant to the foregoing, such disclosure must include a request for confidential treatment of the Confidential Terms, and (2) an Affiliate if related to the Party’s performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

**THE NARRAGANSETT ELECTRIC COMPANY**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

**[COMPANY]**

\_\_\_\_\_  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_

## **APPENDIX A**

### **ESTIMATION OF SELLER HOURLY LOADS**

#### **Overview**

Generating units operated by suppliers are dispatched by the power pool to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a supplier's electricity production may not match the demand of its customers. In each hour some suppliers with low cost production units or that contract for the output of such units are net sellers of electricity to the pool, while other suppliers are purchasing power from the pool to meet the demand of their customers. To determine the extent to which suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the customers served by each supplier. The Buyer will estimate Seller's Standard Offer Service load obligations within the Buyer's service territory and report the hourly results to the ISO on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates will be based on rate class load profiles, which will be developed from statistically designed samples. Each day, the class load shapes will be scaled to the population of customers served by each supplier. In cases where telemetered data on individual customers is available, it will be used in place of the estimated shapes. On a monthly basis, the estimates will be refined by incorporating actual usage data obtained from meter readings. In both processes, the sum of all suppliers' estimated loads will match the total load delivered into the distribution system. A description of the estimation process follows.

#### **Daily Estimation of Suppliers' Own Load**

The daily process estimates the hourly load for each supplier for the previous day. The following is an outline of this process:

- Select a proxy date from the previous year with characteristics which best match the day for which the hourly demand estimates are being produced. Extract class load shapes for the selected proxy date from the load research database.
- Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level.
- Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each supplier in each class.
- Produce a preliminary estimate of each supplier's hourly loads by combining the proxy day class load shapes with the supplier's total load adjustment factors. Aggregate the loads across the classes for each supplier.

- Adjust the preliminary hourly supplier estimates so that their sum is equal to the Buyer's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to suppliers in proportion to their estimated load.
- Adjust the hourly supplier estimates to include transmission losses within the Buyer's transmission system.
- Submit the hourly loads to the ISO.

After the Buyer has submitted the supplier hourly loads, the ISO will allocate PTF losses to the supplier's account during the settlement process.

### **Monthly Reconciliation Process**

The monthly process will improve the estimates of supplier loads by incorporating the most recent customer usage information, which will be available after the monthly meter readings are processed. The actual customer meter readings, as well as actual interval data for the largest customers, are used to re-estimate all of the days in the calendar month being reconciled. Updates to customers' account status and supplier assignments that may have been missed during the daily processing (due to timing) are included. The resulting hourly supplier load estimates for all the days in the month are reported and used by the ISO as the basis for the monthly resettlement.



**APPENDIX B  
MASTER POWER AGREEMENT  
FORM OF CONFIRMATION**

This Confirmation shall confirm the Transaction agreed to on, and effective as of \_\_\_\_\_ between **THE NARRAGANSETT ELECTRIC COMPANY**, a Rhode Island corporation (“Buyer”) and **[Company], a [what]** (“Seller”) regarding the sale/purchase of Standard Offer Service specified herein under the terms and conditions under the Master Power Agreement, dated [ ] (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. It is the intent of Buyer and Seller that the Transaction shall meet the Commodity Futures Trading Commission's criteria for the forward contract exclusion, including that the Parties intend to physically settle the Transaction, and is therefore not subject to swap regulation. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

**1. Standard Offer Service Requirements Matrix**

<b>Award Block</b>	<b>Customer Group</b>	<b>Load Zone</b>	<b>Load Responsibility</b>	<b>Commencement Date</b>	<b>Conclusion Date</b>
TBD	TBD	TBD	TBD	TBD	TBD

**2. Contract Rate - \$/MWh**

<b>Award Block</b>	<b>Customer Group</b>	<b>Load Zone</b>	<b>Month1</b>	<b>Month2</b>	<b>Month3</b>	<b>Month4</b>	<b>Month5</b>	<b>Month6</b>
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

**3. Load Asset Designation within the ISO Settlement Market System**

<b>Award Block</b>	<b>Customer Group</b>	<b>Load Zone</b>	<b>Load Asset Number</b>	<b>Load Asset Name</b>
TBD	TBD	TBD	TBD	TBD

**4. RES Requirement**

RES Requirement shall mean, for each calendar month during the term of this Transaction, zero.

Or

RES Requirement shall mean, for each calendar month during the term of this Transaction the product of (i) Delivered Energy in a calendar month for Standard Offer Service

in calendar year 200X and (ii) 0.XX, rounded up to the whole MWh of which up to two percent (2.0%) may come from Existing Renewable Energy Resources.

## 5. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

- (i) The product of (a) the Delivered Energy for Standard Offer Service to the Residential Customer Group in a month and (b) the Residential Contract Rate in the month plus,
- (ii) The Capacity Charges for the Residential Customer Group in the month plus,
- (iii) The product of (a) the Delivered Energy for Standard Offer Service to the Commercial Customer Group in a month and (b) the Commercial Contract Rate in the month plus,
- (iv) The Capacity Charges for the Commercial Customer Group in the month plus,
- (v) The product of (ea) the Delivered Energy for Standard Offer Service to the Industrial Customer Group in a month and (db) Industrial Contract Rate in the month plus,
- (vi) The Capacity Charges for the Industrial Customer Group in the month plus,
- (vii) The product of (a) the number of New Renewable Energy Resource NEPOOL-GIS Certificates and Existing Renewable Energy Resource NEPOOL-GIS Certificates delivered in the month, not to exceed the Aggregate RES Requirement and (b) the applicable Alternative Compliance Payment Rate less,
- (viii) The product of (a) the RES Requirement and (b) the applicable Alternative Compliance Payment Rate.

## 6. Modifications to the Master Power Agreement

[To be determined for each Transaction]

## 7. Security

### A. Calculation of Exposure

Exposure shall be calculated in accordance with Paragraph 3 of the CSA, subject to the conditions and definitions below.

**Seller Independent Amount** means the amount set forth below, and is required through the dates listed in the table:

Award Block	Customer Group	Load Zone	Amount of Security (USD)	Posting Required Through
TBD	TBD	TBD	TBD	TBD

**Expected Daily Load** means the average daily load based upon 2 years of available actual loads for a given month, as specified in the following table:

Award Block	Customer Group	Load Zone	Month1	Month2	Month3	Month4	Month5	Month6
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD

**Adjustment Factor** is X.XX.

**Reference New England Internal Hub Price** means the prices as specified in the following table:

<b>ISO New England Internal Hub Price</b>	<b>Month1</b>	<b>Month2</b>	<b>Month3</b>	<b>Month4</b>	<b>Month5</b>	<b>Month6</b>
Off-Peak	TBD	TBD	TBD	TBD	TBD	TBD
Peak	TBD	TBD	TBD	TBD	TBD	TBD
Reference New England Internal Hub Price**	TBD	TBD	TBD	TBD	TBD	TBD

\*\*The Reference New England Internal Hub price shall be calculated as ((Peak Price x number of Peak Hours in the Month) + (Off-Peak Price x number of Off-Peak Hours in the Month))/(Total Hours in the Month)), as applicable.

## **B. Delivery of Collateral**

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide Collateral in accordance with Paragraph 3(a) of the Credit Support Annex of the Master Power Agreement, and in any of the forms specified in Paragraph 6 of the Credit Support Annex of the Master Power Agreement.

## **8. Confidentiality**

Articles 1, 2, 3, 4, 5, and 7 [additional articles to be determined for each Transaction] of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

## **9. Ratification of the Terms and Conditions of the Agreement**

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

## **10. Counterparts**

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

*Remainder of Page Intentionally Left Blank*

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written

**THE NARRAGANSETT ELECTRIC COMPANY**

\_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

**[COMPANY]**

\_\_\_\_\_

Name (print): \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX C FORM OF GUARANTY

### Guaranty

This Guaranty (this “Guaranty”), dated effective as of [\_\_\_], [YEAR] (the “Effective Date”), is made and entered into by [\_\_\_\_\_] a [\_\_\_\_\_] corporation (“Guarantor”).

#### **WITNESSETH:**

WHEREAS, The Narragansett Electric Company (“the Buyer”) and [\_\_\_\_\_] (“Seller”), a corporation organized under the laws of the State of [\_\_\_\_\_] and a [\_\_\_\_\_] of Guarantor, have entered into that certain Confirmation, dated \_\_\_\_\_ (the “Confirmation”), under the Master Power Agreement, dated [\_\_\_\_\_] (collectively with the Confirmation, as the foregoing and the terms therein and the obligations and liabilities thereunder may from time to time and without notice to or consent of the Guarantor, and without impairing or releasing the obligations of the Guarantor, be amended, modified, revised, supplemented or waived by Buyer and Seller, the “Agreement”) and

WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Seller and the Buyer;

NOW THEREFORE, in consideration of the Buyer entering into the Agreement, Guarantor hereby covenants and agrees as follows:

- 1) **GUARANTY.** Subject to the provisions hereof, Guarantor hereby irrevocably and unconditionally guarantees the full and faithful timely performance and payment when due of the obligations of Seller that are now due or may hereafter become due and payable to the Buyer under the Agreement (the “Obligations”). This Guaranty shall constitute a guarantee of performance and payment and not of collection. The liability of Guarantor under this Guaranty shall be specifically limited to performance and payments expressly required to be made under the Agreement (even if such payments are or are deemed to be damages) as well as costs of collection and enforcement of this Guaranty (including attorney’s fees) to the extent reasonably and actually incurred by the Buyer, but in no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive or tort damages, or, except to the extent specifically provided in the Agreement, any other damages.
- 2) **DEMANDS AND NOTICE.** Upon the occurrence and during the continuance of an Event of Default or termination, as may be defined in the Agreement, if Seller fails or refuses to perform or pay any Obligations and the Buyer elects to exercise its rights under this Guaranty, the Buyer shall make a demand upon Guarantor (hereinafter referred to as a “Demand”). A Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount Seller has failed to perform or pay and an explanation of why such performance or payment is due, with a specific statement that the Buyer is calling upon Guarantor to perform and/or pay under this Guaranty. A Demand satisfying the foregoing requirements shall be required with respect to Obligations before Guarantor is required to perform or pay (free of any deductions or withholdings) such Obligations hereunder and shall be deemed sufficient notice to Guarantor that it must perform the Obligations within two (2) Business Days, or pay the Obligations within five (5) Business Days, after its receipt

of the Demand. A single written Demand shall be effective as to any specific default during the continuance of such default, until Seller or Guarantor has cured such default, and additional written demands concerning such default shall not be required until such default is cured. As used herein, the term "Business Day" shall mean a day on which commercial banks or financial institutions are open for business in the State of Rhode Island.

3) REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants that:

- (a) it is a corporation duly organized and validly existing and in good standing under the laws of the State of [ ] and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;
- (b) the execution, delivery and performance of this Guaranty and each transaction contemplated by this Guaranty, do not and will not (with or without the lapse of time, the giving of notice or both, contravene, conflict with or result in a breach of or default under any provision of its constitution or any writ, order, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound; and
- (c) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
- (d) this Guaranty, when executed and delivered, will constitute a valid and legally binding agreement of Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4) SETOFFS AND COUNTERCLAIMS. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Seller or any other affiliate of Guarantor is or may be entitled to arising from or out of the Agreement or otherwise, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of Seller, the lack of power or authority of Seller to enter into, amend and/or perform the Agreement, or waiver or consent with respect to any provision thereof, or a claim as to the Agreement's validity regularity or enforceability, or any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

5) AMENDMENT OF GUARANTY. No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and the Buyer.

6) WAIVER; TERMINATION. Except as required in Section 2 above, Guarantor hereby waives (a) notice of acceptance of this Guaranty; (b) presentment, demand and notice of dishonor concerning the liabilities of Guarantor; and (c) any right to require that any action or proceeding be brought against Seller or any other person, or to require that the Buyer exhaust its remedies against Seller or seek enforcement of any performance against Seller or any other person, or against any collateral pledged by Seller or any other person liable for payment or performance of the Obligations, prior to any action against Guarantor under the terms hereof. Buyer shall not be obligated

to file any claim relating to the Obligations in the event that Seller becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Buyer to so file shall not affect the Guarantor's obligations hereunder.

Except as to applicable statutes of limitation, no delay of the Buyer in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

Guarantor consents to the renewal, compromise, extension, acceleration or other changes including in the time of payment of and other changes in the terms of the Obligations, or any part thereof and amendments thereto, or any changes and modifications to the terms of the Agreement or waivers there under.

Guarantor shall not be discharged or released from its obligations hereunder by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Seller or by any defense which Seller may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by the Buyer as a result of the bankruptcy of Seller, or otherwise, all as though such payments had not been made.

This Guaranty and the Guarantor's obligations hereunder shall remain in effect for the term of the Agreement.

NOTICE. Any Demand, notice, request, instruction, correspondence or other document to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by ~~telegram or facsimile~~electronic mail, as follows:

To the Buyer:

Director, Wholesale Electric Supply  
National Grid  
100 East Old Country Road  
Hicksville, NY 11801

(516) 545-~~3282~~5403 (phone)  
~~(516) 545-3130~~ (fax)  
ElectricSupply@NationalGrid.com

To Guarantor:

~~Fax No.:~~  
Phone No.:  
Email:

Notice given by personal delivery or mail shall be effective upon actual receipt. ~~Notice given by telegram shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Notice given by facsimile~~electronic mail shall be effective upon (i) actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours and (ii) confirmation of receipt by telephone. ~~All Notices by telegram or facsimile shall be confirmed promptly after transmission in writing by certified mail or personal delivery.~~ Any party may change any address to which Notice is to be given to it by giving notice in accordance with the requirements of this Section.



MISCELLANEOUS. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Rhode Island, without regard to principles of conflicts of laws.

This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by the Buyer and its successors and permitted assigns. The Guarantor may not assign this Guaranty in part or in whole without the prior written consent of the Buyer. The Buyer may not assign its rights or benefits under this Guaranty in part or in whole except (i) with the prior written consent of the Guarantor, or (ii) pursuant to a permitted assignment of Agreement ("Assigned Agreement"), in which case the assignee will succeed to the rights of the Buyer hereunder arising after the date of such assignment. Neither the Guarantor nor the Buyer will unreasonably withhold or delay consent to assignment.

This Guaranty embodies the entire agreement and understanding between Guarantor and the Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof.

Time is of the essence of this Guaranty. The remedies provided to the Buyer in this Guaranty are cumulative and not exclusive of any other remedies provided by law.

Words importing the singular number hereunder shall include the plural number and vice versa and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).

Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Remainder of Page Intentionally Left Blank**

**IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on \_\_\_\_\_,  
but it is effective as of the Effective Date.**

[GUARANTOR]

\_\_\_\_\_  
Name (print):\_\_\_\_\_  
Title: \_\_\_\_\_

## APPENDIX D

### **CREDIT SUPPORT ANNEX (RI SOS)**

This Credit Support Annex to the Master Power Agreement (the “CSA”) is made and entered into by and between Buyer and Seller, as those are defined in the Master Power Agreement.

All provisions contained or incorporated by reference in the Master Power Agreement will govern this CSA except as expressly modified herein. Any terms capitalized, but not defined herein shall have the meaning given to them in the Master Power Agreement.

#### **Paragraph 1. Definitions.**

As Used in this CSA, the following terms have the meanings specified below:

“**Calculation Period**” shall mean the period between the commencement date of the transaction, and the conclusion date of the transaction, as defined in the confirmation.

“**Cash**” means U.S. dollars held by or on behalf of a Party as Posted Collateral hereunder.

“**Collateral Account**” shall have the meaning specified in Paragraph 6(a)(iii)(B).

“**Collateral Interest Rate**” means the daily effective federal funds rate as published in the applicable statistical release designated as H.12(510), or any successor publication by the Board of Governors of the Federal Reserve System. If such rate is expressed as a range, the Collateral Interest Rate shall equal the arithmetic average of such range.

“**Collateral Threshold**” shall have the meaning specified in Paragraph 3(c)(i).

“**Custodian**” shall have the meaning specified in Paragraph 6(a)(i).

“**Delivery Amount**” shall have the meaning specified in Paragraph 4.

“**Disputing Party**” shall have the meaning specified in Paragraph 7.

“**Eligible Collateral**” shall have the meaning specified in Paragraph 3(c)(iii).

“**Exposure**” shall have the meaning specified in Paragraph 3(b).

“**Interest Amount**” means with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day (but excluding any interest previously earned on such Cash); *multiplied by* (b) the Collateral Interest Rate for that day; *divided by* (c) 360

“**Interest Period**” means the period from (and including) the last Business Day on which an Interest Amount was Transferred by a Party (or if no Interest Amount has yet been Transferred by such Party, the Business Day on which Cash was Transferred to such Party) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

“**Invoiced Amounts**” shall have the meaning specified in Paragraph 3(b)(i)

“**Letter of Credit**” shall mean an irrevocable, non-transferable, standby letter of credit, issued by a Qualified Institution utilizing a form acceptable to the party in whose favor the letter of credit is issued. All costs relating to any Letter of Credit shall be for the account of the Pledgor.

“**Letter of Credit Default**” shall mean with respect to an outstanding Letter of Credit, the

occurrence of any of the following events (a) the issuer of such Letter of Credit shall fail to be a Qualified Institution (as defined below); (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (c) the issuer of the Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (d) the Letter of Credit shall expire or terminate or have a Value of zero at any time the Pledgor is required to Transfer Eligible Credit Support pursuant to Paragraph 4 below and the Pledgor has not Transferred replacement Eligible Credit Support; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be cancelled or returned to the Pledgor in accordance with the terms of this CSA.

**“Notification Time”** shall mean 1:00 p.m. EPT on a Business Day.

**“Obligations”** shall have the meaning specified Paragraph 2.

**“Pledgor”** means either party, when that party (i) receives a demand for or is required to Transfer Eligible Collateral or (ii) has Transferred Eligible Collateral under this CSA.

**“Posted Collateral”** means all Eligible Collateral and all proceeds thereof that have been Transferred to or received by the Secured Party under this CSA and not Transferred to the Pledgor or released by the Secured Party. Any interest amount or portion thereof not Transferred will constitute Posted Collateral in the form of Cash.

**“Potential Event of Default”** means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

**“Qualified Institution”** means a major U.S. commercial bank or trust company, a foreign bank with a U.S. branch office or financial institution, in any case, organized under the laws of the United States or a political subdivision thereof having assets of at least \$10 billion and Credit Ratings of at least “A3” from Moody’s and “A-” from S&P.

**“Return Amount”** shall have the meaning specified in Paragraph 5.

**“Reference Market-Maker”** means a leading dealer in the relevant market that is selected in a commercially reasonable manner and is not an affiliate of either party.

**“Request Date”** shall have the meaning specified in Paragraph 7.

**“Requesting Party”** shall have the meaning specified in Paragraph 7.

**“Rounding Amount”** shall have the meaning specified Paragraph 3(c)(ii).

**“Secured Party”** means either party, when that party (i) makes a demand for or is entitled to receive Eligible Collateral or (ii) holds or is deemed to hold Posted Collateral under this CSA.

**“Seller’s Credit Support Provider”** means, \_\_\_\_\_

**“Seller’s Independent Amount”** means none, unless otherwise specified in the applicable Confirmation.

**“Substitute Eligible Collateral”** shall have the meaning specified in Paragraph 6(f).

**“Transfer”** means, with respect to any Posted Collateral or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

- (a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by Buyer; and

- (b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to Buyer.

**“Valuation Agent”** means the Requesting Party; provided, however, that in all cases, if an Event of Default or Potential Event of Default has occurred and is continuing with respect to the party designated as the Valuation Agent, then in such case, and for so long as the Event of Default or Potential Event of Default continues, the other party shall be the Valuation Agent.

**“Valuation Date”** means each Business Day.

**“Valuation Percentage”** shall have the meaning specified in Paragraph 3(c)(iii).

**“Valuation Time”** means the close of business on the Business Day before the Valuation Date or date of calculation, as applicable.

**“Value”** means, with respect to Posted Collateral or Eligible Collateral, means the Valuation Percentage multiplied by the amount then available under the Letter of Credit to be unconditionally drawn by the Secured Party.

**Paragraph 2. Encumbrance: Grant of Security Interest.** Each party hereby pledges to the other Party as security for all outstanding Transactions and any other documents, instruments or agreements executed in connection therewith (collectively, the **“Obligations”**), and grants to the other Party a first priority continuing security interest, lien on, and right of set-off against all Collateral delivered to or received by such Party (the **“Secured Party”**) hereunder. Upon the return by the Secured Party to the other Party (such Party, the **“Pledgor”**) of posted Collateral, the security interest and lien granted hereunder on that posted Collateral will be released immediately and, to the extent possible, without further action by either Party.

**Paragraph 3. Calculations of Collateral Requirement.**

(a) **Collateral Requirement.** The “Collateral Requirement” for Seller means the Exposure, *minus the sum of*:

- (i) Seller’s Collateral Threshold;
- (ii) Seller’s Independent Amount, if any, as defined in the Confirmation;
- (iii) the amount of Cash previously Transferred to Buyer, and the amount of Cash held by Buyer as Posted Collateral as the result of drawing under any Letter of Credit; and
- (iv) the Value of each Letter of Credit maintained by Seller for the benefit of Buyer;

provided, however, that the Collateral Requirement of Seller will be deemed to be zero (0) whenever the calculation of Exposure yields a number less than zero (0).

(b) **Calculation of Exposure.** On any Valuation Date, the **“Exposure”** shall be calculated as *the sum of*:

- (i) all amounts that have been invoiced, but not yet paid for the Transaction under each Confirmation (**“Invoiced Amounts”**). Such amount shall be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller;
- (ii) all amounts that have been accrued, but not yet invoiced for the Transaction under each confirmation (**“Accrued Amounts”**). Such amount shall

be a positive number if owed by Seller to Buyer and a negative amount if owed from Buyer to Seller; and

(iii) the Daily Proxy Settlement Amounts for each day remaining in the current Calculation Period and all future Calculation Periods for Each Transaction (***“Proxy Settlement Amount”***);

(c) **Seller’s Collateral Threshold.**

(i) ***“Seller’s Collateral Threshold”*** means, the amount set forth below opposite the lowest Credit Rating for Seller on the Valuation Date, *provided*, however, that the Threshold for Seller shall be zero (“0”) if on the Valuation Date, Seller does not have a Credit Rating from S&P or Moody’s or an Event of Default or a Potential Event of Default with respect to Seller has occurred and is continuing.

Or

(i) ***“Seller’s Collateral Threshold”*** means, the amount set forth below opposite the lowest Credit Rating for Seller on the Valuation Date; *provided*, however, if Seller has provided a guaranty from its Credit Support Provider (substantially in the form set forth in Appendix C of this Master Power Agreement), then Seller’s Threshold shall correspond to the lesser of (1) the amount of such guaranty and (2) the amount set forth below opposite the lowest Credit Rating for Seller’s Credit Support Provider on the Valuation Date; and provided, further, the Threshold for Seller shall be zero if on the Valuation Date, (i) Seller or its Credit Support Provider (if Seller has provided a guaranty) does not have a Credit Rating from S&P or Moody’s, (ii) an Event of Default or Potential Event of Default with respect to Seller or its Credit Support Provider has occurred and is continuing or (iii) the guaranty, if any, provided by Seller fails to be in full force and effect unless Seller is relying on its own Credit Rating to establish its Threshold pursuant to the table below.

<u>Seller’s Collateral Threshold</u>	<u>Moody’s Credit Rating</u>	<u>S&amp;P Credit Rating</u>
\$	A3 or above	A- or above
\$	Baa1 or Baa2	BBB+ or BBB
\$0	Baa3 or below	BBB- or below

(ii) **Rounding.** The Delivery Amount, as defined below, will be rounded up, and the Return Amount, as defined below, will be rounded down, in each case to the nearest integral multiple of \$100,000 (***“Rounding Amount”***).

(iii) The following items will qualify as ***“Eligible Collateral”*** for the Party specified:

	<u>Seller</u>	<u><b><i>“Valuation Percentage”</i></b></u>
(A) Cash	[X]	100%

- |                       |     |   |
|-----------------------|-----|---|
| (B) Letters of Credit | [X] | 100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be zero (0). |
|-----------------------|-----|---|

(d) **Valuation Agent/Valuation Time.** All calculations with respect to Collateral shall be made by the Valuation Agent as of the Valuation Time on the Valuation Date.

**Paragraph 4. Delivery of Collateral.** On any Business Day during the remaining term hereof on which (a) no Event of Default has occurred and is continuing with respect to Buyer, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Buyer for which there exist any unsatisfied payment Obligations, and (c) Seller's Collateral Requirement exceeds \$0.00, then Buyer may request, by written notice, that Seller Transfer to Buyer, or cause to be Transferred to Buyer, Eligible Collateral for the benefit of Buyer, having a Value of at least the Collateral Requirement ("***Delivery Amount***"). Such Eligible Collateral shall be delivered to Buyer on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day.

**Paragraph 5. Reduction and Substitution of Posted Collateral.** On any Business Day during the term hereof on which (a) no Event of Default has occurred and is continuing with respect to Seller, (b) no Termination date has occurred or has been designated as a result of an Event of Default with respect to Seller for which there exist any unsatisfied payment Obligations, and (c) the Eligible Collateral posted by Seller exceeds the Exposure (rounding downwards for any fractional amount to the next interval of the Rounding Amount), then Seller may, at its sole cost, request that Buyer return Eligible Collateral in the amount of such difference ("***Return Amount***") and Buyer shall be obligated to do so. Such Eligible Collateral shall be returned to Seller on the next Business Day if the request is received by the Notification Time; otherwise Eligible Collateral is due by the close of business on the second Business Day. The Parties agree that if Seller has posted more than one type of Eligible Collateral to Buyer, Seller can, in its sole discretion, select the type of Eligible Collateral for Buyer to return; provided, however, that Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure.

**Paragraph 6. Administration of Posted Collateral.**

(a) **Cash.** Posted Collateral provided in the form of Cash to Buyer hereunder shall be subject to the following provisions.

(i) So long as no Event of Default has occurred and is continuing with respect to Buyer, Buyer will be entitled to either hold Cash or to appoint an agent which is a Qualified Institution (a "***Custodian***") to hold Cash for Buyer. In the event that an Event of Default has occurred and is continuing with respect to Buyer, then the provisions of Paragraph 6(a)(ii) shall not apply with respect to Buyer and Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(iii)(B). Upon notice by Buyer to Seller of the appointment of a Custodian, Seller's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by Buyer for which the Custodian is acting. If Buyer or its Custodian fails to satisfy any conditions for holding

Cash as set forth above, or if Buyer is not entitled to hold Cash at any time, then Buyer will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Paragraph 6(a)(iii)(B). Except as set forth in Paragraph 6(c), Buyer will be liable for the acts or omissions of the Custodian to the same extent that Buyer would be held liable for its own acts or omissions.

(ii) **Use of Cash.** Notwithstanding the provisions of applicable law, if no Event of Default has occurred and is continuing with respect to Buyer and no Termination date has occurred or been designated as a result of an Event of Default with respect to Buyer for which there exists any unsatisfied payment Obligations, then Buyer shall have the right to sell, pledge, rehypothecate, assign, invest, use, comeingle or otherwise use in its business any Cash that it holds as Posted Collateral hereunder, free from any claim or right of any nature whatsoever of Seller, including any equity or right of redemption by Seller.

(iii) Notwithstanding Paragraph 6(a)(ii), if neither Buyer nor the Custodian is eligible to hold Cash pursuant to Paragraph 6(a)(i) then:

(A) the provisions of Paragraph 6(a)(ii) will not apply with respect to the Buyer; and

(B) the Buyer shall be required to Transfer (or cause to be Transferred) not later than the close of business within five (5) Business Days following such ineligibility all Cash in its possession or held on its behalf to a Qualified Institution to be held in a segregated, safekeeping or custody account (the “***Collateral Account***”) within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for Buyer. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this CSA and for the security interest of Buyer and execute such account control agreements as are necessary or applicable to perfect the security interest of Seller therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of Seller. The Qualified Institution holding the Cash will invest and reinvest or procure the investment and reinvestment of the Cash in accordance with the written instructions of Buyer, subject to the approval of such instructions by the Seller (which approval shall not be unreasonably withheld). Buyer shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with Seller’s approval.

(iv) **Interest.** So long as no Event of Default with respect to the Seller has occurred and is continuing, and no termination date for which any unsatisfied payment Obligations of Seller exist has occurred or been designated as the result of an Event of Default with respect to Seller, in the event that Buyer or its Custodian is holding Cash, Buyer will Transfer (or cause to be Transferred) to Seller, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which shall be retained by Buyer), the Interest Amount. Interest on Cash shall accrue at the Collateral Interest Rate. Interest accrued during the previous month shall be paid by the Buyer to the Seller on the 3rd Business Day of each calendar month and on any Business Day that posted Eligible Collateral in the form of Cash is returned to Seller. On or after the occurrence of an Event of Default with respect to Seller or a termination date as a result of an Event of Default with respect to Seller, Buyer or its Custodian shall retain any such Interest Amount as additional Posted Collateral hereunder until the obligations of Seller under the



Agreement have been satisfied in the case of a termination date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) **Buyer's Rights and Remedies.** If at any time an Event of Default with respect to Seller has occurred and is continuing, then, unless the Seller has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement ("Obligations"), the Buyer may exercise one or more of the following rights and remedies: (i) all rights and remedies available to a Secured Party under applicable law with respect to posted Eligible Collateral held by the Buyer, (ii) the right to set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the Cash equivalent of any posted Eligible Collateral held by the Buyer, or (iii) the right to liquidate any posted Eligible Collateral held by the Buyer and to apply the proceeds of such liquidation of the posted Eligible Collateral to any amounts payable to the Buyer with respect to the Obligations in such order as the Buyer may elect. For purposes of this Paragraph 6, the Buyer may draw on the entire undrawn portion of any Letter of Credit. Cash proceeds that are not applied to the Obligations shall be maintained in accordance with the terms of this CSA. The Seller shall remain liable for amounts due and owing to the Secured Party that remain unpaid after the application, pursuant to this Paragraph 6, of Eligible Collateral to the Obligations.

(c) **Seller's Rights and Remedies.** If at any time a termination date has occurred or been designated as the result of an Event of Default with respect to Buyer, then unless the Buyer has paid in full all of its obligations that are then due, including those under Section 7.2(c) of this Agreement: (i) the Seller may exercise all rights and remedies available to a Seller under applicable law with respect to the posted Eligible Collateral, (ii) the Buyer will be obligated immediately to return all posted Eligible Collateral and accrued Interest to the Seller, or (iii) to the extent that posted Eligible Collateral or accrued Interest are not returned pursuant to (ii) above, the Seller may set-off any amounts payable by the Seller with respect to any Obligations against any posted Eligible Collateral or the cash equivalent thereof or to the extent that Seller does not set off such amounts, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of the remain posted Eligible Collateral held by the Buyer, until that posted Eligible Collateral is Transferred to the Seller. For avoidance of doubt, (i) the Buyer will be obligated immediately to Transfer any Letter of Credit to the Seller and (ii) the Seller may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to the Seller as required pursuant to (i) above, set-off any amounts payable by the Seller with respect to any Obligations against any such Letter of Credit held by the Buyer and, to the extent its rights to set-off are not exercised, withhold payment of any remaining amounts payable by the Seller with respect to any Obligations, up to the value of any remaining posted Eligible Collateral and the value of any Letter of Credit held by the Buyer, until any such Posted Eligible Collateral and such Letter of Credit is Transferred to the Seller; and (y) exercise rights and remedies available to the Seller under the terms of the Letter of Credit.

(d) **Letters of Credit.** Eligible Collateral provided in the form of a Letter of Credit shall be subject to the following provisions.

(i) As one method of providing Eligible Collateral, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(ii) Upon the occurrence of a Letter of Credit Default, Seller agrees to Transfer to Buyer either a substitute Letter of Credit or Cash, in each case on or before the first Business Day after the occurrence thereof (or the third (3<sup>rd</sup>) Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iii) Notwithstanding Paragraphs 4 and 5, (1) the Buyer need not return a Letter of Credit unless the entire principal amount is required to be returned, (2) the Buyer shall consent to a reduction of the principal amount of a Letter of Credit to the extent that a Delivery Amount would not be created thereby (as of the time of the request or as of the last time the Delivery Amount was determined), and (3) if there is more than one form of Posted Collateral when a Return Amount is to be Transferred, the Secured Party may elect which to Transfer.

(e) **Care of Posted Eligible Collateral.** Buyer shall exercise reasonable care to assure the safe custody of all posted Eligible Collateral to the extent required by applicable law, and in any event the Buyer will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Buyer will have no duty with respect to the posted Eligible Collateral, including without limitation, any duty to enforce or preserve any rights thereto.

(f) **Substitutions.** Unless otherwise prohibited herein, upon notice to the Buyer specifying the items of posted Eligible Collateral to be exchanged, the Seller may, on any Business Day, deliver to the Buyer other Eligible Collateral (“***Substitute Eligible Collateral***”). On the Business Day following the day on which the Substitute Eligible Collateral is delivered to the Buyer, the Buyer shall return to the Seller the items of Eligible Collateral specified in the Seller’s notice; provided, however, that the Buyer shall not be required to return the specified Eligible Collateral if immediately after such return, Seller would be required to post additional Eligible Collateral pursuant to the calculation of Exposure set forth in Paragraph 3(b) and the Confirmation.

#### **Paragraph 7. Exercise of Rights Against Posted Collateral.**

(a) **Disputes regarding amount of Eligible Collateral.** If either Party disputes the amount of Eligible Collateral to be provided or returned (such Party the “***Disputing Party***”), then the Disputing Party shall (a) deliver the undisputed amount of Eligible Collateral to the other Party (such Party, the “***Requesting Party***”) and (b) notify the Requesting Party of the existence and nature of the dispute no later than 5:00 p.m. EPT on the Business Day that the request for Eligible Collateral was made (the “***Request Date***”). On the Business Day following the Request Date, the Parties shall consult with each other in order to reconcile the two conflicting amounts. If the Parties are not able to resolve their dispute, the Eligible Collateral shall be recalculated, on the Business Day following the Request Date, by each Party requesting quotations from two (2) Reference Market-Makers for a total of four (4) quotations. The highest and lowest of the four (4) quotations shall be discarded and the arithmetic average shall be taken of the remaining two (2), which shall be used in order to determine the amount of Eligible Collateral required. On the same day the Eligible Collateral amount is recalculated, the Disputing Party shall deliver any additional Eligible Collateral required pursuant to the recalculation or the Requesting Party shall return any excess Eligible Collateral that is no longer required pursuant to the recalculation.

(b) **Further Assurances.** Promptly following a request by a Party, the other Party shall execute, deliver, file, and/or record any financing statement, specific assignment, or other document and take any other action that may be necessary or desirable to create, perfect, or validate any security interest or lien, to enable the requesting party to exercise or enforce its rights or remedies under this CSA, or to effect or document a release of a security interest on posted Eligible Collateral or accrued Interest.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding, or lien that involves the posted Eligible

Collateral delivered to Secured Party by Pledgor or that could adversely affect any security interest or lien granted pursuant to this CSA.

**Paragraph 8. Miscellaneous.**

(a) **Demands and Notices.** All demands, specifications, and notices to Buyer with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

National Grid  
Attn: Director, Wholesale Electric Supply  
100 East Old Country Road  
Hicksville, NY 11801  
Phone - (516) 545-~~3282~~5403  
~~Fax: (516) 545-3130~~  
Email – [ElectricSupply@NationalGrid.com](mailto:ElectricSupply@NationalGrid.com)

National Grid  
Attn: Credit Operations  
100 East Old Country Road  
Hicksville, New York 11801  
Phone - (516) 545-3122  
~~Fax: (516) 545-5466~~  
Email – [keyspan-margin@keyspanenergy.com](mailto:keyspan-margin@keyspanenergy.com)

All demands, specifications, and notices to Seller with respect to Credit Support shall be made pursuant to the Notices Section of the Agreement with a copy to:

Counterparty  
Attn:  
Address  
City, State Zip  
Phone - (\_\_\_\_) \_\_\_\_-\_\_\_\_  
~~Fax: (\_\_\_\_) \_\_\_\_-\_\_\_\_~~  
Email –

(b) The provisions of this CSA shall apply to any and all Transactions entered into under the Master Power Agreement subsequent to the effective date of this CSA.

(c) The information contained in Paragraph 3(c)(i) of this CSA constitutes “Confidential Terms” within the meaning of Article 23 of the Master Power Agreement.



**Schedule 5  
Standard Offer Service RFP Notice (Template)**



**Request for  
Power Supply  
Proposals to Provide  
the Following Services:**

Standard Offer Service  
for the Industrial Group  
in Rhode Island for the Period:

[START DATE – END DATE]

Standard Offer Service  
for the Commercial Group  
in Rhode Island for the Period:

[START DATE – END DATE]

Standard Offer Service  
for the Residential Group  
in Rhode Island for the Period:

[START DATE – END DATE]

[ISSUE DATE]

# REQUEST FOR POWER SUPPLY PROPOSALS

## 1. Overview

### 1.1 Background

~~Legislation in~~The Rhode Island Utility Restructuring Act (URA)<sup>1</sup> provides for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers.

The URA provides access to the competitive retail electricity market for all retail customers of National Grid's distribution company in Rhode Island (The Narragansett Electric Company or "~~NECO~~") as of January 1, 1998. In 2006, the Rhode Island legislature extended Standard Offer Service ("~~SOS~~") from the original termination date of December 31, 2009 until December 31, 2020. ~~The Act requires~~ National Grid is now required to provide ~~Standard Offer Service~~SOS to those customers who are not receiving generation service from a non-regulated power producer: (also known as a competitive supplier). National Grid is also required to provide Last Resort Service (LRS) to customers who are not receiving generation service from either SOS or a competitive supplier.

### 1.2 Standard Offer Service and Last Resort Service

Beginning on the retail access date, National Grid's retail customers in Rhode Island had received generation service from either their choice of competitive suppliers or from National Grid through Standard Offer Service or Last Resort Service. Beginning on January 1, 2010, all National Grid customers not taking service from a competitive supplier began taking Standard Offer Service<sup>2</sup>. ~~Standard Offer Service also included any National Grid's requirement to provide generation service for customers through SOS concludes at the end of 2020, at which point National Grid shall provide generation service through~~ Last Resort Service ~~customers beginning on January 1, 2010. Thus, in a change from the former Standard Offer Service, to those customers who chose to take are not taking~~ service from a competitive supplier ~~after January 1, 2010 would. Generation service through SOS and LRS is essentially the same; therefore, National Grid continues to use the terminology Standard Offer Service in its procurements and in its retail rates.~~

<sup>1</sup>~~The Rhode Island Utility Restructuring Act of 1996 ("URA" and Rhode Island General Law 39-1-27.3, as amended in June 2002 and The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006 ("The Act") and Rhode Island General Law 39-1-27.3, as amended in 2006.~~

R.I. Gen. Laws § 39-1-27.3.

<sup>2</sup> On September 30, 2009, the Rhode Island Public ~~Utility~~Utilities Commission ("~~PUC~~") approved National Grid's ~~filing of~~ April 29, 2009 filing (and revised on July 10, 2009) to replace the previous Standard Offer Service with a new Standard Offer Service. The new Standard Offer Service also included any Last Resort Service customers. Thus, in a change from the former Standard Offer Service, customers who chose to take service from a competitive supplier after January 1, 2010 would be permitted to return to Standard Offer Service if they were no longer receiving service from a competitive supplier.

Last Resort Service shall be permitted referred to return to as Standard Offer Service if they were no longer receiving service from a competitive supplier. going forward.

Customers taking Standard Offer Service will be in one of three separate groups: Residential, Commercial, and Industrial. This RFP is to procure service for the following groups:

- Residential Group (as defined below) for [NUMBER]% of the load for the period [START DATE] through [END DATE];
- Commercial Group (as defined below) for [NUMBER]% of the load for the period [START DATE] through [END DATE];
- Industrial Group (as defined below) for [NUMBER]% of the load for the period [START DATE] through [END DATE].

National Grid is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet these Standard Offer Service requirements. It is the intent of National Grid and supplier(s) that the resulting transactions shall meet the Commodity Futures Trading Commission's criteria for the forward contract exclusion, including that the parties intend to physically settle the transactions, and are, therefore, not subject to swap regulation.

**National Grid, in consultation with or at the request of the PUC or the Rhode Island Division of Public Utilities and Carriers, (Division), reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and, or to withdraw this RFP.**

### 1.3 Rhode Island Customer Groups

For the purposes of this solicitation, the Rhode Island Residential, Commercial, and Industrial Groups are defined as follows:

Customer Group	Rate Class
Residential	A-16 and A-60
Commercial	G-02, C-06, S-06, S-10, S-14
Industrial	G-32, B-32, <del>G-62, B-62</del> , X-01

## 2. Description of Services

### 2.1 Description

Appendix A contains an overview of the services covered by this Request for Proposal ("RFP"). The Appendix provides:



- A brief description of Standard Offer Service;
- The eligibility requirements for a customer to obtain or leave Standard Offer Service.

## 2.2 Expected Loads

National Grid is unable to predict the amount of load that will be required to meet the needs of any customer group. National Grid's customers are free to leave Standard Offer Service at any time to take service from competitive suppliers. The ability of customers to enroll or return to Standard Offer Service is described in Appendix A.

To assist ~~Respondents in~~suppliers with determining the potential load requirements, National Grid ~~is able to provide~~provides the following information on its Power Procurement Website:

- Aggregate reconciled historical wholesale hourly loads for the Standard Offer Service customer groups (since January 1, 2007).
- Aggregate historical wholesale hourly load data for previous Last Resort Service.
- Aggregate historical wholesale hourly load data for previous Standard Offer Service.
- Class average load shapes at the retail meter point.
- Historical customer counts, as of the last billing day in each month, by each National Grid company, SMD Load Zone (since March 1, 2003) and rate class. These counts represent the number of active accounts in each rate class as of the last billing day in each month.
- Historical customer counts for customers taking service from a competitive supplier, as of the last billing day in each month, by rate class.
- ICAP tags as of the last day of the month for each load asset.
- Average winning load block prices from previous RFPs.

Please use the following link to access the site:

<http://www.nationalgridus.com/energysupply/>

Click on "Data" at the upper right of the screen to access Load data, Customer Count data, Class Average Load Shapes and ICAP Tags. This site is open to anyone with the above link. No user ~~id~~ID or password is required to access the data on the site.

## 2.3 Load Blocks

National Grid's total Standard Offer Service requirements covered by this RFP are broken down into the following **[NUMBER]** load blocks:

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A1	Industrial	RI	#%	Standard Offer Service	[Start date – End date]
A2	Industrial	RI	#%	Standard Offer Service	[Start date – End date]
B	Residential	RI	#%	Standard Offer Service	[Start date – End date]
C	Commercial	RI	#%	Standard Offer Service	[Start date – End date]
TBD	TBD	RI	#%	Standard Offer Service	[Start date – End date]

A [Respondent/supplier](#) may bid on any number of load blocks that it wishes to serve. A Respondent wishing to serve the entire load for a particular customer group should submit a bid for each load block of that customer group. Respondents may not limit the amount of service that may be purchased for a given load block. Proposals that contain limits on the amount of service provided will be rejected<sup>3</sup>.

The amount of load for each load block to be supplied by the winning Supplier(s) will be determined in accordance with the procedure contained in Article 6 of the Master Power Agreement, a copy of which is provided in Appendix B.

## 2.4 Rhode Island Retail Customer Rates

During the term of service covered by this RFP, National Grid intends to establish retail rates for generation service for Standard Offer Service customers in Rhode Island. The Standard Offer Service rates will reflect National Grid's purchase costs for such service due to commitments made as a result of this and previous RFPs.

## 3. General Provisions

### 3.1 Terms and Conditions

The winning Supplier(s) will be selected to provide Standard Offer Service to the applicable customer groups/load blocks during the term covered by this RFP. Standard Offer Service will be provided by such Supplier(s) to National Grid in accordance with the terms and conditions of the Master Power Agreement. A copy of the Master Power Agreement for Rhode Island is provided in Appendix B. All Respondents must have an updated executed Master Power Agreement(s) prior to the indicative bid date.

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<sup>3</sup> For example, a Respondent offering to supply Block A load must agree to supply 100% of the needs of that load block during every month of the Period. The Respondent may not offer to serve Block A provided that the amount of service purchased does not exceed [specified value] MW in any hour.

The winning Supplier(s) will be required to execute the applicable confirmation(s) within two (2) business days of being notified that it has been selected as the winning Supplier.

Under Article 7 of the Master Power Agreement, failure of the winning supplier to deliver Requirements would constitute an event of default under the agreement, allowing National Grid to terminate and recover liquidated damages from the supplier.

### 3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

Process Step	Date
Company Issues Request for Proposal	[DATE]
Submit Respondent Proposal Information	[DATE] – 5pm EPT
Submit Indicative Pricing	[DATE] – 10am EPT
Company files Indicative Pricing Summary with the PUC	[DATE]
Submit Final Pricing	[DATE] – 10am EPT
Company Notifies Winning Bidders	[DATE] – 1pm
Company files Final Pricing Summary with the PUC	[DATE]
Winning Bidders and Company execute Confirmations	No later than two business days after Final Pricing
Service Begins	[DATE]

One (1) copy of a Respondent's Proposal Information and proposed agreement modifications must be submitted by e-mail or ~~facsimile or~~ mailed to the following address:

[EMPLOYEE]  
Wholesale Electric Supply  
National Grid  
100 East Old Country Road  
Hicksville, NY 11801  
(516) 545-XXXX  
~~(516) 545-2464 (fax)~~  
e-mail: ElectricSupply@nationalgrid.com

National Grid is conducting the procurement process in three steps. The first step is for Respondents to provide National Grid with their background and financial information by 5:00 p.m. Eastern Prevailing Time (EPT) on [DATE]. Upon receipt, National Grid will evaluate each Respondent's qualifications and will notify any Respondent that does not qualify by at least one business day before Indicative Pricing is due.

National Grid will not evaluate any indicative or final pricing if the Respondent does not have an executed Master Power Agreement. The Master Power Agreement must be executed prior to submitting indicative pricing.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. EPT on [DATE] at the above address. National Grid will evaluate the indicative pricing as described above, and if required, National Grid may seek clarifications from Respondents. National Grid will file an indicative pricing summary with the PUC.

The third step is as follows: Respondents to provide final pricing information by 10:00 a.m. EPT on [DATE] at the above address. National Grid requests final pricing be valid until 1:00 p.m. National Grid intends to evaluate the final pricing and select a Supplier(s) that day by that time. Final pricing shall be binding until execution of a confirmation. Respondents should specify the manner in which they will accept a binding acceptance of their offer by National Grid prior to receipt of an executed agreement (letter of intent or e-mail) or they will be deemed to be bound by National Grid's acceptance communicated in any of the preceding manners. National Grid will file a final pricing summary with the PUC.

At any time, National Grid, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and to withdraw this RFP.

### 3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to [EMPLOYEE] at the address provided above.

## 4. Service Features

### 4.1 Commencement Date of Supply

Service from the winning Supplier(s) to National Grid shall begin as of HE 0100 EPT on the date specified in the table found in Section 2.3 – Load Blocks.

Service from National Grid to individual customers who are currently taking Standard Offer Service in each customer group as of the Commencement Date, if any, will ~~be transferred to the appropriate customer group and~~ continue with the winning Supplier(s) providing such service to National Grid as of the Commencement Date.

Service from National Grid to individual customers taking Standard Offer Service as of the Commencement Date shall begin on the customer's meter reading date following notification/determination that a customer will be commencing Standard Offer Service or such other date designated by National Grid consistent with National Grid's Tariff for

Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. ~~2019-A2204~~ in Rhode Island.

National Grid's procedures provide for customers to be switched from one service option to another (e.g., from Standard Offer Service to a competitive supplier, from one competitive supplier to another competitive supplier, from a competitive supplier to Standard Offer Service) on their normal cycle meter reading dates. However, there may be circumstances (e.g., default of a competitive supplier) that might require a customer to be switched to Standard Offer Service "off-cycle". In such case, the customer will be switched to Standard Offer Service on a date designated by National Grid consistent with National Grid's Tariff for Off Cycle Meter Read for Switch of Supplier R.I.P.U.C. No. ~~2019-A2204~~ in Rhode Island.

#### 4.2 Termination Date of Supply

Service from the winning Supplier(s) to National Grid shall terminate at HE 2400 EPT on the dates specified in the table found in Section 2.3 – Load Blocks.

Individual customers taking Standard Offer Service from National Grid may terminate the service at any time. Terminations may include, but not be limited to, (i) a customer's taking competitive service from a competitive supplier, (ii) disconnection of service by National Grid in accordance with regulations and procedures approved by the PUC, or (iii) closing of a customer's account. National Grid's procedures provide for customers electing to terminate such service to be switched to their successor service on their normal cycle meter reading date following the date that National Grid receives notification of such switch. However, there may be circumstances which might require a customer to be terminated "off-cycle". In such a case, the customer will be terminated from Standard Offer Service on a date to be determined by National Grid.

#### 4.3 Delivery Points

The Supplier(s) of Standard Offer Service will be responsible for delivering power to the nodes/zones representing the actual locations of the Standard Offer Service loads. The Supplier(s) of each of the services will be responsible for any PTF losses allocated by the ISO related to the services. The locations of the applicable Standard Offer Service load assets are as follows:

<b>Company</b>	<b>SMD Load Zone</b>	<b>Load Asset</b>	<b>Load Asset Name</b>	<b>Load Block</b>
NECo	RI	37765	NECO INDUSTRIAL SO LOAD_4005	TBD
NECo	RI	37763	NECO RESIDENTIAL SO LOAD_4005	TBD
NECo	RI	37764	NECO COMMERCIAL SO LOAD_4005	TBD

#### 4.4 Form of Service

The Supplier(s) of each load block shall be responsible for meeting the specified service requirements for all of National Grid's customers in a specific load block. These service requirements include the generation and/or market procurement and delivery to the delivery point(s) of the portion of the electric capacity, energy and ancillary services required to meet the needs of National Grid's ultimate customers taking such service. National Grid will implement the transfer of these responsibilities to the Supplier(s) by updating the asset registration for each of the above Load Assets. National Grid will assign to the Supplier(s) the applicable Ownership Share for each Load Asset. Once a Supplier's obligation terminates, National Grid will terminate the Supplier's Ownership Share of a Load Asset.

The Supplier(s) shall be responsible for all obligations, requirements, and costs associated with the Supplier(s) having the Load Asset Ownership Share which shall include but not be limited to the day-ahead load obligations and real-time load obligations at the nodes/zones of each Load Asset. A more complete description of a Supplier(s)'s responsibilities can be found in the Master Power Agreement in Appendix B of this RFP.

The Supplier(s) shall be responsible for all decisions and data submissions associated with any bids into the market system to manage these obligations. The Supplier(s) shall be responsible for all components of any Locational Marginal Prices the Supplier must pay in delivery of the services. These components include, but are not limited to, the day-ahead and real-time energy, marginal losses, and congestion charges. As the supplier of such services, the Supplier(s) will be responsible for all present or future requirements and associated costs (to the extent such charges are not imposed on National Grid as a transmission charge by NEPOOL or the ISO) associated with the services and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may be in effect from time to time.

The Supplier(s) will also be responsible for all transmission and distribution losses associated with delivery of the electricity from the delivery point to the Standard Offer Service customer's meter. A description of the estimation process for determining supplier hourly load can be found in Appendix A of the Master Power Agreement, found in Appendix B of this RFP.

National Grid will make arrangements with the ISO for transmission service over the PTF and non-PTF, from and after the Delivery Point to the Customers' meters. National Grid will be billed by the ISO and the applicable Participating Transmission Owner(s) for these services. National Grid will pay these bills and collect the costs, along with National Grid's distribution costs, from its retail customers through its retail delivery service tariffs. Any other transmission or distribution costs will be the Supplier(s)' responsibility.

## 5. Proposal Requirements

### 5.1 Format of Proposal

The information required by National Grid to evaluate each proposal is identified in Appendix C. Respondents may simply complete the forms provided in Appendix C in any legible fashion and return them to [EMPLOYEE] as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

### 5.2 Proposed Pricing

Respondents must specify the price at which they will provide Standard Offer Service for each load block on which they are bidding to serve. Purchases will be made on an “as-delivered” energy basis with prices stated on a fixed \$/MWh basis. Such prices shall exclude any ISO capacity charges and credits. Such prices may vary by calendar month and by load block, but must be uniform for the entire calendar month or period, as specified, and cover the entire term of this Request for Proposals.

Prices which contain demand components, minimum purchase requirements or which vary by time-of-use within a calendar month will be rejected. Other than capacity market costs charges and credits, prices which exclude one or more market costs (e.g. uplift costs, etc.) will be rejected.

National Grid intends to pay a Supplier(s) based on the billing determinants as defined in the Master Power Agreement. These billing determinants are the loads as reported to and settled by the ISO, which include transmission and distribution losses, and exclude any PTF losses allocated to the Supplier by the ISO during the settlement. National Grid intends to pay a Supplier(s) the net of the actual ISO capacity costs charges and credits associated with the Supplier(s) having the Load Asset Ownership Share.

National Grid is seeking the following pricing:

- **All-Inclusive Bids:** For each load block (A1 through TBD), a price which includes all costs except capacity market charges and credits. Should National Grid select this option, (1) Suppliers would be responsible for all costs except capacity market charges and credits, (2) National Grid would pay Suppliers for the net of the actual ISO capacity costs charges and credits, and (3) Suppliers would not be responsible for complying with the Renewable Energy Standard component.

### 5.3 Terms and Conditions

Service will be provided pursuant to the terms of the Master Power Agreement.



#### 5.4 New England Market Participation

Each Respondent must indicate whether it has an executed and accepted Market Participant Service Agreement with ISO New England or if it plans to execute an agreement and, if so, at what point it is in the application process and the time frame for completing the process. Respondents must also provide evidence of agreements with a Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.

#### 5.5 Competitive Supplier Registration

The service provided by the Supplier(s) of Standard Offer Service to National Grid is a wholesale transaction between the Supplier(s) and National Grid; therefore, the Supplier(s) do not have to be licensed or registered suppliers with any state regulatory commission.

#### 5.6 Regulatory Approvals

The Supplier(s) of the services covered by this Request for Proposal must obtain and maintain all necessary regulatory approvals required to enable it to provide the applicable service. Such approvals must be obtained prior to [START DATE] or [START DATE], as applicable.

### 6. Retail Customer Relationships

#### 6.1 Customer Billing

All customers taking Standard Offer Service covered by this RFP will be retail customers of National Grid. As the retail provider of such service, National Grid will bill customers for the Standard Offer Service provided.

#### 6.2 Notification of Enrollments and Terminations

National Grid will provide electronic notification to the Supplier(s) of Standard Offer Service customer enrollments and terminations within a customer group. Enrollment information will include account number, rate class and commencement date of service. Termination information will include account number, rate class and termination date of service. Such notifications shall only be provided when a Supplier establishes a Windows or Unix file server with capability of sending and receiving File Transfer Protocol (“FTP”), files with Pretty Good Privacy (“PGP”), Encryption/Decryption, and (ii) verifies its ability to transfer files to and receive files from National Grid at least fourteen (14) days prior to the day on which a Supplier desires to commence electronic receipt.



### 6.3 Customer Service

National Grid, as the retail provider of Standard Offer Service, will provide customer service to all customers receiving Standard Offer Service.

## 7. Selection Process

The criteria to be used in evaluating proposals will be the lowest evaluated bid price by load block. If there are identical lowest final bid prices, the winning bidder will be determined by selecting the bidder with the lowest final bid price for the estimated highest volume month.

## 8. Credit Requirements

In order to protect National Grid's Standard Offer Service customers from the risk of Supplier(s) default, a winning Supplier(s) must be able to demonstrate it has the financial resources to perform during the term of the agreement. As reflected in the attached Master Power Agreement (Appendix B to this RFP), National Grid will require Supplier(s) to provide some form of security when entering into a Confirmation. The security arrangement will be based on the expected volume of load for the load block and a mark-to-market margining clause. As forward market prices change, the Supplier(s) will be required to post security for those incremental changes. Additionally, Suppliers that are rated at or below BBB-/Baa3 will be required to post an Independent Amount equal to 10% of the notional value of each load block awarded. The Supplier(s) shall provide security in one of the following forms:

- Unsecured line of credit for a rated counterparty
- Parental Guaranty
- Letter of Credit
- Cash deposit with National Grid

Respondents that are rated by a major credit rating agency must provide the ratings assigned by such agencies. Respondents that are not rated by a major credit rating agency must provide the following information to enable National Grid to evaluate a Respondent's financial strength:

- Respondent's organizational history
- Date of establishment
- Initial (if founded within the last ten years) and current capitalization
- Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period

- Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable;
- Short-term and long-term debt ratings from Moody's Investor Service or Standard & Poor's Corporation
- Corporate affiliates or joint venture partners including any details regarding financial limitations between partners or affiliates.

If a Respondent has provided this information to National Grid or an affiliate in a response to a previous RFP, then the Respondent needs only to identify the date and to whom the information was submitted and update the previously provided information.

National Grid agrees that it will treat the information it receives from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP.

## 9. General Requirements

National Grid may withdraw and terminate this RFP at any time without any liability. National Grid reserves the right to accept or reject, in whole or in part, any and all proposals. National Grid will not be responsible to any Respondent or any other party for failure to execute a Master Power Agreement or Confirmation.

National Grid shall reject proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of the RFP, or are submitted beyond the deadline for submission. All proposals submitted by Respondents in response to the RFP will become the exclusive property of National Grid.

National Grid will post the average winning bid price of each load block on its website within 90 days of final pricing.

Each Respondent certifies, by its submission of a bid, that it is bidding independently and that it has no knowledge of any proposal being submitted by another Respondent in response to this RFP. Each Respondent further certifies that, by its submission of a bid, it has not disclosed and will not disclose prior to any award hereunder any information relating to its proposal which could have an effect on whether another party submits a proposal to this RFP or on the contents of such proposal that another bidder would be willing to submit in response to this RFP. Such information includes, but is not limited to: the fact that the bidder is submitting a proposal in response to this RFP, the bidder's bids, the bidder's quantities of each product bid, the bidder's estimation of the value of a product, the bidder's estimation of the risks associated with supplying a product, and the bidder's preference for bidding on one or several products.

If any information provided by the Respondent changes or fails to remain valid, it is the sole responsibility of the Respondent to notify National Grid of such change. Failing to

do so may result in disqualification of the Respondent and its proposal for the solicitation.

Respondents shall, at their own cost and expense, defend, indemnify and hold harmless National Grid, its parent, subsidiaries and affiliates and their officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions proceeding or allegations of any kind which in any manner relate to arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in its proposal, or breach of any covenant by the Respondent set forth herein.

**APPENDIX A**  
**DESCRIPTION OF SERVICES**

<p><b>The Narragansett Electric Company</b></p> <p><b>Standard Offer Service</b></p>	
Description	Electric Service provided to retail customers who are not taking service from a competitive supplier.
Eligibility Requirements	<p>Service to customers can be initiated by:</p> <p>a) A customer notifying National Grid that it wishes to terminate service from its competitive supplier and commence Standard Offer Service.</p> <p>b) A competitive supplier notifying National Grid that it is terminating service to a customer.</p> <p>c) A competitive supplier ceasing to provide service to a customer without notifying National Grid.</p> <p>d) A customer moves into National Grid's service territory and does not affirmatively choose a competitive supplier.</p>
Aggregate Number of Customers Taking Service and Historical Load Profiles	<p>Note: Historic customer count data and historical hourly load profiles are available at National Grid's procurement web site:</p> <p><a href="http://www.nationalgridus.com/energysupply/">http://www.nationalgridus.com/energysupply/</a></p>

## APPENDIX B

### ~~PROPOSED~~ MASTER POWER AGREEMENT

## APPENDIX C

### **REQUIRED PROPOSAL INFORMATION**

**RESPONDENT:** \_\_\_\_\_

**1. General Information**

Name of Respondent	
Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State(s) of incorporation, residency and organization  Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not.	
If Respondent is a partnership, the names of all general and limited partners.  If Respondent is a limited liability company, the names of all direct owners.	
Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector	



**RESPONDENT:** \_\_\_\_\_

## **2. Financial Information**

Current debt rating for Respondent (include ratings and names of rating agencies).	
Date Respondent's last fiscal year ended.	
Total revenue for Respondent for the most recent fiscal year.	
Total net income for Respondent for the most recent fiscal year.	
Total assets for Respondent as of the close of the previous fiscal year.	
Copy of the Respondent's most recent balance sheet, income statement and cash flow statement.	
Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement.	

## **3. Defaults and Adverse Situations**

<p>Describe, in detail, any situation in which Respondent (either individually or as part of a consortium, joint venture or other group), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to transact business in the energy sector within the past five years including, without limitation, to purchase or deliver energy, capacity or other market products at retail or wholesale, or for the purchase or sale of electricity or natural gas, and including any financing agreements or financing provisions of any agreement.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event.</p> <p>If there was litigation, provide the case caption, index number and court.</p> <p>Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
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**RESPONDENT:** \_\_\_\_\_

Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.	
Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the RFP	

**4. NEPOOL AND POWER SUPPLY EXPERIENCE**

Is Respondent a member of NEPOOL?	
Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?	
Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations .	
Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.	
Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.	

**RESPONDENT:** \_\_\_\_\_

**5. CONFLICTS OF INTEREST**

Briefly describe any known conflicts of interest between bidder or an affiliate of bidder and Buyer, National Grid USA or any affiliates of the foregoing.	
Enumerate any litigation, claims or complaints asserted by bidder or an affiliate of bidder, against Buyer, National Grid or an affiliate of any of the foregoing.	
Enumerate any litigation, claims or complaints asserted against bidder or an affiliate of bidder by Buyer, National Grid or an affiliate of any of the foregoing.	

**6. SCOPE OF BID AND TERMS OF SALE**

Will Respondent execute a contract substantially similar to the Master Power Agreement contained in Appendix B?  Explain any proposed modifications.	
List all regulatory approvals required before service can commence.	

**RESPONDENT:** \_\_\_\_\_

**7. Proposed Pricing**

(Respondent required to submit bidding spreadsheet included on procurement ~~web-site~~[website](#))

**Standard Offer Service**



**Schedule 6  
Standard Offer Service RFP Summary (Template)**

Docket No. NUMBER

# NATIONAL GRID

## STANDARD OFFER SERVICE PROCUREMENT SUMMARY FOR THE NARRAGANSETT ELECTRIC COMPANY

FOR THE PERIOD  
[START DATE – END DATE]

### 1. RFP Issued

National Grid issued its Request for Power Supply Proposals (“RFP”) on [ISSUE DATE] directly to approximately 25 suppliers for the service period [START DATE] through [END DATE].

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

This procurement was conducted in accordance with the ~~Standard Offer~~ Last Resort Service Procurement Plan approved by the Rhode Island Public Utilities Commission in Docket [NUMBER] (approved [DATE]). ~~This procurement is also~~ The Last Resort Service Procurement Plan provides generation service, also known as Standard Offer Service, to customers not taking service from a competitive supplier. This procurement is consistent with prior procurements conducted by National Grid.

National Grid’s RFP requested all-inclusive pricing for the following:

- [NUMBER]% of the Rhode Island Industrial Group Standard Offer Service requirements for the period [START DATE] through [END DATE];
- [NUMBER]% of the Rhode Island Residential Group Standard Offer Service requirements for the period [START DATE] through [END DATE];
- [NUMBER]% of the Rhode Island Commercial Group Standard Offer Service requirements for the period [START DATE] through [END DATE].

These requirements were divided into [NUMBER] distinct load blocks. A description of each load block is provided in Exhibit 1.

### 2. Key RFP Dates

- The RFP was issued on [DATE].
- Supplier information was received on [DATE].
- Indicative bids were received on [DATE].
- Final bids were received on [DATE].

### 3. Contract Submissions

Docket No. **NUMBER**

All bidders had executed Master Power Agreements with National Grid before final bids, and no contract revisions were necessary with the winning bidders. **[AMEND AS NECESSARY]** National Grid was able to resolve all outstanding issues with the bidders prior to receipt of bids and executed agreements that did not shift risks or obligations to its customers from those contained in its proposed agreements.

#### 4. Indicative Bids

Indicative bids were received on **[DATE]** from **[NUMBER]** bidders.

The indicative bids were evaluated and ranked (see Exhibits 2 and 3). Indicative pricing was used only to determine current market prices, to prepare an initial ranking of bids and to identify any bidding anomalies. The Rhode Island retail prices in Exhibit 3 were calculated by adjusting the wholesale contract prices in Exhibit 2 by the ratio of wholesale purchases to retail deliveries as calculated in Exhibit 3.

The lowest indicative bids for each load block were compared to National Grid's estimate of expected indicative bids. Our methodology calculates the expected bid prices from the historical relationship of the bid prices to all market components that comprise the bid price (see Exhibit 4). This method utilizes a detailed on-peak & off-peak calculation and incorporates ~~all bid components: the~~ energy, ~~capacity~~, and ancillary services bid components.

~~The results of the Rhode Island indicative bids were filed with the Rhode Island Public Utilities Commission on [DATE].~~

#### 5. Award of Final Bids

Final bids were received on **[DATE]** from **[NUMBER]** bidders.

The final bids were evaluated and ranked (see Exhibits 5 and 6). The retail prices for Rhode Island in Exhibit 6 were calculated by adjusting the wholesale prices in Exhibit 5 by the ratio of wholesale purchases to retail deliveries as calculated in Exhibit 6.

A summary of the number of conforming bids per block is provided in the following table:

Block - # Bids	Block - # Bids	Block - # Bids
A - #	B - #	<b>TBD - #</b>

The lowest final bids for each load block were compared to National Grid's estimate of expected bids based on the methodology described above (see Indicative Bids). The calculations of these expected prices can ~~been~~be found in Exhibit 7.

The RFP's competitive bidding process identified the winning bids for the **[NUMBER]** blocks as shown in Exhibit 8. Exhibit 8 also provides the basis for the award. Exhibit 9 provides a bidder key to help identify bidders.



Docket No. **NUMBER**

Exhibit 10 provides a bid premium estimate for all winning bids. The bid premium estimate is the difference between the ~~FRS~~Winning Bid Costs and the Market Component Costs. This difference includes:

- basis differential (the difference between the RI zonal price and hub price)
- volume risk premium - a premium associated with Est. MWh, On Peak % (loadshape), Customer Capacity Load Obligation etc.
- migration risk premium
- price risk premium - premium associated with Capacity Net Clearing Price, Ancillary Costs Services costs, unexpected uplift costs, & electricity costs
- load shaping premium
- credit costs
- supplier margin

~~The results of the final bids were filed with the Rhode Island Public Utilities Commission on [DATE].~~

## 6. Description of Wholesale Markets Conditions

[PROVIDE SUMMARY OF MARKET CONDITIONS]

## 7. Retail Rate

The expected retail rates for the Industrial Group, excluding administrative cost adders and the Renewable Energy Standard Charge, were based on the wholesale ~~bid~~bids that ~~was~~were awarded supply and capacity cost estimates.

The expected retail rates for the Residential and the Commercial ~~Customer~~ Groups, excluding administrative cost adders and the Renewable Energy Standard Charge, were based on the wholesale bids that were awarded supply weighted with previous procurements. This is the [NUMBER] of [NUMBER] RFPs to procure power to serve Standard Offer Service customers for the [START DATE] to [END DATE] period. These costs are weighted with the previous RFP procurements, estimates for the 10% spot market purchases, and estimates for capacity costs to determine the expected retail rates [AMEND IF NECESSARY].

This is also the [NUMBER] of multiple RFPs to procure power to serve Standard Offer Service residential and commercial customers for ~~calendar year [YEAR]~~the [PERIOD]. These costs will be weighted with future RFPs, capacity cost estimates, and an estimate for the 10% spot market purchases to determine the final retail rates.

The Rhode Island retail rates were calculated by adjusting the wholesale contract prices using the ratio of wholesale kWh purchases to retail kWh deliveries as calculated in Exhibit 6.

A summary of the estimated retail rates for blocks AA1 through **TBD** is provided in Exhibit 11.

**CONTAINS CONFIDENTIAL INFORMATION  
DO NOT RELEASE**

~~National Grid: Page 4 of 14~~

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**EXHIBIT 1**  
**LOAD BLOCK DESCRIPTIONS**

**CONTAINS CONFIDENTIAL INFORMATION  
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**EXHIBIT 2**

**INDICATIVE BID RANKING AT WHOLESALE  
BLOCKS AA1 – TBD**

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**EXHIBIT 3  
INDICATIVE BID RANKING AT RETAIL  
BLOCKS AA1 – TBD**

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**EXHIBIT 4**

**ESTIMATED INDICATIVE PRICES  
FORECAST BASED ON NYMEX ELECTRICITY FUTURES  
[START DATE – END DATE] PERIOD**

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**EXHIBIT 5  
FINAL BID RANKING AT WHOLESALE  
BLOCKS AA1 – TBD**

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**EXHIBIT 6  
FINAL BID RANKING AT RETAIL  
BLOCKS AA1 – TBD**

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**EXHIBIT 7**

**ESTIMATED FINAL PRICES**

**FORECAST BASED ON NYMEX ELECTRICITY FUTURES**

**[START DATE – END DATE] PERIOD**



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**EXHIBIT 8  
SUMMARY OF LOAD BLOCK AWARDS**

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**EXHIBIT 9  
BIDDER KEY**

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**EXHIBIT 10  
BID PREMIUM ESTIMATES  
BLOCKS AA1 - TBD**

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**EXHIBIT 11**  
**ESTIMATED RETAIL RATES BASED ON FINAL BID PRICES**



**Schedule 7  
Benefit-Cost Framework Analysis**

**2021 Last Resort Service Procurement Plan**  
**Docket 4600 Benefit-Cost Framework - Applicable Category Summary**

Power System Level (Cost/Benefit Categories)		Dollars \$	Description of quantitative values or reason for exclusion:
(1) Energy Supply & Transmission Operating Value of Energy Provided or Saved (Time- & Location-specific LMP)	Not Applicable (N/A)	\$0	Last Resort Service (LRS) load is settled at the ISO-NE zonal (Rhode Island) level. Zonal level settlement does not have any impact on locations because zonal prices are the weighted average of all the nodes within the load zone.
(2) Renewable Energy Credit Cost / Value	N/A	\$0	The LRS Plan is applicable to wholesale power, not Renewable Energy Certificates (REC), and therefore it does not impact REC pricing or REC quantities necessary to comply with the RES.
(3) Retail Supplier Risk Premium	Applicable/Not Quantifiable		Positive net benefits. Moderate impact. The NorthBridge Report determined that a Standard Offer Service (SOS) Plan resulted in a higher Expected Rate Level compared to a 100% spot market procurement plan, but the SOS Plan significantly protected customers from Rate Shock and Oct-Mar Supply Cost Surprise. <sup>1</sup> Additionally, the LRS Plan may minimize customer risks and costs for customers seeking competitive supply. The LRS Plan lowers customers' risk in markets without strong competitive supplier participation. This type of market may result in limited competition and higher prices. The LRS Plan provides an alternative, cost effective rate to allow customers to make well-informed decisions for their generations service.
(4) Forward Commitment: Capacity Value	N/A	\$0	The LRS Plan does not include FCM Qualified Resources. Change in demand requires interval or advanced metering functionality to design rates that may impact summer peaking demand to reduce capacity requirements.
(5) Forward Commitment: Avoided Ancillary Services Value	N/A	\$0	The LRS Plan is not related to generating resources.
(6) Utility / Third Party Developer Renewable Energy, Efficiency, or DER costs	N/A	\$0	There are no new, upfront costs associated with the LRS Plan. The LRS Plan is a continuation of the current SOS Plan which has recurring costs.
(7) Electric Transmission Capacity Costs / Value	N/A	\$0	The LRS Plan does not impact the ISO-NE resource mix.
(8) Electric transmission infrastructure costs for Site Specific Resources	N/A	\$0	The LRS Plan does not require new transmission.
(9) Net risk benefits to utility system operations (generation, transmission, distribution)	N/A	\$0	The LRS Plan does not require DERs.
(10) Option value of individual resources	N/A	\$0	The LRS Plan does not impact individual resources.
(11) Investment under Uncertainty: Real Options Cost / Value	N/A	\$0	There is no option value associated with the LRS Plan. Also, the LRS Plan can adapt to any new information and be modified in the future.
(12) Energy Demand Reduction Induced Price Effect	Applicable/Not Quantifiable		Positive net benefits. Minimal impact. The LRS Plan is not an Energy DRIPE, but the proposal's indirect benefit is the possibility of increased energy efficiency or reduced usage during the higher-priced winter rate period.
(13) Greenhouse gas compliance costs	N/A	\$0	Greenhouse gas compliance costs (RGGI) are embedded as a fuel-related cost in the wholesale prices and not impacted by any procurement plan.
(14) Criteria air pollutant and other environmental compliance costs	N/A	\$0	The LRS Plan does not impact the ISO-NE resource mix which is responsible for emissions.
(15) Innovation and Learning by Doing	N/A	\$0	The LRS Plan is a continuation of the existing SOS Plan. The LRS Plan can adapt to any new information and be modified in the future.
(16) Distribution capacity costs	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.
(17) Distribution delivery costs	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.
(18) Distribution system safety loss/gain	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.
(19) Distribution system performance	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.
(20) Utility low income	Applicable/Not Quantifiable		Positive net benefits. Minimal impact. Seasonal rates may increase energy efficiency or encourage low income customers to reduce usage during the higher-priced winter rate period.
(21) Distribution system and customer reliability / resilience impacts	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.
(22) Distribution system safety loss/gain	N/A	\$0	LRS load is settled at the ISO-NE zonal level. Distribution level category is not applicable to the LRS Plan.

Customer Level (Cost/Benefit Categories)		Dollars \$
(23) Program participant / prosumer benefits / costs	Applicable/Not Quantifiable	(\$13,051,674) - See Description
(24) Participant non-energy costs/benefits: Oil, Gas, Water, Waste Water	N/A	\$0
(25) Low-Income Participant Benefits	Applicable/Not Quantifiable	
(26) Consumer Empowerment & Choice	Applicable/Not Quantifiable	\$68,492,111 - See Description
(27) Non-participant (equity) rate and bill impacts	Applicable/Not Quantifiable	

**Description of quantitative values or reason for exclusion:**

Positive net benefits. Moderate impact. The Company can only quantify a portion of this category. The annual increase in costs of the LRS Plan, compared to 100% spot market purchases, is approximately \$13 million. However, the Company cannot quantify the benefits associated with price stability and protection from rate shocks. The LRS Plan's fixed prices will result in higher or lower costs than market prices, but provides price stability compared to the spot market. The NorthBridge Report determined that a SOS Plan resulted in a \$3.27 per MWh higher Expected Rate Level compared to a 100% spot market procurement plan, but significantly protected customers from Rate Shock and Oct-Mar Supply Cost Surprise. Additionally, the LRS Plan provides an alternative, cost effective rate which allows customers to make well-informed decisions when comparing to competitive suppliers' prices. The 2019 SOS Plan determined customers with competitive suppliers paid \$56 million more than if they remained on SOS over a 5 year period.<sup>2</sup> Finally, seasonal rate impacts may increase energy efficiency, reduce usage, or encourage budget billing.

LRS load is settled at the ISO-NE zonal level. The LRS Plan does not specify the generation fuel type.

Positive net benefits. Minimal impact. The LRS Plan provides price stability compared to other procurement plans. Seasonal rate impacts may increase energy efficiency or reduce usage for low income customers.

Positive net benefits. Large impact. The Company can only quantify a portion of this category. The LRS Plan provides an alternative, cost effective rate which allows customers to make well-informed decisions when comparing to competitive suppliers' prices. The 2019 SOS Plan determined customers with competitive suppliers paid \$56 million more than if they remained on SOS over a 5 year period. Based on this analysis, the Company quantified the annual amount all SOS customers saved by remaining on SOS instead of taking generation service from competitive supply. For one year, this is approximately a \$68 million benefit. The Company cannot quantify the impact of LRS on the development of a competitive marketplace. The LRS Plan includes market prices which allows LRS to coexist with competitive suppliers. However, a last resort service may slow increased development of the retail choice program compared to a market in which the utility does not provide this service.

Unknown net benefits. Minimal impact. Customers that switch from LRS to competitive suppliers during a rate period may have underpaid or overpaid for their commodity costs. A credit or charge will be made to all distribution customers. This mechanism had been established to support switches to competitive suppliers. Additionally, there will be reconciliations for the three LRS groups: residential, commercial, and industrial. The reconciliations are based on various factors including monthly usage patterns. It is possible that individual customers may have different usage patterns from the whole and experience reduced or extra costs.

Societal Level (Cost/Benefit Categories)		Dollars \$
(28) Greenhouse gas externality costs	N/A	\$0
(29) Criteria air pollutant and other environmental externality costs	N/A	\$0
(30) Conservation and community benefits	Applicable/Not Quantifiable	
(31) Non-energy costs/benefits: Economic Development	Applicable/Not quantifiable	
(32) Innovation and knowledge spillover (Related to demonstration projects and other RD&D preceding larger scale deployment)	N/A	\$0
(33) Societal Low-Income Impacts	N/A	\$0
(34) Public Health	N/A	\$0
(35) National Security and US international influence	N/A	\$0

**Description of quantitative values or reason for exclusion:**

Greenhouse gas costs are embedded as a fuel related cost in the wholesale prices and not impacted by any procurement plan.

The LRS Plan does not impact the ISO-NE resource mix.

Positive net benefits. Minimal impact. Seasonal rate impacts may increase energy efficiency or encourage customers to reduce usage.

Positive net benefits. Large impact. The LRS Plan's fixed prices will result in higher or lower costs than market prices, but provides price stability. Also, the LRS Plan provides a cost effective rate to compare competitive suppliers' prices, allowing customers to save money by making well-informed decisions.

The LRS Plan is a continuation of the existing SOS Plan. However, it can adapt to any new information and be modified in the future.

Low-income impacts is not included by the LRS Plan, but is addressed by the A-60 rate class and the Low Income Home Energy Assistance Program.

The LRS Plan does not impact the ISO-NE resource mix.

The LRS Plan does not impact the ISO-NE resource mix.

<sup>1</sup> See page 13 of National Grid's Compliance Filing, Docket No. 4556 (January 29, 2016).

<sup>2</sup> See page 9 of the Direct Testimony of Stephen A. McCauley, Docket No. 4809.