

August 20, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02889

**RE: Docket 4041 - 2010 Standard Offer Supply & Renewable Energy Supply Procurement
Responses to Data Requests**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ responses to the Commission's Sixth Set of Data Requests issued on August 5, 2009 in the above-referenced proceeding.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosure

cc: Docket 4041 Service List
Steve Scialabba, Division

¹The Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company").

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted to the individuals listed below.

Joanne M. Scanlon
National Grid

August 20, 2009
Date

**Docket No. 4041 National Grid – SOS and RES Procurement Plans
Service List Updated 7/14/09**

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Commission Data Request 6-1

Request:

Referencing the Company's response to Commission Data Request 5-3, please further respond to the second part of the question: Would there be any benefit to issuing an RFP to procure some or all of the 2010 RECs prior to October 2009? Why or why not?

Response:

It is the Company's opinion that issuance of an RFP prior to October 2009 would provide little or no benefit. The REC market has shown little volatility, and thus there is no indication that prices will significantly change over the next two months. There will be ample time to procure 2010 RECs between October 2009 and June 15, 2011, when the 2010 trading period ends.

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

Commission Data Request 6-2

Request:

With regard to the Company's response to Commission Data Request 5-5, please provide any suggestions regarding ways to mitigate the cited disadvantage of a fifteen month reconciliation period?

Response:

See the response to Commission Data Request 6-3.

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

Commission Data Request 6-3

Request:

In light of the Commission's decision to render a decision in Docket No. 4065 to approve rates for usage on and after March 1, 2010, would it be possible for 2010 to conduct the annual reconciliation for transmission and transition and set the new SOS rates for usage on and after March 1, 2010? If so, what are the advantages and disadvantages to this? Please also provide an estimate of the deferred balance as of February 28, 2010 based on current assumptions.

Response:

It is certainly possible and the Company would consider coordinating the filing of the annual retail rate reconciliations and the Standard Offer Service compliance filing so that the effective date of those rate changes coincides with the March 1, 2010 effective date of the distribution and transmission rate changes proposed in R.I.P.U.C. Docket No. 4065, with the exception of the Standard Offer rate change for Large Customers as discussed below.

The primary advantage of coordinating the Small Customer Standard Offer and reconciliation rate changes with the general rate case distribution and transmission rate changes is that, by doing so, customers will experience the bill impacts of the combined changes only once, rather than see two separate bill impacts only two months apart. In its proposed Standard Offer procurement plan submitted in this docket, the Company has proposed procuring supply for Large Customer class through Full Requirements Service ("FRS") contracts procured on a quarterly basis. Prices applicable to this class will vary monthly. Since the Large Customer class will experience monthly rate changes on an ongoing basis, the Company does not see an advantage in delaying the implementation of Standard Offer rates for the Large Customer class and would recommend a January 1 rate implementation as proposed.

As indicated in the Company's response to Commission Data Request 5-5 in this docket, a delayed implementation of Standard Offer, transmission and transition charges and an extension of the reconciliation period to accommodate a March 1 rate change could result in larger than expected deferral balances in each of the reconciliations. However, based upon information available, the Company is not projecting significant deferrals in any of its reconciliation accounts through the end of this calendar year.¹ The attachment to this request includes projected reconciliations for the Company's Standard Offer Service, Transmission Service and Transition Service through December 2009

¹ Information on transmission, standard offer and transition expense for 2010 is not yet available.

Commission Data Request 6-3 (cont.)

(assumptions are noted on each schedule). If the Commission determines that a March 1, 2010 effective date is appropriate for the proposed Standard Offer and retail reconciliation changes, the Company will closely monitor the projected deferral balances on a monthly basis. The Company will inform the Commission of any significant under or over recovery and, if necessary, recommend an interim rate adjustment prior to March 1.

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

Standard Offer Reconciliation
for the period October 2008 through December 2009

Projected Balance @ September 30, 2009

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(1) Oct-08	\$22,487,122	\$29,189,036	\$33,180,611	\$46,520,758	\$79,701,369	(\$50,512,333)	\$9,418	(\$28,034,630)	(\$2,816,926)
(1) Nov-08	(\$28,034,630)	\$45,850,371	\$31,718,885	\$24,680,727	\$56,399,612	(\$10,549,241)	\$4,739	(\$38,588,610)	(\$5,106,173)
(1) Dec-08	(\$38,588,610)	\$60,877,157	\$34,633,822	\$25,176,931	\$59,810,754	\$1,066,403	\$4,553	(\$37,526,759)	(\$812,572)
(1) Jan-09	(\$37,526,759)	\$66,753,067	\$36,550,985	\$24,459,967	\$61,010,952	\$5,742,115	\$4,785	(\$31,789,429)	(\$6,769,224)
(1) Feb-09	(\$31,789,429)	\$45,491,281	\$29,602,983	\$19,206,197	\$48,809,179	(\$3,317,898)	\$4,970	(\$35,112,297)	(\$11,511,109)
(1) Mar-09	(\$35,112,297)	\$42,911,251	\$31,360,313	\$17,615,362	\$48,975,675	(\$6,064,424)	\$4,270	(\$41,180,990)	(\$19,673,524)
(1) Apr-09	(\$41,180,990)	\$39,104,483	\$27,956,205	\$13,972,271	\$41,928,476	(\$2,823,993)	\$4,203	(\$44,009,186)	(\$23,737,304)
(1) May-09	(\$44,009,186)	\$36,857,968	\$28,563,636	\$12,018,973	\$40,582,609	(\$3,724,641)	\$0	(\$47,733,827)	(\$27,652,218)
(1) Jun-09	(\$47,733,827)	\$36,512,017	\$30,692,367	\$8,053,016	\$38,745,383	(\$2,233,366)	\$0	(\$49,967,193)	(\$27,167,437)
(2) Jul-09	(\$49,967,193)	\$41,454,103	\$35,748,013	\$8,301,300	\$44,049,314	(\$2,595,211)	\$0	(\$52,562,404)	(\$23,684,367)
(2) Aug-09	(\$52,562,404)	\$52,505,522	\$40,520,566	\$6,803,212	\$47,323,778	\$5,181,744	\$0	(\$47,380,661)	(\$21,321,784)
(2) Sep-09	(\$47,380,661)	\$47,379,775	\$36,564,826	\$4,955,044	\$41,519,870	\$5,859,904	\$0	(\$41,520,756)	(\$17,317,719)
(2) Oct-09	(\$41,520,756)	\$24,203,037				\$24,203,037		(\$17,317,719)	
Totals	\$22,487,122	\$569,089,067	\$397,093,213	\$211,763,758	\$608,856,971	(\$39,767,904)	\$36,937	(\$17,317,719)	
Interest (3)								\$105,047	
Ending Balance with Interest								(\$17,212,672)	

- (1) Actual revenues and expenses
- (2) Estimated revenues and expenses
- (3) Interest expense calculation : $(\$22,487,122 + -\$17,317,719) / 2 * ((4.63\% * 5/12) + (3.66\% * 7/12))$

NOTE: October 2009 reflects September usage billed in October

Section 2. Projected Balance @ December 31, 2009

Month	Over(Under) Beginning Balance (a)	Standard Offer Revenue (b)	Standard Offer Base Expense (c)	Fuel Index Payments (d)	Total Standard Offer Expenses (e)	Monthly Over(Under) (f)	Adjustments (g)	Over(Under) Ending Monthly Balance (h)	Monthly Balance Including Unbilled (i)
(2) Oct-09	(\$17,212,672)	\$19,802,485	\$33,960,783	4,262,519	\$38,223,302	(\$18,420,818)		(\$35,633,490)	(\$13,085,226)
(2) Nov-09	(\$35,633,490)	\$40,996,843	\$31,638,868	4,479,512	\$36,118,380	\$4,878,463		(\$30,755,026)	(\$6,189,726)
(2) Dec-09	(\$30,755,026)	\$44,664,183	\$34,469,098	5,277,220	\$39,746,318	\$4,917,865		(\$25,837,161)	\$2,185,022
(2) Jan-10	(\$25,837,161)	\$28,022,183				\$28,022,183		\$2,185,022	
Totals	(\$17,212,672)	\$133,485,694	\$100,068,749	\$14,019,251	\$114,088,001	\$19,397,694	\$0	\$2,185,022	

NOTE: January 2010 reflects December usage billed in January

- (2) Estimated revenues and expenses

Column Notes:

Column (a) Column (h) from previous row; beginning balance - Sep '08 ending balance from RIPUC Docket No. 4011 on Schedule JAL-4

Column (b) from Page 2 of August Standard Offer report

Column (c) from invoices

Column (d) from invoices

Column (e) Column (c) + Column (d)

Column (f) Column (b) - Column (e)

Column (g) NE-GIS expense

Column (h) Column (a) + Column (f) + Column (g)

Column (i) Column (h) + 55% of next month's Column (b)

Base Transmission Service Reconciliation
October 2008 through December 2009

<u>Month</u>	<u>Over/(Under)</u> <u>Beginning</u> <u>Balance</u>	<u>Transmission</u> <u>Revenue</u>	<u>Adjustments</u>	<u>Transmission</u> <u>Expense</u>	<u>Monthly</u> <u>Over/(Under)</u>	<u>Over/(Under)</u> <u>Ending</u> <u>Balance</u>	<u>Over/(Under)</u> <u>Ending</u> <u>Balance</u> <u>Incl Unbilled</u>
	(a)	(b)	(c)	(d)	(e)	(f)	
Oct-08	(\$9,610,459)	\$2,220,374		\$5,959,191	(\$3,738,817)	(\$13,349,276)	(\$10,620,523)
Nov-08	(\$13,349,276)	\$4,961,369		\$6,810,595	(\$1,849,226)	(\$15,198,502)	(\$12,057,877)
Dec-08	(\$15,198,502)	\$5,710,227		\$6,942,958	(\$1,232,730)	(\$16,431,232)	(\$11,856,628)
Jan-09	(\$16,431,232)	\$8,317,461		\$6,334,714	\$1,982,747	(\$14,448,485)	(\$9,322,802)
Feb-09	(\$14,448,485)	\$9,319,424		\$7,144,857	\$2,174,567	(\$12,273,918)	(\$7,359,665)
Mar-09	(\$12,273,918)	\$8,935,004		\$8,482,701	\$452,303	(\$11,821,615)	(\$7,329,311)
Apr-09	(\$11,821,615)	\$8,167,825		\$5,839,011	\$2,328,814	(\$9,492,801)	(\$4,801,718)
May-09	(\$9,492,801)	\$8,529,241		\$6,139,124	\$2,390,117	(\$7,102,684)	(\$2,575,518)
Jun-09	(\$7,102,684)	\$8,231,210		\$11,374,135	(\$3,142,925)	(\$10,245,609)	(\$5,215,840)
Jul-09	(\$10,245,609)	\$9,145,035		\$10,573,309	(\$1,428,274)	(\$11,673,883)	(\$5,789,417)
Aug-09	(\$11,673,883)	\$10,699,029		\$10,350,811	\$348,218	(\$11,325,665)	(\$6,015,658)
Sep-09	(\$11,325,665)	\$9,654,558		\$9,509,439	\$145,119	(\$11,180,546)	(\$6,248,703)
Oct-09	(\$11,180,546)	\$8,966,987		\$8,950,314	\$16,673	(\$11,163,873)	(\$6,569,222)
Nov-09	(\$11,163,873)	\$8,353,910		\$8,333,513	\$20,397	(\$11,143,476)	(\$6,137,814)
Dec-09	(\$11,143,476)	\$9,101,203		\$8,819,644	\$281,559	(\$10,861,917)	(\$5,151,848)
Jan-10	(\$10,861,917)	\$5,710,069		\$0	\$5,710,069	(\$5,151,848)	

Column Descriptions:

- (a) Column (f) from previous row
- (b) Actual revenue through July 2009 and estimated through December 2009 based upon Company's forecasted kWh deliveries
- (c) n/a
- (d) Actual through May 2009 and projected per Schedules PAV 1 through 5 from R.I.P.U.C. Docket No. 4011 filed November 14, 2008
- (e) Column (b) + Column (c) - Column (d)
- (f) Column (a) + Column (e)
- (g) Column (f) + 55% of subsequent month column (b)

Non-Bypassable Transition Charge Reconciliation - Total Company
Estimated Reconciliation Balance through December 2009

<u>Company</u>	<u>(Under)/Over Beginning Balance</u> (a)	<u>Transition Charge Revenue</u> (b)	<u>Contract Termination Expense</u> (c)	<u>(Under)/Over</u> (d)	<u>(Under)/Over Ending Balance</u> (e)	<u>Adjustments</u> (f)	<u>Interest</u> (g)	<u>(Under)/Over Ending Balance</u> (h)
Narragansett	\$0	\$12,726,996	\$4,302,737	\$8,424,259	\$8,424,259	\$104,593	\$187,278	\$8,716,131
Blackstone	\$0	\$2,458,335	\$8,260,728	(\$5,802,393)	(\$5,802,393)	\$0	(\$153,160)	(\$5,955,553)
Newport	\$0	\$1,267,966	\$2,977,270	(\$1,709,303)	(\$1,709,303)	\$0	(\$40,778)	(\$1,750,081)
Total Company	\$0	\$16,453,297	\$15,540,734	\$912,563	\$912,563	\$104,593	(\$6,659)	\$1,010,497

Column (a)
Column (b) Actual revenue through July 2009
Column (c) Actual CTC expense through July 2009
Column (d) column (b) - column (c)
Column (e) column (a) + column (d)
Column (f) Remaining balance from 2008 reconciliation

Column (g) Estimated at customer deposits rate
Column (h) column (e) + column (f) + column (g)