

November 13, 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 Eighth Set of Data Requests issued on November 3, 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

November 13, 2009
Date

Docket No. 4041 National Grid – SOS and RES Procurement Plans Service List Updated 8/31/09

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Commission Data Request 8-1

Request:

Referencing National Grid's filing providing the projected SOS rate for the Small Customer Group, as noted by the Company, the Commission determined that the SOS rate for the Small Customer Group should change March 1, 2010 rather than January 1, 2010. Attachment 2, page 2 appears to calculate the rate based on the average of pricing for the period January 1, 2010 through September 30, 2010. Please provide a revised rate for the period March 1, 2010 through September 30, 2010.

Response:

Please see Attachment 1 for the calculation of a revised Standard Offer rate for the period March 1, 2010 through September 30, 2010. Calculating the Standard Offer rate based on the estimated expense for the period March 1, 2010 through September 30, 2010 results in a Standard Offer rate of 9.007¢ per kWh.

The revised Standard Offer rate of 9.007¢ per kWh effective March 1, 2010 results in an estimated Standard Offer under collection as of September 30, 2010 of approximately \$6.2 million¹. In comparison, a Standard Offer rate of 9.281¢ per kWh effective March 1, 2010 as submitted by the Company in its October 30, 2009 filing to the Commission results in an estimated Standard Offer under collection as of September 30, 2010 of approximately \$550,000.

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

¹ The estimated under collection is based upon the difference between the estimated cost per kWh for January and February 2010 and the Standard Offer rate of 9.2¢ per kWh multiplied by the projected Standard Offer kWhs for each month.

Narragansett Electric Company
d/b/a National Grid
Small Customer Standard Offer Service Charge
(Rates A-16, A-60, C-06, S-10 and S-14)
Based on Weighted Average Effective Standard Offer Service Prices
March 2010 through September 2010

Section 1: Percentage of Small Customer kWhs Attributable to Standard Offer Service

(1) Small Customer Standard Offer Service and Last Resort Service kWhs - Sep-09	347,263,465
(2) Total Small Customer kWhs - Sep-09	360,581,190
(3) Percentage of Small Customer Standard Offer Service kWhs to Total Small Customer kWhs	96.31%

Section 2: Projected Small Customer Standard Offer Service kWhs

	2010							
	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
	(c)	(d)	(e)	(f)	(f)	(f)	(f)	(g)
(4) Projected Total Company Small Customer kWhs	318,979,636	279,123,006	244,205,586	260,016,281	352,247,657	377,343,278	314,327,259	2,146,242,703
(5) Percentage of Small Customer Standard Offer Service kWhs to Total Small Customer kWhs	<u>96.31%</u>	<u>96.31%</u>	<u>96.31%</u>	<u>96.31%</u>	<u>96.31%</u>	<u>96.31%</u>	<u>96.31%</u>	
(6) Projected Small Customer Standard Offer Service kWhs	307,198,425	268,813,861	235,186,084	250,412,826	339,237,723	363,406,461	302,717,879	2,066,973,260

Section 3: Weighted Average Small Customer Standard Offer Service Charge

(7) Projected Small Customer Standard Offer Service kWhs	307,198,425	268,813,861	235,186,084	250,412,826	339,237,723	363,406,461	302,717,879	2,066,973,260
(8) Estimated Small Customer Standard Offer Service Price per kWh	\$0.09241	\$0.09165	\$0.08765	\$0.08814	\$0.08990	\$0.09149	\$0.08819	
(9) Proposed GIS Cost Factor	<u>\$0.00001</u>	<u>\$0.00001</u>	<u>\$0.00001</u>	<u>\$0.00001</u>	<u>\$0.00001</u>	<u>\$0.00001</u>	<u>\$0.00001</u>	
(10) Total Estimated Small Customer Standard Offer Service Price per kWh	<u>\$0.09242</u>	<u>\$0.09166</u>	<u>\$0.08766</u>	<u>\$0.08815</u>	<u>\$0.08991</u>	<u>\$0.09150</u>	<u>\$0.08820</u>	
(11) Projected Small Customer Standard Offer Service Cost	\$28,391,278	\$24,639,479	\$20,616,412	\$22,073,891	\$30,500,864	\$33,251,691	\$26,699,717	<u>\$186,173,332</u>
(12) Weighted Average Small Customer Standard Offer Service Charge								\$0.09007
(13) Currently Effective Small Customer Standard Offer Service Charge								\$0.09200
(14) Proposed Increase/(Decrease) to Small Customer Standard Offer Service Charge								(\$0.00193)

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- (1) Per Company revenue reports (Rates A-16, A-60, C-06, S-10 and S-14) - Sep-09
 - (2) Per Company revenue reports (Rates G-02, G-32, G-62, B-32, B-62, X-01) - Sep-09
 - (3) Line (1) ÷ Line (2)
 - (4) Per Company forecast for Small Customer rates
 - (5) Line (3)
 - (6) Line (4) x Line (5)
 - (7) Line (6)
 - (8) Page 1
 - (9) Page 3, Line (7)
 - (10) Line (8) + Line (9)
 - (11) Line (7) x Line (10)
 - (12) Line (11) total ÷ Line (7) total, truncated after 5 decimal places
 - (13) Per Company tariff
 - (14) Line (12) - Line (13)

Commission Data Request 8-2

Request:

Please explain how National Grid estimated the cost of providing 5% of the Small Customer supply for the period January through September 2010 through spot market purchases.

Response:

National Grid estimated the January through September spot market prices based upon market data available on October 13, 2009.

- a) NYMEX Electric Futures as of close of business on October 12 2009
- b) ISO-NE Forward Capacity Market prices for appropriate months
- c) an average ancillary services price of \$1.75/ MWh

Attachment 1 shows the calculation of the expected monthly market price.

Narragansett Electric Company

October 13, 2009 Request for Power Supply Proposals

Forecast Based on NYMEX ELECTRICITY FUTURES PRICES FOR NEW ENGLAND

		Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010	Aug-2010	Sep-2010	Average	
(A)	Electric Futures Price (\$/MWh)	On-Peak	75.49	75.49	65.52	65.52	60.81	64.48	71.56	71.56	62.59	67.89
		Off-Peak	60.92	60.92	51.25	51.25	47.92	48.67	52.33	52.33	49.12	53.49
(C)	FCM Price (\$/kw)	Capacity	4.10	4.10	4.10	4.10	4.10	4.50	4.50	4.50	4.50	4.17
(D)	Ancillary Price (\$/MWh)	All Zones	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
(E)												
(F)	On-Peak Days #		20	20	23	22	20	22	21	22	21	21
(G)	ICAP Load Factor											
		Small Cust Grp	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%	45.7%
(H)	Monthly On-Peak Factor											
		Small Cust Grp	47.20%	52.19%	53.49%	54.03%	47.69%	54.82%	52.84%	53.59%	51.73%	51.57%
(I)	Expected Bid Price (\$/MWh)											
		Small Cust Grp	82.77	84.89	73.66	74.47	69.18	74.41	79.72	79.37	72.99	76.54

Calculation

$$\begin{aligned} \text{OnPeak} &= (A + D + ((C * 1000 / G) / (F * 16))) * H \\ \text{OffPeak} &= ((A + D) * (1 - H)) \\ \text{Bid Price (I)} &= (\text{OnPeak} + \text{OffPeak}) \end{aligned}$$

Notes:

(A) NYMEX electric futures closing prices for ISO-NE Hub for:

10/12/2009

Commission Data Request 8-3

Request:

Please provide for each month January through September 2010, the SOS Contract Prices in cents per kWh at retail excluding the 5% spot market purchases.

Response:

The Standard Offer Service Small Customer contract prices in cents per kWh at retail excluding the 5% spot market purchases are as follows:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
10.096¢	10.334¢	9.307¢	9.223¢	8.831¢	8.854¢	9.009¢	9.178¢	8.866¢