

November 19, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket 4041 - RES Plan Informational Filing

Dear Ms. Massaro:

Enclosed are ten (10) copies of an informational filing consisting of two (2) attachments that contains the projected RES rate for 2010 assuming a rate change on January 1, 2010 and alternatively assuming a rate change on March 1, 2010. The bill impact for a monthly residential usage of 500 kWh is an increase of \$.13 if the 12-month factor \$.0017 rate is approved and an increase of \$.16 if the ten-month \$.00123 rate is approved.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4041 Service List
Steve Scialabba

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 19, 2009
Date

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

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**The Narragansett Electric Company
2010 Renewable Energy Standard Charge**

	12 Month Factor	10 Month Factor
<u>Section 1: Calculation of New Renewable Energy Resource Charge</u>		
(1) Average Compliance Year 2009 New Renewable Energy Resource REC Cost	\$34.50	\$34.50
(2) 2010 RES New Renewable Energy Resource Obligation	2.5%	2.5%
(3) Incremental Cost - \$/MWh	\$0.86	\$0.86
<u>Section 2: Calculation of Existing Renewable Energy Resource Charge</u>		
(4) Average Compliance Year 2009 Existing Renewable Energy Resource REC Cost	\$1.31	\$1.31
(5) 2010 RES Existing Renewable Energy Resource Obligation	2.0%	2.0%
(6) Incremental Cost - \$/MWh	\$0.03	\$0.03
<u>Section 3: Calculation of Renewable Energy Standard Charge</u>		
(7) Sum of New and Existing Incremental Charges - \$/MWh	\$0.89	\$0.89
(8) Renewable Portfolio Standard Adder to be included in Retail Rates - \$/kWh	\$0.00095	\$0.00095
<u>Section 4: Adjustment for Prior Period Under Collection</u>		
(9) Under recovery of 2009 RES Obligation (\$ per kWh)	\$0.00022	\$0.00028
(10) Proposed 2010 RES Charge	\$0.00117	\$0.00123
(1) Estimated Cost of New Renewable Energy Resource RECs based on market information		
(2) Section 4.2 of the RES Regulations		
(3) Line (1) x Line (2)		
(4) Estimated Cost of Existing Renewable Energy Resource RECs based on market information		
(5) Section 4.2 of the RES Regulations		
(6) Line (4) x Line (5)		
(7) Line (3) + Line (6)		
(8) Line (7) times 1.0712 (average RI loss factor for 12 months ending July 2009) divided by 1,000 to convert from \$/MWh to \$/kWh, truncated to 5 decimal places.		
(9) from Attachment 2, page 2		
(10) Line (8) + Line (9)		

Renewable Energy Standard Charge Revenue and Expense
October 2008 through June 2010**Projected Balance @ September 30, 2009**

Month	Over(Under)	RES Revenue	RES Expense	Monthly Over(Under)	Over(Under)
	Beginning Balance				Ending Monthly Balance
	(a)	(b)	(c)	(d)	(e)
(1) Oct-08	\$3,011,370	\$208,798	\$533,292	(\$324,494)	\$2,686,876
Nov-08	\$2,686,876	\$325,421	\$398,840	(\$73,419)	\$2,613,457
Dec-08	\$2,613,457	\$425,044	\$1,463,403	(\$1,038,359)	\$1,575,097
Jan-09	\$1,575,097	\$533,823	\$24,470	\$509,353	\$2,084,450
Feb-09	\$2,084,450	\$471,983	\$715,062	(\$243,078)	\$1,841,372
Mar-09	\$1,841,372	\$447,834	\$20,650	\$427,184	\$2,268,555
Apr-09	\$2,268,555	\$408,614	\$1,018,023	(\$609,409)	\$1,659,146
May-09	\$1,659,146	\$379,793	\$480,200	(\$100,407)	\$1,558,739
Jun-09	\$1,558,739	\$381,296	\$0	\$381,296	\$1,940,035
Jul-09	\$1,940,035	\$426,518	\$31,150	\$395,368	\$2,335,403
Aug-09	\$2,335,403	\$472,227	\$71,785	\$400,442	\$2,735,846
Sep-09	\$2,735,846	\$492,140	\$1,976,748	(\$1,484,608)	\$1,251,238
(2) Oct-09	\$1,251,238	\$144,599		\$144,599	\$1,395,837
Totals	\$3,011,370	\$5,118,090	\$6,733,623	(\$1,615,533)	\$1,395,837
Interest (3)					\$89,558
Ending Balance with Interest					\$1,485,395

(1) Reflects kWhs consumption after October 1st.

(2) Reflects kWhs consumption prior to October 1st.

(3) Interest expense calculation : $(3011370+1395837)/2*((4.63\%*5/12)+(3.66\%*7/12))$ **Projected Balance @ June 30, 2010**

Month	Over(Under)	RES Revenue	RES Expense	Monthly Over(Under)	Over(Under)
	Beginning Balance				Ending Monthly Balance
	(a)	(b)	(c)	(d)	(e)
Oct-09	\$1,485,395	\$228,175	\$0	\$228,175	\$1,713,570
Nov-09	\$1,713,570	\$426,902	\$0	\$426,902	\$2,140,472
Dec-09	\$2,140,472	\$463,814	\$0	\$463,814	\$2,604,286
Jan-10	\$2,604,286	\$212,108	\$0	\$212,108	\$2,816,393
Feb-10	\$2,816,393	\$0	\$0	\$0	\$2,816,393
Mar-10	\$2,816,393	\$0	\$0	\$0	\$2,816,393
Apr-10	\$2,816,393	\$0	\$0	\$0	\$2,816,393
May-10	\$2,816,393	\$0	\$0	\$0	\$2,816,393
Jun-10	\$2,816,393	\$0	\$4,139,974	(\$4,139,974)	(\$1,323,581)

Column Notes:

Column (a) Column (e) from previous row; beginning balance from RIPUC Docket No. 3902

Column (b) Oct. 2008 through Oct. 2009 are actual revenues; Nov. 2009 through Jan. 2010 are estimated revenues

Column (c) from Invoices; June 2010 includes estimated expense to be incurred to purchase remaining 2009 obligation

Column (d) Column (b) - Column (c)

Column (e) Column (a) + Column (d)

Section 1: Adjustment Factor for the period January 1, 2010 through December 31, 2010

2010 Renewable Energy Standard Charge
Calculation of Adjustment Factor

(1) Under recovery 2009 RES Obligation	(\$1,323,581)
(2) Interest During Recovery Period	(\$36,873)
(3) Total Under Collection Including Interest	(\$1,360,454)
(4) Forecasted Standard Offer kWh deliveries for the period Jan 2010 through Dec 2010	5,994,102,690
(5) 2010 RES Adjustment Factor	(\$0.00022)

- (1) Attachment 2, Page 1, Column (e) at June 2010
- (2) from page 3
- (3) Line (1) + Line (2)
- (4) from Company forecast
- (5) Line 3 ÷ Line (4), truncated after 5 decimal places

Section 2: Adjustment Factor for the period March 1, 2010 through December 31, 2010

2010 Renewable Energy Standard Charge
Calculation of Adjustment Factor

(1) Under recovery 2009 RES Obligation	(\$1,323,581)
(2) Interest During Recovery Period	(\$40,996)
(3) Estimated Under Collection for January and February 2010	<u>(\$21,146)</u>
(4) Total Under Collection Including Interest	(\$1,385,723)
(5) Forecasted Standard Offer kWh deliveries for the period March 2010 through Dec 2010	4,936,784,131
(6) 2010 RES Adjustment Factor	(\$0.00028)

- (1) Attachment 2, Page 1, Column (e) at June 2010
- (2) from page 3
- (3) Forecasted Standard Offer kWh for January and February times the difference between 2010 and 2009 RES Charge:
1,057,318,558 kWh * (\$.00095 - \$.00093)
- (4) Line (1) + Line (2)
- (5) from Company forecast
- (6) Line (4) ÷ Line (5), truncated after 5 decimal places

Section 1: Interest Calculation on 12 Month Factor

Month	Beginning Balance (a)	Surcharge/ (Refund) (b)	Ending Balance (c)	Interest Rate (d)	Interest (e)
Oct-09	(\$1,323,581)		(\$1,323,581)	3.66%	(\$4,037)
Nov-09	(\$1,327,618)		(\$1,327,618)	3.66%	(\$4,049)
Dec-09	(\$1,331,667)		(\$1,331,667)	3.66%	(\$4,062)
Jan-10	(\$1,335,728)	(\$111,311)	(\$1,224,418)	3.66%	(\$3,904)
Feb-10	(\$1,228,322)	(\$111,666)	(\$1,116,656)	3.66%	(\$3,576)
Mar-10	(\$1,120,232)	(\$112,023)	(\$1,008,209)	3.66%	(\$3,246)
Apr-10	(\$1,011,455)	(\$112,384)	(\$899,071)	3.66%	(\$2,914)
May-10	(\$901,985)	(\$112,748)	(\$789,237)	3.66%	(\$2,579)
Jun-10	(\$791,816)	(\$113,117)	(\$678,699)	3.66%	(\$2,243)
Jul-10	(\$680,942)	(\$113,490)	(\$567,451)	3.66%	(\$1,904)
Aug-10	(\$569,355)	(\$113,871)	(\$455,484)	3.66%	(\$1,563)
Sep-10	(\$457,047)	(\$114,262)	(\$342,785)	3.66%	(\$1,220)
Oct-10	(\$344,005)	(\$114,668)	(\$229,337)	3.66%	(\$874)
Nov-10	(\$230,211)	(\$115,106)	(\$115,106)	3.66%	(\$527)
Dec-10	(\$115,632)	(\$115,632)	\$0	3.66%	(\$176)
					(\$36,873)

Section 2: Interest Calculation on 10 Month Factor

Month	Beginning Balance (a)	Surcharge/ (Refund) (b)	Ending Balance (c)	Interest Rate (d)	Interest (e)
Oct-09	(\$1,323,581)		(\$1,323,581)	3.66%	(\$4,037)
Nov-09	(\$1,327,618)		(\$1,327,618)	3.66%	(\$4,049)
Dec-09	(\$1,331,667)		(\$1,331,667)	3.66%	(\$4,062)
Jan-10	(\$1,335,728)		(\$1,335,728)	3.66%	(\$4,074)
Feb-10	(\$1,339,802)		(\$1,339,802)	3.66%	(\$4,086)
Mar-10	(\$1,343,889)	(\$134,389)	(\$1,209,500)	3.66%	(\$3,894)
Apr-10	(\$1,213,394)	(\$134,822)	(\$1,078,572)	3.66%	(\$3,495)
May-10	(\$1,082,068)	(\$135,258)	(\$946,809)	3.66%	(\$3,094)
Jun-10	(\$949,903)	(\$135,700)	(\$814,203)	3.66%	(\$2,690)
Jul-10	(\$816,893)	(\$136,149)	(\$680,744)	3.66%	(\$2,284)
Aug-10	(\$683,028)	(\$136,606)	(\$546,422)	3.66%	(\$1,875)
Sep-10	(\$548,297)	(\$137,074)	(\$411,223)	3.66%	(\$1,463)
Oct-10	(\$412,686)	(\$137,562)	(\$275,124)	3.66%	(\$1,049)
Nov-10	(\$276,173)	(\$138,087)	(\$138,087)	3.66%	(\$632)
Dec-10	(\$138,718)	(\$138,718)	\$0	3.66%	(\$212)
					(\$40,996)

Column Descriptions:

- (a) Under collection through June 2010 from page 1; Nov 2009 through Dec 2010 Column (c) plus Column (e) from previous row
- (b) For Jan, (Column (1)) ÷ 12. For Feb, (Column (1)) ÷ 11, etc.
- (c) Column (a) - Column (b)
- (d) Current Rate for Customer Deposits
- (e) ((Column (a) + Column (c)) ÷ 2) * Column (d)