



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

DIVISION OF PUBLIC UTILITIES AND CARRIERS

Thomas F. Ahern
ADMINISTRATOR
89 Jefferson Boulevard
Warwick, R.I. 02888

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March 5, 2009

VIA HAND DELIVERY

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: ***Petition of Clariant Corporation for
Transfer from Rate G-62 to Rate G-32***

Dear Ms. Massaro:

On behalf of the Division of Public Utilities and Carriers ("Division"), I am hereby referring the attached Petition filed by Clariant Corporation ("Clariant") that was filed with the Division on December 18, 2008¹. In the Petition, Clariant seeks to be transferred from Rate G-62 to Rate G-32 in light of recent changes to its business enterprise. Specifically, Clariant represents that it will be significantly reducing its electrical demand as of December 18, 2008, which marks the date that Clariant permanently curtailed its manufacturing operations at its Coventry site. *Clariant Petition, at 1*. According to Clariant, two manufacturing buildings, along with warehouses, engineering, maintenance and shipping/receiving facilities will be "shut down and await likely demolition or sale." *Id.* Moreover, Clariant represents that it has permanently abandoned any future plans for reactivating manufacturing operations. *Id.* As a result of these changes, Clariant's electrical demand will drop from a three-year average of 3470 kW to approximately 1337 kW. *Id.* Assuming Clariant commenced service as a new customer with an expected demand of 1337 kW, Clariant would qualify for the G-32 rate since the upper demand limit of that tariffed rate is 3000 kW.

On January 23, 2009 and at the direction of the Division, National Grid filed a response to Clariant's Petition and requested that the Petition be dismissed. National Grid argued that the clear tariff terms of the Rate 62 tariff prohibit the granting of Clariant's requested relief in that any transfer from Rate G-62 to Rate G-32 must wait until such time as the customer's historical usage "demonstrates a maximum demand that

¹ The Clariant petition is dated December 18, 2008 but was time-stamped at the Division on December 30, 2008.

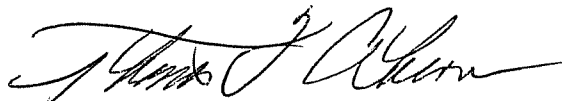
is less than 2700 kW for twelve consecutive months.” *National Grid Response, at 1.* Clariant does not dispute National Grid’s interpretation of the tariff, but nevertheless suggests that the existing tariff does not equitably redress situations in which a customer’s usage experiences “dramatic changes in a short period” as has occurred with Clariant’s recent transition out of the manufacturing business. *Petition, at 7.* As a result, Clariant argues that the increased costs of electricity due primarily to Rate G-62’s monthly customer charge of \$17,118, will cause it to incur an additional \$162,000 per year as compared to what it would otherwise pay under Rate G-32 as a new customer. *Petition at 5.* National Grid responds that it is obligated to adhere to the plain terms of Commission-approved tariffs, and that any deviation from the tariff requirements of Rate G-62 must be sanctioned by the Commission. *Response, at 4.*

The Division’s review of Clariant’s Petition and National Grid’s Response leads the Division to conclude that the underlying basis of Clariant’s Petition is meritorious for a number of reasons that are unique to Clariant’s situation. First, Clariant’s changes in demand and electrical consumption are due to drastic changes in its business operations, and it appears certain from the representations contained in the Petition that operational changes and the resulting reduction in electrical demand will be permanent. Second, the terms of G-62 tariff, when read in a broader context, appear to be tailored to address gradual changes in a customer’s consumption and demand over extended periods of time, and not the abrupt and dramatic changes evidenced by Clariant’s situation. The unique situation facing Clariant arguably creates undue economic hardship that arguably would not exist if Clariant merely chose to terminate its service altogether and then reestablished service under a rate structure that matched prospective usage and demand. Moreover, the Division notes that National Grid did not point to any evidence of stranded costs that would otherwise have to be recovered by other customers as a result of Clariant’s transfer from Rate G-62 to Rate G-32.

While the Division believes the unique circumstances of this matter weigh in favor of granting Clariant relief, the Division believes that the Commission, and not the Division, is the proper agency with jurisdiction to permit any deviation from the strict terms of a Commission-adopted tariff. *See O’Neil v. Interstate Navigation Company, 565 A.2d 530, 531 (R.I. 1989).* Accordingly, the Division is transferring the matter to the Commission for further processing as determined by the Commission, along with all relevant documents in the possession of the Division

Thank you for your attention to this matter.

Very truly yours,



Thomas F. Ahern
Administrator

Enclosures: Clariant Petition, dated December 18, 2008
Letter from Division instructing National Grid to Respond
National Grid Response, dated January 23, 2009
National Grid Supplemental Response, dated February 9, 2009
National Grid Supplemental Response, dated February 19, 2009

cc: Gary Haizlip PE, Clariant Corporation (w/o enclosures)
Thomas R. Teehan, Senior Counsel/National Grid (w/o enclosures)
Paul Roberti, Assistant Attorney General (w/o enclosures)



Clariant Corporation

500 Washington Street
Coventry, RI 02816

December 23, 2008

The Division of Public Utilities and Carriers
89 Jefferson Blvd
Warwick, RI 02888

RECEIVED
2008 DEC 30 AM 8:41
DIVISION OF PUBLIC UTILITIES AND CARRIERS

Subject: Petition for Relief, Electric Tariffs, Clariant Corp, Coventry, RI

Dear Division Member:

Enclosed please find a detailed 'Petition for Relief' to permit Clariant Corp to change electrical rates from the G-62 rate to the G-32 rate as a 'new' customer.

The objective of this paper is to demonstrate sufficient evidence supporting Clariant's request for relief from the G-62 tariff; in particular, the section regarding transfers from G-62.

It is imperative that this case be addressed quickly as the unjustified financial burden is over \$12,000 a month

Regards,

Gary Haizlip PE
Clariant Corporation

Enclosure: Report "Clariant Corp, Rate Change Request – G-62 to G-32"



**Clariant Corp
Rate Change Request
G62 to G32**

December 18, 2008

By

Gary Haizlip PE & Aaron Brunero

Prologue:

Clariant Corporation will cease manufacturing at its Coventry, RI site on December 18th, 2008. Only the Administration Building and some minor support buildings will continue operation. The loss of manufacturing will significantly and irreversibly reduce the electrical demand for the site.

Clariant desires to change from its existing G-62 rate (suitable for customers 3000 kW and larger), to one that is more economical and more closely aligned to its new consumption level as defined by the G-32 tariff (250 kW to 3000 kW). However, the text of the existing G-62 tariff states that a user may not leave the G-62 rate until their demand has dropped below 2700 kW for 12 consecutive months.

To meet the stipulations of the G-62 tariff, and stay on G-62 for 12 consecutive months, will cause an undue financial burden to Clariant, and in effect become a punitive consequence to an unavoidable reduction in load.

Because of the radical change in usage for both the site and the electrical demand, Clariant is requesting that this be evaluated as a 'new service' with all appropriate conditions applying.

Clariant hereby requests the following relief:

- 1) Transfer from G-62 to G-32 rate immediately.
- 2) Acceptance onto the G-32 rate as a 'new' account.

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Introduction:

Clariant Corporation will be reducing its electrical demand on December 18, 2008 due to the curtailment of manufacturing at the Coventry, RI site. Two manufacturing buildings along with warehouses, engineering, maintenance, and shipping/receiving will be shut down and await likely demolition or sale. Three buildings will remain in full function; the Administration building which houses Marketing & Sales for the US market and includes rental office space to Rhodes Technologies; the CTC building which is a laboratory/office complex leased to Rhodes Technologies, and the existing Waste Water Treatment Plant which will continue to be staffed by Clariant for the immediate future.

It should be pointed out that Clariant Corporation has permanently abandoned any future plans for revitalizing this site and is actively trying to sell the assets. Further, Clariant has provided notice to both the State and Federal government agencies involved with the site closure. Clariant has also petitioned and been certified by the Federal Government under the provisions of the Trade Adjustment Assistance (TAA) program.

Background Information:

Clariant receives its electricity on a primary metered account at 23,000 VAC, and after stepping down to 4160 VAC, internally distributes the power throughout the 86 acre campus to 12 buildings. The campus has an internal SCADA system to monitor and record the electric consumption of all buildings and has several years of historical data. This internal metering system has been a reliable tool for Clariant and was an acceptable alternative to the National Grid billing meter for a five month period - the NGrid meter was destroyed by an arc fault.

For comparison of the two rates it is necessary to estimate the new baseline demand and consumption after manufacturing at the site is curtailed. The three buildings remaining in use (Admin, CTC, and WWT) will continue normal operations and can be expected to draw loads consistent with their previous history. In addition, there will be some short lived 'clean up activities' associated with the shutdown as the idled buildings are prepared for sale or demolition. The historical data from Clariant's internal SCADA system indicates that the Admin building, CTC building, and Waste Water Treatment,

along with the cleanup activities are expected to draw an average maximum monthly demand of 1340 kW throughout the year of 2009. The maximum demand for the 12 consecutive months following shutdown is estimated to not exceed 1600 kW.

Historical & Future Electrical Data

Year		Consumption kWhr / month	Demand kW
2006	Monthly Average for Year	1,878,583	3578
	Peak (March)	1,780,000	3960
2007	Monthly Average for Year	1,821,129	3389
	Peak (August)	2,528,000	3640
2008	Monthly Average for Year	1,904,218	3446
	Peak (June)	2,017,000	3953
2009	Monthly Average for Year	545,922	1337
Estimates	Peak	625,515	1537

The G-62 rate is designed for consumers with an electrical demand above 3000 kW while the G-32 rate is designed for demands between 250 kW and 3000 kW. Over the past three years Clariant's average maximum monthly demand has been 3470 kW with its highest peak demand reaching 3950 kW. These demands are consistent with that expected of a G-62 rate customer and are the reason we have been on the G-62 or G-60 rate (G-60 is an older transformation of the G-62 rate) for the last 20 years. Due to the curtailment of manufacturing, Clariant's maximum monthly demand is expected to take an immediate and dramatic drop to an average of 1337 kW, a value that is well within the bandwidth of the G-32 rate. At this time it would seem logical to enter the more appropriate G-32 rate. Unfortunately, the text of both tariffs inhibit this relatively simple task into one that is extremely complex.

G-62 Tariff Limitation:

The section of the G-62 rate tariff that prevents transfer to an alternate rate states the following:

Transfers from Rate G-62: Any customer whose 12-month maximum demand is less than 2,700 kW for twelve consecutive months may elect to transfer from the 3,000 kW Demand Rate G-62 to another available rate.

The portion of the tariff regarding transfers requires that Clariant have 12 consecutive months below 2700 kW prior to leaving the G-62 rate. While we fail to find a logical need for the 12 month provision, it does seem that the goal may have been to prohibit consumers that are near the 3000 kW demand marker from frequently 'flipping' between rates on a monthly basis in an effort to minimize their bill. Throughout Clariant's history with National Grid they have always been on either the G-60 or G-62 rate. The Clariant site had several owners over its legacy, but the G60/62 rate is known to have been used for at least the last 18 years.

Cost Comparison of G-32 versus G-62 for Clariant Corporation:

The G-32 and G-62 rate structures are designed for industrial/commercial electrical accounts. The G-32 rate applies to demands between 250 kW and 3000 kW while a G-62 rate is designed for consumers above 3000 kW of demand. Each rate has a unique set of charges that result in a total 'cost per kWhr'. Under ideal conditions the tariff rates are structured to reduce the per unit cost per kWhr as volume increases. When a consumer drops below the minimum 3000KW demand of the G-62 rate, and remains on the G-62 rate, the cost per unit kWhr becomes drastically skewed and the consumer will pay abnormally high fees per kWhr.

The two rate structures are as follows:

G-32 Rate Structure:

Rates for Delivery Service

Customer Charge	\$236.43/month
Distribution Charge	
Demand	\$2.01/kW
Energy	0.889¢/kWh
Transmission Charge	
Demand	\$1.27/kW
Transmission Adj. Factor	0.474¢/kWh
Transition Charge	0.559¢/kWh
Conservation Charge	0.230¢/kWh

G-62 Rate Structure:

Rates for Delivery Service

Customer Charge	\$17,118.72/month
Distribution Charge	
Demand	\$2.25/kW
Transmission Charge	
Demand	\$1.39/kW
Transmission Adj. Factor	0.474¢/kWh
Transition Charge	0.559¢/kWh
Conservation Charge	0.230¢/kWh

As seen above, the charges in each structure combine to include fees per kWh consumption, fees per kW demand, and a flat rate customer charge. The major difference in these two rates is the large 'customer charge' of \$17,118 associated with G-62. This large customer charge is compensated by the decreased distribution charges. However, this compensation is insufficient below 3000 kW (in fact it is insufficient below 3900 kW at a 70% load factor); at Clariant's expected 1537 kW demand, the decreased charges will have little benefit when more than half the bill is comprised of a 'customer charge'.

The demand charge on the National Grid electric bill is based on the greatest of four things.

- a) The greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter,
- c) 75% of the greatest Demand as so determined above during the preceding eleven months, or
- d) 10 kilowatts.

In addition to these four determinants, there is an 'Optional Determination of Demand' clause for customers who have been on either G32 or G62 for 12 or more months. The Optional Determination of Demand will allow a customer exemption from choice "C" above, and select the greatest of choice "a", "b", or "d" demand plus 20%. The customer must use the ODD for a minimum of two months.

For the calendar year of 2009 Clariant is estimated to accrue a total National Grid electric bill of \$347,000 (excluding energy), assuming the G-62 rate is retained and that the provision to reduce the demand charge (Optional Determination of Demand (ODD) clause) is requested. This would represent the lowest cost alternative if Clariant remains on G-62.

If Clariant is permitted to change to the G-32 rate as a new customer, as is being requested, the total bill for 2009 will drop to \$185,000. This \$150,000 difference in cost is a result of eliminating the high customer charge from the G-62 rate, and also the elimination of the 12 month average provision for demand (option 'c') under G-32 if accepted as a 'new' customer. On the same 2009 timeline under the G-62 rate Clariant would pay 5.3 cents per kWhr to National Grid compared to 2.83 cents per kWhr on the G-32 rate for an identical load and consumption level.

There are five bills explained and listed in the table below, including one historical column and four billing alternatives for 2009.

- The first (Historical G-62) is the historical average of Clariant's consumption and billing from years 2006 to 2008; the rate is G-62.
- The second column (2009 G-62 w/ ODD) is the cost Clariant would pay if no relief is granted.
- The third column is the cost if Clariant is permitted to change to the G-32 rate but is forced to use 75% of the greatest demand over the past eleven months to determine demand charges.
- The fourth column (2009 G-32 w/ ODD) illustrates Clariant being permitted an immediate change to the G-32 rate and usage of the ODD clause, even though Clariant will not have the required 12 month prior existence on G-32.
- The fifth column is the ideal bill that would permit Clariant to change to the G-32 rate as a new customer without the legacy of the old demand.

	Historical (G-62)	2009 (G-62) w/ ODD	2009 G-32 w/ 75% Historical	2009 G-32 w/ ODD	2009 G-32 as new customer
Total kWhr / Year	22,415,720	6,551,064	6,551,064	6,551,064	6,551,064
Avg. Demand	3471	1337 (1605 Billed)	1337 (2870 Billed)	1337	1337
Total Nat'l Grid Bill / Year	\$588,992	\$346,924	\$245,627	\$195,967	\$185,473
Cost / kWhr	\$0.0263	\$0.0530	\$0.0375	\$0.0299	\$0.0283

It is generally an accepted industry norm that large volume purchases yield a lower price per unit. In Clariant's situation, a decrease in demand kW should yield an increase per unit cost. This increase will occur regardless of what rate Clariant is on throughout 2009. Should Clariant be permitted to change to the G-32 rate as a 'new' customer, there will be an appropriate and reasonable 7% increase in the cost per unit kWhr when compared to our larger historical rates on G-62. However, if Clariant remains on the G-62 rate the increase in cost per kWhr will be 51%, both excessive and unreasonable. Allowing Clariant to transfer to the G-32 rate but requiring the payment of

75% of the maximum 11 month historical demand (choice 'c' in determining demand) will cause an increase in cost of 30% which is still unreasonable.

Due to Clariant's new electrical profile it would be ideal to view Clariant as a new customer and place them under the most appropriate tariff, whatever it may be, and to disregard historical consumption. The purpose of being evaluated as a new customer is to avoid the complications of transferring Clariant's G62 historical demand to a new G32 account. An acceptable compromise would be to permit Clariant onto the G32 rate, and allow the immediate execution of the Optional Demand clause without the 12 month prerequisite.

Tariff Deficiency:

The existing rate tariffs work well with slow subtle changes in consumption but are flawed under dramatic changes in a short period. The ODD clause was designed to assist in large changes in demand but is only effective if the drop in demand circumstantially falls within the customer's rate class. For example, if Clariant were to reduce their load from 5400 kW to 3400 kW then the billing problems associated with this drop would be settled by the ODD. However, the existing tariffs do not provide a path for rate class adjustments due to dramatic reductions in load. Clariant's drop to far within the G-32 rate class further renders the G-62 rate inappropriate.

To further illustrate this deficiency, let's compare a hypothetical extreme example. This example will assume a 65% load factor. Imagine Clariant were to remain with only one office building whose demand is 50kW. On the appropriate G-02 rate the cost per kWhr would be 3.29 cents, an appropriate fee for a relatively small demand. If the tariff is followed, Clariant would be required to remain on the G-62 rate for 12 months and would utilize the ODD clause to reduce their demand charges down to 60 kW (50 kW + 20%). This inappropriate rate would result in paying 74.9 cents per kWhr on the G-62 rate and a monthly bill of \$17,593, compared to 3.29 cents per kWhr on the G-02 rate and a monthly bill of \$775. To follow the tariff's stipulations in this scenario would cause the customer to pay 21.75 times more on G-62 than G-02. Obeying the

tariff, Clariant would be on G-62 for an entire year before they would be permitted to switch to the G-02 rate. After this year Clariant would have paid \$211,115 on the G-62 rate versus paying \$9,280 on G-02.

Request for Relief:

Clariant wishes to transfer from the G-62 rate to the G-32 rate immediately following December 18, 2008, the day manufacturing will cease, as a 'new' customer. Clariant feels that situations such as theirs were not foreseen when the tariff was created and find it unjust to incur such punitive fees. It is imperative that Clariant be permitted to switch as soon as possible because each month that Clariant remains on the G-62 rate they will pay an additional \$12,500 compared to the G-32.

Clariant Requests the following two things:

- 1) Transfer from G-62 to G-32 rate immediately.
- 2) Acceptance onto the G-32 rate as a 'new' account.

Clariant is changing the facilities major loads from manufacturing to office use and the majority of buildings are being evacuated or demolished. The changes in demand, consumption, and load factor have already occurred. In view of the radical changes in both function and utilization, being admitted as a 'new' G-32 customer is fair and reasonable.

Historical Correspondence:

Clariant has sent a certified letter to National Grid's Account Representative Gerald Mirabile, postmarked October 20, 2008. Two months have passed with no written reply. Clariant's official letter to National Grid (pg. 14) is attached with a USPS Certified Mail Receipt (found below), followed by conversational emails between Clariant and National Grid (pg. 15-17) which conclude that National Grid can not deviate from the written tariff. The mentioned attachment within the emails has been omitted due to irrelevancy but can be furnished upon request.

7058 0150 8001 634 7574

UNITED STATES POSTAL SERVICE			
CERTIFIED MAIL RECEIPT			
POSTAGE PAID BY ADDRESSEE			
POSTAGE	\$ 0.07	0414	
POSTAGE PAID	\$ 0.07	00	
POSTAGE PAID BY ADDRESSEE	\$ 0.00		
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"Mirabile, Gerald J."

GERALD.MIRABILE@us.ngrid.com

To Gary.Haizlip@clariant.com>

cc

"Mirabile, Gerald J."

GERALD.MIRABILE@us.ngrid.com08/19/2008 07:46 AM

Subject FW: Rate Comp.xls

Gary

Please see below related to the Rate G62 Rate G32 question you had in your earlier email. See attachment prepared by Jeanne Lloyd in Distribution rates.

Regards. Gerry

From: Lloyd, Jeanne

Sent: Monday, August 18, 2008 3:55 PM

To: Mirabile, Gerald J.

Subject: Rate Comp.xls

Gerry - I've attached an estimated billing comparison for G62, G32 and G62 billed under the optional demand provision. Although I realize that the customer would prefer to be transferred to G32, in order to comply with the terms of the tariff, he should remain on G62. The optional demand provision is part of the tariff just for these particular circumstances - i.e. when a customer experiences a significant reduction in load due to changes in the operations. Therefore, since this option is available under G62, we can't justify a transfer to G32 until his demand has been below 2700 for 12 months as the tariff specifies. However, we can set it up so that he begins billing under the optional demand provision as of Jan.

Jeanne

From: Lloyd, Jeanne
Sent: Monday, August 18, 2008 10:21 AM
To: Mirabile, Gerald J.
Subject: RE: pending Clariant Rate Change

Gerry - Does the customer understand that their billing history as a G62 customer would "transfer" to the new rate and they would be subject to the ratchet for the next 11 months based on 75% of their highest demand? They might be better off to stay on G62 and utilize the Optional Demand provision. If you can send me their billing history for the past twelve months, I can do a billing analysis.

Jeanne

Jeanne A. Lloyd
Manager, Distribution Rates - New England
Electric Regulation and Pricing
National Grid USA
new contact information:
201 Jones Road, 5th floor
Waltham, MA 02451
tel: (781) 907-1875
fax: (781) 907-1659

From: Mirabile, Gerald J.
Sent: Monday, August 18, 2008 8:57 AM
To: Lloyd, Jeanne
Subject: pending Clariant Rate Change

Clariant is going to curtail manufacturing in Coventry, but we will maintain a Sales and Marketing presence. The target date to stop manufacturing is Dec 18th, 2008. This means that the electric demand is going to go from 3800KW to 1500KW.

At that time, Clariant will be asking Ngrid for two changes:

1) Rate Change: Effective Jan 09 we would want to be let out of the G62 rate and entered into the G32 rate. The rate statute says that we need to wait until our 12 month 'average' falls below 2700KW. We do not want to wait but want an immediate transfer.

Jeanne, what are your thoughts on a rate change effective January 1, 2009 to G32 fro G62 for this customer???

Gerald Mirabile
Account Executive
Energy Solutions Services
National Grid
Tel 401-784-7417
Fax 401-784-7257
email: gerald.mirabile@us.ngrid.com
<https://www.nationalgridus.com>

Gary Haizlip
To "Mirabile, Gerald J
GERALD.MIRABILE@us.ngrid.com
08/14/2008 02:00 @
cc
DOUGLAS.SMITH@us.ngrid.com,
John Paul/CLARIANT
Classification: Internal
Subject: Clariant Corp – Capacity Tag
(Document link: Gary Haizlip)

Gerald,

I've copied in Doug because he may know the answer to this.

As you are aware Clariant is going to curtail manufacturing in Coventry, but we will maintain a Sales and Marketing presence. the target date to stop manufacturing is Dec 18th, 2008. This means that our electric demand is going to go from 3800KW to 1500KW.

At that time, Clariant will be asking Ngrid for two changes:

- 1) Rate Change: Effective Jan 09 we would want to be let out of the G62 rate and entered into the G32 rate. The rate statute says that we need to wait until our 12 month 'average' falls below 2700KW. We do not want to wait but want an immediate transfer.
- 2) ISO Capacity Tag: I don't remember exactly but I think our ISO Capacity Tag for 2008 is 4000KW. This is approximately \$20,000/month. When we change rates we want to also change our ISO Capacity Tag to something more reflective of our new condition. It is my understanding that Ngrid sets individual tags for its customers but ISO audits the cumulative totals. Anytime ISO is involved I just assume difficulty.

I need you to investigate and confirm a course of action why we have time.

1) Is either of these two request going to be a problem.

2) If either are, how do we get what we want. I'm thinking that we may have to close the existing account, go a day or two without electriciry, and then start a new account.

3) Can we stay an existing supplier for the ISO load shedding program. If we have to start a new account what happens to our existing ISO account.

Let me know what you think,

gary

Appendix:

Detailed Historical and Proposed Data

Historical Energy Consumption by Entire Campus

Historical Distribution Data directly from Nat'l Grid Invoices
Bill does not include electrical generation charges by Constellation Energy

2006 G-62 Rate

	Demand KW	KWHR	Nat'l Grid Bill
January	3528	1852000	\$47,626
February	3924	1880000	\$47,554
March	3960	1780000	\$50,515
April	3360	1840000	\$50,004
May	3480	1904000	\$50,402
June	3600	1879000	\$50,725
July	3600	2076000	\$52,794
August	3920	2032000	\$53,319
September	3600	2084000	\$52,886
October	3480	1708000	\$48,120
November	3280	1716000	\$47,564
December	3200	1792000	\$48,189
Average	3578	1878583	\$49,975
Total	N/A	22,543,000	\$599,698

2007 G-62 Rate

	Demand KW	KWHR	Nat'l Grid Bill
January	3360	1512000	\$45,842
February	3560	2264000	\$54,787
March	3320	1868000	\$49,588
April	3360	1740000	\$48,334
May	3280	1824000	\$48,961
June	3232	1680760	\$47,222
July	3588	1293622	\$37,636
August	3640	2528000	\$57,963
September	3520	1912000	\$50,794
October	3440	1672000	\$47,881
November	3066	1828656	\$48,236
December	3302	1730510	\$48,019
Average	3389	1821129	\$48,772
Total	N/A	21,853,548	\$585,262

G32 Incident

Nat'l Grid incidently put Clariant on the G-32 rate for one month resulting in a 33% discount.

2008 G-62 Rate

	Demand KW	KWHR	Nat'l Grid Bill
January	3120	1752000	\$47,105
February	3280	1944000	\$48,556
March	3160	1764000	\$46,265
April	3200	1624000	\$44,836
May	3330	2073195	\$50,116
June	3953	2016684	\$51,515
July	3788	2217823	\$50,543
August	3736	1957596	\$50,174
September	3443	1788661	\$47,402
October	<i>Future</i>	<i>Future</i>	<i>Future</i>
November	<i>Future</i>	<i>Future</i>	<i>Future</i>
December	<i>Future</i>	<i>Future</i>	<i>Future</i>
Average	3446	1904218	\$48,501
Expected Total	N/A	22,850,612	\$582,016

3 Year Averages

	Yearly Peak Demand	KWHR Per Year	Total Nat'l Grid Bill
2006	3960	22,543,000	\$599,698
2007	3640	21,853,548	\$585,262
2008	3953	22,850,612	\$582,016
3 Year Average	N/A	22,415,720	\$588,992

Expected Electrical Consumption and Demand for 2009

Uppermill, Waste Water Treatment Plant and Research Building are expected to remain running and have been assigned individual load factors based on historical performance.

2009	Uppermill KWHR	WWTP KWHR	Research KWHR	Misc. KWHR	Total KWHR	50% LF	95% LF	55% LF	65% LF	Total Demand	Average Load Factor
						Uppermill Demand	WWTP Demand	Research Demand	Misc. Demand		
January	195253	220865	144275	74400	560393	525	312	353	154	1344	0.561
February	178695	244982	130755	67200	554432	532	384	354	154	1423	0.580
March	158968	246434	125326	74400	530728	427	349	306	154	1236	0.577
April	157447	227721	135762	72000	520930	437	333	343	154	1267	0.571
May	154067	244059	151022	74400	549148	414	345	369	154	1282	0.576
June	159419	215610	245938	72000	620967	443	315	621	154	1533	0.563
July	175336	182644	267535	74400	625515	471	258	654	154	1537	0.547
August	155626	236625	250139	74400	642390	418	335	611	154	1518	0.569
September	151039	212618	177102	72000	540759	420	311	447	154	1331	0.564
October	166708	178230	153445	72000	498383	463	261	387	154	1265	0.547
November	163290	175015	114939	72000	453243	454	256	290	154	1154	0.546
December	163265	175989	114921	72000	454176	454	257	290	154	1155	0.546
AVERAGE	164926	213399	167597	72600	545922	455	310	419	154	1337	0.562

"Misc KWHR" is based on an Avg. Demand of 100 KW at a Load Factor of 0.65. The shut down and cleaning of some buildings will go into the 2009 year and will be drawing minor loads until they are sold or demolished.

Rate Comparison and Analysis of Cost for 2009

This is a comparison of the expected billing should Clariant remain on the G-62 rate or be transferred to the G-32.

Three buildings are expected to remain in full use. All other buildings will be disconnected. Bill does not include electrical generation charges by Constellation Energy

G-62 Rate

2009	Demand KW	KWHR	Nat'l Grid Bill
January	1344	560393	\$28,122
February	1423	554432	\$28,345
March	1236	530728	\$27,407
April	1267	520930	\$27,412
May	1282	549148	\$27,776
June	1533	620967	\$29,471
July	1537	625515	\$29,536
August	1518	642390	\$29,651
September	1331	540759	\$27,862
October	1265	498383	\$27,158
November	1154	453243	\$26,260
December	1155	454176	\$26,275
Average	1337	545922	\$27,940
Total	N/A	6,551,064	\$335,274

G-32 Rate

2009	Demand KW	KWHR	Nat'l Grid Bill
January	1344	560393	\$15,765
February	1423	554432	\$15,906
March	1236	530728	\$14,825
April	1267	520930	\$14,731
May	1282	549148	\$15,341
June	1533	620967	\$17,584
July	1537	625515	\$17,688
August	1518	642390	\$17,960
September	1331	540759	\$15,335
October	1265	498383	\$14,278
November	1154	453243	\$13,019
December	1155	454176	\$13,042
Average	1337	545922	\$15,456
Total	N/A	6,551,064	\$185,473

G62 Rate Bill for 2009: **\$335,274**
 G32 Rate Bill for 2009: **\$185,473**

Penalty Charge for not
 being in appropriate rate: = \$335,274-185,473 = **\$149,801**



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

Patrick C. Lynch, Attorney General

January 9, 2009

VIA ELECTRONIC TRANSMISSION AND REGULAR MAIL

Thomas R. Teehan, Senior Legal Counsel
National Grid
280 Melrose Street
Providence, RI 02907-2152

Re: Petition for Relief by Clariant Corporation

Dear Mr. Teehan:

On behalf of the Division of Public Utilities and Carriers ("Division"), I am enclosing a Petition filed by Clariant Corporation ("Clariant"), which was filed with the Division on December 23, 2008. Clariant seeks a transfer from rate classification G-62 to rate G-32. Clariant requests that the Division expeditiously process its complaint on the basis that a delay in effectuating the requested transfer will have a negative financial impact of more than \$12,000 per month. Clariant's Petition is attached hereto.

The Division hereby requests that National Grid respond to Clariant's Petition as soon as possible but in no event later than fourteen (14) days from the date of this transmission. Please contact me if you have any questions.

Very truly yours,

Paul J. Roberti
Assistant Attorney General
Chief, Regulatory Unit

Enclosure

cc: John Spirito, DPUC Chief Legal Counsel
Stephen T. Scialabba, DPUC Chief Accountant
Gary Haizlip, Clariant Corporation

January 23, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

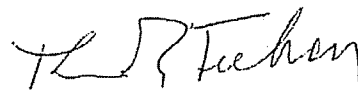
RE: National Grid's Response to Clariant Corporation Complaint

Dear Ms. Massaro:

Enclosed please find six copies of National Grid's¹ response to Clariant Corporation's complaint filed with the Division of Public Utilities and Carriers ("Division") on December 23, 2008. In this response, National Grid moves to dismiss this complaint under the provisions of Division Rule 19(e).

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

Enclosures

cc: Thomas F. Ahern, Division Administrator
Paul Roberti, Esq.
Stephen Scialabba, Division
John Spirito, DPUC Chief Legal Counsel
Gary Haizlip, Clariant Corporation

¹ The Narragansett Electric Company d/b/a National Grid.

Rhode Island Division of Public Utilities and Carriers

Re: Petition for Relief by Clariant

Division Docket No. _____

National Grid's Answer and Motion to Dismiss

National Grid ¹ hereby answers the complaint filed by Clariant Corporation (“Clariant”) in this docket by moving for summary disposition pursuant to Division Rule 19(e). A Rule 19(e) motion filing requires the hearing officer to make a determination as to whether “*there is no genuine issue of fact material to the decision.*” Division Rule 19(e) parallels Rule 56 of the *Superior Court Rules of Civil Procedure.*” Cox Comm., Docket D-00-C-5, Order No. 16646 (6/26/01). This complaint should be dismissed under the clear terms of the applicable tariffs. In this case, the relevant facts are undisputed. Clariant is currently receiving electric service pursuant to the G-62 tariff. Clariant Complaint, “Prologue.” Additionally, Clariant does not dispute that the clear terms of the applicable tariffs require that in order for a customer to transfer from G-63 rate to G-32 rate it must demonstrate a maximum demand that is less than 2,700 kW for twelve consecutive months. Clariant acknowledges that it has not experienced a 12-month maximum demand that is less than 2,700 kW. Clariant Complaint, “Prologue.”

¹ The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as “National Grid” or “the Company”).

BACKGROUND

This complaint arises under National Grid's G-62 and G-32 Demand Rates for electric retail service.² Clariant is a commercial customer that has filed a complaint with the Division seeking transfer from the G-62 to the G-32 rate as a "new" account.³ The billing structure of the G-62 rate is designed for customers that have a 12-month maximum demand 3,000 kW or greater, and the tariff requires that the Company put customers with that level of demand on the G-62 rate.⁴ In its complaint, Clariant indicates that it has been on this rate for the last 20 years. (Clariant Complaint, p. 2)

The G-62 rate has a section that specifically addresses the situation where a customer would like to transfer from the G-62 rate to the G-32 rate:

Transfer From Rate G-62: Any customer whose 12-month maximum demand is less than 2,700 kW for twelve consecutive months may elect to transfer from the 3,000 kW Demand Rate G-62 to another available rate.

The tariff rate leaves no doubt as to the requirements for transferring to the G-32 rate, and this requirement is undisputed by Clariant. Clariant Complaint. p. 3. In essence, then, Clariant complains that the Company is correctly applying the tariffed rate.

DISCUSSION

It is axiomatic that a public utility must faithfully apply its tariffed rates to all its customers. Indeed, to do otherwise would violate the filed rate doctrine as well

² Tariff Rates G-32 and G-62 are attached as Exhibit 1.

³ Although it is entitled "Petition" the Division's Rules allow for petitions only to interpret or amend Division rules or to seek declaratory judgment under RIGL §42-35-8 relative to the applicability of a rule or statutory provision. See Rule 13, Rules of Practice and Procedure, Division of Public Utilities and Carriers. It is not clear that Clariant is seeking either form of relief in this case, but rather is seeking a variance from the terms of an approved tariff.

⁴ The G-62 rate contains a \$17,118.72 monthly customer charge whereas the G-32 rate contains a \$236.43 monthly customer charge. However, for a customer that is purchasing its electric supply from a third-party supplier as is the case here, the G-62 rate contains no per kilowatt hour distribution charge whereas the G-32 rate does contain a .889¢per kilowatt hour distribution charge.

as specific statutory requirements in Rhode Island. See e.g. RIGL § 39-2-2. In this case, the Company's approved tariff provides restrictions upon a customer's ability to transfer from the G-62 rate to another rate. Clariant has not yet experienced a decrease in its electric consumption to the levels required in the tariff for twelve consecutive months. Consequently, under the applicable tariffed rate the Company may not transfer Clariant to the G-32 rate.

As Clariant acknowledges in its complaint, although the tariff does not provide an exception to the restrictions on transferring from Rate G-62 to another retail delivery rate, it does provide some relief from the charges under that rate. This relief can be found under the Optional Determination of Demand ("ODD") portion of the tariff, which becomes available to a Rate G-62 customer after a one-year waiting period. Under that provision, the billing demand in any month may be based upon the greatest of either (1) the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts; (2) through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter; or (3) 10 kilowatts. Under this provision, demand and delivery energy charges are increased by 20%. Application of the ODD would become effective on the next month after making a written request to the Company. Billing under the ODD provision could provide Clariant with a significant reduction in charges.

In addition, Clariant is not only asking that it be exempted from the G-62 tariff's requirement that it demonstrate usage reduction over a 12-month period before transferring to the G-32 rate. It also seeks to be exempted from certain provisions of the

G-32 rate. Like Rate G-62's ODD provision, the G-32 ODD provision would allow Clariant to qualify for a reduced Demand charge after a one-year waiting period. Clariant also seeks to be exempted from that one-year waiting requirement. Clariant Complaint, p. 7.

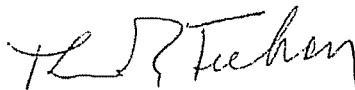
As Clariant states in its complaint, the Company is not permitted to vary the terms of its tariffed rates without providing due notice and obtaining Commission approval. Consequently, the Company has declined to grant Clariant's request for a transfer to the G-32 rate and for a waiver of the requirements of that new rate.

CONCLUSION

The limitations on transfer from Rate G-62 to Rate G-32 found in the Company's approved tariff prevent Clariant from transferring to Rate G-32. Moreover, the clear terms of Rate G-32 prohibit Clariant from applying for ODD treatment before completing the tariff-mandated one-year waiting period. Clariant's complaint asserting that it should be permitted to avoid the tariff requirements in order to obtain a lower rate should consequently be dismissed.

National Grid

By its attorney



Thomas R. Teehan

THE NARRAGANSETT ELECTRIC COMPANY
200 kW Demand Rate (G-32)
Retail Delivery Service

Effective
January 1, 2009

R.I.P.U.C. No. 1177

Monthly Charge As Adjusted

Rates for Retail Delivery Service

<u>Customer Charge per month</u>	\$236.43
<u>Transmission Charge per kW</u>	\$1.27
<u>Distribution Charge per kW</u>	\$1.99
<u>Non-Bypassable Transition Charge per kWh</u>	0.235¢
<u>Transmission Adjustment Factor per kWh</u>	1.064¢
<u>Distribution Charge per kWh</u>	0.889¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.350¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

**Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.**

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service shall be taken under this rate for all purposes by any customer who is placed on the rate by the Company in accordance with this paragraph. The Company shall place on this rate any customer who has a 12-month average Demand of 200 kW or greater for 3 consecutive months as soon as practicable. Notwithstanding the foregoing, the Company may require any customer with a 12-month maximum demand of 3000 kW or greater to take delivery service on the 3000 kW Demand Rate G-62 (subject to the settlement provisions in Docket No. 2290).

If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for delivery service through each meter shall be computed separately under this rate. If any electricity is delivered hereunder at a given location, then all electricity deliveries by the Company at such location shall be delivered hereunder.

New Customers: Service will initially be taken under this rate by any new customer who requests service capability of 225 kVA or greater.

Transfers From Rate G-32: Any customer whose 12-month average demand is less than 180 kW for twelve consecutive months may elect to transfer from the 200 kW Demand Rate G-32 to another available rate.

This rate is also available to customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation and are therefore exempt from the backup service rates. However, any customer exempted from the backup service rates under this provision shall nevertheless be required to install metering pursuant to the backup service tariff that shall provide information on the operation of the generation unit.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK OFF-PEAK PERIODS

PEAK HOURS:	June - September	-- 8 a.m. - 10 p.m. Weekdays,
	December - February	-- 7 a.m. - 10 p.m. Weekdays
	October - November and	
	March - May	-- 8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter,
- c) 75% of the greatest Demand as so determined above during the preceding eleven months, and
- d) 10 kilowatts.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served hereunder for one year or more may upon written request have the Demand for each month, beginning with the next month after such request and running for a period of not less than two consecutive months, be based upon the greatest of items (a), (b) and (d) above. In such case, the Demand Charge and the Energy Charge will be increased by 20% during any such period.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if said customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer,

THE NARRAGANSETT ELECTRIC COMPANY
200 kW DEMAND RATE (G-32)
RETAIL DELIVERY SERVICE

using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: October 28, 2004

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW Demand Rate (G-62)
Retail Delivery Service

Effective
January 1, 2009

R.I.P.U.C. No. 1178

Monthly Charge As Adjusted

Rates for Retail Delivery Services

<u>Customer Charge per month</u>	\$17,118.72
<u>Transmission Charge per kW</u>	\$1.39
<u>Distribution Charge per kW</u>	\$2.22
<u>Non-Bypassable Transition Charge per kWh</u>	0.235¢
<u>Transmission Adjustment Factor per kWh</u>	1.064¢
<u>Conservation and Load Management Adjustment per kWh</u>	0.350¢

Rates for Standard Offer Service or Last Resort Service (Optional)

<u>Standard Offer per kWh</u>	per Standard Offer Service tariff
<u>Last Resort per kWh</u>	per Last Resort Service tariff

Tax Note: The rates listed above do not reflect gross earnings tax or sales taxes (when applicable).
However, such taxes, when applicable, will appear on bills sent to customers.

Other Rate Clauses apply as usual.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
 RETAIL DELIVERY SERVICE

AVAILABILITY

Electric delivery service shall be taken under this rate for all purposes by any customer who is placed on the rate by the Company in accordance with this paragraph. The Company shall place on this rate any customer who has a 12-month maximum Demand of 3,000 kW or greater. Delivery service can be taken under this rate by customers who do not meet the qualifications on a voluntary basis.

If electricity is delivered through more than one meter, except at the Company's option, the Monthly Charge for service through each meter shall be computed separately under this rate. If any electricity is delivered hereunder at a given location, then all electricity delivered by the Company at such location shall be delivered hereunder.

New Customers: Delivery service will initially be taken under this rate by any new customer who requests delivery service capability of 3,375 kVA or greater.

Transfers From Rate G-62: Any customer whose 12-month maximum demand is less than 2,700 kW for twelve consecutive months may elect to transfer from the 3,000 kW Demand Rate G-62 to another available rate.

This rate is also available to customers who install on-site non-emergency generating units powered by Eligible Renewable Energy Resources, as defined in 2004 R.I. Pub. Laws 205 up to an aggregate nameplate capacity of 3 MW for all customers having installed such generation and are therefore exempt from the backup service rates. However, any customer exempted from the backup service rates under this provision shall nevertheless be required to install metering pursuant to the backup service tariff that shall provide information on the operation of the generation unit.

MONTHLY CHARGE

The Monthly Charge will be the sum of the Retail Delivery Service Charges set forth in the cover sheet of this tariff.

PEAK, SHOULDER AND OFF-PEAK PERIODS

PEAK HOURS:	June - September	--	8 a.m. - 10 p.m. Weekdays,
	December - February	--	7 a.m. - 10 p.m. Weekdays
	October - November and		
	March - May	--	8 a.m. - 9 p.m. Weekdays

OFF-PEAK HOURS: All other hours

Weekdays shall mean Monday through Friday, excluding the following holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Columbus Day (observed), Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

RATE ADJUSTMENT PROVISIONS

Transmission Service Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Transmission Service Cost Adjustment Provision.

Transition Charge Adjustment

The prices under this rate as set forth under "Monthly Charge" may be adjusted from time to time in the manner described in the Company's Non-Bypassable Transition Charge Adjustment Provision.

Standard Offer Adjustment

All Customers served on this rate must pay any charges required pursuant to the terms of the Company's Standard Offer Adjustment Provision, whether or not the Customer is taking or has taken Standard Offer Service.

Conservation and Load Management Adjustment

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Conservation and Load Management Adjustment Provision as from time to time effective in accordance with law.

Customer Credit Provision

The amount determined under the preceding provisions shall be adjusted in accordance with the Company's Customer Credit Provision as from time to time effective in accordance with law.

STANDARD OFFER SERVICE

Any Customer served under this rate who is eligible for Standard Offer Service shall receive such service pursuant to the Standard Offer Service tariff.

LAST RESORT SERVICE

Any Customer served under this rate who does not take its power supply from a non-regulated power producer and is ineligible for Standard Offer Service will receive Last Resort Service pursuant to the Last Resort Service tariff.

DEMAND

The Demand for each month under ordinary load conditions shall be the greatest of the following:

- a) The greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilowatts,
- b) Through the billing month of December 2005, 80% of the greatest fifteen-minute peak occurring in such month during Peak hours as measured in kilovolt-amperes, and 90% thereafter,

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

- c) 75% of the greatest Demand as so determined above during the preceding eleven months,
and
- d) 10 kilowatts.

OPTIONAL DETERMINATION OF DEMAND

A Customer who has been served hereunder for one year or more may upon written request have the Demand for each month, beginning with the next month after such request and running for a period of not less than two consecutive months, be based upon the greatest of items (a), (b) and (d) above. In such case, the Demand Charge and the Energy Charge will be increased by 20% during any such period.

CREDIT FOR HIGH VOLTAGE DELIVERY

If the Customer takes delivery at the Company's supply line voltage, not less than 2400 volts, and the Company is saved the cost of installing any transformer and associated equipment, a credit of 37 cents per kilowatt of billing demand for such month shall be allowed against the amount determined under the preceding provisions.

An additional credit of \$2.41 per kilowatt of the billing demand for such month shall also be allowed if said customer accepts delivery at not less than 115,000 volts, and the Company is saved the cost of installing any transformer and associated equipment.

The total amount of the credit allowed under this provision shall not exceed the sum of the Customer Charge, the Distribution Demand Charge and the Distribution kWh Charge.

HIGH-VOLTAGE METERING ADJUSTMENT

The Company reserves the right to determine the metering installation. Where service is metered at the Company's supply line voltage, in no case less than 2400 volts, thereby saving the Company transformer losses, a discount of 1% will be allowed from the amount determined under the preceding provisions.

SECOND FEEDER SERVICE

Except as provided below, Customers receiving second feeder service shall pay \$2.41 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability. The charge for second feeder capability shall apply only to Customers with second feeder capability installed on or after May 1, 1998. The charge for second feeder capability shall not apply to Customers taking service within the Capital Center of Providence or within the downtown Providence underground network system. The Company's Construction Advance Policy 3 shall apply to determine any advance contribution by the customer, using an estimate of revenues to be derived from this second feeder rate. The Company reserves the right to decline second feeder service for engineering reasons.

An additional \$0.37 per 80% of KVA (through the billing month of December 2005; 90% of KVA thereafter) of reserved second feeder capability shall be charged if an additional transformer is required at the Customer's facility.

THE NARRAGANSETT ELECTRIC COMPANY
3000 kW DEMAND RATE (G-62)
RETAIL DELIVERY SERVICE

GROSS EARNINGS TAX

A Rhode Island Gross Earnings Tax adjustment will be applied to the charges determined above in accordance with Rhode Island General Laws.

GROSS EARNINGS TAX CREDIT FOR MANUFACTURERS

Consistent with the gross receipts tax exemption provided in Section 44-13-35 of Rhode Island General Laws, eligible manufacturing customers will be exempt from the Gross Earnings Tax to the extent allowed by the Division of Taxation.

Eligible manufacturing customers are those customers who have on file with the Company a valid certificate of exemption from the Rhode Island sales tax (under section 44-18-30(H) of Rhode Island General Laws) indicating the customer's status as a manufacturer. If the Division of Taxation (or other Rhode Island taxing authority with jurisdiction) disallows any part or all of the exemption as it applies to a customer, the customer will be required to reimburse the Company in the amount of the credits provided to such customer which were disallowed, including any interest required to be paid by the Company to such authority.

TERMS AND CONDITIONS

The Company's Terms and Conditions in effect from time to time, where not inconsistent with any specific provisions hereof, are a part of this rate.

Effective: October 28, 2004

February 9, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: Clariant Corporation Complaint

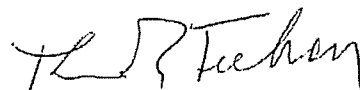
Dear Ms. Massaro:

Enclosed please find six copies of a supplement to National Grid's¹ response to Clariant Corporation's complaint filed with the Division of Public Utilities and Carriers ("Division") on January 23, 2009.

In order to provide a complete record of the comparative costs to Clariant of remaining on the G-62 rate or transferring to the G-32 rate, with and without an Optional Determination of Demand ("ODD") reduction, the Company is submitting its calculations of those various costs.

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

Enclosures

cc: Thomas F. Ahern, Division Administrator
Paul Roberti, Esq.
Stephen Scialabba, Division
John Spirito, DPUC Chief Legal Counsel
Gary Haizlip, Clariant Corporation

¹ The Narragansett Electric Company d/b/a National Grid.

Illustrative Billing for Clariant Corporation

Rate G-32 and G-62 Delivery Service Charges

Customer	G62	G32	G62 Opt Dem Charges	G32 Opt Dem Charges
Demand	\$17,118.72	\$236.43	\$17,118.72	\$236.43
Distribution kWh Charge	\$2.22	\$2.00	\$2.66	\$2.40
Transmission Demand Charge	\$0.00000	\$0.00889	\$0.00000	\$0.01067
Transmission kWh Charge	\$1.39	\$1.27	\$1.67	\$1.52
Transit kWh Charge	\$0.01064	\$0.01064	\$0.01277	\$0.01277
Conservation	\$0.00235	\$0.00235	\$0.00282	\$0.00282
	\$0.00350	\$0.00350	\$0.00420	\$0.00420

Month	1. Billing Units		2. Estimated Billing - G62		3. Estimated Billing - G62 w/ ODD		4. Estimated Billing - G32 w/ ODD		5. Estimated Billing - G32	
	Actual Billed Demand	Actual kWh	Billing Demand	Estimated kWhs	Billing Demand	G62 Billing	Billing Demand	G-32 Billing with Optional Demand	Billing Demand	G32 Billing Demand
Sep-2007	3,600.0	1,205,831	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Oct-2007	3,640.0	1,876,056	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Nov-2007	3,440.0	1,672,000	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Dec-2007	3,080.0	1,828,656	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Jan-2008	3,302.0	1,730,510	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Feb-2008	3,120.0	1,752,000	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Mar-2008	3,280.0	1,944,000	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Apr-2008	3,160.0	1,764,000	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
May-2008	3,200.0	1,624,000	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Jun-2008	3,330.1	2,073,195	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Jul-2008	3,953.6	2,016,684	2,965.2	545,922	1,337.0	\$36,825	1,337.0	\$22,109	1,337.0	545,922
Aug-2008	3,786.8	2,217,823	1,337.0	545,922	1,337.0	\$30,948	1,337.0	\$22,109	1,337.0	545,922
						\$436,026		\$265,313		\$221,567

1. Actual kWh and kW billing data for the period September 2007 through August 2008
2. Billing on Rate G-62 assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Billing demand for Sep - Jul is based on ratchet and is calculated as 75% of 3,953.6 (July 2008 demand) and for Aug is based on actual demand of 1337.
3. Billing on Rate G-62 with the Optional Determination of Demand provision assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Distribution and Transmission demand and kWh charges are increased by 20%.
4. Billing on Rate G-32 with the Optional Determination of Demand provision assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Distribution and Transmission demand and kWh charges are increased by 20%.
5. Billing on Rate G-32 as a "new" customer.

February 19, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Division Clerk
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: Clariant Corporation Complaint

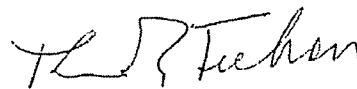
Dear Ms. Massaro:

Enclosed please find six copies of a revised supplement to National Grid's¹ response to Clariant Corporation's complaint filed with the Division of Public Utilities and Carriers ("Division") on January 23, 2009.

In order to provide a complete record of the comparative costs to Clariant of remaining on the G-62 rate or transferring to the G-32 rate, with and without an Optional Determination of Demand ("ODD") reduction, the Company submitted its calculations of those various costs. This supplement is revised to contain an additional scenario in those calculations.

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

Enclosures

cc: Thomas F. Ahern, Division Administrator
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¹ The Narragansett Electric Company d/b/a National Grid ("Company").

Illustrative Billing for Clariant Corporation

Rate G-32 and G-62 Delivery Service Charges Rates Effective 1-1-09	G62	G32	G62	G32
	Opt Dem	Charges	Opt Dem	Charges
Customer				
Demand	\$17,118.72	\$236.43	\$17,118.72	\$236.43
Distribution kWh Charge	\$2.22	\$2.00	\$2.66	\$2.40
Transmission Demand Charge	\$0.00000	\$0.00889	\$0.00000	\$0.01067
Transmission kWh Charge	\$1.39	\$1.27	\$1.67	\$1.52
Transition kWh Charge	\$0.01064	\$0.01064	\$0.01277	\$0.01277
Conservation	\$0.00235	\$0.00235	\$0.00282	\$0.00282
	\$0.00350	\$0.00350	\$0.00420	\$0.00420

1. Billing Units		2. Estimated Billing - G62		3. Estimated Billing - G62 w/ ODD		4. Estimated Billing - G32		5. Estimated Billing - G32 w/ ODD		6. Estimated Billing - G32 (as "new" customer)	
Month	Actual G62 Billed Demand kWh	Actual kWh	Estimated kWhs	G62 Billing	Billing Demand	Estimated kWhs	G62 Billing	G32 Billing Demand	G32 kWh	G32 Billing Demand	G32 kWh
Sep-2007	3,600.0	1,205,831	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Oct-2007	3,640.0	1,876,056	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
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Dec-2007	3,080.0	1,828,656	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Jan-2008	3,302.0	1,730,510	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Feb-2008	3,120.0	1,752,000	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
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May-2008	3,200.0	1,824,000	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Jun-2008	3,330.1	2,073,195	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Jul-2008	3,953.6	2,016,684	2,965.2	\$36,825	1,337.0	545,922	\$36,825	2,965.2	545,922	1,337.0	545,922
Aug-2008	3,788.8	2,217,823	1,337.0	\$30,948	1,337.0	545,922	\$30,948	1,337.0	545,922	1,337.0	545,922
				\$436,026			\$406,560			\$280,133	\$265,313
											\$221,567

- Actual kWh and kW billing data for the period September 2007 through August 2008
- Billing on Rate G-62 assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Billing demand for Sep - Jul is based on ratchet and is calculated as 75% of 3,953.6 (July 2008 demand) and for Aug is based on actual demand of 1,337.
- Billing on Rate G-62 with the Optional Determination of Demand provision assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Distribution and Transmission demand and kWh charges are increased by 20%.
- Billing on Rate G-32 assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Billing demand for Sep - Jul is based on ratchet and is calculated as 75% of 3,953.6 (July 2008 demand) and for Aug is based on actual demand of 1,337.
- Billing on Rate G-32 with the Optional Determination of Demand provision assuming monthly billing demand of 1337 kW and kWh usage of 545,922. Distribution and Transmission demand and kWh charges are increased by 20%.
- Billing on Rate G-32 as a "new" customer.