Thomas R. Teehan
Senior Counsel

July 21, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket No. 4149
2011 Standard Offer Service Procurement Plan
2011 Renewable Energy Standard Procurement Plan
Responses to Record Requests

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's responses to Record Requests that were issued at the Commission's Evidentiary Hearing on July 8, 2010, in the above-captioned 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 4149 Service List
Leo Wold, Esq.
Steve Scialabba, Division

Record Request #1

Request:

Please produce a table with daily data from July 1 through July 11, 2010 in the same format as Commission Data Request #1-1, by day instead of month.

Response:

Please see the table below with the load-weighted, average daily ISO-NE spot market purchases of energy, capacity and ancillary services for the 5% load bid by National Grid for the period July 1 through July 11, 2010. Note the capacity and ancillary service costs are estimated, as these actual costs are not known at this time.

Day	ISO Bid DA MWh	Actual RT MWh	Total Actual MWh	Bid Diff	% Bid Diff	DA Costs	RT Costs	*Capacity $	**Ancillary $	Total ISO $	Avg Rate
07/01/2010	558	(85)	473	85	18%	23,801	(3,664)	10,056	515	30,709	64.95
07/02/2010	545	(81)	464	81	17%	23,988	(3,577)	9,870	506	30,787	66.35
07/03/2010	645	(77)	568	77	13%	28,197	(2,990)	12,091	620	37,918	66.70
07/04/2010	728	(66)	662	66	10%	37,157	(2,224)	14,081	722	49,735	75.13
07/05/2010	716	107	823	(107)	-13%	41,601	8,655	17,497	897	68,649	83.45
07/06/2010	740	192	932	(192)	-21%	68,998	25,374	19,816	1,015	115,203	123.66
07/07/2010	740	200	940	(200)	-21%	76,346	21,212	19,993	1,025	118,576	126.15
07/08/2010	823	35	858	(35)	-4%	80,767	2,130	18,258	936	102,091	118.93
07/09/2010	861	(23)	838	23	3%	58,301	(1,649)	17,814	913	75,378	90.00
07/10/2010	851	(24)	827	24	3%	39,670	(506)	17,596	902	57,662	69.70
07/11/2010	807	(17)	790	17	2%	37,190	(5)	16,808	861	54,854	69.42
Totals	8,014	161	8,175	(161)	-2%	516,015	42,757	173,879	8,911	741,563	90.71

*Capacity values are based on May capacity rates
**Ancillary values are based on May ancillary rates

Prepared by or under the supervision of: Margaret Janzen

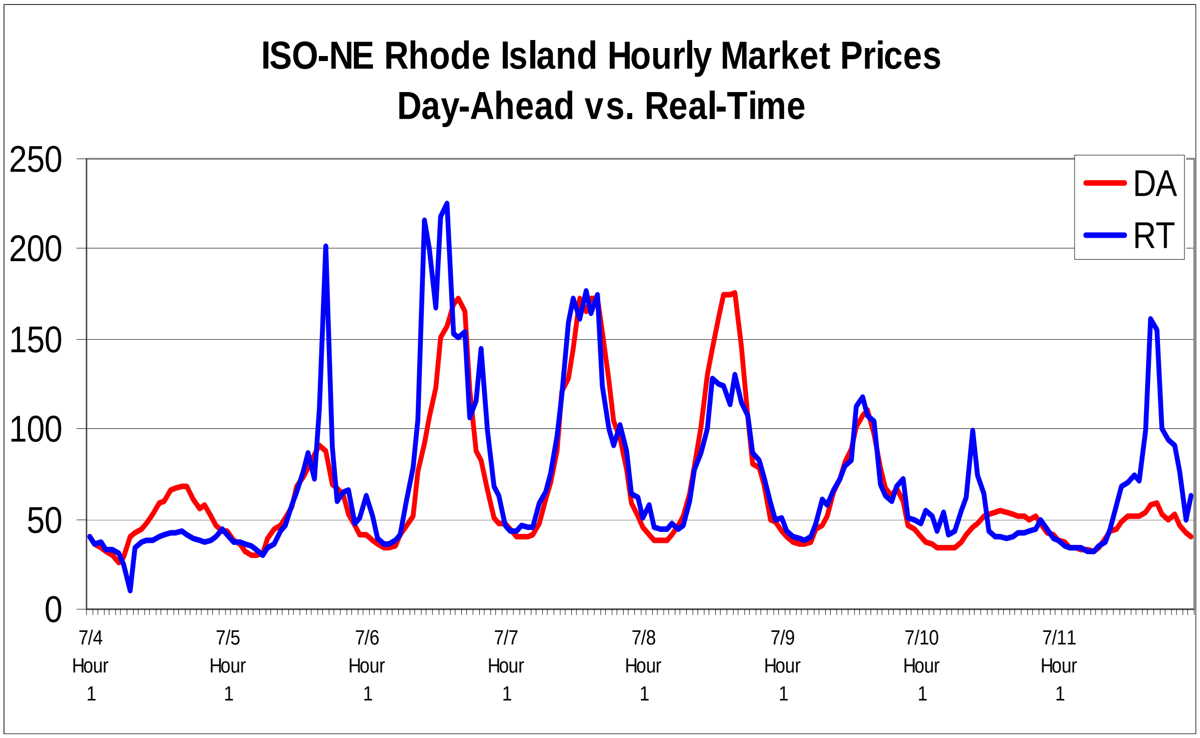
Record Request #2

Request:

What were the highest hourly day-ahead and real-time prices in the ISO-NE Rhode Island wholesale market between July 4 and July 11, 2010?

Response:

Please see the chart below which shows the hourly Day-Ahead and Real-Time prices between July 4 and July 11, 2010 (energy only). The highest Day-Ahead price was $175 per MWh, while the highest Real-Time price was $225 per MWh.



Record Request #2 (continued)

Please see below a table of statistics on ISO-NE electric market prices (energy only) for the period July 4 through July 11, 2010.

	Day-Ahead Market					Real-Time Market				
Date	Average $/MWh	Std Dev $/MWh	Volatility %	Max $/MWh	Min $/MWh	Average $/MWh	Std Dev $/MWh	Volatility %	Max $/MWh	Min $/MWh
07/04/2010	48.30	13.27	27%	68.20	26.19	36.82	7.09	19%	44.65	10.78
07/05/2010	54.19	19.46	36%	91.36	29.46	60.89	36.74	60%	201.82	30.34
07/06/2010	84.47	49.25	58%	172.39	33.96	109.58	63.62	58%	224.74	35.84
07/07/2010	94.34	49.43	52%	172.80	39.82	96.92	48.14	50%	176.25	43.48
07/08/2010	88.59	50.17	57%	175.34	37.87	79.26	31.51	40%	130.59	44.19
07/09/2010	63.60	24.16	38%	110.96	35.82	66.42	23.94	36%	118.17	38.65
07/10/2010	44.86	7.63	17%	54.32	33.62	49.92	13.73	28%	98.81	38.81
07/11/2010	44.27	8.49	19%	59.15	32.41	66.24	36.36	55%	160.77	32.23
Total Period	65.33	37.72	58%	175.34	26.19	70.76	42.50	60%	224.74	10.78

Note: Average $/MWh is not load weighted.

Prepared by or under the supervision of: Margaret Janzen

Record Request #3

Request:

a) Add to Exhibit 11 "ISO-NE Rhode Island Day-Ahead Market Price," the Real-Time Market Prices; include a statistical summary of the data by month.

b) Similar to Exhibit 11 "ISO-NE Rhode Island Day-Ahead Market Price," compare the Company's all-in costs for the 5% spot market purchases versus the all-in FRS average contract price. In addition, show the estimated all-in spot market costs that were used in the calculation that determined SO retail rates for customers starting in March 2010.

Response:

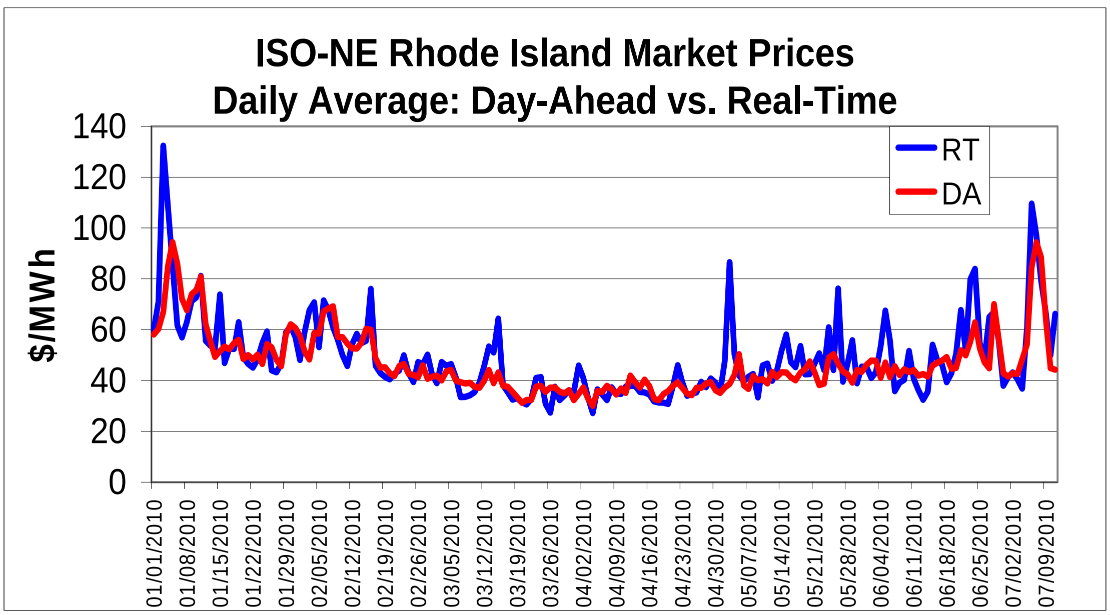
a) Please see the graph below which shows the Day-Ahead and Real-Time energy market prices for the ISO-NE Rhode Island zone for 2010. The prices shown are daily averages of the energy market prices only; the prices do not include capacity or ancillary services and are not load-weighted (load-weighted prices reflect costs associated with the applicable customer usage pattern).

The associated table below shows that the Real-Time energy market prices in 2010 have been, on average, higher and more volatile than the Day-Ahead energy market prices. The Company recommends reducing customer exposure to these volatile Real-Time prices in the event of a supplier default by maintaining the capability to bid into the Day-Ahead market.

Record Request #3 (continued)

	Day-Ahead Market					Real-Time Market				
	Average $/MWh	Std Dev $/MWh	Volatility %	Max $/MWh	Min $/MWh	Average $/MWh	Std Dev $/MWh	Volatility %	Max $/MWh	Min $/MWh
January-10	60.67	12.97	21%	123.71	27.91	62.22	19.14	31%	274.46	0.00
February-10	52.02	8.50	16%	95.59	25.90	52.95	10.31	19%	183.90	26.45
March-10	37.86	3.53	9%	62.85	19.02	38.77	7.92	20%	162.46	0.00
April-10	36.35	2.56	7%	50.76	17.87	36.18	4.14	11%	115.39	13.26
May-10	42.11	3.83	9%	71.54	25.23	47.90	10.91	23%	225.55	20.84
June-10	47.67	6.52	14%	112.96	23.09	50.36	13.10	26%	269.15	0.00
July-10	59.05	20.46	35%	175.34	26.19	62.81	24.17	38%	224.74	10.78
Year to Date	46.81	12.16	26%	175.34	17.87	48.88	15.66	32%	274.46	0.00

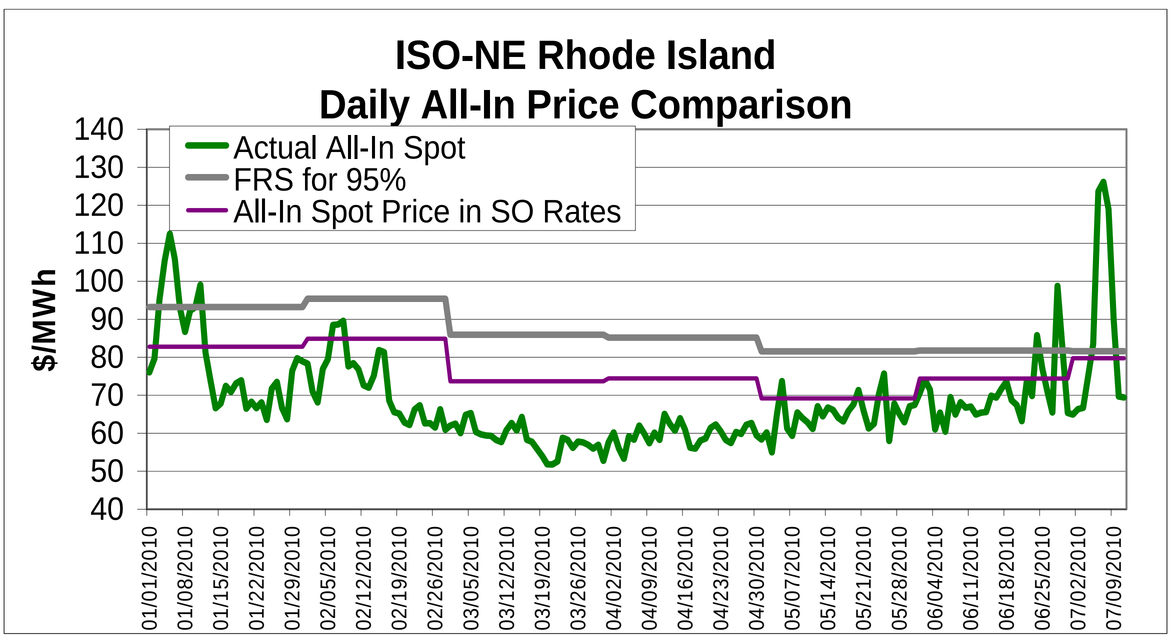
July values represent July 1 through July 11



Record Request #3 (continued)

b) Please see the graph below which shows the Company's all-in spot market costs for the 5% load bidding versus the all-in FRS average contract price. All of the current FRS contracts were obtained under the Accelerated Procurement Plan, and are reflective of market prices on the award date of June 17, 2009. In contrast, National Grid's proposed 2011 procurement plan involves multiple price points resulting from several solicitations that would occur prior to the delivery period. The lower all-in spot market purchase prices (as compared to the FRS contract prices) are a result of a declining energy market since the time that the FRS contracts were procured, and are not necessarily indicative of the relationship between future all-in spot and FRS contract prices.

In addition, the graph shows the all-in spot market costs that were used to calculate the SO Small Customer retail rates starting in March 2010.



*June and July capacity values are based on May capacity rates
**June and July ancillary values are based on May ancillary rates

Prepared by or under the supervision of: Margaret Janzen

Record Request #4

Request:

List the projected administrative costs incurred by National Grid to produce the proposed four reconciliation filings per year. Indicate how much of the cost the Company would propose to recover through the Standard Offer Administrative Cost Adjustment ("SOACA") factor.

Response:

To reiterate the Company's proposal regarding filings required under the proposed 2011 plan:

The proposed plan will require four Standard Offer procurement and pricing filings each year and two reconciliation filings.

Procurement and Pricing filings:

Two of the four annual filings will include procurements and pricing for all three classes and the other two will include procurement and pricing for just the Industrial class. Note that this is exactly the same process as was approved for the 2010 plan. The Company anticipates that, as is the current process, no hearing will be held following these procurement and pricing filings.

Reconciliation filings:

The Company currently submits one reconciliation filing each year in conjunction with the results of other reconciling adjustment mechanisms. One of the proposed reconciliation filings will continue to be included with this annual reconciliation filing (currently filed in February with rates effective April 1) and therefore there is no incremental resource needs associated with this current reconciliation filing. The Company also currently submits Standard Offer reconciliation reports for informational purposes on a quarterly basis to the Commission. The Company anticipates that the second reconciliation filing proposed in Docket 4149 will replace the regularly scheduled July 30 informational filing. The proposed filing will be submitted on or around August 1 and will contain brief testimony that describes the reconciliation of revenue and expenses for January 1 through June 30, along with the applicable reconciliation and the

Record Request #4 (continued)

proposed adjustment factor to be effective October 1. If the Commission determines that it is appropriate to hold a hearing to consider the approval of this factor, then that hearing would be held prior to October 1.

In response to the request for the cost of the proposed reconciliation filings, the Company estimates that such a filing would incur approximately $3,500 of incremental expenses, associated with calculating the adjustment factor, developing testimony on such calculations, preparation and review of the filing by the legal department, response to expected discovery requests, and expected preparation and attendance at a hearing on the filing. All of the costs associated with this filing would be included in the SOACA factor. The Company estimates that the administrative cost associated with the second Standard Offer reconciliation filing, which would also include the annual transmission and transition reconciliations, is approximately $8,000. Since this is a regularly scheduled annual filing and is not exclusively related to Standard Offer, only a portion of the expected costs would be recovered through the SOACA factor.

Prepared by or under the supervision of: Jeanne Lloyd / Margaret Janzen

---

Record Request #5

Request:

Does MA or NH have similar statutory provisions as R.I.G.L.§39-1-27.8, relative to the approval of a procurement plan?

Response:

Neither Massachusetts nor New Hampshire have statutory provisions with the language found in R.I.G.L. §39-1-27.8. In both of those states, however, there is a process under which the regulator reviews contracts entered into within a few days.

In Massachusetts, a restructuring statute and Department of Public Utilities ("DPU") rules require the Company to provide standard offer/basic service. The parameters for the basic service procurement are set forth in DPU orders, specifically D.T.E. 99-60 and D.T.E. 02-40. The Company makes quarterly filings with the DPU that contain the most recent solicitation for basic service, proposed retail rates for basic service pricing options resulting from the solicitation, and the contracts entered into with suppliers as a result of the solicitation. The contracts are subject to the Department's approval of the results of the solicitation within five business days of the filing. The Department reviews the filing and, if approved, a stamp-approval is issued within the five business day period.

The restructuring statute in New Hampshire requires that the Company provide default service for customers otherwise without a supply source. The procurement plan in New Hampshire was approved by the Commission pursuant to a settlement agreement between National Grid, Staff, and the Office of Consumer Advocate. However, the Commission requires National Grid to make a filing reviewing the contracts and the bids from suppliers within three days from the date of entering into a contract with suppliers for default service. The Commission conducts a formal evidentiary hearing and issues an order within five business days from the date of the filing so that the contracts can go into effect. The contracts themselves are not valid unless approved by the Commission.

Prepared by or under the supervision of Legal Department

Record Request #6

Request:

What is the total number of Commercial class customers and what percentage of load per class have switched to competitive supply?

Response:

Please see the attachment to this response for customer migration information by rate class and by the proposed Standard Offer procurement groups based on billings for June 2010. Of the 58,308 customers in the Commercial group, 7,956, or approximately 13.6% have switched to competitive supply. Approximately 32% of the total kWh deliveries in June 2010 for the Commercial group were competitively supplied. For purposes of comparison, in June 2009, approximately 10% of the customers in this group were receiving service from suppliers, representing approximately 23.6% of the total kWh deliveries.

Prepared by or under the supervision of: Jeanne Lloyd

Customer Migration by Rate Class and By Proposed Standard Offer Procurement Group
Based on Number of Customers and kWh Deliveries for June 2010

	Competitive Supply		Total Company		Competitive Supply as Percentage of Total	
	Number of Customers	kWh Deliveries	Number of Customers	kWh Deliveries	Number of Customers	kWh Deliveries
A-16 (Residential)	899	1,032,219	379,065	203,080,565	0.24%	0.51%
A-60 (Low Income)	1	311	40,271	19,194,265	0.00%	0.00%
Residential Group	900	1,032,530	419,336	222,274,830	0.21%	0.46%
C-06 (Small C&I)	5,203	6,408,900	46,785	43,049,911	11.12%	14.89%
G-02 (Med C&I)	2,265	40,575,835	8,381	108,993,609	27.03%	37.23%
S-10 (Private Ltng)	324	101,165	2,750	598,549	11.78%	16.90%
S-14 (Street Ltng)	164	3,152,172	392	3,847,776	41.84%	81.92%
Commercial Group	7,956	50,238,072	58,308	156,489,845	13.64%	32.10%
B-32 (200 kW Backup)	2	556,308	5	608,574	40.00%	91.41%
B-62 (3000kW Backup)	1	9,954,564	2	12,522,002	50.00%	79.50%
G-32 (200 kW C&I)	550	103,792,532	1,058	167,973,445	51.98%	61.79%
G-62 (3000 kW C&I)	9	29,698,784	11	35,087,235	81.82%	84.64%
X-01 (Elec Propulsion)	1	1,809,892	1	1,809,892	100.00%	100.00%
Industrial Group	563	145,812,080	1,077	218,001,148	52.27%	66.89%
Total	9,419	197,082,682	478,721	596,765,823	1.97%	33.03%

Standard Offer[1]

	6/1/10	6/1/10
A-16	378,166	202,048,346
A-60	40,270	19,193,954
Residential Group	418,436	221,242,300
C-06	41,582	36,641,011
G-02	6,116	68,417,774
S-10	2,426	497,384
S-14 (See note below)	228	695,604
Commercial Group	50,352	106,251,773
B-32	3	52,266
B-62	1	2,567,438
G-32	508	64,180,913
G-62	2	5,388,451
X-01	-	-
Industrial Group	514	72,189,068
Total	469,302	399,683,141

Note: June kWhs are negative for Rate S-14. For purposes of this analysis, Standard Offer kWhs is an average of April and May billing units.

April kWh	790,446
May kWh	600,762
Total	1,391,208
Avg	695,604

Record Request #7

Request:

In light of the default option in Massachusetts, what should be the default option for Commercial class?

Response:

In Massachusetts, the medium commercial and industrial rate class, G-2, and the large commercial and industrial rate class, G-3, make up the Industrial procurement group. That procurement group has both a fixed and variable pricing option. The customary pricing option is the variable option. The Commercial procurement group in Massachusetts consists of the small commercial rate class, G-1, and street lighting rate classes. This group also has a fixed and variable pricing option, but the customary pricing option is the fixed option. In comparison, in Rhode Island the Company is proposing that the equivalent medium commercial and industrial rate class, G-02, be included with the small commercial rate class, C-06, and street lighting rate classes to make up the Commercial procurement group. The Company is proposing that customary pricing option for this group be the variable pricing option, with an option to switch once every twelve months to a different pricing option. The Company is making this proposal because all of the customers in this group have viable options in the competitive marketplace and variable pricing provides a better market signal for customers who may be searching for competitive supply alternatives. In addition, variable pricing better aligns revenue with underlying contract prices and will tend to mitigate over/under collections.

The Company understands the Commission's concern with placing small commercial customers on the variable pricing option. However, please note that two customers with identical usage patterns would pay essentially the same amount over a six month pricing period under either the fixed or variable pricing option. For an example of what customers in Rhode Island might experience under both fixed and variable pricing options, please see the attachment to this response for historic pricing for the Commercial group in Massachusetts. If the Commission is concerned about placing the small commercial rate class, C-06, on the variable option, then the Company would recommend that the customary option for this rate class be the fixed option and that the variable pricing option remain as the customary option for the remaining rate classes in the Commercial procurement group.

Prepared by or under the supervision of: Jeanne Lloyd

Narragansett Electric Company
d/b/a National Grid
Docket No. 4149
Attachment to Record Request 7

Massachusetts Electric Company - Basic Service Rates in Effect for the Commercial Class

Commercial		
Yr/Month	Variable Basic Service	Fixed Basic Service
10-Oct	8.155¢	8.102¢
10-Sep	7.960¢	8.102¢
10-Aug	8.333¢	8.102¢
10-Jul	8.249¢	8.102¢
10-Jun	7.914¢	8.102¢
10-May	7.893¢	8.102¢
10-Apr	8.506¢	8.720¢
10-Mar	8.536¢	8.720¢
10-Feb	9.656¢	8.720¢
10-Jan	9.357¢	8.720¢
09-Dec	8.354¢	8.575¢
09-Nov	7.549¢	8.575¢
09-Oct	9.679¢	9.734¢
09-Sep	9.583¢	9.734¢
09-Aug	10.246¢	9.734¢
09-Jul	10.197¢	9.734¢
09-Jun	9.495¢	9.734¢
09-May	9.053¢	9.734¢
09-Apr	11.331¢	12.431¢
09-Mar	12.064¢	12.431¢
09-Feb	13.636¢	12.431¢
09-Jan	13.554¢	12.431¢
08-Dec	12.234¢	12.431¢
08-Nov	11.503¢	12.431¢
08-Oct	11.373¢	11.568¢
08-Sep	11.307¢	11.568¢
08-Aug	12.301¢	11.568¢
08-Jul	12.225¢	11.568¢
08-Jun	11.278¢	11.568¢
08-May	10.626¢	11.568¢
08-Apr	9.723¢	10.651¢
08-Mar	10.587¢	10.651¢
08-Feb	11.941¢	10.651¢
08-Jan	11.852¢	10.651¢
07-Dec	10.067¢	10.651¢
07-Nov	9.574¢	10.651¢
07-Oct	9.943¢	10.287¢
07-Sep	9.896¢	10.287¢
07-Aug	10.990¢	10.287¢
07-Jul	10.823¢	10.287¢
07-Jun	10.141¢	10.287¢
07-May	9.721¢	10.287¢
07-Apr	10.253¢	11.406¢
07-Mar	11.474¢	11.406¢
07-Feb	13.316¢	11.406¢

Commercial		
Yr/Month	Variable Basic Service	Fixed Basic Service
07-Jan	13.481¢	11.406¢
06-Dec	10.598¢	11.406¢
06-Nov	8.702¢	11.406¢
06-Oct	9.262¢	9.763¢
06-Sep	9.195¢	9.763¢
06-Aug	10.769¢	9.763¢
06-Jul	10.701¢	9.763¢
06-Jun	9.397¢	9.763¢
06-May	8.928¢	9.763¢
06-Apr	8.397¢	10.500¢
06-Mar	9.940¢	10.500¢
06-Feb	12.417¢	10.500¢
06-Jan	12.602¢	10.500¢
05-Dec	9.955¢	10.500¢
05-Nov	9.205¢	10.500¢
05-Oct	6.721¢	7.208¢
05-Sep	6.851¢	7.208¢
05-Aug	7.795¢	7.208¢
05-Jul	7.778¢	7.208¢
05-Jun	7.150¢	7.208¢
05-May	6.833¢	7.208¢
05-Apr	6.077¢	6.822¢
05-Mar	6.738¢	6.822¢
05-Feb	7.691¢	6.822¢
05-Jan	7.728¢	6.822¢
04-Dec	6.519¢	6.822¢
04-Nov	5.915¢	6.822¢
04-Oct	5.744¢	6.221¢
04-Sep	6.006¢	6.221¢
04-Aug	6.839¢	6.221¢
04-Jul	6.779¢	6.221¢
04-Jun	6.227¢	6.221¢
04-May	5.554¢	6.221¢
04-Apr	5.121¢	5.732¢
04-Mar	5.537¢	5.732¢
04-Feb	6.152¢	5.732¢
04-Jan	6.283¢	5.732¢
03-Dec	5.737¢	5.732¢
03-Nov	5.438¢	5.732¢
03-Oct	6.104¢	7.909¢
03-Sep	7.104¢	7.909¢
03-Aug	8.980¢	7.909¢
03-Jul	9.092¢	7.909¢
03-Jun	8.265¢	7.909¢
03-May	7.742¢	7.909¢

Docket No. 4149 National Grid – 2011 SOS and RES Procurement Plans
Service List updated 6/3/10

Name/Address	E-mail Distribution	Phone/FAX
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com Joanne.scanlon@us.ngrid.com	401-784-7667 401-784-4321
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov Dstearns@ripuc.state.ri.us Sscialabba@ripuc.state.ri.us Mtobin@riag.ri.gov dmacrae@riag.ri.gov	401-222-2424 401-222-3016
Michael McElroy, Esq. Schacht & McElroy PO Box 6721 Providence, RI 02940-6721	McElroyMik@aol.com Timothy.daniels@constellation.com Daniel.W.Allegretti@constellation.com Joseph.Donovan@constellation.com	401-351-4100 401-421-5696
Richard Hahn LaCapra Associates One Washington Mall, 9th floor Boston, MA 02108	rhahn@lacapra.com apereira@lacapra.com afreitas@lacapra.com	617-778-2467 617 778-2481
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Lmassaro@puc.state.ri.us Cwilson@puc.state.ri.us Nucci@puc.state.ri.us Anault@puc.state.ri.us ADalessandro@puc.state.ri.us DShah@puc.state.ri.us	401-780-2017 401-941-1691