

April 11, 2013

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket Nos. 4315 & 4391  
2013 Electric Retail Rate Filing &  
2013 Renewable Energy Standard Charge and Reconciliation**

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's<sup>1</sup> responses to Commission's Record Requests 3 through 5 issued to the Company during the hearing in this matter. The Company will be filing its responses to Commission Record Requests 1 and 2 shortly.

Please be advised that the Company is seeking protective treatment of its response to Commission Record Request 3, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(i)(B). The Company has submitted a Motion for Protective Treatment to the Commission. The Company has submitted a redacted version of this response in this filing for the public record.

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 4315 & 4391 Service Lists  
Leo Wold, Esq.  
Steve Scialabba, Division

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

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

National Grid  
In re: 2013 Electric Retail Rate Filing &  
2013 Renewable Energy Standard Charge  
and Reconciliation

Docket Nos. 4315 & 4391

**MOTION OF THE NARRAGANSETT ELECTRIC COMPANY,  
D/B/A NATIONAL GRID  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

Now comes The Narragansett Electric Company, d/b/a National Grid (“Company”) and hereby requests that the Rhode Island Public Utilities Commission (“Commission”) grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B).

**I. BACKGROUND**

On April 11, 2013, the Company filed its response to Commission Record Request No. 3. That response contains estimated pricing information relative to Renewable Energy Certificate market costs and Company obligations. For the reasons stated below, the Company seeks confidential treatment for this response since this information is competitively sensitive, proprietary information that the Company wishes to keep confidential. The Company has also filed redacted copies of this response deleting the competitively sensitive information in question.

## II. LEGAL STANDARD

Rule 1.2(g) of the Commission's Rules of Practice and Procedure provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that the determination as to whether this exemption applies requires the application of a two-pronged test set forth in Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I.2001). The first prong of the test assesses whether the information was provided voluntarily to the governmental agency. Providence Journal, 774 A.2d at 47. If the answer to the first question is affirmative, then the question becomes whether the information is "of a kind that would customarily not be released to the public by the person from whom it was obtained." Id.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established by the

Court in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under this balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

### **III. BASIS FOR CONFIDENTIALITY**

With respect to the REC pricing and obligation information contained in the Company's response to Commission Record Request No. 3, release of this type of information would be commercially harmful to the Company and to its customers since potential bidders could use this information in such a way that would impede the Company's ability to obtain the best possible results for its customers.

### **V. CONCLUSION**

In light of the foregoing, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

**THE NARRAGANSETT ELECTRIC  
COMPANY**

By its attorney,



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Thomas R. Teehan (RI #4698)  
280 Melrose Street  
Providence, RI 02907  
(401) 784-7667

Dated: April 11, 2013

The Narragansett Electric Company  
d/b/a National Grid  
Docket Nos. 4315 & 4391  
In re: 2013 Electric Retail Rate Filing &  
2013 Renewable Energy Standard Charge and Reconciliation  
Responses to Record Requests  
Issued at the Commission's Evidentiary Hearing  
Issued on March 26, 2013

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**Redacted**  
Record Request 3

Request:

RR-3 – Please provide the total cost of RES compliance each year since inception with a total column.

Response:

The table below shows the Company's Renewable Energy Certificate ("REC") costs and Alternative Compliance Payment ("ACP") costs associated with the Rhode Island Renewable Energy Standard ("RES") for Compliance Years 2007 through 2012.

<b>The Narragansett Electric Company</b>				
<b>Rhode Island Renewable Energy Standard (RES) Costs</b>				
<b>RI RES Compliance Year</b>	<b>TOTAL RI RES REC Costs</b>	<b>RI RES Costs</b>	<b>ACP Costs</b>	<b>Actual or Estimated</b>
2007	\$ 3,976,389.50	\$ 3,976,389.50	\$ -	Actual
2008	\$ 5,254,430.30	\$ 5,254,430.30	\$ -	Actual
2009	\$ 5,507,809.50	\$ 5,507,809.50	\$ -	Actual
2010	\$ 2,096,152.00	\$ 2,096,152.00	\$ -	Actual
2011	\$ 8,426,723.96	\$ 3,898,751.69	\$ 4,527,972.27	Actual

Prepared by or under the supervision of: Margaret M. Janzen

The Narragansett Electric Company  
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Record Request 4

Request:

RR-4 – Given the fact that starting in 2015, the annual increase in new RECs will be 1.5%, please provide the expected annual RES compliance cost using the current ACP and the projected load growth/decline for each of those years through 2020.

Response:

Please see the table below for the expected annual RES compliance cost 2015 through 2020.

<b>The Narragansett Electric Company</b>						
<b>Rhode Island Renewable Energy Standard (RES)</b>						
<b>Expected Costs 2015-2020</b>						
<b>Year</b>	<b>RI RES New Requirement</b>	<b>RI RES Existing Requirement</b>	<b>Standard Offer Load Forecast (MWh)</b>	<b>RI RES New REC Obligation</b>	<b>RI RES Existing REC Obligation</b>	<b>Total Expected RES Compliance Costs*</b>
2015	8.0%	2.0%	5,156,969	412,558	103,139	\$ 27,030,767.45
2016	9.5%	2.0%	5,160,374	490,236	103,207	\$ 32,100,881.04
2017	11.0%	2.0%	5,059,911	556,590	101,198	\$ 36,429,841.93
2018	12.5%	2.0%	4,941,722	617,715	98,834	\$ 40,417,108.72
2019	14.0%	2.0%	4,893,293	685,061	97,866	\$ 44,811,799.68
2020	14.0%	2.0%	4,845,339	678,347	96,907	\$ 44,372,644.04

\*Expected cost assumes current 2013 ACP of \$65.27 for New requirement and estimated market price of \$1.00 for Existing requirement

Prepared by or under the supervision of: Margaret M. Janzen

Record Request 5

Request:

RR-5 – Please provide citations to each law under which National Grid has obligations related to renewable energy, including the renewable portion of the RIGL 39-2-1.2(b) charge. Please then provide the annual cost to retail customers under each obligation for the past five years.

Response:

**Renewable Energy Standard**

<b>Statutory Provision:</b>	<b>R.I.G.L. § 39-26-1 et seq. - Renewable Energy Standard</b>
<b>Recovery Provision:</b>	Standard Offer Service (“SOS”) Adjustment Provision, R.I.P.U.C. No. 2097
<b>Recovery Mechanism:</b>	Renewable Energy Standard Charge – applicable to customers receiving SOS

The Company procures Renewable Energy Certificates (“RECs”) for SOS in accordance with Commission’s Rules and Regulations Governing the Implementation of a Renewable Energy Standard and the approved Renewable Energy Standard Procurement Plan. The cost of procuring the required RECs is recovered pursuant to the Standard Offer Service Adjustment Provision and is recovered from SOS customers through the Renewable Energy Standard Charge, appearing as a separate line item on SOS customers’ bills.

The annual billings to customers through the Renewable Energy Standard Charge for the period 2008 through 2012 are included on Attachment 1.

**Long-term Contracting Standard**

<b>Statutory Provision:</b>	<b>R.I.G.L. § 39-26.1-1 et seq. - Long-Term Contracting Standard for Renewable Energy (“LTC Standard”)</b>
<b>Recovery Provision:</b>	Long-term Contracting for Renewable Energy Recovery Provision, R.I.P.U.C. No. 2081 and as revised R.I.P.U.C. No. 2125 (pending approval)
<b>Recovery Mechanism:</b>	Long-term Contracting for Renewable Energy Recovery (“LTCRER”) Factor applicable to all delivery service customers and included in bill line item labeled Renewable Energy Distribution Charge

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Pursuant to the LTC Standard, the Company is obligated to annually solicit proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts with terms of not less than 10 years for the purchase of capacity, energy, and RECs from newly developed renewable energy resources. According to a statutory phased schedule, the Company is to achieve a minimum of 90 megawatts ("MW") of long-term contract capacity by December 30, 2013.

The LTC Standard authorizes the Company to recover the payments made to projects under the long-term contracts, plus a financial remuneration, less the proceeds obtained from the sale of energy, capacity, RECs, and other attributes from all delivery service customers through a uniform, fully reconciling annual factor in distribution rates. R.I.G.L. §§39-26.1-5(f) and 39-26.1-4.

In addition, the statute provides for recovery of administrative costs related to the Town of New Shoreham Project (R.I.G.L. § 39-26.1-7) and the Town of Johnston Project (R.I.G.L. § 39-26.1-9).

The initial LTCRER Factor was implemented April 1, 2012. The annual billings to customers through the LTCRER Factor through December 2012 are included on Attachment 1.

**Distributed Generation Standard Contracts**

<b>Statutory Provision:</b>	<b>R.I.G.L. § 39-26.2-1 et seq. - Distributed Generation Standard Contracts</b>
<b>Recovery Provision:</b>	Long-term Contracting for Renewable Energy Recovery Provision, R.I.P.U.C. No. 2081 and as revised R.I.P.U.C. No. 2125 (pending approval)
<b>Recovery Mechanism:</b>	Long-term Contracting for Renewable Energy Recovery Factor applicable to all delivery service customers and included in bill line item labeled Renewable Energy Distribution Charge

Under this statute, the Company procures distributed generation contract capacity equal to 10% of the 90 MW minimum long-term contract capacity, referenced above (inclusive of 3 MW of solar photovoltaic projects), or 9 MW. The Company is to conduct at least three standard contract enrollments during each program year, and to



Record Request 5, page 3

enter into standard contracts for an aggregate nameplate capacity of at least 40 MW of DG projects by the end of 2014.

The DG Standard Contracts Act further provides that the standard contracts are treated as long-term contracts under the LTC Standard.<sup>1</sup>

The Company began incurring costs associated with DG Standard Contracts in 2013 and has not yet requested recovery of these costs from customers through the LTCRER Factor.

**Net Metering**

<b>Statutory Provision:</b>	<b>R.I.G.L. § 39-26.4-1 et seq.</b>
<b>Recovery Provision:</b>	Net Metering Provision, R.I.P.U.C. No. 2099 & Qualifying Facilities Power Purchase Tariff, R.I.P.U.C. No. 2098
<b>Recovery Mechanism:</b>	Net Metering Charge – applicable to all delivery service customers and included in bill line item labeled Renewable Energy Distribution Charge

Pursuant to this statute and the Company's Net Metering Provision, the Company pays renewable net metering credits or excess renewable net metering credits to eligible customers. Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with this provision and the annual amount of any credits paid, less any energy market payments received from ISO-NE for the electricity generated by host customers are aggregated by the Company and billed to all delivery service customers on an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge, which is included with the LTCRER Factor for billing purposes.

In addition, effective January 1, 2012, pursuant to the Company's Qualifying Facility ("QF") Power Purchase Rate, any payments made to renewable QFs at the SOS rate in excess of payments received from ISO-NE for kWh generated, are recovered from all delivery service customers through the Net Metering Charge.

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<sup>1</sup> See R.I.G.L. § 39-26.2-9.

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The renewable net metering credits in excess of payments received from ISO-NE that have been billed to customers through distribution charges or other reconciling charges are indicated in Attachment 1.

**Renewable Energy Fund Program**

<b>Statutory Provision:</b>	<b>R.I.G.L. § 39-2-1.2</b>
<b>Recovery Provision:</b>	N/A
<b>Recovery Mechanism:</b>	Included with Energy Efficiency Program Charge - applicable to all delivery service customers

The Renewable Energy Fund Program charge has been in effect since 1997. This program requires that each electric distribution company include charges per kWh on its bills to delivery service customers to fund demand side management programs and 0.3 mills per kWh to fund renewable energy programs.

The amount billed to customers through the Energy Efficiency Program charge related to the Renewable Fund Program for each calendar year is shown in Attachment 1.

	Renewable Energy Standard (a)	Net Metering <sup>1</sup> (b)	Energy Efficiency & System Reliability Procurement (c)	Renewable Energy Program (d)	Long-term Contracting Standard & Distributed Generation Standard (e)	Total (f)
2008	\$5,624,099	\$0	\$14,975,704	\$2,320,086		\$22,919,889
2009	\$5,157,947	\$0	\$23,379,533	\$2,256,752		\$30,794,232
2010	\$6,548,876	\$152,750	\$24,843,032	\$2,314,523		\$33,859,181
2011	\$410,964	\$155,491	\$39,597,091	\$2,323,305		\$42,486,851
2012	\$8,974,194	\$41,647	\$44,988,152	\$2,283,572	\$384,110	\$56,671,675
Total	\$26,716,080	\$349,889	\$147,783,512	\$11,498,238	\$384,110	\$186,731,829

- (a) Reflects amount billed to customers through Renewable Energy Standard Charge in each calendar year
- (b) Reflects amount billed to customers through Net Metering Charge, or various reconciling charges in each calendar year
- (c) Reflects amount billed to customers through Energy Efficiency Program Charge in each calendar year
- (d) Reflects amount billed to customers through Renewable Fund Charge (included with Energy Efficiency Program Charge on bills)
- (e) Reflects amount billed to customers through Long-term Contracting for Renewable Energy Recovery Charge in each calendar year
- (f) sum of columns (a) through (e)

<sup>1</sup> Apr-2012 through Dec 2012 billings deferred to 2013

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed on Docket No. 4391 and Docket No. 4315 Service Lists attached below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.

April 11, 2013

Joanne M. Scanlon

Date

**National Grid – 2013 Annual Retail Rate Filing - Docket No. 4391  
Service List Updated 3/12/13**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone/FAX</b>
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Richard Hahn LaCapra Associates	<a href="mailto:rhahn@lacapra.com">rhahn@lacapra.com</a>	617-778-2467
<b>File an original &amp; 10 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2017
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**Docket No. 4315 National Grid – 2013 SOS and RES Procurement Plans  
Service List updated 2/28/13**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
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