

May 24, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4397 - Review of Energy Efficiency and Advanced Gas Technology
Incentives For 12.5 MW Combined Heat and Power System
Supplemental Response to Division Data Request 2-4**

Dear Ms. Massaro:

On behalf of National Grid¹ attached is the Company's supplemental response to the Division Data Request 2-4 in the above-captioned proceeding.

The Company is providing this supplemental response to correct the estimated total gas cost to Toray from \$5.092 per MMBtu to \$5.902 per MMBtu.

Thank you for your attention to this filing. If you have any questions concerning this transmittal, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4397 Service List
Leo Wold, Esq.
Steve Scialabba, Division

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

The Narragansett Electric Company
d/b/a National Grid
Docket No. 4397
In Re: Review of Energy Efficiency and
Advanced Gas Technology Incentives for
Toray Plastics' 12.5 MW CHP Project
Responses to the Division's Second Set of Data Requests
Issued April 4, 2013

Division 2-4 - Supplemental

Request:

Attachment 2, page 3 of 9, to the January 28, 2013 Offer Letter provides a Financial Summary of the CHP project. The Summary lists the existing and proposed natural gas costs, and is footnoted that the data is based on Toray's projected natural gas commodity price. Please provide the detail for the natural gas cost in the Financial Summary.

Response:

The natural gas cost used in the Toray study and set forth in the Financial Summary was comprised of three major components: Commodity, Basis, and National Grid's current Firm Distribution Service Rate. The Commodity unit cost is derived from the NYMEX (Henry Hub delivery point) Wholesale Charge for Futures Contracts. At the time of the Technical Assessment Study (i.e., trade date of February 8, 2012), the traded unit price for Commodity was \$4.092/MMBtu for a January 1, 2014 delivery date (i.e., initially estimated CHP availability). The Basis price was supplied by Toray along with a copy of their current contract terms. With this Basis Price, the total gas cost to Toray is estimated to be approximately \$5.902 per MMBtu on January 1, 2014. The distribution service rate was based upon the Company's Extra Large, High Load Firm Service Rate 24.

Prepared by or under the supervision of: Mark DiPetrillo

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 below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.

May 24, 2013

Joanne M. Scanlon

Date

**Docket No. 4397 - National Grid - Energy Efficiency and Advanced Gas Technology Incentives for 12.5 MW CHP System Package to Toray
Service list updated 3/11/13**

Name/Address	E-mail Distribution List	Phone
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com	401-784-7288
	Thomas.teehan@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	
	dmacrae@riag.ri.gov	
	jmunoz@riag.ri.gov	
Jon Hagopian, Esq. Division of Public Utilities and Carriers	Jhagopian@ripuc.state.ri.us	401-784-4775
	Acontente@ripuc.state.ri.us	
	Sscialabba@ripuc.state.ri.us	
William H. Ferguson, Executive Director The Energy Council of RI (TEC-RI) 436 Armistice Blvd. Pawtucket, RI 02861	Bferguson2010@cox.net	401-722-7352
Tim Woof Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139	twoolf@synapse-energy.com	
Original & 10 copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Lmassaro@puc.state.ri.us	401-941-4500
	cwilson@puc.state.ri.us	
	Anault@puc.state.ri.us	
	Adalessandro@puc.state.ri.us	
	Nucci@puc.state.ri.us	
	Dshah@puc.state.ri.us	