

December 16, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4412 - Long-Term Contracting for Renewable Energy Recovery Factor Responses to Commission Data Requests – Set 1

Dear Ms. Massaro:

Attached are ten (10) copies of National Grid's¹ responses to the Commission's First Set of Data Requests, which consisted of only one request, concerning the above-referenced proceeding.

As indicated in the Company's response to Commission 1-1, the Company has included the Black Bear Hydro Orono B project in the calculation of the LTCRER factor for the period of January 2014 through June 2014. This results in a revised credit factor of (0.021) cents per kWh. Thus, the Company proposes to revise its original LTCRER credit factor of (0.007) cents per kWh filed on November 15, 2013 to (0.021) cents per kWh applicable to all customers, effective for consumption on and after January 1, 2014, and to replace Attachment 1 of the November 15 filing with the attachment included in its response to Commission 1-1, identified as Attachment COMM 1-1.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4412 Service List
Steve Scialabba
Leo Wold, Esq.

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

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 are being hand delivered to the Rhode Island Public Utilities Commission and to the RI Division of Public Utilities and Carriers.

December 16, 2013

Joanne M. Scanlon

Date

Docket No. 4412 - National Grid – Filing to Amend Long-Term Contracting for Renewable Energy Recovery Factor effective 7/1/13

Service List updated 6/25/13

Name/Address	E-mail Distribution	Phone
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com	401-784-7288
	Thomas.teehan@nationalgrid.com	
	Celia.obrien@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
	Raquel.webster@nationalgrid.com	
Jon Hagopian, Esq. Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	jhagopian@ripuc.state.ri.us	401-222-2424
	Dstearns@ripuc.state.ri.us	
	Sscialabba@ripuc.state.ri.us	
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	
Richard Hahn LaCapra Associates One Washington Mall, 9 th floor Boston, MA 02108	rhahn@lacapra.com	
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov	401-780-2017
	Cynthia.WilsonFrias@puc.ri.gov	
	Alan.nault@puc.ri.gov	
	Nicholas.ucci@puc.ri.gov	
	Dilip.shah@puc.ri.gov	
Christopher Kearns, RI OER	Amy.Dalessandro@puc.ri.gov Christopher.Kearns@energy.ri.gov	

The Narragansett Electric Company
d/b/a National Grid
R.I.P.U.C. Docket No. 4412
In Re: Long-Term Contracting For Renewable Energy Recovery Factor
Responses to Commission's First Set of Data Requests
Issued on December 4, 2013

Commission 1-1

Request:

In Docket No. 4404 (In re: Review into Adequacy of Renewable Energy Supplies Pursuant to R.I. Gen. Laws § 39-26-6), Ms. Janzen's Revised Schedule 1 identifies a November 2013 commercial operation date for the Black Bear Hydro project. It does not appear that this project is included in the calculation of the LTCRER factor proposed for the period January 2014 through June 2014. Please explain.

Response:

Pursuant to the PPA, the Black Bear Hydro – Orono B project achieved commercial operation on November 22, 2013, after the time of the Company's initial filing of the proposed LTCRER factor. The calculation of the LTCRER factor reflecting this PPA and its 2014 contract pricing on the proposed LTCRER factor for January 2014 through June 2014 is provided in Attachment COMM 1-1. The revised LTCRER credit factor of (\$0.00021) per kWh as compared to the currently effective LTCRER credit factor of (\$0.00003) per kWh results in a decrease of \$0.09 per month, or 0.1%, for a residential Standard Offer Service customer using 500 kWh per month.

**Long-Term Contracting for Renewable Energy Recovery
Factor Calculation
For the Period January 2014 through June 2014**

(1) Above (Below) Market Cost for the period January 2014 through June 2014	(\$819,610)
(2) Forecasted kWh Deliveries - January 2014 through June 2014	3,742,920,095
(3) Recovery Factor for Estimated Above (Below) Market Cost	(\$0.00021)
(4) Adjustment for Uncollectibles	<u>1.25%</u>
(5) LTCRER Factor for the period January 1, 2014 through June 30, 2014	(\$0.00021)
(6) Current LTCRER Factor	<u>(\$0.00003)</u>
(7) Increase/(Decrease) in LTCRER Factor	(\$0.00018)

Line Descriptions:

- (1) Page 2, Column (m)
- (2) Per Company forecast
- (3) Line (1) ÷ Line (2), truncated after five decimal places
- (4) Uncollectible percentage approved in R.I.P.U.C. Docket No. 4323
- (5) Line (3) ÷ [1 - Line (4)], truncated to five decimal places
- (6) Per tariff
- (7) Line (5) - Line (6)

**Long-Term Contracting for Renewable Energy Recovery
Estimated Contract Cost and Market Value
For the Period January 2014 through June 2014**

Section 1: Estimated Six-Month Contract Cost

<u>Unit</u>	<u>Unit Capacity (MW)</u>	<u>Unit Availability Factor</u>	<u>Estimated Six-Month Output (MWh)</u>	<u>Contract Price (\$ per MWh)</u>	<u>Estimated Six-Month Contract Cost</u>
	(a)	(b)	(c)	(d)	(e)
PPA-1	32.1	0.85	119,508.3	\$125.86	\$15,041,315
PPA-2	1.5	0.24	1,576.8	\$133.50	\$210,503
PPA-3	2.0	0.14	1,226.4	\$275.00	\$337,260
PPA-4	0.5	0.14	306.6	\$316.00	\$96,886
PPA-5	0.499	0.14	306.0	\$316.00	\$96,692
PPA-6	0.498	0.14	305.4	\$316.00	\$96,498
PPA-7	3.958	0.90	<u>15,602.4</u>	\$92.82	<u>\$1,448,218</u>
Total			138,832		\$17,327,371

Section 2: Estimated Market Value

<u>Class</u>	<u>Estimated MWh Purchased Under Contracts</u>	<u>Market Energy Proxy</u>	<u>Energy Market Value</u>	<u>REC Proxy</u>	<u>REC Market Value</u>	<u>Capacity</u>	<u>Total Market Value</u>
	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PPA-1	119,508	\$63.552	\$7,594,939	\$63.25	\$7,558,900	\$542,880	\$15,696,719
PPA-2	1,577	\$63.552	\$100,208	\$63.25	\$99,733	\$0	\$199,941
PPA-3	1,226	\$63.552	\$77,940	\$63.25	\$77,570	\$0	\$155,510
PPA-4	307	\$63.552	\$19,485	\$63.25	\$19,392	\$0	\$38,877
PPA-5	306	\$63.552	\$19,446	\$63.25	\$19,354	\$0	\$38,800
PPA-6	305	\$63.552	\$19,407	\$63.25	\$19,315	\$0	\$38,722
PPA-7	15,602	\$63.552	<u>\$991,559</u>	\$63.25	<u>\$986,854</u>	<u>\$0</u>	<u>\$1,978,413</u>
Total			\$8,822,984		\$8,781,117	\$542,880	\$18,146,981

Section 3: Estimated Above Market Cost

	<u>Estimated Above (Below) Market Cost</u>
	(m)
PPA-1	(\$655,404)
PPA-2	\$10,562
PPA-3	\$181,750
PPA-4	\$58,008
PPA-5	\$57,892
PPA-6	\$57,776
PPA-7	<u>(\$530,195)</u>
Total Estimated Above (Below) Market Cost	(\$819,610)

- | | |
|--|--|
| (a) Commercially operable units | (h) Column (f) x Column (g) |
| (b) Estimated | (i) REC price estimate based on most recent market information |
| (c) Column (a) x Column (b) x (8,760 ÷ 2) hours | (j) Column (f) x Column (i) |
| (d) Per PPA | (k) Expected capacity revenue from ISO-NE |
| (e) Column (c) x Column (d) | (l) Column (h) + Column (j) + Column (k) |
| (f) Column (c) | (m) Column (e) - Column (l) |
| (g) Standard Offer Service Spot Market Estimate for Commercial Group, excluding capacity and ancillary services components | |