



Laura S. Olton
General Counsel

May 16, 2005

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket No. 3635 - Rhode Island DSM Collaborative Report of Meeting Minutes
April 21, 2005**

Dear Ms. Massaro:

On behalf of the Rhode Island DSM Collaborative, enclosed are ten (10) copies of a report of meeting minutes from the Collaborative's April 21, 2005 meeting. Although this report is not required by the Settlement approved by the Commission in Docket No. 3635, the Collaborative is forwarding a copy of the meeting minutes as a means to keep the Commission informed of its ongoing actions during the course of the year. Please circulate this document to the Commissioners as well as other interested staff members. Please place a copy of this report in the official file for this docket.

Thank you for your attention to our report. If you have any questions concerning this matter, please feel free to contact me at (401) 784-7667.

Very truly yours,

A handwritten signature in black ink that reads "Laura S. Olton".

Laura S. Olton

Enclosures

cc: Docket 3635 Service List
RI Collaborative Members

RHODE ISLAND DSM COLLABORATIVE
APRIL 21, 2005

MEETING MINUTES

Attendance

Non-Utility Parties	For Narragansett Electric
Bill Lueker, RIAG for the Division Erich Stephens, PPL Dave Stearns, Division Al Contente, Division Tim Woolf, for the Division Janice McClanaghan, RI SEO	Carol White Michael McAteer Laura McNaughton Jeremy Newberger

Absent: Doug Hartley, RI PUC, John Farley, TEC-RI, Laura Olton, Fred Mason

The second meeting in 2005 of the Rhode Island DSM Collaborative began at 9:07 am at the offices of the Narragansett Electric Company in Providence, RI.

1. Year End Report

A draft of the 2004 Year End Report was distributed prior to the meeting. Jeremy reviewed the results. The Company did not make its savings goals in the Large and Small Commercial and Industrial Sectors, because of the year end adjustments for undercommitments and evaluation results. The Company does not believe that the activity shortfall is indicative of a trend that will persist into 2005. The Collaborative offered a few modifications to the draft report.

ACTION ITEM: The Company will provide a comparison to the Collaborative of the costs and savings for comprehensive small business projects in 2004 compared to non-comprehensive projects.
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(Attachment 1 to these minutes includes a summary of non-electric benefits created by the programs in 2004, as previously requested by the Collaborative. This complements the identification of non-electric value that is contained in Table 2 of the Year End Report.)

2. True-Up Preview

The Year End Report initially showed a positive fund balance of almost \$3 million, when none was projected in the 2005 Settlement. A complete funding update, based on an updated sales forecast, is forthcoming, but the Company indicated there was a good chance there would be additional funds available for 2005 programs. The Collaborative also expressed awareness of some interest in the Rhode Island state legislature to appropriate DSM funds for low-income customer arrearage forgiveness. In this context, allocation of the additional funds in the True-Up process takes on added importance.

The Collaborative identified a number of areas that could be candidates for additional funding. Primary among these was increased funding for the Appliance Management Program that serves low-income customers, though it was recommended that any expansion should be reasonable and sustainable. Other candidates include Residential New Construction, in response to the high number of contracts signed in 2004, and an economic development initiative.

The Collaborative also discussed how the DSM programs provide more and longer lasting benefits than bill forgiveness. They also suggested that it may be helpful to compare the historic contribution of low-income customers to the DSM fund to the benefits they receive from the fund.

ACTION ITEMS:

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| <ul style="list-style-type: none">• By April 29, the Company will distribute (a) its assessment of available funds and (b) its proposal for allocating those funds.• On May 3, at 2:30 p.m., the Collaborative will have a conference call• The Company will distribute multi-year program results tables to Tim Woolf by Friday, May 13. This will allow Tim to report on his analysis of trends to the Collaborative by the meeting scheduled for May 23. <i>As of May 12, this has been delayed to May 20, and the Collaborative meeting has been postponed to June 2.</i>• The Collaborative will monitor developments with legislation, and be prepared to make further adjustments to the True-Up proposal. |
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3. 2005 First Quarter Results

a. Residential 1st quarter highlights:

- Appliance Management Program: Billings are lagging program accomplishments.
- HEM: More customers have requested device removal. Consequently, decommissioning costs are higher than expected. The Company will request additional funds via the True-Up. The Company will be marketing Energy Wise to former HEM customers.
- Appliances: The Turn-in event will take place in late May/early June at one RI location. Lighting: the Company has many negotiated cooperation agreements for potentially more money than budgeted.
- ENERGY STAR Heating: The SEO has not yet billed the Company for their services.

ACTION ITEM: Erich Stephens will send Low-Income AMP fact sheet to Carol White.
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b. Commercial and Industrial 1st quarter highlights

- New Business: There are \$3 million in commitments from 2004. An energy efficiency seminar sponsored by the University of Massachusetts and hosted at National Grid on April 28 is being marketed in RI. Close to 100 customers are expected to attend a breakfast meeting for 200 kW-750 kW customers on April

29. A number of large projects are in the pipeline as well, from comprehensive design and LEED sources.
- Building Design Guidelines: Michael McAteer distributed the LEED guide. Training will be scheduled in late summer or early fall.

An updated 1st quarter status report is provided as Attachment 2.

4. Market Transformation

In John Farley's absence, the review of market transformation and how market transformation achievements are measured was postponed until the next meeting.

ACTION ITEM: Jeremy will contact John Farley to find out the status of his efforts to recruit a new representative for TEC-RI.

5. Other Business

a. Greenhouse Gas initiative

The Company has had some discussions with Dave Nichols, representing the Greenhouse Gas Collaborative. The GHG group is interested in the Company funding and performing combined heat and power (CHP) feasibility studies through its Technical Assistance Studies. These studies would cost up to \$20,000. The Collaborative discussed this request and while it understands the synergies between CHP and energy efficiency, it generally agreed that it did not make sense to fund such expensive and detailed studies.

ACTION ITEM: Jeremy will communicate the Collaborative's assessment to Dave Nichols.

b. Schedule

- The Meeting scheduled for August 2, 2005, will be hosted by the Division at 89 Jefferson Boulevard, Warwick, RI, in Conference Room B (2nd Floor).
- An additional meeting has been scheduled for Monday, August 22, at 9 am at Narragansett Electric.

The meeting adjourned at approximately 11:25 a.m.

Minutes prepared by Jeremy Newberger

Thanks to all who brought refreshments to the meeting.

NARRAGANSETT ELECTRIC COMPANY
SUMMARY OF 2004 NON-ELECTRIC BENEFITS

PROGRAM	Gas Old Bldg MMBtu	Gas New Bldg MMBtu	Gas Wtr Htg MMBtu	Oil MMBtu	Propane MMBtu	Water 000's Gals
Appliance Management Program	0	0	0	0	0	156
Energy Wise	0	0	0	0	0	809
Home Energy Management	0	0	0	0	0	0
Energy Star Products	0	0	0	0	0	22,946
Residential Lighting	0	0	0	0	0	0
Energy Star Heating System	0	0	0	0	0	0
Energy Star Air Conditioning	0	0	0	0	0	0
Energy Star New Construction	0	1,759	708	505	70	49
TOTAL	0	1,759	708	505	70	23,961

NARRAGANSETT ELECTRIC COMPANY

Table 1. Summary of 2005 Target and 1Q Year To Date Results

	(1) Approved Target	(3) Year To Date	(4) Pct Achieved	(5) Approved Target	(7) Year To Date	(8) Pct Achieved	(9) Approved Target	(10) Year To Date	(11) Pct Achieved	(12) Approved Budget	(14) Year To Date	(15) Pct Achieved
	Demand Reduction (Annual kW)			Energy Savings (Annual MWh)			Customer Participation			Implementation Expenses (\$ 000)		
Large Commercial and Industrial	Target			Target			Target			Target		
Design 2000plus	2,232	357	16.0%	8,708	1,499	17.2%	251	52	20.7%	\$2,855.1	\$452.2	15.8%
Energy Initiative	3,462	212	6.1%	18,993	815	4.3%	306	32	10.5%	3,864.0	225.5	5.8%
Load Response	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25.6	1.6	6.1%
SUBTOTAL	5,694	569	10.0%	27,701	2,314	8.4%	557	84	15.1%	\$6,744.7	\$679.2	10.1%
Small Commercial and Industrial	Target			Target			Target			Target		
Small Business Services	1,676	227	13.5%	6,202	869	14.0%	672	123	18.3%	\$2,492.9	\$451.4	18.1%
SUBTOTAL	1,676	227	13.5%	6,202	869	14.0%	672	123	18.3%	\$2,492.9	\$451.4	18.1%
Residential	Target			Target			Target			Target		
IN-HOME	792	59	7.5%	4,130	605	14.7%	4,291	551	12.8%	\$2,927.2	\$311.7	10.6%
Appliance Management Program (Low Income)	696	29	4.2%	914	252	27.6%	592	104	17.6%	1,834.7	62.0	3.4%
Energy Wise	96	30	31.4%	3,216	353	11.0%	3,699	447	12.1%	1,067.5	215.6	20.2%
Home Energy Management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25.0	34.0	136.1%
PRODUCTS	1,162	108	9.3%	10,329	1,234	12.0%	64,973	6,817	10.5%	2,042.4	183.0	9.0%
Energy Star Products	373	66	17.7%	605	422	69.9%	4,900	1,656	33.8%	489.3	100.6	20.6%
Energy Star Lighting	482	32	6.6%	9,582	807	8.4%	59,254	5,154	8.7%	1,099.4	68.8	6.3%
Energy Star Heating System	0	0	0.0%	12	0	0.0%	609	0	0.0%	201.8	0.2	0.1%
Energy Star Central Air Conditioning	307	10	3.3%	131	5	3.7%	210	7	3.3%	252.0	13.3	5.3%
INFORMATION AND EDUCATION	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	97.2	14.9	15.4%
NEW CONSTRUCTION	91	28	30.8%	488	146	29.9%	350	50	14.3%	684.8	190.5	27.8%
SUBTOTAL	2,044	195	9.5%	14,947	1,986	13.3%	69,614	7,418	10.7%	\$5,751.6	\$700.1	12.2%
TOTAL	9,415	991	10.5%	48,849	5,168	10.6%	70,843	7,625	10.8%	\$14,989.1	\$1,830.7	12.2%

NOTES

(1) Approved Target from September 30, 2004 Settlement of the Parties, Attachment 9 page 2 of 3.

(4) Pct Achieved is Column (3)/ Column (1).

(5) Approved Target from Settlement, Attachment 9 page 2 of 3, Maximum Annual MWh Saved.

(8) Pct Achieved is Column (7)/ Column (5).

(9), (10) Customer Participation in 2005 defined as completed projects in Approved Target and as customer participants in Year To Date.

(11) Pct Achieved is Column (10)/ Column (9).

(12) Approved Budget from Settlement, Attachment 9, page 1 of 3

For Design 2000plus and Energy Initiative this excludes estimated commitment budget of \$1,888,000 for Design 2000 plus and \$3,213,500 for Energy Initiative, respectively.

For Small Business Services, this is net of expected copayments of \$569,900

(14) Year End Implementation Expenses are net of the following items:

Actual commitments made in 2005 for 2006.

Customer copayments

(15) Pct Achieved is Column (14)/ Column (12).

Certificate of Service

I hereby certify that a copy of the cover letter and accompanying material(s) have been hand-delivered or sent via U.S. mail to the parties listed below.



Joanne M. Scanlon
The Narragansett Electric Company

May 16, 2005
Date

Narragansett Electric Co. – Demand Side Management – Dkt. 3635
Service list as of 10/05/04

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cc: DSM Collaborative Members