



State of Rhode Island and Providence Plantations

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Patrick C. Lynch, Attorney General

April 2, 2007

By Electronic and Regular Surface Mail

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

**Re: National Grid Gas Energy Efficiency
Programs – Commission Docket No. 3790**

Dear Ms. Massaro:

Enclosed for filing in the above-captioned proceeding are an original and nine (9) copies of a corrected page 6 of the testimony of Mr. Timothy Woolf. Between the time Mr. Woolf prepared his testimony and the time the final version of the Settlement Agreement was agreed upon by the parties, the way in which the Settlement Agreement addressed the issue of “self-directed” energy efficiency programs was modified. The change to Mr. Woolf’s testimony reflected in enclosure (1) to this letter makes clear that Mr. Woolf supports the present Settlement Agreement on this point. The Division very respectfully asks that enclosure (1) to this letter be substituted in Mr. Woolf’s pre-filed testimony for page 6 of the testimony as filed on March 30, 2007.

In addition, we are forwarding a “red-line” version of page 6 of Mr. Woolf’s testimony to better allow the Commission to understand the nature of the changes in the testimony. The red-line version is attached as enclosure (2) to this letter.

Copies of this letter and its enclosures will be filed with you electronically, and provided to all persons on the service list for this docket.

Very truly yours,

William K. Lueker (R.I. Bar No. 6334)

Special Assistant Attorney General

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Encls.

cc: Service List PUC Docket No. 3790

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PUBLIC UTILITIES COMMISSION

Direct Testimony of Timothy Woolf

March 29, 2007

Corrected Page 6 – Submitted April 2, 2007

Enclosure (1)

1 **Q. Does the Division support the shareholder incentive mechanism proposed in**
2 **the Settlement?**

3 A. Yes. The Division believes that the shareholder incentive mechanism proposed in
4 the Settlement strikes the appropriate balance between (a) providing the Company
5 management with the proper to incentive to conduct successful efficiency
6 programs, and (b) maintaining as much of the available efficiency funds as
7 possible for the purpose of achieving gas efficiency savings and reducing
8 customers' gas bills.

9 **Q. Are there other elements to the Settlement?**

10 A. Yes. One important additional element pertains to "self-directed" energy
11 efficiency programs. The 2006 Act allows the Commission to exempt gas used
12 for manufacturing processes from the energy efficiency surcharge where the
13 customer has established a self-directed energy efficiency program. The parties to
14 the Settlement request that the Commission establish an administratively simple
15 procedure to allow eligible manufacturers to submit a self-directed energy
16 efficiency program for its approval. . The parties to the Settlement have
17 developed proposed guidelines for self-directed energy efficiency programs, in
18 order to assist the Commission on this issue. These guidelines are provided in
19 Attachment 5 of the Settlement.

20 **Q. Does this conclude your testimony at this time?**

21 A. Yes.

22

Direct Testimony of Timothy Woolf

March 29, 2007

Redline Copy Page 6 – Submitted April 2, 2007

Enclosure (2)

1 **Q. Does the Division support the shareholder incentive mechanism proposed in**
2 **the Settlement?**

3 A. Yes. The Division believes that the shareholder incentive mechanism proposed in
4 the Settlement strikes the appropriate balance between (a) providing the Company
5 management with the proper to incentive to conduct successful efficiency
6 programs, and (b) maintaining as much of the available efficiency funds as
7 possible for the purpose of achieving gas efficiency savings and reducing
8 customers' gas bills.

9 **Q. Are there other elements to the Settlement?**

10 A. Yes. One important additional element pertains to "self-directed" energy
11 efficiency programs. The 2006 Act allows the Commission to exempt gas used
12 for manufacturing processes from the energy efficiency surcharge where the
13 customer has established a self-directed energy efficiency program. The parties to
14 the Settlement request that the Commission establish an administratively simple
15 procedure to allow eligible manufacturers to submit a self-directed energy
16 efficiency program for its approval. ~~address this important issue in a separate~~
17 ~~proceeding, in order to ensure that the Company's gas efficiency programs are~~
18 ~~allowed to proceed without delay.~~ The parties to the Settlement have developed
19 proposed guidelines for self-directed energy efficiency programs, in order to
20 assist the Commission on this issue ~~with that separate proceeding.~~ These
21 guidelines are provided in Attachment 5 of the Settlement.

22 **Q. Does this conclude your testimony at this time?**

23 A. Yes.

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