

May 31, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 3790 – National Grid Gas Energy Efficiency Programs Compliance Filing

Dear Ms. Massaro:

Attached please find ten (10) copies of the Compliance Filing containing National Grid's¹ amended Gas Energy Efficiency Programs for the years 2007 and 2008 to conform with the Commission's order at the May 23, 2007 Open Meeting. This Compliance Filing is being submitted on behalf of the Rhode Island Energy Efficiency Collaborative ("Collaborative"), which includes the Company, Division of Public Utilities and Carriers, The Energy Council of Rhode Island, the Office of Energy Resources, People's Power & Light, and Environment Northeast.

At the Open Meeting on May 23, 2007, the Commission approved the Stipulation and Settlement ("Settlement") jointly filed by the Collaborative on April 2, 2007, with two adjustments. The Commission's first adjustment was to reduce the total budget by removing the proposed internet-related programs, Energy Analysis: Internet Audit Program, and Business Energy Analyzer. The Commission's second adjustment was to exclude the funding provided to the Energy Efficiency and Resources Management Council (EERMC) in calculating the target shareholder incentive. These changes have been made and are reflected in the Compliance Filing. In addition, the Company has also reduced the expected cost of joining GasNetworks. The updated cost is slightly lower than what was included in the Settlement since the initiation fee is based on the Company's first year program budget.

As a result of these changes, the Company's proposed energy efficiency surcharge effective July 1, 2007, is reduced from \$0.0114 per therm to \$0.0107 per therm. The Collaborative respectfully requests approval of this rate to become effective July 1, 2007.

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

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3790 Service List

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

National Grid

**Gas Energy Efficiency Programs
Compliance Filing
On behalf of the Settling Parties**

May 31, 2007

**Submitted to:
Rhode Island Public Utilities Commission
R.I.P.U.C. Docket No. 3790**

Submitted by:
nationalgrid

Residential Programs for 2007 and 2008

Introduction

National Grid proposes to offer four new gas energy efficiency programs, some of which are sponsored in New England by GasNetworks¹, and to combine efforts with the Company’s existing electric energy efficiency programs in the low income, residential retrofit and new construction areas. A brief description of each proposed residential program is provided in the following table:

Proposed Residential Energy Efficiency Programs	
EnergyWise Program	Free in home assessment for both single and multi-family homes providing recommendations and technical assistance for the installation of energy saving measures as well as incentives to encourage implementation of recommendations.
High-Efficiency Heating Program	\$800 incentive for ENERGY STAR labeled boilers (90% AFUE), \$500 incentive for ENERGY STAR labeled boilers (85% AFUE), \$200 incentive for steam boilers (with electronic ignition, 82% AFUE), \$400 ² incentive for high efficiency furnaces (92% AFUE) with ECM Motor or equivalent and \$100 incentive on furnaces (90% AFUE).
High-Efficiency Water Heating Program	\$300 incentive for indirect water heating system connected to an ENERGY STAR rated natural gas forced hot water boiler and \$300 for tankless/on-demand water heaters (EF .82 or greater with electronic ignition).
ENERGY STAR Programmable Thermostat Program	\$25 incentive each for up to two ENERGY STAR labeled programmable thermostats.
New Construction and ENERGY STAR Homes Program	Free building plans review and certification for new ENERGY STAR residential construction.
Single Family Low Income Services	Free weatherization services provided to income eligible 1-4 unit homes. Operated through the Rhode Island Office of Energy Resources (OER).
Building Practices and Demonstration Program	Participate in funding for demonstration projects that apply to new or underutilized technologies.

Additional details about each proposed program are provided below.

¹ GasNetworks is a regional collaborative of natural gas distribution companies that coordinate natural gas energy efficiency programs throughout Maine, Massachusetts and New Hampshire. The benefit of GasNetworks membership is that it allows each participating company to offer regional programs at a lower overall cost to its customers. The GasNetworks programs are consistent wherever they have been offered. The GasNetworks programs have received several national awards from the American Council for an Energy Efficient Economy as exemplary examples of natural gas energy efficiency programs.

² \$200 of this incentive will be funded through the electric energy efficiency program approved by the Commission.

1 **ENERGYWISE PROGRAM**

2 Gas energy efficiency funding will be used to expand available measures to gas
3 heating customers through National Grid's *EnergyWise* program. The program provides
4 a free comprehensive assessment of a customer's energy use and recommends various
5 ways customers can improve their home's energy efficiency. Customers are given a
6 detailed report containing the recommendations of the audit including information about
7 improving the efficiency of their home which may lead to participation in other energy
8 efficiency or DSM programs. This service is currently funded by the legislatively-
9 mandated electric DSM charge. During 2007 and 2008, the Company will evaluate the
10 best way to fund the combined program with both electric and gas DSM funding. In
11 2007 and 2008, customers will also receive the free installation of water saving devices
12 (low flow showerheads and aerators) for water heated by gas. That measure will be
13 funded by gas energy efficiency funds.

14 For 2007 and 2008, the Company proposes to implement a new delivery
15 mechanism for 1- 4 unit homes heated with gas. Customers in eligible homes who
16 participate in *EnergyWise* will be able to select an approved contractor to complete their
17 air sealing and insulation work.

18 The program will provide an incentive covering up to 20% of the cost of installing
19 weatherization measures in residential heating customers' homes. The maximum
20 incentive offered through this program is \$750 per gas heating account. Measures eligible
21 for an incentive through the program include: attic insulation, wall insulation,
22 basement/crawl space insulation, rim joist insulation, duct insulation, heating system pipe
23 insulation, attic ventilation (only in conjunction with attic insulation), ductwork leakage
24 testing, ductwork leakage sealing, air infiltration testing and air infiltration sealing. Other
25 measures may be added to the program menu, upon demonstration of cost-effectiveness.

26 To be eligible for an incentive, a National Grid pre-qualified contractor must be
27 chosen to install program measures. Contractors wishing to become pre-qualified must
28 provide proof of insurance in amounts and coverage acceptable to National Grid.

1 National Grid will perform a background check to verify the contractor's good standing,
2 and to determine if there have been complaints or other issues that would render the
3 contractor ineligible.

4 Additionally, the contractor must meet other requirements that will be introduced
5 over the course of 2007 and 2008. This will include certification or accreditation by the
6 Building Performance Institute (BPI). BPI credentialed companies are trained to take
7 into account the complex interactions that affect health, safety, comfort, energy
8 performance, and the durability of homes. BPI standards include comprehensive
9 diagnostic testing, measurement and verification that the work is completed properly, and
10 quality assurance. The Company will reach out to the contractor community to provide
11 training and assistance in purchasing diagnostic equipment. Additional quality control
12 will be required as contractors begin working with the program.

13 It will be the responsibility of the installation contractor to complete and submit all
14 incentive applications with proper supporting documentation. Do-it-yourself work will
15 not be permitted through the program. Work completed through the program must meet
16 all applicable state and local code requirements. It is anticipated that all measures
17 installed will meet ENERGY STAR® guidelines, where applicable.

18 For multifamily buildings, the comprehensive building analysis will continue to
19 be performed under the existing electric-funded *EnergyWise* program. The gas funds
20 will be used to provide funding for prescriptive gas weatherization measures including
21 insulation, showerheads, aerators, air sealing, duct insulation and duct sealing. The
22 program will provide an incentive covering up to 20% of the cost of installing these
23 measures. The program will target both public housing authorities and privately-owned
24 properties. Through the program, multifamily properties will receive either a
25 prescriptive or custom audit depending on the size of the property or complexity of the
26 project. Incentives described in the Residential High-Efficiency Heating and the
27 Residential High-Efficiency Water Heating Program descriptions will apply to
28 multifamily facilities and condominiums which contain gas heating systems and/or

1 domestic hot water systems that serve individual dwelling units. This type of facility
2 would also be eligible for the single family type GasNetworks incentive programs.
3 Incentive levels for these prescriptive measures may vary for income qualified facilities.

4 Facilities with central heating plants and domestic hot water systems that are
5 interested in gas savings measures will be served through the Commercial High-
6 Efficiency Heating and Commercial Energy Efficiency Programs.

7 The Company plans to promote the *EnergyWise* program through advertising,
8 including bill inserts, direct mail, and the National Grid website. Customers interested in
9 learning more about the program may call a toll-free number where they can also learn
10 about all of the Company's residential energy efficiency programs.

11 12 **RESIDENTIAL HIGH-EFFICIENCY HEATING PROGRAM**

13 The Company's Residential High-Efficiency Heating program will be jointly
14 operated with GasNetworks and is available to the Company's residential heating
15 customers. Program goals include, but are not limited to:

- 16 • Increasing market sector awareness of high-efficiency gas heating equipment
- 17 • Increasing market sector awareness of efficiency enhancements and maintenance
18 to gas heating equipment
- 19 • Providing product training and program training to trade allies such as plumbing
20 and heating contractors
- 21 • Increasing customer knowledge of where to obtain high-efficiency heating
22 products
- 23 • Examining new or underutilized energy efficient heating technologies for
24 potential residential program development
- 25 • Monitoring customer perception of the performance and reliability of high-
26 efficiency gas heating equipment and the savings achieved

27

1 The program will be promoted through a variety of means including, but not
2 limited to, direct mail campaigns, bill inserts, trade ally events, and contractor job site
3 visits. Program brochures, builder packets and incentive applications will be the primary
4 marketing material utilized. The program will be promoted through the National Grid and
5 GasNetworks websites, where consumers and contractors will have the opportunity to
6 download program incentive applications and learn about program announcements,
7 updates or changes.

8 Overall, a strong emphasis will be placed on working with builders and
9 contractors who install gas-heating equipment. Target markets for the program include
10 both new construction and retrofit projects. The retrofit market is seen as the primary
11 driver of high-efficiency forced hot water and steam heating system opportunities,
12 whereas the new construction market is seen as the primary driver for high-efficiency
13 furnaces.

14 The incentive is available to residential heating customers (builders and/or
15 homeowners) worth up to \$800, depending on the type of heating equipment installed.
16 This incentive level is in accordance with the GasNetworks incentive levels offered
17 throughout New Hampshire, Maine, and Massachusetts. Subject to cost-effectiveness,
18 other heating related measures will also be incorporated in the incentive portfolio. The
19 incentive encourages customers to choose a high-efficiency model by influencing a
20 consumer in two ways: bringing attention and perceived value to the high-efficiency
21 equipment as an option as well as offsetting a portion of the higher initial purchase cost
22 of a high-efficiency model compared to a standard-efficiency model. On September 1st
23 of each year, GasNetworks typically makes changes to the incentive levels of the High-
24 Efficiency Heating Program in conjunction with the members of the GasNetworks
25 collaborative. National Grid proposes to adopt this practice. Factors taken into account
26 include market penetration information, changes in incremental costs of high-efficiency
27 equipment, and current program year participation and budget levels. See Table 1 for a
28 listing of eligible equipment under the program and the current incentive level.

1

Furnaces (forced hot air)	AFUE* 90% or greater	\$100 Incentive
Furnaces (forced hot air with ECM or equivalent)	AFUE* 92% or greater	\$400 ³ Incentive
Boilers (forced hot water)	AFUE* 85% or greater	\$500 Incentive
Boilers (forced hot water)	AFUE* 90% or greater	\$800 Incentive
Boilers (steam with electronic ignition)	AFUE* 82% or greater	\$200 Incentive

2

* AFUE = Annual Fuel Utilization Efficiency

3

4 **RESIDENTIAL HIGH-EFFICIENCY WATER HEATING PROGRAM**

5

The Company's Residential High-Efficiency Water Heating program will be jointly operated with GasNetworks and will be available to the Company's residential water heating customers. Similar to the Company's Residential High-Efficiency Heating program, program goals include, but are not limited to:

9

- Increasing the demand for residential high-efficiency natural gas water heaters.

10

- Increasing customer and trade ally awareness of the benefits of high-efficiency natural gas water heaters.

11

12

- Providing training on products and programs to trade allies such as plumbing and heating contractors.

13

14

- Increasing customer knowledge of where to obtain high-efficiency water heating products.

15

16

- Monitoring customer perception of the performance and reliability of high-efficiency gas water heating equipment and the savings achieved.

17

18

³ \$200 of this incentive will be funded through the electric energy efficiency program approved by the Commission.

1 Program marketing will consist of direct mail campaigns and outreach to
2 contractors, builders, affordable housing developers, community development
3 corporations, and public housing authorities, bill inserts to residential customers,
4 attendance at trade ally training events, radio, and promotion via National Grid's and
5 GasNetwork's websites. While direct customer marketing will generate a portion of the
6 leads for this program, a significant emphasis will be placed on meeting with heating and
7 plumbing contractors at trade shows, training sessions and job sites to encourage
8 contractors to influence consumer purchasing behavior toward this type of product.

9 The program incentive will be \$300 to residential water heating customers who
10 install an indirect water heater to an ENERGY STAR® rated natural gas forced hot water
11 boiler.

12 The Company will provide incentives for on-demand tankless water heaters as
13 an energy saving alternative to the stand alone water heaters. The Company will provide
14 a \$300 incentive for on-demand, tankless water heaters that have a 0.82 Energy Factor
15 with an electronic ignition. The Company proposes to promote both types of technology
16 and will work with the contractor community to assist it on how to identify the most
17 appropriate application to reap the most energy savings.

18 The Company also plans to participate in a developing water heater initiative
19 sponsored by the California Energy Commission. This developing initiative, The Super
20 Efficient Gas Water Heating Appliance Initiative (SEGWHAI), is intended to speed the
21 introduction of tank-type water heaters that are 15-30% more efficient than standard
22 models. Water heating represents approximately 16% of a household's natural gas usage.
23 Tank-type water heaters represent over 80% of water heater stock in the northeast.
24 Currently, an efficient water heater of this nature does not exist. Introduction of such
25 models as a result of the SEGWHAI project would enable to Company to develop an
26 incentive program in the future to promote that technology in customer's homes.

1 **ENERGY STAR® PROGRAMMABLE THERMOSTAT PROGRAM**

2 The ENERGY STAR Programmable Thermostat program provides a GasNetworks
3 incentive for the purchase and installation of up to two ENERGY STAR labeled
4 programmable thermostats per household. According to ENERGY STAR, programmable
5 thermostats are more accurate than manual models, contain no mercury, save energy, and
6 are, therefore, better for the environment. Over 250 different thermostat models currently
7 meet ENERGY STAR guidelines – up from only 60 five years ago. Each ENERGY STAR
8 qualified model thermostat includes four default program periods per day, as well as a
9 two-degree accuracy to keep home temperatures more even.

10 The ENERGY STAR Programmable Thermostat program will provide home
11 heating customers with an incentive for the purchase and installation of ENERGY STAR
12 labeled programmable thermostats. Through this program, customers will be eligible for
13 a \$25 mail-in incentive for the installation of up to two ENERGY STAR qualified
14 programmable thermostats. When applying for a thermostat incentive, residential
15 customers will be required to submit proof-of-purchase for the unit. The ENERGY STAR
16 website lists and updates all eligible thermostat models. Eligible thermostats may be
17 installed by homeowners, heating contractors or energy auditors. In addition to mail-in
18 incentives, instant incentives, in the form of point-of-sale discounts, will be available
19 through heating contractors and energy auditors.

20 Earning the ENERGY STAR means products meet strict energy efficiency
21 guidelines set by the US Environmental Protection Agency (EPA) and the Department of
22 Energy (DOE). To be ENERGY STAR labeled, programmable thermostats must be
23 equipped with the following features:

- 24 • Stores four or more temperature settings a day
- 25 • Adjusts heating or air conditioning turn-on times as the outside temperature
26 changes
- 27 • Saves and repeats multiple daily settings
- 28 • A “hold” feature that temporarily overrides programmed settings

1
2 The Company will promote this program via its website, both its thermostat and
3 heating incentive forms, direct mail, bill inserts, and through *EnergyWise* program
4 auditors. The Company will do outreach to stores such as The Home Depot[®], Lowe's[®],
5 and regional hardware stores. The retailer outreach effort will provide training of these
6 retailers' sales personnel regarding the incentive program and coordinate the ongoing
7 distribution of program incentive forms at these stores. The retailer outreach will be
8 coordinated with that of the ENERGY STAR Lighting and Appliance Programs.

9
10 **NEW CONSTRUCTION AND ENERGY STAR[®] HOMES PROGRAM**

11 The ENERGY STAR Homes program is part of a national energy efficiency
12 campaign first developed in 1998 by the EPA and DOE. Rhode Island was one of the
13 first states to adopt this program, funded by electric energy efficiency funds. The homes
14 are designed, site inspected, and performance-tested to achieve a home energy rating
15 which helps consumers differentiate between efficient homes and standard homes.

16 The current program offered by National Grid and funded through the electric
17 DSM charge provides services to all residential new construction, regardless of fuel type.
18 National Grid will continue the existing program and examine opportunities to realign the
19 funding mechanisms for 2008 now that gas funding is available. For 2007 and 2008, the
20 Company proposes to include a small budget funded by gas funds to support contractor
21 training and education.

22
23
24 **SINGLE FAMILY LOW INCOME SERVICES**

25 The Residential Low Income Program offers weatherization services to income
26 qualified customers eligible for fuel assistance benefits, who live in 1-4 unit buildings.
27 As had previously been the case with New England Gas in Rhode Island, the Company
28 will contract with the Rhode Island Office of Energy Resources (OER) and local
29 weatherization agencies for the delivery of energy efficiency services to eligible

1 customers. This is the same program model of serving low income customers currently
2 employed by National Grid for its electric efficiency programs.

3 Eligible measures provided through the program will include an energy audit,
4 attic insulation, wall insulation, air sealing, heating system replacement (on a qualifying
5 basis) safety inspections, low-flow showerheads and aerators, and funding the installation
6 of CO detectors when DOE funds are not available.

7 The Company will market the program via Company brochures, bill inserts, and
8 the National Grid website. The program may also be marketed through direct contact
9 with eligible customers by OER and local CAP agencies to customers it serves through
10 state, federal, or local low income programs.

11 12 **BUILDING PRACTICES AND DEMONSTRATION PROGRAM**

13 The Company plans to launch its Building Practices and Demonstration Program
14 for residential markets during Program Year One. The purpose of the Building Practices
15 and Demonstration Program will be to explore and demonstrate new and/or underutilized
16 energy efficient procedures and equipment, including renewable energy system
17 processes. In its first year, the Building Practices and Demonstration Program will work
18 to identify which technologies or home building techniques would be well suited for use
19 and installation.

20 Input for this new program will be drawn from the expertise gathered by the
21 Company's Commercial & Industrial Building Practices & Demonstration Program, as
22 well as input from other utilities, program vendors, energy groups and interested business
23 partners.

24 Eligible participants in this program will include homeowners, landlords, as well
25 as home builders. Each participant may be asked to allow monitoring of the installation
26 and/or results, provide historical data, provide tours of the installation by potential users
27 or other interested stakeholders, and share the results in case study format.

1 Examples of potential projects include new insulation and weatherization
2 products, advanced heating and water heating products, solar thermal installations, new
3 construction techniques, green homes or very low energy use homes. Specific projects
4 will depend on interest and participation by customers, builders, vendors and
5 manufacturers.

6 Marketing of the program will rely on working with industry vendors developing
7 and/or offering new or underutilized natural gas energy efficiency technologies, as well
8 as other interested organizations.

1 **Commercial and Industrial Programs for 2007 and 2008**

2 A brief description of each proposed program for commercial and
3 industrial customers is provided in the following table:

Proposed Commercial and Industrial Energy Efficiency Programs	
Energy Audit and Engineering Services	No- cost company-provided energy auditing service to help customers evaluate energy efficiency improvements in their facilities or 50% matching funds up to \$10,000 for outside studies that evaluate more complex technologies under consideration for implementation in customer facilities.
Commercial Energy Efficiency Program	Co-funding for Energy Auditing or Engineering Services; Prescriptive and custom incentives for more sophisticated systems and controls up to \$100,000, up to \$150,000 for eligible CHP projects.
Commercial High Efficiency Heating Program	Incentives up to \$6,000 for high-efficiency furnaces (90% AFUE), high efficiency furnaces (92% AFUE with ECM or equivalent), boilers (85% thermal efficiency) or steam boilers (82% thermal efficiency). Incentives up to \$300 for qualified efficient water heating measures.
Economic Redevelopment Program	Matching grants up to \$100,000 for energy saving measures in commercial properties in designated Economic Redevelopment areas.
The Emerald Network	Incentives and services to customers focused on developing new green buildings (new construction) or increasing green aspects of existing buildings.
Building Practices & Demonstration Program	Participate in funding for demonstration projects that apply to new or underutilized technologies.
Trade Ally Training Program	Energy management training sessions targeted to individuals responsible for the maintenance and operation of equipment and systems in commercial buildings, industrial plants, and public facilities. Provide information and training on energy efficiency issues to plumbing & heating contractors, builders, architects, engineers, realtors, appraisers and others.

4
5 Additional details about each proposed program are provided below.

6 **Energy Audit and Engineering Services**

7 Energy Auditing services are for customers intending to proceed with energy
8 efficiency improvements but who require assistance estimating savings and incentive

1 levels. Most participants in this category will be small to medium customers with energy
2 efficiency applications, or large customers with relatively simple energy efficiency
3 projects. It is not required for customers to obtain an energy audit before proceeding with
4 prescriptive energy efficiency measures, nor does the Company intend to provide Energy
5 Auditing services for such projects. This service is provided with no direct cost to the
6 customer.

7 Engineering services will be used to evaluate more complex projects that involve
8 technologies associated with mechanical equipment, process equipment, and/or
9 underutilized or emerging green technologies. These types of technologies may include
10 boiler or chiller plant redesigns, heat recovery systems, digital energy management
11 systems, process efficiency improvement projects, and associated green building
12 technologies. Services provided under the program will include technical analysis and
13 engineering support for medium to large customers who need assistance evaluating
14 and/or designing complex projects. The Company will cost share these services with the
15 customer up to 50% of the reasonable fees related to the efficiency project, not to exceed
16 \$10,000. An administrative vendor will be capable of providing Engineering services to
17 the customer under contract with the Company at negotiated rates to be established via a
18 competitive bid process. In order to maintain a high level of quality and cost-
19 effectiveness throughout the program, the following criteria will be required:

- 20 • The study must be conducted by a Professional Engineer (PE) and/or a
21 Certified Energy Manager (CEM);
- 22 • The study scope and depth must extend beyond what is offered within the
23 Energy Auditing program;
- 24 • The customer will be required to pursue a green building/facility
25 certification or to seek assistance with a specific energy efficient
26 technology

1 **Commercial Energy Efficiency Program**

2 The Commercial Energy Efficiency Program is designed to provide support
3 services and financial incentives that encourage the Company's commercial and
4 industrial customers to install energy efficient natural gas equipment. Virtually any
5 energy efficient technology or system design that exceeds the minimum requirements of
6 the local energy code, and which is not covered by another Company program offering,
7 may be eligible for a incentive under this program. The program will be open to all gas
8 sales customers on a commercial tariff, including multifamily facilities. Incentives
9 provided through the program must be pre-approved by the Company and/or the
10 administrative vendor prior to delivery or installation of product(s) or service(s).

11 Customers may apply for program services or incentives via a variety of channels
12 including Company representatives, plumbing and heating contractors, engineering firms,
13 energy service companies or equipment vendors. After reviewing the customer's energy
14 efficiency needs, the customer will be offered the appropriate program services. The
15 following describes the three categories of services a customer may be eligible for.

16 ***Prescriptive Incentives***

17 Prescriptive incentives will be available for common energy efficiency measures
18 including programmable thermostats, boiler reset controls, steam trap replacements, pipe
19 and/or duct insulation, building shell (walls, roof, floor, crawlspace) insulation, and high
20 efficiency windows. Prescriptive incentives will be targeted toward all commercial and
21 industrial customers. The Company will rely primarily upon contractors and trade allies
22 to locate candidate facilities and to install the eligible prescriptive measures. This effort
23 will be supported by an extensive outreach and education effort to these trade allies, as
24 well as promotions directed to the customers themselves. Energy audits will not be
25 required for participation. However, pre-approval of the contractor's proposals and the
26 available prescriptive incentive will be required. Customers will receive incentives for
27 installed measures as indicated in Table 1.

Table 1. Eligible Prescriptive Measures	
Measure	Proposed Incentive
Programmable thermostats	\$25 each
Digital boiler reset control	\$150 single stage; \$250 multi-stage
Steam trap replacements	\$25 / replaced trap
Pipe or duct insulation; duct sealing	Up to 20% of project cost
Building shell insulation (roof, walls, floor)	Up to 20% of project cost
Premium efficiency windows	\$1 / sq.ft. of window rough opening area
Gas Fired High Efficiency Fryers	\$300 / \$500 incentives

1

2 ***Custom Incentives***

3 Custom Incentives will be available for projects that demonstrate the use of
4 natural gas more efficiently than typical industry practices, or more efficiently than the
5 minimum building code requirements. Incentives will be limited to no more than 50% of
6 the eligible installed project costs, and the Company’s contribution will be capped at
7 \$100,000 per site and/or project, and up to \$150,000 per eligible CHP project.

8 Custom Incentives will be classified as either Level One or Level Two. Level
9 One projects will involve less complex technologies and/or highly cost effective
10 technologies and will receive incentives based upon \$0.75 per first year of estimated
11 therm savings. Examples of Level One projects are redesigns of HVAC systems, energy
12 recovery ventilation, most heat recovery applications, building automation/energy
13 management systems, and advanced technology burners and/or burner controls.

14 Level Two projects are more complex and/or represent underutilized technologies
15 and will receive incentives based upon \$1.50 per first year of estimated therm savings.
16 Few applications are expected to reach this threshold. In Program Year 1 the Company
17 will build upon its experiences in other jurisdictions and offer customers the opportunity
18 to incorporate solar thermal technologies such as solar DHW heating, solar pool heating,
19 and solar space heating into the program. Incentives may not be applied toward normal
20 maintenance costs, or for equipment disabling or abandonment without an energy
21 efficient replacement.

1 The Company recognizes the need to promote cost effective gas fired co-
2 generation systems, also called combined heat and power (CHP) where the heat by-
3 product of a gas reciprocating engine or gas turbine can be used to supplement a process
4 heat load in an industrial or institutional facility and also provides electric energy.

5 The Company will offer a modified custom incentive for eligible CHP
6 installations. Under this application, CHP systems will receive incentives based upon
7 \$0.75 per first year of estimated therm savings with a project cap of \$100,000. Higher
8 efficiency CHP systems, will receive an incentive of \$1.50 per first year of estimated
9 therm savings with a project cap of \$150,000. The Parties will determine eligibility
10 criteria for CHP projects. The intent is to offer higher incentives for more efficient
11 systems.

12 **Commercial High-Efficiency Heating Program**

13 The Commercial High-Efficiency Heating program will provide incentives to
14 commercial, industrial, governmental, institutional, non-profit and multifamily facilities
15 that install high-efficiency heating equipment. The incentives will be provided to reduce
16 the incremental cost between standard and high-efficiency equipment.

17 The Commercial High-Efficiency Heating program will be promoted primarily to
18 architects, engineers, equipment vendors, contractors and other trade allies. Since many
19 of the trade allies overlap in the residential and smaller multifamily and commercial
20 markets, the program will often be promoted together with the Residential High-
21 Efficiency Heating program. Trade ally awareness will be increased through direct mail,
22 trade publications, newspapers, trade shows/seminars, and site visits.

23 The program's incentive schedule will apply to a variety of product types and a
24 broad range of equipment sizes that are appropriate for the commercial market segments.
25 This range provides an opportunity to participate regardless of customer size. There will
26 also be incentives for natural gas fired, low intensity infrared heaters, high efficiency
27 condensing unit heaters and direct fired make-up air systems that are appropriate for the
28 larger commercial and industrial segments. Boiler incentives will be available in a two-

1 tiered matrix: Tier One for high-efficiency non-condensing boilers and Tier Two for
2 high-efficiency fully condensing boilers.

3 The Commercial High-Efficiency Heating Incentive Program efficiency ratings
4 for smaller heating equipment (up to 300,000 Btuh input) are measured using AFUE
5 ratings. Efficiency ratings for larger heating equipment, which exceeds the size ranges
6 for AFUE, are measured using a thermal efficiency or steady state rating.

7 Table 2 below depicts the Commercial High-Efficiency Heating program
8 incentive qualifications.

Table 2. Commercial High-Efficiency Heating Program Incentive Qualification		
Product	Rating	Incentive
Furnaces (up to 150 MBtuh)	> 90% AFUE	\$150
Furnaces	>92% AFUE with ECM or equivalent	\$400 ¹
Rooftop Furnaces with Modulating Burners added	Not Applicable	Custom
Condensing unit heaters (151 to 400 MBtuh)	> 90% Thermal Efficiency	\$500
Direct fired heaters / direct fired makeup air (up to 1500 MBtuh)		\$1,000
Direct fired heaters / direct fired makeup air (1501 to 3000 MBtuh)		\$1,500
Direct fired heaters / direct fired makeup air (over 3000 MBtuh)		\$2,000
Infrared heaters (all sizes)	low intensity	\$500
Steam Boilers (up to 300 MBtuh)	> 82% AFUE	\$200
Steam Boilers (over 300 MBtuh) with Modulating Burners added	Not Applicable	Custom
Hydronic Boilers (under 175 MBtuh)	> 85% AFUE	\$500
Hydronic Boilers (176 to 300 MBtuh)	> 85% AFUE	\$700
Hydronic Boilers (301 to 499 MBtuh)	> 85% Thermal Efficiency	\$1,000
Hydronic Boilers (500 to 999 MBtuh)	> 85% Thermal Efficiency	\$2,000
Hydronic Boilers (1000 to 1700 MBtuh)	> 85% Thermal Efficiency	\$3,000
Hydronic Boilers (1701 MBtuh and larger)	> 85% Thermal Efficiency	\$4,000
Condensing Boilers (under 175 MBtuh)	> 88% AFUE	\$600
Condensing Boilers (176 to 300 MBtuh)	> 88% AFUE	\$1,000
Condensing Boilers (301 to 499 MBtuh)	> 90% Thermal Efficiency	\$1,500
Condensing Boilers (500 to 999 MBtuh)	> 90% Thermal Efficiency	\$3,000
Condensing Boilers (1000 to 1700 MBtuh)	> 90% Thermal Efficiency	\$4,500
Condensing Boilers (1701 MBtuh and larger)>	90% Thermal Efficiency	\$6,000
Instantaneous Tankless Water Heater	>0.82 EF & Electronic Ignition	\$300
Indirect fired water heaters (up to 50 gallon storage)		\$100
Indirect fired water heaters (over 50 gallon storage)		\$250

9

¹ \$150 of this incentive will be funded through the electric energy efficiency program approved by the Commission.

1 **Economic Redevelopment Program**

2 The Economic Redevelopment Program is designed to improve energy efficiency
3 and reduce energy costs while also helping to foster the rehabilitation of buildings,
4 storefronts and neighborhoods in areas that are in need. Additionally, the program can
5 provide financial incentives and resources to help community based organizations and
6 non-profits increase the energy efficiency of their facilities and reduce their operating
7 costs. Through the program, the Company will work with Chambers of Commerce,
8 economic redevelopment organizations, non-profit organizations, as well as private
9 development corporations and businesses to facilitate the installation of eligible building
10 shell and other measures that increase the energy efficiency of business districts, K-12
11 public school systems, and public and private subsidized housing. One of the program's
12 objectives is to leverage energy efficiency funds with other investments that are being
13 made for community development purposes.

14 Funding through the Economic Redevelopment Program will focus on projects
15 that demonstrate a strong community impact. A project has a strong community impact
16 when it provides for site rehabilitation, creates jobs, provides housing solutions or is
17 integral in providing community based programs.

18 The program will be open to all Company multifamily, commercial and industrial
19 customers that meet the program's intent. Maximum funding per project will be
20 \$100,000, with a minimum of 50% matching funds requirement by customer.
21 Applications for funding must include a description of the redevelopment project,
22 information on the sponsoring organization, identification of additional funding sources,
23 types of energy conserving measures to be installed, estimated energy savings and project
24 schedule. Each application for funding will be evaluated and an analysis will be
25 performed to identify cost-effective opportunities for reducing a customer's energy
26 usage. The analysis performed will lead to a report summary of recommendations and a
27 detailed description of the alternatives evaluated, including: total installation costs,
28 annual energy costs, annual savings and simple payback periods.

1

2 **The Emerald Network**

3 The Emerald Network will offer incentives and services to customers focused on
4 developing new green buildings or increasing green aspects of their existing buildings.
5 The program will provide both technical and financial resources to assist customers
6 seeking Leadership Energy and Environmental Design (LEED®) Certification through
7 the US Green Building Council's LEED rating system. These services will aid customers
8 and their design teams in designing and constructing better buildings through high
9 performance heating and building envelope systems. In addition to looking at traditional
10 opportunities for energy efficiency, this track will also promote the use of advanced
11 technologies, such as combined heating or cooling and power and double-effect
12 absorption cooling, by connecting customers with resources from National Grid and
13 industry partners. The Company will assist design teams through technical assessments
14 and integrated engineering and architectural practices during the design development to
15 define best practices toward high performance green standards. This effort will engage
16 architects, engineers and other building and construction industry participants not
17 traditionally reached through other energy efficiency programs, to move toward high
18 performance, green practices. In addition, these services will include design features
19 such as water resource management and advanced lighting systems. To fully support this
20 program and ensure that green buildings are performing as designed, the Company will
21 also provide training for operators of green buildings and increasing their awareness of
22 green applications.

23

24 **Building Practices and Demonstration Program**

25 The purpose of the Building Practices and Demonstration Program is to establish
26 successful applications of new or underutilized energy efficient procedures, processes, or
27 technologies. Interested parties may file applications for financial and technical
28 assistance directly with the Company. Applications must include a description of the

1 scope of work and an estimate of the savings and benefits to be realized. Participants are
2 required to allow monitoring of the installation and/or results, tours of the installation by
3 potential users or other interested stakeholders, and publication of the results in case
4 study format.

5 To market the program, the Company will rely on industry vendors developing
6 and/or offering new or underutilized natural gas energy efficiency technologies as well as
7 the efforts of Company employees.

8 The focus will be technologies that have low customer awareness or market
9 penetration, and the end uses may include cooling, refrigeration, process heat, cooking,
10 thermal measures, cogeneration, load control, or heat recovery. The program may also
11 look at exemplary energy efficient designs or practices as demonstrations.

12 During the first year, the Company will be working to identify new energy
13 efficient kitchen technologies. Some of these technologies include:

- 14 ➤ Commercial Steam Cookers
- 15 ➤ Infrared Pizza Ovens
- 16 ➤ Internet Protocol Based Remote Energy Management Systems
- 17 ➤ Low-flow Commercial Dishwashers

18 The Company will develop relationships with key partners and organizations like
19 the Consortium for Energy Efficiency (CEE) Commercial Kitchens Group and the
20 Energy Solutions Center (ESC), to increase its access to new technology information.

21

22 **Trade Ally Training Program**

23 Energy efficiency awareness by the Company's trade allies is crucial to reducing
24 barriers to energy efficiency and increasing acceptance of new technologies. Education
25 activities to this segment will be a critical piece of the Company's promotion efforts.

1 The Company will support and undertake a wide range of training events in
2 collaboration with GasNetworks², the ENERGY STAR® Homes Joint Management
3 Committee, Northeast Energy Efficiency Partnerships (NEEP), manufacturing training
4 representatives and other trade allies. Outreach will extend to contractors, engineers,
5 builders, landlords, realtors, facility managers and housing authorities. In addition, the
6 Company will also support NEEP's Building Operator Certification Initiative. The
7 objective of all training activities will be to increase trade ally awareness of the benefits
8 of energy efficiency and provide them with the technical tools to properly select, size,
9 install and maintain energy efficient products.

10 Training activities will be promoted via Company newsletters and direct mail
11 campaigns to contractors, in addition to meeting with trade allies at public events. The
12 GasNetworks website (www.gasnetworks.com) will also be used as a vehicle for
13 promotion, offering trade allies a central source of information on special event training
14 efforts, in addition to joint energy efficiency programs.

15 The budget for the Trade Ally Training Program will be included within each
16 program's budget.

² GasNetworks is a regional collaborative of natural gas distribution companies that coordinate natural gas energy efficiency programs throughout Maine, Massachusetts and New Hampshire. The benefit of GasNetworks membership is that it allows each participating company to offer regional programs at a lower overall cost to its customers. The GasNetworks programs are consistent wherever they have been offered. The GasNetworks programs have received several national awards from the American Council for an Energy Efficient Economy as exemplary examples of natural gas energy efficiency programs.

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC & EE Rates vs. Current Rates & Proposed EE Surcharge w/5-24-07 Modifications
(\$0.0107 per Therm)

Residential Heating:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
518	\$871	\$869	\$2	0.3%	\$0	\$0	\$0	\$2
621	\$1,024	\$1,021	\$3	0.3%	\$0	\$0	\$0	\$3
725	\$1,176	\$1,173	\$3	0.3%	\$0	\$0	\$0	\$3
828	\$1,325	\$1,322	\$4	0.3%	\$0	\$0	\$0	\$4
932	\$1,473	\$1,469	\$4	0.3%	\$0	\$0	\$0	\$4
Typical 1,035	\$1,620	\$1,615	\$5	0.3%	\$0	\$0	\$0	\$5
1,139	\$1,767	\$1,762	\$5	0.3%	\$0	\$0	\$0	\$5
1,242	\$1,912	\$1,907	\$5	0.3%	\$0	\$0	\$0	\$5
1,346	\$2,057	\$2,052	\$6	0.3%	\$0	\$0	\$0	\$6
1,449	\$2,202	\$2,196	\$6	0.3%	\$0	\$0	\$0	\$6
1,553	\$2,347	\$2,341	\$7	0.3%	\$0	\$0	\$0	\$7

Residential Non-Heating:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
77	\$208	\$207	\$0	0.2%	\$0	\$0	\$0	\$0
92	\$231	\$231	\$0	0.2%	\$0	\$0	\$0	\$0
107	\$255	\$254	\$0	0.2%	\$0	\$0	\$0	\$0
122	\$278	\$278	\$1	0.2%	\$0	\$0	\$0	\$1
138	\$302	\$301	\$1	0.2%	\$0	\$0	\$0	\$1
Typical 153	\$325	\$325	\$1	0.2%	\$0	\$0	\$0	\$1
168	\$349	\$348	\$1	0.2%	\$0	\$0	\$0	\$1
184	\$372	\$372	\$1	0.2%	\$0	\$0	\$0	\$1
199	\$396	\$395	\$1	0.2%	\$0	\$0	\$0	\$1
214	\$420	\$419	\$1	0.2%	\$0	\$0	\$0	\$1
230	\$443	\$442	\$1	0.2%	\$0	\$0	\$0	\$1

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC & EE Rates vs. Current Rates & Proposed EE Surcharge w/5-24-07 Modifications
(\$0.0107 per Therm)

C & I Small:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
621	\$1,090	\$1,087	\$3	0.3%	\$0	\$0	\$0	\$3
745	\$1,271	\$1,267	\$3	0.3%	\$0	\$0	\$0	\$3
869	\$1,450	\$1,446	\$4	0.3%	\$0	\$0	\$0	\$4
994	\$1,625	\$1,621	\$4	0.3%	\$0	\$0	\$0	\$4
1,118	\$1,800	\$1,795	\$5	0.3%	\$0	\$0	\$0	\$5
Typical 1,242	\$1,974	\$1,968	\$5	0.3%	\$0	\$0	\$0	\$5
1,366	\$2,146	\$2,140	\$6	0.3%	\$0	\$0	\$0	\$6
1,490	\$2,317	\$2,311	\$7	0.3%	\$0	\$0	\$0	\$7
1,615	\$2,489	\$2,482	\$7	0.3%	\$0	\$0	\$0	\$7
1,739	\$2,661	\$2,653	\$8	0.3%	\$0	\$0	\$0	\$8
1,863	\$2,832	\$2,824	\$8	0.3%	\$0	\$0	\$0	\$8

C & I Medium:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
5,174	\$7,481	\$7,458	\$23	0.3%	\$0	\$0	\$0	\$23
6,209	\$8,869	\$8,842	\$27	0.3%	\$0	\$0	\$0	\$27
7,244	\$10,257	\$10,225	\$32	0.3%	\$0	\$0	\$0	\$32
8,278	\$11,645	\$11,609	\$36	0.3%	\$0	\$0	\$0	\$36
9,313	\$13,034	\$12,993	\$41	0.3%	\$0	\$0	\$0	\$41
Typical 10,348	\$14,422	\$14,376	\$46	0.3%	\$0	\$0	\$0	\$46
11,383	\$15,810	\$15,760	\$50	0.3%	\$0	\$0	\$0	\$50
12,418	\$17,198	\$17,143	\$55	0.3%	\$0	\$0	\$0	\$55
13,452	\$18,586	\$18,527	\$59	0.3%	\$0	\$0	\$0	\$59
14,487	\$19,974	\$19,911	\$64	0.3%	\$0	\$0	\$0	\$64
15,522	\$21,363	\$21,294	\$68	0.3%	\$0	\$0	\$0	\$68

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC & EE Rates vs. Current Rates & Proposed EE Surcharge w/5-24-07 Modifications
(\$0.0107 per Therm)

C & I LLF Large:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
33,637	\$46,676	\$46,528	\$148	0.3%	\$0	\$0	\$0	\$148
40,364	\$55,796	\$55,618	\$178	0.3%	\$0	\$0	\$0	\$178
47,092	\$64,915	\$64,708	\$207	0.3%	\$0	\$0	\$0	\$207
53,819	\$74,034	\$73,797	\$237	0.3%	\$0	\$0	\$0	\$237
60,547	\$83,153	\$82,887	\$266	0.3%	\$0	\$0	\$0	\$266
Typical 67,274	\$92,273	\$91,977	\$296	0.3%	\$0	\$0	\$0	\$296
74,001	\$101,392	\$101,066	\$326	0.3%	\$0	\$0	\$0	\$326
80,729	\$110,511	\$110,156	\$355	0.3%	\$0	\$0	\$0	\$355
87,456	\$119,630	\$119,246	\$385	0.3%	\$0	\$0	\$0	\$385
94,184	\$128,750	\$128,335	\$414	0.3%	\$0	\$0	\$0	\$414
100,911	\$137,869	\$137,425	\$444	0.3%	\$0	\$0	\$0	\$444

C & I HLF Large:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
33,638	\$42,571	\$42,423	\$148	0.3%	\$0	\$0	\$0	\$148
40,365	\$50,869	\$50,691	\$178	0.4%	\$0	\$0	\$0	\$178
47,093	\$59,167	\$58,960	\$207	0.4%	\$0	\$0	\$0	\$207
53,820	\$67,465	\$67,228	\$237	0.4%	\$0	\$0	\$0	\$237
60,548	\$75,763	\$75,497	\$266	0.4%	\$0	\$0	\$0	\$266
Typical 67,275	\$84,061	\$83,765	\$296	0.4%	\$0	\$0	\$0	\$296
74,003	\$92,360	\$92,034	\$326	0.4%	\$0	\$0	\$0	\$326
80,730	\$100,658	\$100,303	\$355	0.4%	\$0	\$0	\$0	\$355
87,458	\$108,956	\$108,571	\$385	0.4%	\$0	\$0	\$0	\$385
94,185	\$117,254	\$116,840	\$414	0.4%	\$0	\$0	\$0	\$414
100,913	\$125,552	\$125,108	\$444	0.4%	\$0	\$0	\$0	\$444

Bill Impact Analysis with Various Levels of Consumption:
Current Distribution, GCR, DAC & EE Rates vs. Current Rates & Proposed EE Surcharge w/5-24-07 Modifications
(\$0.0107 per Therm)

C & I LLF Extra-Large:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
142,312	\$175,957	\$175,331	\$626	0.4%	\$0	\$0	\$0	\$626
170,774	\$210,429	\$209,677	\$751	0.4%	\$0	\$0	\$0	\$751
199,237	\$244,900	\$244,024	\$877	0.4%	\$0	\$0	\$0	\$877
227,699	\$279,372	\$278,370	\$1,002	0.4%	\$0	\$0	\$0	\$1,002
256,162	\$313,843	\$312,716	\$1,127	0.4%	\$0	\$0	\$0	\$1,127
Typical	284,624	\$348,315	\$347,062	0.4%	\$0	\$0	\$0	\$1,252
313,086	\$382,786	\$381,409	\$1,378	0.4%	\$0	\$0	\$0	\$1,378
341,549	\$417,258	\$415,755	\$1,503	0.4%	\$0	\$0	\$0	\$1,503
370,011	\$451,729	\$450,101	\$1,628	0.4%	\$0	\$0	\$0	\$1,628
398,474	\$486,201	\$484,447	\$1,753	0.4%	\$0	\$0	\$0	\$1,753
426,936	\$520,672	\$518,794	\$1,879	0.4%	\$0	\$0	\$0	\$1,879

C & I HLF Extra-Large:

Jul - Jun Consumption (Therms)	Proposed July-07	Current Rates	Difference	% Chg	Difference due to:			
					Base Rates	GCR	DAC	DSM
137,313	\$161,257	\$160,653	\$604	0.4%	\$0	\$0	\$0	\$604
164,775	\$192,788	\$192,063	\$725	0.4%	\$0	\$0	\$0	\$725
192,238	\$224,320	\$223,474	\$846	0.4%	\$0	\$0	\$0	\$846
219,700	\$255,851	\$254,884	\$967	0.4%	\$0	\$0	\$0	\$967
247,163	\$287,382	\$286,295	\$1,088	0.4%	\$0	\$0	\$0	\$1,088
Typical	274,625	\$318,914	\$317,705	0.4%	\$0	\$0	\$0	\$1,208
302,088	\$350,445	\$349,116	\$1,329	0.4%	\$0	\$0	\$0	\$1,329
329,550	\$381,976	\$380,526	\$1,450	0.4%	\$0	\$0	\$0	\$1,450
357,013	\$413,508	\$411,937	\$1,571	0.4%	\$0	\$0	\$0	\$1,571
384,475	\$445,039	\$443,348	\$1,692	0.4%	\$0	\$0	\$0	\$1,692
411,938	\$476,571	\$474,758	\$1,813	0.4%	\$0	\$0	\$0	\$1,813

**Funding Sources by Sector
2007 and 2008**

	Jan. 1, 2007 - June 30, 2007	July 1, 2007 - Dec. 31, 2007	Total 2007	2008	Total 2007 - 2008
Gas Energy Efficiency Surcharge per Dth	\$0.063	\$0.105		\$0.105	
Uncollectible Percentage (Docket 3401)		2.1%		2.1%	
Adjusted Factor		\$0.107		\$0.107	
Forecasted Use (Dth):					
Total Firm THROUGHPUT					
Residential Non-Heating	358,597	258,997	617,594	600,953	1,218,547
Residential Heating	12,900,898	5,243,533	18,144,431	18,322,127	36,466,558
Residential subtotal	13,259,494	5,502,530	18,762,025	18,923,080	37,685,105
Small C&I	1,694,207	621,705	2,315,913	2,371,676	4,687,589
Medium C&I	3,469,096	1,801,356	5,270,452	5,150,039	10,420,491
Large LLF	1,833,909	825,164	2,659,072	2,767,560	5,426,633
Large HLF	506,517	395,170	901,687	959,805	1,861,491
Extra Large LLF	513,565	314,459	828,024	828,024	1,656,048
Extra Large HLF	2,050,464	1,835,570	3,886,035	3,886,035	7,772,069
C&I Subtotal	10,067,758	5,793,424	15,861,182	15,963,139	31,824,321
Total Firm Throughput	23,327,252	11,295,955	34,623,207	34,886,219	69,509,426
Non-Firm	1,375,000	1,125,000	2,500,000	2,500,000	5,000,000
TOTAL THROUGHPUT	24,702,252	12,420,955	37,123,207	37,386,219	74,509,426
Collections by Sector:					
Residential EE Surcharge Collections	\$835,348	\$575,802	\$1,411,150	\$1,980,173	\$3,391,323
Low Income Weatherization in Base Rates	\$141,344	\$58,656	\$200,000	\$200,000	\$400,000
Total Collections - Residential	\$976,692	\$634,458	\$1,611,150	\$2,180,173	\$3,791,323
Commercial and Industrial EE Surcharge Collections	\$720,893	\$723,966	\$1,444,859	\$1,932,043	\$3,376,902
Total Collections - Commercial and Industrial	\$720,893	\$723,966	\$1,444,859	\$1,932,043	\$3,376,902
Total Projected Collections	\$1,697,585	\$1,358,424	\$3,056,009	\$4,112,216	\$7,168,225

RECOMMENDATIONS - GUIDELINES REGARDING
SELF-DIRECTED GAS DEMAND-SIDE MANAGEMENT PROGRAMS FOR
MANUFACTURING

Section:

- 1.0: Purpose of Guidelines
- 2.0: Definitions
- 3.0: Eligibility
- 4.0: Cost Effectiveness Standard
- 5.0: Required Plan Elements
- 6.0: Measurement & Verification
- 7.0: Procedures for Initial Plan Approval and Annual Reporting
- 8.0: Coordination with Utility Program

1.0: Purpose of Guidelines

The purpose of this document is to establish the guidelines which will be followed in order to facilitate the filing, review and approval of self-directed gas demand side management programs by manufacturing customers of gas distribution companies in Rhode Island, as provided for in R.I.G.L. 39-2-1.2(f). Such programs will provide incentives to customers for installing DSM measures that they would not have otherwise installed.

2.0: Definitions

- 2.1 Commission: means the Rhode Island Public Utilities Commission.
- 2.2 Demand Side Management (“DSM”): means one or a package of measures consisting of gas energy efficiency, gas conservation, and/or combined heat and power systems.
- 2.3 End –use Customer: means a person or entity in Rhode Island that purchases and uses natural gas.
- 2.4 Manufacturing: means and includes manufacturing, compounding, processing, assembling, preparing or producing. Manufacturers which are considered to be engaged in manufacturing for purposes of R.I.G.L. 44-18-30 and R.I.G.L. 44-13-35 shall be considered to be engaged in manufacturing for the purposes of the guidelines herein.
- 2.5 Measurement & Verification (“M&V”): means measurements and calculations used to determine the level of energy and other resource savings attributable to a particular DSM measure or program.
- 2.6 Other Customer Funds: means the portion of funds that the customer contributes to the Self-Directed Program budget over and above that portion which represents the Self-Directed Funds in a given year.
- 2.7 Self-Directed Funds: means the amount of funds which the customer would have paid to the utility under the gas energy efficiency surcharge in the absence of the Self-Directed Program, but instead is allocated to the Self-Directed Program budget.

- 2.8 Self-Directed DSM Program (or “Self-Directed Program”): means the set of activities undertaken by a Manufacturing End-use Customer to identify, implement, and verify the savings associated with a set of DSM measures using funds that the customer would otherwise have paid the Utility under the gas energy efficiency surcharge.
- 2.9 Utility: means the regulated natural gas distribution utility which serves the End-use Customer that is submitting the Self-Directed Program for certification, unless specifically noted otherwise.

3.0: Eligibility

- 3.1 Natural gas used for Manufacturing processes (as defined in Section 2 of these guidelines) is eligible to be exempted from the demand-side management charge from the gas distribution utility according to the provisions of these guidelines, subject to the Commission’s approval of a Self-Directed DSM Program.
- 3.2 Natural gas consumption is billed according to usage measured by meters. In the event that a meter has mixed usage whereby some natural gas usage recorded by that meter is used for manufacturing processes, and other gas is not, these guidelines adopt the practice of the Division of Taxation whereby it generally deems 95% of the manufacturer’s volumes to be for “manufacturing use”. If consumption is separately metered for manufacturing use only, the entire amount will be included as natural gas used for manufacturing.
- 3.3 Eligible measures for the purposes of Commission approval of a Self-Directed DSM Program shall include cost-effective energy efficiency, conservation, and combined heat & power systems, consistent with the provisions of R.I.G.L. 39-2-1.2 concerning the utility DSM program. Cost-effectiveness standards are provided in Section 4 of these guidelines.
- 3.4 The Self-Directed DSM Program must be in effect for a minimum of two years.
- 3.5 The Self-Directed DSM Program budget shall be funded to at least the same level (within 2%) as the equivalent payments the customer would have made if the manufacturing natural gas usage for that customer had not been exempted from the utility gas energy efficiency surcharge. The default procedure for determining this funding level shall be to use the previous 12 months gas decatherm consumption applied to the current energy efficiency charge (cents per decatherm). These funds are referred to as Self-Directed Funds. The customer may provide additional funds to the Self-Directed Program budget in any given year, and these additional funds are referred to as Other Customer Funds.

4.0: Cost-Effectiveness Standard

- 4.1 This section describes the cost-effectiveness standard that is to be applied to Self-Directed DSM Programs by Manufacturing End-use Customers, and no precedent is

implied or granted to use this standard for any other utility DSM programs. Since by its nature self direct programs do not involve utility rebates or administrative expenses, the current¹ cost-effectiveness test used in Rhode Island for utility programs is not applicable for self-directed programs.

- 4.2 The cost-effectiveness of Self-Directed DSM Programs will be determined using the Total Resource Cost (“TRC”) test. The TRC test assesses whether or not the demand-side management program or measure improves economic efficiency in the broad sense of the term². The test is applicable to conservation, load management, and fuel substitution programs. The TRC test represents the combination of the effects of a program on both the customers participating and those not participating in a program. The TRC test is the primary test used to screen most gas DSM programs in the United States³.
- 4.3 Incremental costs refer to the additional cost of the energy efficient measure compared to standard practice. Incremental savings is the difference between the energy use of the recommended measure compared to standard practice.
- 4.4 The benefits calculated in the TRC test value the expected incremental savings using the avoided supply costs – the reduction in delivery, capacity, and commodity costs valued at marginal cost for the periods where there is a load reduction. For fuel substitution programs, benefits include the avoided device costs and avoided supply costs for the energy-using equipment not chosen by the program participant.
- 4.5 The costs in the TRC test are the incremental program costs paid by both the utility and the participants, plus the increase in supply costs for the periods in which load is increased. Therefore, all incremental equipment, installation, operation and maintenance costs, cost of removal (less salvage value), and administration costs, no matter who pays for them, are included in this test. For fuel substitution programs, the costs also include the increase in supply costs for the utility providing the fuel that is chosen as a result of the program. The TRC test excludes any transfer payments between parties. Thus incentive payments by the utility to encourage participation are excluded from the calculation.
- 4.6 Measures shall be considered cost-effective if they achieve a benefit-cost ratio above one (1.0). The benefit-cost ratio is the ratio of the discounted total benefits of the program or measure to the discounted total costs over some specified time period (by convention the lifetime of the impacts produced by the measure). A benefit-cost ratio above one indicates that the program or measure is beneficial to the utility and its ratepayers on a total resource cost basis.

¹ Calendar year 2007.

² The Total Resource Cost (TRC) test is formally defined in Chapter 4 of the California Standard Practice Manual, Economic Analysis of Demand Side Programs and Projects (October 2001).

³ See, for example, the report entitled “DSM in North American Gas Utilities”, prepared for Enbridge Gas Distribution by IndEco Strategic Consulting Inc. and Navigant Consulting Ltd., April 2004.

- 4.7 Avoided costs used for the cost-effectiveness calculations shall be those provided by the gas utility and/or electric utility (as the case may merit, for example, with combined heat and power systems) in that utility's most recent DSM filing with the Commission.
- 4.8 For purposes of cost-effectiveness, pre-installation measure savings estimates shall be those reported to the Commission by the Professional Engineer ("PE") conducting a technical assessment that identifies and specifies the DSM measures. These savings estimates shall be calculated in a manner consistent with generally accepted engineering practices comparable to the practices employed by the gas distribution utility administering energy efficiency programs in the state.
- 4.9 The Self-Directed DSM Program shall only include measures which meet the definition of demand side management (DSM), namely those which fall under the categories of energy efficiency, conservation, and/or combined heat and power systems, have a reasonable payback period, and are cost-effective according to the TRC test. The purpose of the reasonable payback period is to ensure that the program encourages measures that would not have been implemented otherwise.

5.0: Required Plan Elements

- 5.1 In making application for certification of a self directed program, the applicant shall provide the Commission a **Manufacturing Self-Directed DSM Program Eligibility Application**, which shall contain the following information:
- (i) Name, contact information, and gas utility account numbers addressed by the program.
 - (ii) Period for which the proposed program will be in force (must be at least 24 months).
 - (iii) Proof that the accounts meet eligibility requirements.
 - (iv) Description of DSM measures to be included in the plan, and expected savings of natural gas and other resources (as applicable).
 - (v) Funding levels by year, for both Self-Directed Funds and Other Customer Funds.
 - (vi) Annual program budget by category:
 - a. Administrative
 - b. Audit and Technical Assessment
 - c. Measure costs (professional services, labor, equipment & materials)
 - d. Measurement & Verification costs
 - (vii) Measurement & Verification ("M&V") plan for program.
 - (viii) .Cost effectiveness estimate for measures to be installed.

6.0: Measurement & Verification

- 6.1 Program shall include pre-inspection by a PE and post-inspection by an independent third party not associated with either the customer or the firm installing the measures.
- 6.2 Energy savings are calculated according to industry standard methods by the independent third party per 6.1. See Section 4.0.

- 6.3 Program shall assign appropriate M&V methods to specific measures.
- 6.4 Acceptable M&V methods are those which are described in the most recent version of the International Performance Measurement & Verification Protocol.
- 6.5 The Commission shall ensure that parties performing M&V work are appropriately qualified and meet qualifications comparable to those individuals performing M&V for the gas distribution utility.

7.0: Procedures for Program Approval and Annual Reporting

7.1 Program approval by the Commission

The Commission will approve and certify, or deny, Self-Directed DSM Programs by issuing statements of qualification within ninety (90) days of application. The following procedure will be followed to complete the review and certification:

- (i) Applicants for certification of Self-Directed DSM Programs must submit an application to the Commission which conforms to the requirements of Section 5.1 above
- (ii) The Commission Clerk will keep a list of interested parties who wish to be notified when an application for certification is filed. Such list will include the Division of Public Utilities and Carriers. In addition to filing with the Commission, applicants are required to send, either electronically or in paper copy, a copy of the completed application, including any attachments, to the interested parties. The Commission Clerk will post all completed Manufacturing Self-Directed DSM Program Eligibility applications, including all attachments, on the Commission website.
- (iii) The Commission may request additional information or clarification regarding the application.
- (iv) Any party in interest may comment on such filings to the Commission in writing within 30 days from the date of filing. Following the 30-day comment period, the Commission will consider an application for certification in an open meeting. The Commission may approve the application or request at that time, or it may set the matter down for hearing following not less than 10-day notice to the interested parties.
- (v) The Commission will establish a unique certification number for each Self-Directed DSM Program.

7.2 The Commission will verify the on-going eligibility of Self-Directed DSM Programs, as follows:

- (i) Customers with Self-Directed DSM Programs shall file annual reports by May 1 of the year following the program year. Such reports shall contain the following items:
 - a. Description of measures installed in the program during that calendar year;
 - b. Estimate of gas savings, and other resource savings (where applicable), produced by the measures installed, based on the post-installation inspection conducted by an independent third party. (See 6.1.)
 - c. Expenditures during the calendar year, with true-up to projected budget.
 - d. Benefit-cost ratio showing cost-effectiveness of measures installed
 - e. Summary findings from any M&V work completed during the calendar year.
 - f. Plans for the ensuing year, if applicable, including:
 - (i) Budget
 - (ii) Targeted Measures
 - (iii) Cost-effectiveness
 - (iv) M&V Plan
- (ii) The Commission may request other information as desired in its certification order.
- (iii) The Commission or persons acting at its behest may conduct audits or site visits to assist in verification at any time at the Commission's discretion.

7.3 End-use Customers, once their program is certified, shall notify the Commission in the event of a change in eligibility status. When and if, in the Commission's opinion, after due consideration, there is a material change in the characteristics of the program or facility that could alter its eligibility, such Self-Directed DSM Program must be recertified. Recertification of a Self-Directed DSM Program will be conducted in the same manner as the certification process outlined above.

7.4 Suspension or Revocation: The Commission may suspend or revoke the certification of a Self-Directed DSM Program, certified in accordance with Section 7.1, that is found, after notice and an opportunity for hearing, to provide false information, or that fails to notify the Commission in the event of a change in eligibility status or otherwise comply with law or these guidelines.

7.5 Advisory Committee: The Commission may, at its discretion, create an advisory committee to assist it in its administration of the program.

8.0: Coordination with Utility DSM Program

- 8.1 Within thirty days of Commission receipt of an application for certification of a Self-Directed DSM Program, the utility shall conduct a true-up analysis which compares customer incentives provided by the utility under its DSM program for the previous 24 months to customer and DSM charge payments made during that same 24 month period. In the event that rebates or other incentives exceed customer payments, customer shall have the option of either (a) delaying implementation of the Self-Directed DSM Program until such time as payments equalize rebates or other incentives, or (b) repaying the utility for the portion by which rebates or other incentives exceeded payments.
- 8.2 Customer facilities which participate in the Self-Directed DSM Program are ineligible to receive services under the utility DSM program during the period for which the Self-Directed DSM Program is in effect.
- 8.3 Within 30 days of Commission certification of the Self-Directed DSM Program, the utility shall stop applying the DSM charge to the bills of accounts which are included in that Self-Directed DSM Program.
- 8.4 If actual expenditures are less than the approved Self-Directed Funds budget for a calendar year, the customer must either carry the funds over and spend them in the next calendar year, or contribute such funds to the utility DSM program. In no event can a customer carry over funds in two successive calendar years.

National Grid Gas Energy Efficiency Program Budget (\$000)
2007 - 2008

Program	Program Planning & Administration		Marketing	Rebates and Other Customer Incentives	Evaluation & Market Research	Grand Total
	External	Internal				
RESIDENTIAL:						
ENERGY STAR Homes	\$100.0	\$2.8	\$37.5	\$71.9	\$4.1	\$216.3
Building Practices and Demonstration Program	\$4.0	\$0.5	\$25.0	\$24.0	\$1.3	\$54.8
ENERGY STAR Heating System	\$41.0	\$8.2	\$37.5	\$482.3	\$13.3	\$582.3
GasNetworks	\$0.0	\$0.0	\$43.7	\$0.0	\$0.0	\$43.7
Total ENERGY STAR Heating System	\$41.0	\$8.2	\$81.2	\$482.3	\$13.3	\$626.0
High-Efficiency Water Heating Program	\$17.6	\$2.2	\$37.5	\$118.9	\$4.2	\$180.4
GasNetworks	\$0.0	\$0.0	\$13.3	\$0.0	\$0.0	\$13.3
Total High-Efficiency Water Heating Program	\$17.6	\$2.2	\$50.8	\$118.9	\$4.2	\$193.7
ENERGY STAR Programmable Thermostat Program	\$11.0	\$1.0	\$37.5	\$42.8	\$2.2	\$94.6
GasNetworks	\$0.0	\$0.0	\$7.3	\$0.0	\$0.0	\$7.3
Total ENERGY STAR Programmable Thermostat Program	\$11.0	\$1.0	\$44.8	\$42.8	\$2.2	\$101.8
EnergyWise	\$0.0	\$42.4	\$75.0	\$830.3	\$22.9	\$970.6
Single Family Low Income Services	\$0.0	\$34.3	\$12.5	\$1,353.4	\$36.4	\$1,436.6
EERMC - Residential	\$78.3	\$0.0	\$0.0	\$0.0	\$0.0	\$78.3
Shareholder Incentive	\$0.0	\$158.4	\$0.0	\$0.0	\$0.0	\$158.4
Subtotal - Residential	\$251.9	\$249.8	\$326.8	\$2,923.6	\$84.5	\$3,836.5

**National Grid Gas Energy Efficiency Program Budget (\$000)
2007 - 2008**

Program	Program Planning & Administration		Marketing	Rebates and Other Customer Incentives	Evaluation & Market Research	Grand Total
	External	Internal				
COMMERCIAL AND INDUSTRIAL:						
Commercial High Efficiency Heating Program	\$20.0	\$6.1	\$37.5	\$325.2	\$9.7	\$398.5
GasNetworks	\$0.0	\$0.0	\$13.3	\$0.0	\$0.0	\$13.3
Total Commercial High Efficiency Heating Program	\$20.0	\$6.1	\$50.8	\$325.2	\$9.7	\$411.8
Economic Redevelopment Program	\$20.0	\$5.4	\$37.5	\$284.2	\$8.7	\$355.8
Building Practices & Demonstration Program	\$15.0	\$4.6	\$37.5	\$244.6	\$7.4	\$309.0
The Emerald Network	\$10.0	\$2.4	\$37.5	\$126.8	\$4.2	\$180.9
Commercial Energy Efficiency Program	\$50.0	\$14.0	\$37.5	\$740.2	\$22.4	\$864.1
Energy Audit and Engineering Services	\$7.5	\$3.9	\$37.5	\$212.1	\$6.3	\$267.3
GasNetworks	\$0.0	\$0.0	\$15.6	\$0.0	\$0.0	\$15.6
Total Commercial Energy Efficiency Program	\$57.5	\$17.8	\$90.6	\$952.4	\$28.7	\$1,147.0
Trade Ally Training Program	\$6.0	\$1.0	\$37.5	\$67.3	\$0.0	\$111.8
EERMC - C&I	\$54.7	\$0.0	\$0.0	\$0.0	\$0.0	\$54.7
Commitments	\$0.0	\$0.0	\$0.0	\$650.0	\$0.0	\$650.0
Shareholder Incentive	\$0.0	\$110.7	\$0.0	\$0.0	\$0.0	\$110.7
Subtotal - Commercial & Industrial	\$183.2	\$148.0	\$291.4	\$2,650.4	\$58.7	\$3,331.7
Grand Total	\$435.1	\$397.8	\$618.2	\$5,573.9	\$143.2	\$7,168.2

Note: (1) A portion of the External Program Planning and Administration budget includes funds that National Grid anticipates paying to Keyspan for their help in administering these programs. If and when the merger with Keyspan is complete, these costs will become Internal Program Planning and Administration expenses.

Target 2007 - 2008 Shareholder Incentive

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)
Sector	Budget	Target Incentive	Annual Savings Goal (MMBTU)	Threshold Savings (MMBTU)	Target Incentive Per MMBTU
Residential	\$3,599,810	\$158,392	90,525	54,315	\$1.750
Commercial & Industrial	\$2,516,284	\$110,717	108,383	65,030	\$1.022
Total	\$6,116,094	\$269,109	198,908	119,345	

Notes:

- (1) Sector budget excluding the EEMRC Assessment, Shareholder Incentives, and Commitments. See Attachment 6 (Compliance Filing).
- (2) Equal to the incentive rate (4.40%) x Column (1).
- (3) See Attachment 8, Page 3 of 3.
- (4) 60% of Column (3). No incentive is earned on annual MMBTU savings in the sector unless the Company achieves at least this threshold level of performance.
- (5) Column (2)/Column (3)

2007 and 2008 RHODE ISLAND BENEFIT COST ANALYSIS

Summary of Expected Benefit and Expenses (\$000)

	Rhode Island Benefit/ Cost(1)	Total Benefit	Program Implementation Expenses(2)	Evaluation Expenses(2)	Shareholder Incentive(3)
Commercial & Industrial					
Commercial Energy Efficiency Program	6.33	\$7,050.3	\$1,086.5	\$28.0	NA
Commercial High Efficiency Heating Program	2.78	\$1,111.9	\$390.7	\$9.4	NA
Economic Redevelopment Program	1.08	\$372.7	\$337.2	\$8.5	NA
Trade Ally Training Program	NA	NA	\$108.5	\$0.0	NA
EERMC - C&I	NA	NA	\$53.2	\$0.0	NA
Building Practices and Demonstrations Program	3.68	\$1,103.3	\$293.0	\$7.2	NA
The Emerald Network	1.60	\$280.4	\$171.6	\$4.1	NA
SUBTOTAL	3.81	\$9,918.5	\$2,440.5	\$57.2	\$107.6
Residential Programs					
IN-HOME SERVICES					
EnergyWise Program	6.89	\$6,496.3	\$920.4	\$22.3	NA
Single Family Low Income	1.44	\$2,001.3	\$1,350.1	\$35.0	NA
PRODUCTS & SERVICES					
High Efficiency Heating Program	5.46	\$3,326.4	\$596.2	\$12.9	NA
High Efficiency Water Heating Program	2.31	\$434.6	\$184.3	\$4.1	NA
ENERGY STAR® Thermostat Program	5.19	\$515.2	\$97.0	\$2.2	NA
EERMC - Residential	NA	NA	\$75.9	\$0.0	NA
Building Practices and Demonstrations Program	1.36	72.19	\$51.7	\$1.3	NA
ENERGY STAR® Homes	NA	NA	\$206.6	\$4.0	NA
SUBTOTAL	3.46	\$12,846.0	\$3,482.0	\$81.8	\$153.5
TOTAL	3.60	\$22,764.6	\$5,922.5	\$138.9	\$261.0

Notes:

- 1) The Rhode Island Benefit/Cost Test is equal to the expected dollar value of lifetime resource benefits divided by the sum of Implementation Expenses, Evaluation Expenses, and the target shareholder incentive.
- 2) Equal to the Net Present Value of the budget amounts provided in Attachment 6 (Compliance Filing) excluding Commitments. Subtotal and Total rows include expenses for all line items except Commitments whether or not benefits have been quantified.
- 3) See Attachment 7 (Compliance Filing).

2007 and 2008 RHODE ISLAND BENEFIT COST ANALYSIS
Summary of Benefits

	Benefits (\$000)			MMBTU Gas Saved	
	Total(4)	Natural Gas(5)	Participant Resource(6)	Annual(7)	Lifetime(8)
Commercial & Industrial					
Commercial Energy Efficiency Program	\$7,050	\$7,050	\$0	82,122	1,010,096
Commercial High Efficiency Heating Program	\$1,112	\$1,095	\$17	8,500	166,676
Economic Redevelopment Program	\$373	\$373	\$0	4,341	53,394
Trade Ally Training Program	NA	\$0	\$0	0	0
EERMC - C&I	NA	\$0	\$0	0	0
Building Practices and Demonstrations Program	\$1,103	\$1,103	\$0	10,154	138,093
The Emerald Network	\$280	\$280	\$0	3,266	40,174
SUBTOTAL	\$9,919	\$9,902	\$17	108,383	1,408,433
Residential Programs					
IN-HOME SERVICES					
EnergyWise Program	\$6,496	\$6,496	\$0	42,631	852,622
Single Family Low Income	\$2,001	\$2,001	\$0	14,465	260,366
PRODUCTS & SERVICES					
High Efficiency Heating Program	\$3,326	\$3,326	\$0	24,042	432,765
High Efficiency Water Heating Program	\$435	\$435	\$0	2,869	57,375
ENERGY STAR® Thermostat Program	\$515	\$515	\$0	6,160	61,600
EERMC - Residential	NA	\$0	\$0	0	0
Building Practices and Demonstrations Program	\$72	\$42	\$30	358	5,370
ENERGY STAR® Homes	NA	\$0	\$0	0	0
SUBTOTAL	\$12,846	\$12,816	\$30	90,525	1,670,098
TOTAL	\$22,765	\$22,718	\$47	198,908	3,078,531

Notes:

- 4) Equal to the sum of Natural Gas benefits and Participant Resource benefits.
- 5) The value of lifetime natural gas savings valued using the avoided gas costs quantified in "Avoided Energy Supply Costs in New England," December 23, 2005 prepared by ICF Consulting for the Avoided-Energy-Supply-Component Study Group. This is also the source of the electric avoided costs that have been used to assess electric energy efficiency program cost-effectiveness.
- 6) Participant Resource Benefits are equal to the dollar value of expected electricity savings that have not been included in National Grid's electric energy efficiency plans for 2007.
- 7) The projection of annual savings reflects results attained for similar programs in other jurisdictions.
- 8) Lifetime savings are equal to annual savings multiplied by the expected life of measures expected to be installed in each program.

SAVINGS AND PARTICIPATION GOALS BY PROGRAM

Program	Annual Energy Savings (MMBTU Natural Gas)(1)	Participants
Commercial & Industrial		
Commercial Energy Efficiency Program	82,122	176
Commercial High Efficiency Heating Program	8,500	225
Economic Redevelopment Program	4,341	10
Trade Ally Training Program	NA	500
EERMC - C&I	NA	NA
Building Practices and Demonstrations Program	10,154	4
The Emerald Network	3,266	7
SUBTOTAL	108,383	922
Residential Programs		
IN-HOME SERVICES		
EnergyWise Program	42,631	1,888
Single Family Low Income	14,465	336
PRODUCTS & SERVICES		
High Efficiency Heating Program	24,042	1,475
High Efficiency Water Heating Program	2,869	375
ENERGY STAR® Thermostat Program	6,160	1,400
EERMC - Residential	NA	NA
Building Practices and Demonstrations Program	358	5
ENERGY STAR® Homes	NA	NA
SUBTOTAL	90,525	5,479
TOTAL	198,908	6,401

Note:

1) See Attachment 8 (Compliance Filing), Page 2 of 3.

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been mailed or hand-delivered to the individuals listed below.



Joanne M. Scanlon

May 31, 2007

Date

**Docket 3790 – National Grid – Gas Energy Efficiency Programs
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