

John R. McDermott

Attorney-At-Law

27 East Street, Unit 2

Providence, RI 02906

Phone: 401-269-1198 E-mail: JRMcDermott.law@gmail.com

November 16, 2007

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

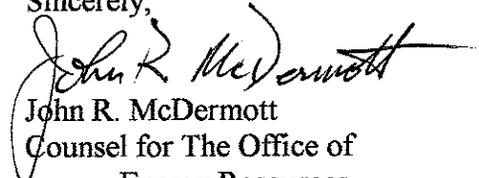
Re: Docket No. 3892 – The Narragansett Electric Company, d/b/a/National Grid,
Electric Demand-Side Management Programs for 2008

Dear Ms. Massaro:

Enclosed for filing please find the original and nine copies of the Motion to Intervene of the Rhode Island Office of Energy Resources in the above-referenced proceeding.

Thank you for your assistance in this matter.

Sincerely,


John R. McDermott
Counsel for The Office of
Energy Resources

cc: Docket No. 3892 Service List

RECEIVED
2007 NOV 16 PM 3:25
PUBLIC UTILITIES COMMISSION

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

RECEIVED
2007 NOV 16 PM 3:20
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY, : DOCKET NO. 3892
D/B/A NATIONAL GRID, ELECTRIC DEMAND-SIDE
MANAGEMENT PROGRAMS FOR 2008

MOTION TO INTERVENE OF THE RHODE ISLAND OFFICE OF ENERGY
RESOURCES

The Rhode Island Office of Energy Resources (“OER”) hereby moves under Rule 1.13 of the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission (“Rules” and “Commission” respectively) to intervene in the above-captioned proceeding and, in support of its motion, states as follows:

I. COMMUNICATIONS

All communications, correspondence or pleadings related to this proceeding should be directed to:

Andrew C. Dzykewicz
RI Office of Energy Resources
One Capitol Hill
Providence, RI 02908-5850
adzykewicz@energy.ri.us ;and

John R. McDermott
27 East Street, Unit 2
Providence, RI 02906
JRMcDermott.law@gmail.com

II. POSITION AND GROUNDS FOR INTERVENTION

OER is a state agency, created by The Comprehensive Energy Conservation, Efficiency and Affordability Act of 2006 (“Act”) and, in particular, Section 11 of the Act which contains the Rhode Island Energy Resources Act. The Rhode Island Energy Resources Act, as codified in Title 42, chapter 140 of the Rhode Island General Laws, gave OER broad responsibilities and powers to develop and promote the “provision of energy resources for Rhode Island in a manner that

enhances economic well-being, social equality, and environmental quality” as well as other diverse and substantial energy-related missions and powers.

The Act further added section 39-1-27.9 to Title 39, chapter 1 of the Rhode Island General Laws. That section provides that, in any proceedings such as this “...that relate to or could potentially impact any programs, functions or duties of the office of energy resources...”, OER, upon formal request to this Commission, shall be deemed to be “...an interested party for all purposes...” in any such proceedings. This proceeding relates to and could potentially impact programs, functions and duties of the OER.

This proceeding concerns a proposed settlement (the “Settlement”) setting forth the proposed terms of the Narragansett Electric Company, d/b/a National Grid (“Grid”), Electric Demand-Side Management Programs for 2008. OER objects to that portion of the Settlement which deals with the demand savings from demand-side management (“DSM”) projects funded, in whole or in part, by these DSM programs. Although these projects are typically only partially funded by these DSM programs and the projects themselves are actually owned by third parties, including, among others, the State of Rhode Island, the Settlement proposes that Grid be authorized by this Commission to market these resources for their owners and take all of the revenue generated by such projects in the Forward Capacity Market (“FCM”) to support Grid’s DSM program. While Grid argues that this end result is in the public interest, the end does not justify the means. These revenues should be managed by and accrue to the project owners, unless and until Grid enters into consensual management agreements with such owners.

OER’s second concern with Grid’s treatment of these FCM sales is with the amount of risk that it exposes ratepayers to in light of the risks of the FCM market itself and the Settlement provisions guaranteeing Grid’s recovery of various costs associated with these transactions, whether incremental or not, at the ratepayers expense. OER believes that the amount of risk to which the ratepayers are exposed in these transactions has been insufficiently addressed by Grid and should be carefully examined before the ratepayers are committed to this exposure. If the difference between costs and revenues for these projects is not sufficiently robust when compared to this risk, then OER believes that the DSM fund should not be risking ratepayer funds in the FCM.

Therefore, OER’s participation in this proceeding is consistent with its statutory responsibilities and will further the public interest. Accordingly, OER’s intervention is necessary and appropriate under Rule 1.13 of the Rules.

III. CONCLUSION

WHEREFORE, for the above-stated reasons, OER asks that the Commission grant its request for intervention in the above-referenced docket, with all rights

associated therewith, and set the issues raised by OER regarding the proposed Settlement for hearing.

Respectfully submitted,
Rhode Island Department of Energy Resources
By its attorney,



John R. McDermott
Attorney-At-Law
27 East Street, Unit 2
Providence, RI 02906
Tel: 401-269-1198
Email: JRMcDermott.law@gmail.com

CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November, 2007, I emailed a copy of this document to all persons providing email addresses and sent a paper copy by regular mail to any remaining persons, all as designated in the official service list compiled by the Commission Clerk in this proceeding.

