



**Environment
Northeast**

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September 5, 2008

Rockport, ME
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Charlottetown, PEI, Canada

Via Electronic Filing

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

**Re: Docket 3943, In Re: National Grid Gas Application to Implement New Rates
National Grid Request to Withdraw Decoupling Proposal**

Dear Ms. Massaro:

Environment Northeast (“ENE”) appreciates the opportunity to comment on National Grid's September 4, 2008 letter proposal to withdraw its decoupling proposal from Docket 3943. While our organization understands and respects the views expressed by the other parties, ENE supports the withdrawal of National Grid's decoupling proposal in this docket. Moreover, ENE believes that the Commission should examine the policy question of decoupling in a “generic” rulemaking-type docket for the reasons set forth below.

First, ENE believes that a generic proceeding is an appropriate forum for the Commission to investigate decoupling for both the gas and electric sectors. By taking up both gas and electric at the same time, the Commission would be afforded the opportunity to examine potential customer benefits for both sectors.

Second, a generic policy docket would not be subject to the same time constraints involved in Docket 3943. While a generic policy docket should move swiftly, it would not be subject to the seven month statutory limit seen in a rate case, allowing for more time to examine the interaction between decoupling, energy efficiency investments and customer savings as well as any potential rate impacts.

Third, in a generic policy docket, the Commission would be afforded a greater amount of flexibility; it could hold technical sessions and confer more freely with Commission staff. A general inquiry into decoupling mechanisms as a policy tool will allow the Commission, as well as interested parties, to explore a variety of decoupling mechanisms. Through a generic proceeding, all participants would be able to explore different approaches in a more informal atmosphere, leading to a policy decision that best benefits the ratepayers of Rhode Island.

ENE continues to believe that decoupling is essential to aligning the economic interests of the utility with its customers and will result in a regulatory environment that encourages investment in cost saving energy efficiency resources. We look forward to continued participation in any such proceedings before this Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeremy McDiarmid". The signature is fluid and cursive, with the first name "Jeremy" written in a larger, more prominent script than the last name "McDiarmid".

Jeremy McDiarmid
Staff Attorney

cc: Service List (via e-mail)