

June 1, 2010

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: National Grid Electric and Gas Demand-Side Management Programs - 2009 Year-End Report  
Docket 4000**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's<sup>1</sup> Demand-Side Management ("DSM") Programs 2009 Year-End Report. This report summarizes the year-end results of the Company's gas and electric energy efficiency program efforts in 2009, and serves as the Year-End Report for both. A copy of this report has also been provided to the parties in this proceeding.

Thank you for your attention to our filing. Please feel free to contact me if you have any questions regarding this matter at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4116 Service List  
RI Collaborative Members (w/attachments)

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<sup>1</sup> Submitted on behalf of The Narragansett Electric Company d/b/a National Grid ("Company").

Certificate of Service

I hereby certify that a copy of the cover letter and/or any foregoing attachments accompanying this certificate were electronically submitted, hand delivered, and/or mailed to the individuals listed below.

\_\_\_\_\_  
Joanne M. Scanlon

June 1, 2010  
Date

**National Grid - 2010 Energy Efficiency Program Plan – Docket No. 4116  
Service list updated 11/20/09**

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2009 DSM Year-End Report

for

The Narragansett Electric Company  
d/b/a National Grid

June 1, 2010

**nationalgrid**

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# National Grid 2009 DSM Year-End Report

## Overview

This report summarizes the results of The Narragansett Electric Company's, d/b/a National Grid (Company's) gas and electric energy efficiency program efforts in 2009, and serves as the Year-End Report for both. The electric and gas programs are described more fully in the "Settlement of the Parties," filed in Docket No. 4000 on November 7, 2008, and approved by the Rhode Island Public Utilities Commission in Order No. 19608, issued April 6, 2009.

## Electric Programs

### *Introduction*

This section summarizes the results of the Company's commercial and industrial (C&I) and residential electric demand-side management (DSM, or energy efficiency) program efforts in 2009. These programs are described more fully in the "Settlement of the Parties," filed November 7, 2008 and updated in the Electric Demand-Side Management Programs for 2009 Performance Metrics on October 9, 2009. They were approved by the Rhode Island Public Utilities Commission in Order No. 19608, issued April 6, 2009.

For the 2009 DSM program year, the Company established a goal, adjusted by year-end evaluation results, to achieve 11,958 kW in annual demand savings and 70,905 MWh of annual energy savings. By year-end 2009, the Company achieved annual demand savings of 16,996 kW and 81,543 annual MWh energy savings. These results were achieved at a benefit/cost ratio of 3.02. The dollar per lifetime kWh was \$0.027.

The chart below summarizes year-end program expenditures compared to budgeted amounts.

Budget vs. Expenditures, 2009		
	Budget, \$Million <sup>1</sup>	Year-End Spending, \$Million <sup>2</sup>
Total Expenditures and Commitments <sup>3</sup>	\$32.4	\$31.7
Total Expenditures, excluding Commitments	\$26.1	\$28.4
Total Implementation Expenses, residential and C&I programs <sup>4</sup>	\$23.5	\$24.4

As seen above, the Company spent \$24.4 million in 2009 on the residential and C&I DSM programs. The Company also made \$3.3 million in commitments for future projects in the Large C&I programs.

Table E-1 summarizes the 2009 year-end performance for all of the DSM programs compared with annual goals and approved budgets. Overall, the programs achieved approximately 115% of targeted annual energy savings and 142% of targeted annual kW savings, while using 108% of the implementation budget for the DSM programs.

Table E-2 summarizes the value created by the projected lifetime MWh and lifetime kW savings from the 2009 DSM programs. The programs created \$123 million in total value. The total value created stems from \$73.7 million in electricity savings, \$39.9 million in capacity and \$9.3 million from non-electric benefits such as fossil fuel and water.

Table E-3 provides the Rhode Island benefit/cost (B/C) ratios for the residential and C&I programs. The B/C ratios incorporate the total value, implementation expenses, customer contribution, evaluation costs and shareholder incentive resulting from the Company's implementation of the programs during 2009. Overall, the B/C ratio for the portfolio of energy efficiency programs implemented in 2009 is 3.02.

Table E-4 documents that the Company has earned \$1,085,888 for the successful implementation of its energy efficiency programs in 2009. The Company earned \$975,888 through the energy savings portion of the incentive mechanism. This exceeds the target

<sup>1</sup> Budget is Total Budgeted Expenditures and Commitments from the Filing in Docket 4000, filed November 7, 2009, Attachment 5, page 8.

<sup>2</sup> Year-End Spending is actual spending in 2009.

<sup>3</sup> Total Expenditures and Commitments includes all DSM program-related expenses, including rebates, administration and general expenses (A&G), evaluation, expenses to be repaid by customer co-payments, EERMC expenses, commitments for future years, and Company incentive.

<sup>4</sup> Total Implementation Expenses are net of the co-payment amounts paid directly by Small Business and Large Commercial program participants. Implementation expenses also exclude evaluation expenses, EERMC expenses, and the Company's incentive. See Table E-1 notes for details on co-payments and Table E-3 for details on the evaluation expenses and incentive.

savings incentive of \$885,943 due to the Company's exceeding the kWh savings goal in 2009. The savings target and incentive calculation for the Large C&I sector was adjusted for actual expenditures varying from budgeted amounts by more than 15%, which is greater than the 5% variation threshold to trigger an adjustment of the incentive mechanism. The Company further earned \$110,000 from fully or partially meeting four performance metric targets, while not meeting a fifth performance metric target. Table E-5 provides details on the metric performance.

The 2009 Year-End DSM fund balance of \$923,620 is shown in Table E-6. Table E-7 summarizes the Company's C&I programs and Table E-8 summarizes the Company's residential programs.

### ***Commercial and Industrial Programs***

Descriptions of the C&I energy efficiency programs implemented in 2009 are contained in Table E-7.

For the C&I programs, Design 2000*plus*, Energy Initiative and Small and Medium Business, the Company achieved 110% of the targeted annual energy savings and 147% of targeted annual kW savings while spending 115% of the implementation budget. The total resource B/C ratio for the C&I program sector was 3.05.

The total amount of implementation spending in 2009 was \$14.7 million, which was 115% of the approved 2009 spending budget. There were an additional \$3.3 million in commitments.

### ***Non-Low Income Residential Programs***

In 2009, the residential DSM programs were cost-effective with an overall total resource B/C ratio of 3.49. The Company spent approximately 99% of the residential implementation budget and achieved 122% of targeted annual energy savings and 127% of targeted annual kW savings. Descriptions of the 2009 residential energy efficiency programs are contained in Table E-8.

### ***Low Income Residential Programs***

The Single Family Low Income Services program was cost-effective with an overall total resource B/C ratio of 1.14. The Company spent approximately 101% of the implementation budget and achieved 144% of targeted annual energy savings and 141% of targeted kW savings. A description of the 2009 program is contained in Table E-8.



# Gas Programs

## Introduction

This section summarizes the results of National Grid Gas’s C&I and residential DSM program efforts. These programs are described more fully in the “Settlement of the Parties,” filed in Docket 4000 on November 7, 2008, and approved by the Rhode Island Public Utilities Commission in Order No. 19608, issued April 6, 2009. In 2009, the Company achieved 195,200 MMBTU in natural gas savings. These results were achieved at a total resource benefit/cost ratio of 2.83.

The chart below summarizes year-end program expenditures compared to budgeted amounts.

Budget vs. Expenditures, 2009		
	Budget, \$Million <sup>5</sup>	Year-End Spending, \$Million <sup>6</sup>
Total Expenditures and Commitments <sup>7</sup>	\$7.62	\$6.30
Total Expenditures, excluding Commitments	\$6.44	\$6.28
Total Implementation Expenses, residential and C&I programs <sup>8</sup>	\$5.95	\$6.23

As seen above, the Company spent \$6.3 million in 2009 on the residential and C&I DSM programs. The Company also made \$23,438 in commitments for future projects in the Large C&I programs.

Table G-1 summarizes the 2009 year-end performance for all of the DSM programs compared with annual goals and approved budgets. Overall, the programs achieved approximately 139% of targeted annual gas savings, while using 107% of the implementation budget.

Table G-2 summarizes the benefits of annual and lifetime MMBTU saved by DSM programs. The programs created approximately \$26.1 million in total value. The total value created stems from \$25.8 million in natural gas savings and \$292,000 in participant resource benefits.

Table G-3 provides the total resource B/C ratios for C&I and residential programs. The B/C ratios incorporate the total benefit, the implementation expenses, customer contribution,

<sup>5</sup> Budget is Total Budgeted Expenditures and Commitments from the Settlement.

<sup>6</sup> Year-End Spending is actual spending in 2009.

<sup>7</sup> Total Expenditures and Commitments includes all DSM program-related expenses, including rebates, administration and general expenses (A&G), evaluation, commitments for future years, EERMC expenses, and Company incentive.

<sup>8</sup> Implementation expenses exclude evaluation expenses, EERMC expenses, and the Company’s incentive. See Table G-1 notes for details on co-payments and Table G-3 for details on the evaluation expenses and incentive

evaluation expenses, and shareholder incentive. Overall, the B/C ratio for the 2009 DSM programs was 2.83.

Table G-4 documents that the Company has earned \$262,121 for the successful implementation of energy efficiency programs in 2009.

The 2009 Year-End DSM fund balance of (-\$835,805) is shown in Table G-5. Table G-6 describes the residential programs while Table G-7 describes the C&I programs.

### ***Commercial and Industrial Programs***

For the C&I programs, the Company achieved 131% of the targeted annual gas savings while spending 89% of the approved implementation budget. The total resource B/C for Large C&I programs was 3.89.

### ***Non Low Income Residential Programs***

For Residential programs, the Company achieved 173% of the targeted annual energy savings, while spending 133% of the approved implementation budget. The total resource B/C for residential programs was 2.39.

### ***Low Income Residential Programs***

The Single Family Low Income Services program achieved 92% of the targeted annual energy savings, while spending 99% of the approved implementation budget. The total resource B/C was 1.65.

## Table E-1: Summary of 2009 Target and Year-End Results

Sector and Program	(1) Demand Reduction (Annual kW)			(2) Energy Savings (Annual MWh)			(3) Customer Participation			(4) Implementation Expenses (\$ 000)			(13) Lifetime savings, MWh	(14) \$/kWh
	(1) Target	(2) Year To Date	(3) Pct Achieved	(4) Target	(5) Year To Date	(6) Pct Achieved	(7) Approved Target	(8) Year To Date	(9) Pct Achieved	(10) Budget	(11) Year To Date	(12) Pct Achieved		
<b>Commercial and Industrial</b>														
Design 2000plus	2,089	2,823	135.2%	8,496	8,304	97.7%	239	130	54.4%	\$3,229.5	\$3,033.4	93.9%	127,698	\$0.024
Energy Initiative	4,298	7,910	184.1%	26,388	32,557	123.4%	245	349	142.4%	5,546.4	\$8,124.8	146.5%	395,113	0.021
Small and Medium Business	2,484	2,317	93.3%	10,432	9,220	88.4%	835	639	76.5%	3,996.4	\$3,540.9	88.6%	111,046	0.032
<b>SUBTOTAL</b>	<b>8,871</b>	<b>13,050</b>	<b>147.1%</b>	<b>45,316</b>	<b>50,081</b>	<b>110.5%</b>	<b>1,319</b>	<b>1,118</b>	<b>84.8%</b>	<b>\$12,772.3</b>	<b>\$14,699.1</b>	<b>115.1%</b>	<b>633,857</b>	<b>\$0.023</b>
<b>Residential Low-Income</b>														
Single Family - Low Income Services	129	182	141.0%	1,186	1,713	144.4%	1,439	1,407	97.8%	\$2,628.3	\$2,652.9	100.9%	21,321	\$0.124
<b>Residential Non-Low Income</b>														
ENERGY STAR @ Homes	290	334	115.3%	586	636	108.5%	380	386	101.6%	\$860.6	\$775.8	90.2%	8,105	\$0.096
ENERGY STAR @ Central A/C Program	178	356	200.4%	97	152	157.0%	546	1,298	237.7%	429.0	\$781.2	182.1%	2,248	0.347
ENERGY STAR @ Heating Program	10	21	203.8%	83	172	206.7%	250	601	240.4%	209.9	\$96.5	46.0%	3,087	0.031
EnergyWise	447	379	84.8%	4,723	4,000	84.7%	6,194	8,615	139.1%	3,050.1	\$2,923.2	95.8%	48,709	0.060
ENERGY STAR @ Lighting	1,551	2,122	136.8%	14,496	19,871	137.1%	68,548	83,182	121.3%	980.0	\$962.5	98.2%	141,250	0.007
ENERGY STAR @ Appliances	482	551	114.2%	4,419	4,918	111.3%	7,600	9,918	130.5%	1,472.6	\$1,470.3	99.8%	40,752	0.036
Energy Efficiency Education Programs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100.9	\$15.2	15.1%	n/a	n/a
<b>SUBTOTAL</b>	<b>2,958</b>	<b>3,763</b>	<b>127.2%</b>	<b>24,403</b>	<b>29,749</b>	<b>121.9%</b>	<b>83,518</b>	<b>104,000</b>	<b>124.5%</b>	<b>\$7,103.1</b>	<b>\$7,024.7</b>	<b>98.9%</b>	<b>244,152</b>	<b>\$0.029</b>
<b>TOTAL</b>	<b>11,958</b>	<b>16,996</b>	<b>142.1%</b>	<b>70,905</b>	<b>81,543</b>	<b>115.0%</b>	<b>86,276</b>	<b>106,525</b>	<b>123.5%</b>	<b>\$22,503.7</b>	<b>\$24,376.6</b>	<b>108.3%</b>	<b>899,331</b>	<b>\$0.027</b>

**NOTES**

- (1)(4) Target from Docket 4000 - Performance Metrics, Filed October 9, 2009
- (3) Pct Achieved is Column (2)/ Column (1).
- (6) Pct Achieved is Column (5)/ Column (4).
- (7) Approved Target from 2009 Settlement, Table E-6 (electric) and G-6 (gas)
- (9) Pct Achieved is Column (8)/ Column (7).
- (10) Approved Budget from 2009 Settlement, Implementation Expenses from Table E-4 (electric) and G-4 (gas); Updated with SBS and EI Transfer, approved
  - For Design 2000plus and Energy Initiative this excludes estimated commitment budget of \$4,210,700 for Design 2000plus and \$2,100,000 for Energy Initiative, respectively.
  - For Small Business Services, this is net of expected Copayments
- (11) Year To Date Implementation Expenses are net of the following items:
  - Actual commitments made in 2009 for 2010
  - Customer Copayments
  - Evaluation expenses
- (12) Pct Achieved is Column (11)/ Column (10).
- (14) \$/lifetime kWh = Column (11)/Column (13)

### Table E-2: Summary of Value, kW, and kWh by Program

	Value (000's)											Load Reduction in kW				MWh Saved		
	Total	Capacity					Energy					Non-Electric Benefits	Maximum Annual (1)	Winter	Summer	Lifetime	Annual (1)	Lifetime
		Generation		Trans	MDC	DRIPE	Winter		Summer		DRIPE							
		Summer	Winter				On Peak	Off Peak	On Peak	Off Peak								
<b>Large Commercial and Industrial</b>																		
Design 2000plus	\$16,428	\$4,536	\$0	\$966	\$781	\$781	\$3,368	\$2,114	\$1,787	\$1,010	\$1,059	\$27	2,823	1,586	2,823	43,691	8,304	127,698
Energy Initiative	\$54,184	\$9,768	\$0	\$2,164	\$5,111	\$2,184	\$13,254	\$5,343	\$6,981	\$2,537	\$4,341	\$2,500	7,910	4,551	7,910	93,189	32,557	395,113
Small and Medium Business	\$16,618	\$2,859	\$0	\$634	\$1,496	\$641	\$4,617	\$885	\$2,430	\$420	\$1,313	\$1,324	2,317	1,225	2,317	27,371	9,220	111,046
<b>SUBTOTAL</b>	<b>\$87,230</b>	<b>\$17,164</b>	<b>\$0</b>	<b>\$3,764</b>	<b>\$7,388</b>	<b>\$3,606</b>	<b>\$21,238</b>	<b>\$8,342</b>	<b>\$11,198</b>	<b>\$3,967</b>	<b>\$6,713</b>	<b>\$3,851</b>	<b>13,050</b>	<b>7,362</b>	<b>13,050</b>	<b>164,252</b>	<b>50,081</b>	<b>633,857</b>
<b>Residential Low-Income</b>																		
Single Family - Low Income Services	\$3,179	\$243	\$0	\$53	\$126	\$50	\$450	\$459	\$229	\$219	\$206	\$1,145	182	358	182	2,389	1,713	21,321
<b>SUBTOTAL</b>	<b>\$3,179</b>	<b>\$243</b>	<b>\$0</b>	<b>\$53</b>	<b>\$126</b>	<b>\$50</b>	<b>\$450</b>	<b>\$459</b>	<b>\$229</b>	<b>\$219</b>	<b>\$206</b>	<b>\$1,145</b>	<b>182</b>	<b>358</b>	<b>182</b>	<b>2,389</b>	<b>1,713</b>	<b>21,321</b>
<b>Residential Non-Low Income</b>																		
ENERGY STAR @ Homes	\$3,778	\$730	\$0	\$150	\$354	\$92	\$161	\$170	\$92	\$81	\$77	\$1,871	334	150	334	7,569	636	8,105
ENERGY STAR @ Central A/C Program	\$1,095	\$479	\$0	\$105	\$247	\$94	\$20	\$5	\$105	\$28	\$25	\$0	356	6	356	4,753	152	2,248
ENERGY STAR @ Heating Program	\$856	\$39	\$0	\$8	\$19	\$6	\$138	\$33	\$29	\$8	\$22	\$553	21	3	21	383	172	3,087
EnergyWise	\$4,904	\$470	\$0	\$104	\$246	\$105	\$1,022	\$1,063	\$545	\$506	\$483	\$363	379	1,070	379	4,564	4,000	48,709
ENERGY STAR @ Lighting	\$17,507	\$1,500	\$0	\$375	\$885	\$586	\$3,378	\$3,525	\$1,679	\$1,659	\$2,389	\$1,531	2,122	4,244	2,122	15,131	19,871	141,250
ENERGY STAR @ Appliances	\$4,496	\$468	\$0	\$112	\$264	\$152	\$910	\$982	\$516	\$466	\$596	\$28	551	525	551	4,584	4,918	40,752
<b>SUBTOTAL</b>	<b>\$32,636</b>	<b>\$3,687</b>	<b>\$0</b>	<b>\$853</b>	<b>\$2,015</b>	<b>\$1,035</b>	<b>\$5,630</b>	<b>\$5,778</b>	<b>\$2,966</b>	<b>\$2,749</b>	<b>\$3,592</b>	<b>\$4,345</b>	<b>3,763</b>	<b>5,999</b>	<b>3,763</b>	<b>36,985</b>	<b>29,749</b>	<b>244,152</b>
<b>TOTAL</b>	<b>\$123,045</b>	<b>\$21,093</b>	<b>\$0</b>	<b>\$4,670</b>	<b>\$9,528</b>	<b>\$4,691</b>	<b>\$27,319</b>	<b>\$14,580</b>	<b>\$14,392</b>	<b>\$6,935</b>	<b>\$10,511</b>	<b>\$9,340</b>	<b>16,996</b>	<b>13,719</b>	<b>16,996</b>	<b>203,626</b>	<b>81,543</b>	<b>899,331</b>

Notes:

(1) From Table 1.

**Table E-3: Summary of B/C Ratios, Value, Implementation Expenses, and Evaluation Costs (\$000's)**

	(1) Benefit/ Cost	(2) Total Value	(3) Program Implementation Expenses	(4) Customer Contribution	(5) Evaluation Cost	(6) Shareholder Incentive
<b>Large Commercial &amp; Industrial</b>						
Design 2000plus	4.33	\$16,427.9	\$3,033.4	\$712.8	\$49.0	NA
Energy Initiative	2.99	\$54,183.7	\$8,124.8	\$9,930.2	\$65.0	NA
Small and Medium Business	2.91	\$16,618.1	\$3,540.9	\$2,141.0	\$29.5	NA
EERMC - Large C&I	NA	NA	\$386.7	NA	NA	NA
<b>SUBTOTAL</b>	<b>3.05</b>	<b>\$87,229.7</b>	<b>\$15,085.8</b>	<b>\$12,783.9</b>	<b>\$143.4</b>	<b>\$594.1</b>
<b>Low Income</b>						
Single Family - Low Income Services	<b>1.14</b>	<b>\$3,178.7</b>	<b>\$2,652.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$126.8</b>
<b>Residential Programs</b>						
ENERGY STAR @ Homes	4.34	\$3,777.9	\$775.8	\$94.8	\$0.5	NA
ENERGY STAR @ Central A/C Program	1.15	\$1,095.0	\$781.2	\$174.5	\$0.1	NA
ENERGY STAR @ Heating Program	6.90	\$856.0	\$96.5	\$27.5	\$0.0	NA
EnergyWise	1.59	\$4,904.5	\$2,923.2	\$132.3	\$30.3	NA
ENERGY STAR @ Lighting	12.97	\$17,507.3	\$962.5	\$387.1	\$0.0	NA
ENERGY STAR @ Appliances	1.87	\$4,495.6	\$1,470.3	\$935.2	\$0.0	NA
Energy Efficiency Education Programs	NA	NA	\$15.3	NA	NA	NA
EERMC - Residential	NA	NA	\$187.7	NA	NA	NA
<b>SUBTOTAL</b>	<b>3.49</b>	<b>\$32,636.3</b>	<b>\$7,212.5</b>	<b>\$1,751.4</b>	<b>\$30.9</b>	<b>\$365.0</b>
<b>TOTAL</b>	<b>3.02</b>	<b>\$123,044.7</b>	<b>\$24,951.2</b>	<b>\$14,535.3</b>	<b>\$174.3</b>	<b>\$1,085.9</b>

- (1) RI Total Resource Cost test Benefit/Cost Ratio = Value/(Implementation Expenses + Customer Contribution + Evaluation Cost + Shareholder Incentives).
- (2) Year-End Value Total from Table 2.
- (3) Year-End Implementation Expenses by Program from Table 1.
- (4) Customer Contribution for Design 2000 based on rebates for 75% of incremental costs.
- (5) National Grid's evaluation costs includes outside contractor services.
- (6) Shareholder incentives from Table 4.

## Table E-4: National Grid 2009 DSM Incentive Calculation

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)	(5a)	(5b)	(5c)	(6)
Sector	Approved Spending Budget	Target Incentive	Target Incentive for Performance Metrics	Target Incentive - Annual kWh Savings	Annual kWh Savings Goal	Adjusted Annual kWh Savings Goal	Actual Spending	Budget adjusted target kWh savings	Threshold kWh Savings
Low Income Residential	\$2,695,573	\$161,432	\$0	\$101,432	1,340,133	1,186,676	\$2,652,859	1,186,676	712,005
Non-Low Income Residential	\$7,302,804	\$274,797	\$60,000	\$274,797	27,729,471	24,402,917	\$7,055,716	24,402,917	14,641,750
Large Commercial & Industrial	\$13,545,787	\$599,714	\$90,000	\$509,714	50,261,312	45,315,724	\$14,842,509	49,653,743	29,792,246
<b>Total</b>	<b>\$23,544,164</b>	<b>\$1,035,943</b>	<b>\$150,000</b>	<b>\$885,943</b>	<b>79,330,917</b>	<b>70,905,316</b>	<b>\$24,551,083</b>	<b>75,243,335</b>	<b>45,146,001</b>

	(7)	(7a)	(8)	(9)	(10)	(11)	(12)	(13)
Sector	Target Incentive Per kWh	Adj Target Incentive Per kWh	Actual kWh	% of Target Savings	Savings Eligible for Incentive	Earned Savings Incentive	Earned Metric Incentive	Total Earned Incentive
Low Income Residential	\$0.076	\$0.085	1,713,096	144%	1,483,344	\$126,790	\$0	\$126,790
Non-Low Income Residential	\$0.010	\$0.011	29,749,296	122%	29,749,296	\$335,002	\$30,000	\$365,002
Large Commercial & Industrial	\$0.010	\$0.010	50,080,678	101%	50,080,678	\$514,097	\$80,000	\$594,097
<b>Total</b>			<b>81,543,070</b>			<b>\$975,888</b>	<b>\$110,000</b>	<b>\$1,085,888</b>

- Column 1: From 2009 EEPP, Attachment 5, Page 29
- Column 2: Column 1 \* Incentive Rate
- Column 3: From 2009 EEPP, Attachment 5, Page 9
- Column 4: Column (2) - Column (3) allocated to each sector based on the sector Spending Budget.
- Column 5: Annual MWh Approved Targets by Sector from 2009 EE Plan
- Column 5a: Annual MWh Adjusted Target by Sector from Table E-9, Column (6a) in Docket 4000 Performance Metrics, Filed October 9
- Column 5b: Actual Spending includes Implementation Expenses Year To Date from Table 1, Column 11, and Evaluation cost from Table 3, Column 5
- Column 5c: Column (5a) \* (5b)/(1), if more than 5% increase in Actual Spending
- Column 6: Column 5b \* 0.60 (60% Threshold).
- Column 7: Column 4 / Column 5
- Column 7a: Column 4/ Column 5b
- Column 8: Year End Savings from Table 1, Column (7)
- Column 9: Column 8 / Column 5b
- Column 10: If Column 9 is less than 60%, Column 10 = 0,  
If Column 9 is between 60% and 125%, Column 10 = Column 8;  
If Column 9 is greater than 125%, Column 10 = 125% of Column 5a due to the incentive cap.
- Column 11: Column 10 \* Column 7a
- Column 12: As documented in Table 5
- Column 13: Column 11 + Column 12

**Table E-5: 2009 Performance Metrics Targets and Year End Results**

Metric	Description	Target	Final	Incentive
<b>ENERGY STAR® HOMES</b>				
Residential Metric 1:	The Company will conduct plans analyses and home ratings and sign ENERGY STAR® builders' agreements for new homes being built in Rhode Island. It will increase the penetration of signed builders agreements in 2009 by 3 percentage points compared to the penetration achieved in 2008. Penetration will be calculated as the number of signed agreements divided by the number of permits for new dwelling units issued.	27.10%	<b>41.30%</b>	\$30,000
		\$30,000		
<b>RESIDENTIAL OTHER PROGRAM SAVINGS</b>				
Residential Metric 2:	The Company will achieve a target amount of MWh savings from programs other than Residential Lighting in 2009. The target will be calculated as the net annual MWh savings goal for all residential programs excluding the net annual MWh savings from the Residential Lighting program. <sup>1</sup>	9,907	<b>9,870</b>	\$0
		\$30,000		
<b>ENERGY INITIATIVE OTHER SUBPROGRAM SAVINGS</b>				
C&I Metric 1:	The Company will achieve a target amount of MWh savings from subprograms other than prescriptive lighting in the Energy Initiative program in 2009. <sup>1</sup> The target will be calculated as the net annual MWh savings from all other subprograms estimated as part of the planned savings for the Energy Initiative program in 2009. <sup>2</sup>	4,766	<b>8,266</b>	\$30,000
		\$30,000	173%	
<b>HIGH PERFORMANCE SCHOOLS</b>				
C&I Metric 2:	The Company will contract with new public or private school projects through Design 2000plus to provide full incremental cost for high performance design and construction practices with a special focus on high quality energy efficient lighting. It shall contract with 2 schools in 2009 more than were contracted with in 2008.	4	<b>3</b>	\$20,000
		\$30,000	75%	
<b>CORE PERFORMANCE BUILDINGS</b>				
C&I Metric 3:	The Company will contract with design professionals (architects, engineers, builders) to commit to apply the Core Performance guidelines in the design and construction of new commercial buildings less than 75,000 square feet in area. The Company will sign agreements covering 4 buildings in 2009.	4	<b>4</b>	\$30,000
		\$30,000	100%	

<sup>1</sup> This target is based on program savings estimates contained Docket 4000 Performance Metrics, filed October 9, 2009

<sup>2</sup> For the 2009 Energy Initiative Program, subprograms include Compressed Air, Custom, HVAC, Lighting, Motors and VSDs.

Notes

High Performance Schools include Ponagansett High School, Providence Hanley School, and Providence Nathan Bishop  
 Core Performance Buildings include the Lincoln Senior Center, Kingston Liquor Store, Johnson and Wales Visitor Center and Chario Schools

# Table E-6: Demand-Side Management Adjustment and Fund Balance

**NARRAGANSETT ELECTRIC COMPANY**  
**2009 DEMAND - SIDE MANAGEMENT ADJUSTMENT AND BALANCE**  
 12 month(s) of actuals 0 month(s) of estimates

Total C&LM Revenue/Expense for Jan-Dec 2009

	<u>Actual JAN</u>	<u>Actual FEB</u>	<u>Actual MAR</u>	<u>Actual APRIL</u>	<u>Actual MAY</u>	<u>Actual JUNE</u>	<u>6MTHS Y.T.D</u>
Residential Revenue	\$917,804	\$739,244	\$818,728	\$579,856	\$748,792	\$687,764	\$4,492,187
Commercial & Industrial Revenue	<u>\$1,335,863</u>	<u>\$1,189,270</u>	<u>\$1,311,545</u>	<u>\$911,020</u>	<u>\$1,529,619</u>	<u>\$1,310,948</u>	<u>\$7,588,264</u>
1. TOTAL REVENUE (A)	\$2,253,666	\$1,928,514	\$2,130,273	\$1,490,876	\$2,278,411	\$1,998,712	\$12,080,451
Residential Expense	\$343,763	\$166,195	\$345,104	\$366,271	\$409,083	\$359,723	\$1,990,139
Commercial & Industrial Expense	<u>\$230,365</u>	<u>\$489,387</u>	<u>\$1,624,785</u>	<u>\$876,950</u>	<u>\$732,576</u>	<u>\$1,389,094</u>	<u>\$5,343,157</u>
2. TOTAL EXPENSE (B)	\$574,128	\$655,582	\$1,969,889	\$1,243,221	\$1,141,659	\$1,748,817	\$7,333,296
3. Cash Flow Over/(Under)	\$1,679,538	\$1,272,932	\$160,384	\$247,655	\$1,136,752	\$249,895	\$4,747,155
4. Start of Period Balance (C)	\$4,588,129	\$6,284,222	\$7,578,262	\$7,762,004	\$8,033,710	\$9,196,699	\$4,588,129
5. End of Period Balance Before Interest	\$6,267,667	\$7,557,154	\$7,738,646	\$8,009,659	\$9,170,463	\$9,446,594	\$9,335,284
6. Residential Interest	(\$3,540)	(\$1,801)	(\$211)	\$837	\$1,683	\$2,707	(\$325)
Commercial & Industrial Interest	<u>\$20,095</u>	<u>\$22,909</u>	<u>\$23,569</u>	<u>\$23,215</u>	<u>\$24,553</u>	<u>\$25,724</u>	<u>\$140,066</u>
TOTAL INTEREST (D)	\$16,555	\$21,108	\$23,358	\$24,052	\$26,236	\$28,431	\$139,741
7. End of Period Balance After Interest	\$6,284,222	\$7,578,262	\$7,762,004	\$8,033,710	\$9,196,699	\$9,475,025	\$9,475,025
	<u>Actual JULY</u>	<u>Actual AUG</u>	<u>Actual SEPT</u>	<u>Actual OCT</u>	<u>Actual NOV</u>	<u>Actual DEC</u>	<u>ANNUAL TOTAL</u>
Residential Revenue	\$831,983	\$1,102,971	\$732,751	\$705,417	\$707,107	\$871,646	\$9,444,064
Commercial & Industrial Revenue	<u>\$1,429,678</u>	<u>\$1,662,349</u>	<u>\$1,107,098</u>	<u>\$1,397,838</u>	<u>\$1,305,735</u>	<u>\$1,465,469</u>	<u>\$15,956,433</u>
8. TOTAL REVENUE (A)	\$2,261,661	\$2,765,321	\$1,839,850	\$2,103,256	\$2,012,842	\$2,337,116	\$25,400,497
Residential Expense	\$710,585	\$744,092	\$1,100,014	\$2,735,697	\$1,199,559	\$1,446,313	\$9,926,399
Commercial & Industrial Expense	<u>\$590,931</u>	<u>\$1,195,851</u>	<u>\$1,349,732</u>	<u>\$1,280,897</u>	<u>\$2,532,498</u>	<u>\$2,745,426</u>	<u>\$15,038,492</u>
9. TOTAL EXPENSE (B)	\$1,301,516	\$1,939,943	\$2,449,746	\$4,016,594	\$3,732,057	\$4,191,739	\$24,964,891
10. Cash Flow Over/(Under)	\$960,145	\$825,378	(\$609,896)	(\$1,913,338)	(\$1,719,215)	(\$1,854,623)	\$435,606
11. Start of Period Balance (C)	\$9,475,025	\$10,465,533	\$11,324,089	\$10,747,802	\$8,864,326	\$7,169,526	<b>\$4,588,129</b>
12. End of Period Balance Before Interest	\$10,435,170	\$11,290,911	\$10,714,193	\$8,834,463	\$7,145,111	\$5,314,903	\$5,023,735
13. Residential Interest	\$3,400	\$4,143	\$4,143	\$499	(\$3,346)	(\$4,984)	\$3,530
Commercial & Industrial Interest	<u>\$26,963</u>	<u>\$29,036</u>	<u>\$29,466</u>	<u>\$29,364</u>	<u>\$27,761</u>	<u>\$24,023</u>	<u>\$306,677</u>
TOTAL INTEREST	\$30,363	\$33,179	\$33,608	\$29,863	\$24,414	\$19,039	\$310,207
14. End of Period Balance After Interest	\$10,465,533	\$11,324,089	\$10,747,802	\$8,864,326	\$7,169,526	\$5,333,941	<b>\$5,333,941</b>
15. 2009 Residential Incentive (E)							\$491,792
2009 Commercial & Industrial Incentive (E)							\$594,097
2009 Total Incentives (E)							\$1,085,889
15a. End of Period Balance (minus incentive)							<b>\$4,248,052</b>
15b. Commitments(D)							\$3,324,432
15c. FUND BALANCE AT YEAR-END							\$923,620

(A) Revenue Report  
 (B) Source: PeopleSoft query  
 (C) "End of Period Balance Before Interest" from prior month.  
 (D) Commitments are estimated until year-end  
 (E) This is the amount credited to the Company's General Ledger during this year.



**Table E-7: 2009 Commercial and Industrial DSM Programs**

Program Name	Description
<p><b>Design 2000<i>plus</i> Program</b></p>	<p>Promotes energy efficient design and construction practices in new and renovated commercial, industrial, and institutional buildings. The program also promotes the installation of high efficiency equipment in existing facilities during building remodeling and at the time of equipment failure and replacement. Design 2000<i>plus</i> is known as a lost opportunities program because a customer who does not install energy efficient equipment at the time of new construction or equipment replacement will likely never make the investment for that equipment or will make the investment at a much greater cost at a later time.</p> <p>Design 2000<i>plus</i> provides both technical and design assistance to help customers identify efficiency opportunities in their new building designs and to help them refine their designs to pursue these opportunities. The program also offers rebates to eliminate or significantly reduce the incremental cost of high efficiency equipment over standard efficiency equipment. Commissioning or quality assurance is also offered to ensure that the equipment and systems operate as intended.</p>
<p><b>Energy Initiative Program</b></p>	<p>Energy Initiative is a comprehensive retrofit program designed to promote the installation of energy efficient electric equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems in existing buildings. All commercial, industrial, and institutional customers are eligible to participate. The Company offers technical assistance to customers to help them identify cost-effective conservation opportunities, and pays rebates to assist in defraying part of the material and labor costs associated with the energy efficient equipment.</p>
<p><b>Small Business Services Program</b></p>	<p>The Small and Medium Business Program provides direct installation of energy efficient lighting and non-lighting retrofit measures. Customers with average monthly demand of less than 200 kW or annual energy usage of less than 300,000 kWh are eligible to participate. The program’s lighting measures are delivered through one labor and one product vendor selected through a competitive bidding process. The labor vendor performs lighting analysis, installs measures, and inputs data into a database. Refrigeration measures are performed by a different vendor. These measures include cooler door heaters, fan controls, and freezer door heater controls. The customer pays 30% of the total cost of a retrofit. This amount is discounted 15% for a lump sum payment or the customer has the option of spreading the payments over a two-year period interest free.</p>

**Table E-8: 2009 Residential DSM Programs**

Program Name	Description
<b>Residential Low Income Programs</b>	
<b>Single Family Low Income Services</b>	The low income program, marketed as the Appliance Management Program, is delivered by the State Energy Office and local Community Action agencies. It provides the same services as the EnergyWise program, described below, but no customer contribution is required for equipment installation.
<b>Residential Non Low Income Programs</b>	
<b>EnergyWise</b>	The EnergyWise program offers customers free home energy audits of their homes and information on their actual electric usage. Participants in this program receive financial incentives to replace inefficient lighting fixtures, appliances, thermostats, and insulation levels with models that are more energy efficient. The program addresses baseload electric use as well as electric heat in all residential buildings.
<b>ENERGY STAR® Products</b>	Included in this initiative is the ENERGY STAR® Appliance Program which promotes the purchase of high efficiency major appliances (refrigerators, dishwashers, clothes washers, room air conditioners, and dehumidifiers) that bear the ENERGY STAR® Label. It is offered by several utilities throughout the region.
<b>ENERGY STAR® Lighting</b>	This is an initiative implemented jointly with other regional utilities. It provides discounts to customers for the purchase of ENERGY STAR® compact fluorescent lamps and fixtures through instant rebates, special promotions at retail stores, or a mail order catalog.
<b>ENERGY STAR® Heating</b>	Homeowners purchasing or replacing an existing oil or propane heating system with a qualifying ENERGY STAR® heating system are eligible to receive a rebate to defray the cost of the higher efficiency system. Funding is provided by the Company and administered by the State Energy Office.
<b>ENERGY STAR® Central A/C</b>	This program promotes the installation of high efficiency central air conditioners. The program provides training of contractors in installation, testing of the high efficiency systems, tiered rebates for new ENERGY STAR® systems, and incentives for checking existing systems.
<b>Energy Efficiency Education Programs</b>	The Company promotes energy education in schools through the National Energy Education Development (N.E.E.D) Program. This program provides curriculum materials and training for a comprehensive energy education program. The Company also supports the ENERGY STAR® Homes Vocational School Initiative which trains students at the nine Rhode Island Career and Technical schools to be ENERGY STAR® certified builders.
<b>ENERGY STAR® Homes</b>	The ENERGY STAR® Homes Program promotes the construction of energy efficient homes by offering technical and marketing assistance, as well as cash incentives to builders of new energy efficient homes that comply with the program's performance standards.

## Table G-1: Summary of 2009 Target and Year End Results

GAS PROGRAMS Sector and Program	(1) (2) (3) Energy Savings (MMBtu)			(4) (5) (6) Customer Participation			(7) (8) (9) Implementation Expenses (\$ 000)			(10)	(11)
	Approved Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Approved Budget	Year To Date	Pct Achieved	Lifetime MMBtu	\$/Lifetime MMBtu
<b>Commercial and Industrial</b>											
Commercial Energy Efficiency Program	82,198	105,370	128.2%	305	472	154.9%	\$2,053.5	\$1,795.7	87.4%	1,264,441	0.7042
Commercial HEHE	5,683	11,804	207.7%	150	232	154.7%	381.4	\$431.5	113.1%	236,082	0.5471
Building Practices and Demonstration	1,451	246	16.9%	1	1	100.0%	72.9	\$4.7	6.5%	4,900	1.0355
<b>SUBTOTAL</b>	<b>89,333</b>	<b>117,420</b>	<b>131.4%</b>	<b>456</b>	<b>705</b>	<b>154.7%</b>	<b>\$2,507.7</b>	<b>\$2,231.9</b>	<b>89.0%</b>	<b>1,505,423</b>	<b>0.6745</b>
<b>Residential Low-Income</b>											
Single Family - Low Income Services	13,690	12,599	92.0%	319	319	100.0%	\$1,341.2	\$1,331.9	99.3%	12,614	0.0095
<b>Residential Non-Low Income</b>											
Residential HEHE, Water Heating and Controls	22,641	49,315	217.8%	2,370	5,003	211.1%	\$911.9	\$1,472.2	161.5%	718,502	0.4880
EnergyWise	15,020	15,866	105.6%	2,243	2,302	102.6%	1,032.2	\$1,175.7	113.9%	317,290	0.2699
Building Practices and Demonstration	n/a	n/a	n/a	10	10	100.0%	38.2	\$13.1	34.3%	n/a	n/a
ENERGY STAR ® Homes	n/a	n/a	n/a	n/a	n/a	n/a	15.2	\$1.1	7.0%	n/a	n/a
<b>SUBTOTAL</b>	<b>37,660</b>	<b>65,181</b>	<b>173.1%</b>	<b>4,623</b>	<b>7,315</b>	<b>158.2%</b>	<b>\$1,997.4</b>	<b>\$2,662.1</b>	<b>133.3%</b>	<b>1,035,792</b>	<b>0.3891</b>
<b>TOTAL</b>	<b>140,683</b>	<b>195,200</b>	<b>138.8%</b>	<b>5,398</b>	<b>8,339</b>	<b>154.5%</b>	<b>\$5,846.3</b>	<b>\$6,225.9</b>	<b>106.5%</b>	<b>2,553,828</b>	<b>0.4102</b>

**NOTES**

- (1) Approved Target from 2009 Settlement, Attachment 5, page 6.
- (3) Pct Achieved is Column (2)/ Column (1).
- (4) Approved Target from 2009 Settlement, Attachment 5, page 6
- (6) Pct Achieved is Column (5)/ Column (4).
- (8) Approved Budget from 2009 Settlement, Attachment 5, page 4.
- (9) Pct Achieved is Column (9)/ Column (8).
- (11) \$/ Lifetime MMBtu is Column (8)/ Column (2)

**Table G-2: Summary of Value and Annual and Lifetime MMBTU**

	Value (\$000)			MMBTU Gas Saved	
	Total Value (1)	Natural Gas Benefits(2)	Participant Resource(3)	Annual(4)	Lifetime(5)
<b>Commercial &amp; Industrial</b>					
Commercial Energy Efficiency Program	\$11,233	\$11,233	\$0	105,370	1,264,441
Commercial HEHE	\$1,909	\$1,909	\$0	11,804	236,082
Building Practices and Demonstration	\$40	\$40	\$0	246	4,900
<b>SUBTOTAL</b>	<b>\$13,182</b>	<b>\$13,182</b>	<b>\$0</b>	<b>117,420</b>	<b>1,505,423</b>
<b>Low Income Residential</b>					
Single Family - Low Income Services	\$2,292	\$2,292	\$0	12,599	12,614
<b>SUBTOTAL</b>	<b>\$2,292</b>	<b>\$2,292</b>	<b>\$0</b>	<b>12,599</b>	<b>12,614</b>
<b>Residential Programs</b>					
ENERGY STAR ® Homes	\$0	\$0	\$0	n/a	n/a
EnergyWise	\$3,135	\$3,135	\$0	15,866	317,290
Residential HEHE, Water Heating and Controls	\$7,462	\$7,170	\$292	49,315	718,502
Building Practices and Demonstration	\$0	\$0	\$0	n/a	4,900
<b>SUBTOTAL</b>	<b>\$10,597</b>	<b>\$10,305</b>	<b>\$292</b>	<b>65,181</b>	<b>1,040,692</b>
<b>TOTAL</b>	<b>\$26,071</b>	<b>\$25,779</b>	<b>\$292</b>	<b>195,200</b>	<b>2,558,728</b>

Notes:

- 1) Total Benefits equal Natural Gas Benefits plus Participant Resources.
- 2) 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.
- 3) Participant Resource Benefits are equal to the dollar value of electric savings that have not been included in National Grid's electric energy efficiency plans for 2009.
- 5) Lifetime savings are equal to annual savings multiplied by the expected life of measures installed in each program.

**Table G-3: Summary of B/C Ratios, Value, Implementation Expenses, and Evaluation Costs**

	(1) TRC Benefit/ Cost	(2) Total Value	(3) Program Implementation Expenses	(4) Customer Contribution	(5) Evaluation Expenses	(6) Shareholder Incentive
<b>Commercial &amp; Industrial</b>						
Commercial Energy Efficiency Program	5.05	\$11,233.5	\$1,795.7	\$425.3	\$2.6	NA
Commercial HEHE	2.21	\$1,909.3	\$431.5	\$431.7	\$0.0	NA
Building Practices and Demonstration	0.25	\$39.6	\$4.7	\$152.6	\$0.0	NA
EERMC - C&I	NA	NA	\$30.9	NA	NA	NA
<b>SUBTOTAL</b>	<b>3.89</b>	<b>\$13,182.4</b>	<b>\$2,262.8</b>	<b>\$1,009.6</b>	<b>\$2.6</b>	<b>\$114.5</b>
<b>Low Income Residential</b>						
Single Family - Low Income Services	1.72	\$2,292.0	\$1,331.9	\$0.0	\$0.0	NA
EERMC - Low Income Residential	NA	NA	\$0.0	\$0.0	NA	NA
<b>SUBTOTAL</b>	<b>1.65</b>	<b>\$2,292.0</b>	<b>\$1,331.9</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$56.1</b>
<b>Non Low Income Residential</b>						
ENERGY STAR ® Homes	NA	NA	\$1.1	\$0.0	\$0.0	NA
EnergyWise	1.73	\$3,134.8	\$1,175.7	\$633.4	\$2.5	NA
Residential HEHE, Water Heating and Controls	3.00	\$7,461.9	\$1,472.2	\$1,014.3	\$4.3	NA
Building Practices and Demonstration	NA	NA	\$13.1	\$0.0	\$0.0	NA
EERMC - Residential	NA	NA	\$23.3	NA	NA	NA
<b>SUBTOTAL</b>	<b>2.39</b>	<b>\$10,596.7</b>	<b>\$2,685.4</b>	<b>\$1,647.7</b>	<b>\$6.8</b>	<b>\$91.5</b>
<b>TOTAL</b>	<b>2.83</b>	<b>\$26,071.1</b>	<b>\$6,280.1</b>	<b>\$2,657.3</b>	<b>\$9.4</b>	<b>\$262.1</b>

Notes:

- 1) The TRC Test is equal to the expected dollar value of lifetime resource benefits divided by the sum of Implementation Expenses, Customer Contribution, Evaluation Expenses, and the target shareholder incentive.
- 3) From Table 1
- 6) From Table 4.

**Table G-4: National Grid 2009 DSM Incentive Calculation**

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)
Sector	Budget	Target Incentive	Annual Savings Goal (MMBTU)	Threshold Savings (MMBTU)	Target Incentive Per MMBTU
<b>Low Income Residential</b>	\$1,385,991	\$60,984	13,690	8,214	\$4.455
<b>Non-Low Income Residential</b>	\$2,080,160	\$91,527	37,660	22,596	\$2.430
<b>Commercial &amp; Industrial</b>	\$2,601,580	\$114,470	89,333	53,600	\$1.281
<b>Total</b>	<b>\$6,067,731</b>	<b>\$266,981</b>	<b>140,683</b>	<b>84,410</b>	

	(6)	(7)	(8)	(9)
Sector	Actual Savings (MMBTU)	% of Target Savings	Savings Eligible for Incentive	Earned Savings Incentive
<b>Low Income Residential</b>	12,599	92%	12,599	\$56,124
<b>Non-Low Income Residential</b>	65,427	174%	37,660	\$91,527
<b>Large Commercial &amp; Industrial</b>	117,420	131%	89,333	\$114,470
<b>Total</b>	<b>182,847</b>	<b>1.299706739</b>	<b>\$139,592</b>	<b>\$262,121</b>

**Notes:**

- (1) Approved Budget from 2007/2008 Settlement, Attachment 7.
- (2) Equal to the incentive rate (4.40%) x Column (1).
- (3) Approved savings goal from 2009 Settlement, Attachment 5, page 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)
- (6) From Table 1, Column (1).
- (7) Column (6)/Column (3)
- (8) If Column 7 is less than 60%, Column 8 = 0,  
If Column 7 is between 60% and 100%, Column 8 = Column 6;  
If Column 7 is greater than 100%, Column 8 = 100% of Column 3 due to the incentive cap.
- (9) Equal to Column (8) \* Column (5).

# Table G-5: Demand-Side Management Adjustment and Fund Balance

Date: 27-May-10

**NATIONAL GRID - RHODE ISLAND GAS**  
**2009 DEMAND - SIDE MANAGEMENT ADJUSTMENT AND BALANCE**  
12 month(s) of actuals 0 month(s) of estimates

Total C&LM Revenue/Expense for Jan-Dec 2009

	<u>Actual JAN</u>	<u>Actual FEB</u>	<u>Actual MAR</u>	<u>Actual APRIL</u>	<u>Actual MAY</u>	<u>Actual JUNE</u>	<u>6MTHS Y.T.D</u>
Residential Revenue	\$383,430	\$525,049	\$414,786	\$317,462	\$162,358	\$91,109	\$1,894,195
Comm & Ind Revenue	<u>\$322,611</u>	<u>\$391,441</u>	<u>\$357,953</u>	<u>\$298,397</u>	<u>\$168,697</u>	<u>\$139,409</u>	<u>\$1,678,507</u>
1. TOTAL REVENUE (A)	\$706,041	\$916,490	\$772,739	\$615,859	\$331,055	\$230,518	\$3,572,702
Residential Expense	\$24,854	\$38,993	\$417,856	\$280,865	\$154,411	\$316,582	\$1,233,561
Comm & Ind Expense	<u>\$5,154</u>	<u>\$12,807</u>	<u>\$528,662</u>	<u>\$243,160</u>	<u>\$37,518</u>	<u>(\$56,550)</u>	<u>\$770,751</u>
2. TOTAL EXPENSE (B)	\$30,008	\$51,800	\$946,518	\$524,025	\$191,929	\$260,032	\$2,004,312
3. Cash Flow Over/(Under)	\$676,033	\$864,690	(\$173,779)	\$91,834	\$139,126	(\$29,514)	\$1,568,390
4. Start of Period Balance	\$338,712	\$1,016,465	\$1,884,837	\$1,715,628	\$1,811,939	\$1,955,847	\$338,712
5. End of Period Balance Before Interest	\$1,014,745	\$1,881,155	\$1,711,058	\$1,807,462	\$1,951,065	\$1,926,334	\$1,907,102
6. Residential Interest	(\$1,716)	(\$647)	(\$35)	\$8	\$64	(\$212)	(\$2,537)
C&I Interest	<u>\$3,436</u>	<u>\$4,329</u>	<u>\$4,604</u>	<u>\$4,469</u>	<u>\$4,718</u>	<u>\$5,145</u>	<u>\$26,702</u>
TOTAL INTEREST	\$1,720	\$3,682	\$4,570	\$4,477	\$4,782	\$4,934	\$24,165
7. End of Period Balance After Interest	\$1,016,465	\$1,884,837	\$1,715,628	\$1,811,939	\$1,955,847	\$1,931,267	\$1,931,267
	<u>Actual JULY</u>	<u>Actual AUG</u>	<u>Actual SEPT</u>	<u>Actual OCT</u>	<u>Actual NOV</u>	<u>Actual DEC</u>	<u>\$2,009 Y.T.D</u>
Residential Revenue	\$74,317	\$58,093	\$56,616	\$83,719	\$154,437	\$256,743	\$2,578,120
Comm & Ind Revenue	<u>\$209,551</u>	<u>\$126,231</u>	<u>\$71,105</u>	<u>\$124,412</u>	<u>\$177,923</u>	<u>\$232,974</u>	<u>\$2,620,702</u>
8. TOTAL REVENUE (A)	\$283,867	\$184,324	\$127,721	\$208,131	\$332,359	\$489,717	\$5,198,822
Residential Expense	\$381,195	\$548,083	\$80,378	\$911,359	\$142,253	\$649,659	\$3,946,488
Comm & Ind Expense	<u>\$91,439</u>	<u>\$8,431</u>	<u>\$140,136</u>	<u>\$43,431</u>	<u>\$781,045</u>	<u>\$362,432</u>	<u>\$2,197,665</u>
9. TOTAL EXPENSE (B)	\$472,634	\$556,514	\$220,514	\$954,790	\$923,298	\$1,012,091	\$6,144,153
10. Cash Flow Over/(Under)	(\$188,767)	(\$372,190)	(\$92,793)	(\$746,659)	(\$590,939)	(\$522,374)	(\$945,331)
11. Start of Period Balance	\$1,931,267	\$1,747,169	\$1,378,947	\$1,289,541	\$545,211	(\$45,093)	\$338,712
12. End of Period Balance Before Interest	\$1,742,501	\$1,374,979	\$1,286,154	\$542,882	(\$45,728)	(\$567,467)	(\$606,619)
13. Residential Interest	(\$889)	(\$1,904)	(\$2,562)	(\$3,650)	(\$4,696)	(\$5,191)	(\$21,429)
C&I Interest	<u>\$5,558</u>	<u>\$5,872</u>	<u>\$5,948</u>	<u>\$5,979</u>	<u>\$5,330</u>	<u>\$4,413</u>	<u>\$59,802</u>
TOTAL INTEREST	\$4,669	\$3,968	\$3,387	\$2,329	\$635	(\$778)	\$38,374
14. End of Period Balance After Interest	\$1,747,169	\$1,378,947	\$1,289,541	\$545,211	(\$45,093)	(\$568,246)	(\$568,246)
15. 2009 Residential Incentive (C)							\$147,651
2009 Commercial & Industrial Incentive (C)							\$114,470
2009 Total Incentives (C)							\$262,121
16. End of Period Balance (minus incentive)							(\$830,367)
17. Commitments							\$23,438
18. FUND BALANCE AT YEAR-END							(\$853,805)

(A) Revenue Report

(B) Source: PeopleSoft query

(C) This is the amount credited to the Company's General Ledger during this year.

**Table G-6: 2009 Residential Energy Efficiency Programs**

Program Name	Description
<b>Low Income Program</b>	
Single Family Low Income Services	The program offers free weatherization services provided to income eligible 1-4 unit homes. It is operated through the Rhode Island Office of Energy Resources (OER).
<b>Non Low Income Program</b>	
EnergyWise Program	The program offers free in home assessment for both single and multi-family homes and provides recommendations and technical assistance for the installation of energy saving measures as well as incentives to encourage implementation of recommendations.
High-Efficiency Heating Equipment (HEHE), Water Heating and Controls.	HEHE offers a variety of rebates on gas heating equipment, water heaters, combined systems, and thermostats. The rebate levels are based on the efficiency level of the equipment. The program trains installers to promote efficient heating equipment to customers.
ENERGY STAR <sup>®</sup> Homes Program	The program offers free building plans review and certification for new ENERGY STAR <sup>®</sup> residential construction.
Building Practices and Demonstration Program	The program offers funding for demonstration projects that apply to new or underutilized technologies.



**Table G-7: 2009 Commercial and Industrial Energy Efficiency Programs**

Program Name	Description
Commercial Energy Efficiency Program	The program provides financial assistance to customers to help defray the cost of an energy audit by providing co-funding for engineering studies and financial incentives to help fund qualifying energy saving measures. Customers apply for program services or incentives through a variety of channels including Company representatives, plumbing and heating contractors, engineering firms, energy service companies or equipment vendors. There are three specific categories of incentives: (1) Prescriptive incentives for common energy efficiency measures including programmable thermostats, boiler reset controls, steam trap replacements, pipe and/or duct insulation, and building shell (walls, roof, floor, crawlspace) insulation, (2) Prescriptive incentives are available for energy efficient gas fired commercial kitchen equipment, (3) Custom incentives are for projects that demonstrate the use of natural gas more efficiently than typical industry practices, or more efficiently than the minimum building code requirements.
Commercial High Efficiency Heating Program	The program is a lost opportunity program that provides prescriptive incentives for new heating equipment during a planned replacement or for new construction. Prescriptive incentives are available for furnaces, boilers, infrared heaters and domestic hot water systems.
Building Practices & Demonstration Program	The program demonstrates applications of new or underutilized energy efficient procedures, processes, or technologies.