

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY d/b/a/  
NATIONAL GRID'S 2012 ENERGY EFFICIENCY  
PLAN AND 2012 – 2014 ENERGY EFFICIENCY  
AND SYSTEM RELIABILITY PROCUREMENT  
PLAN

DOCKET NO. 4295  
DOCKET NO. 4284

**ORDER**

WHEREAS, the Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed a 2012-2014 Energy Efficiency and System Reliability Procurement Plan (“3 Year Plan”) on September 7, 2011; and,

WHEREAS, the 3-Year Plan is filed pursuant to the Least Cost Procurement Act (“Act”) (RIGL §39-1-27.7) and consists of an Energy Efficiency Procurement Plan and a System Reliability Procurement Plan; and,

WHEREAS, the 3-Year Plan represents the Company’s long-term goals for achieving energy efficiency and system reliability consistent with the LCP Act; and,

WHEREAS, the Company filed the 2012 Energy Efficiency Program Plan (“EEP Plan”) on November 1, 2011 which provides the details, budget and fully reconciling funding mechanism of the Energy Efficiency and System Reliability Procurement Plan for the upcoming program year (2012);

WHEREAS, the 3 Year Plan and the 2012 EEP Plan are addressed simultaneously in this Order due to the proximity of issues and timing of decisions;<sup>1</sup>

WHEREAS, the 2012 Energy Efficiency Program Plan is a settlement agreement executed by National Grid, the Division of Public Utilities and Carriers, TEC-RI, Environment Northeast and the Energy Efficiency and Resources Management Council (“EERMC”); and,

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<sup>1</sup> Docket 4295 and 4284 were decided at the same open meeting on December 21, 2011.

WHEREAS, the 3-Year Plan and the 2012 Energy Efficiency Program Plan are fully endorsed by all parties participating in the above referenced dockets, and the EERMC has certified both Plans as cost-effective within the meaning of RIGL §39-1-27.7 and the Commission approved Total Resource Cost Test; and,

WHEREAS, the Company, in the 2012 EEP Plan, proposed budgets of \$13.7 million and \$61.4 million, respectively, for gas and electric efficiency programs, and fully reconciling funding mechanisms that would decrease the gas efficiency program charge to \$0.384 /dekatherm (gas) and increase the electric efficiency program charge to \$0.00589/kWh (electric); and,

WHEREAS, the Company, in the 2012 EEP Plan, proposed to continue the existing 4.40% shareholder incentive as well an incentive of 10% of funding secured by the Company from outside sources which results in a lower incremental energy efficiency program charge; and,

WHEREAS, the Company's 2012-2014 EE-SRP Plan is a roadmap for achieving least cost procurement over the next three years in accordance with RIGL §39-1-27.7 and the Energy Efficiency Savings Targets approved in Docket 4202; and,

WHEREAS, the electric savings targets proposed by the Company in the 3-Year Plan are the same as those approved by the Commission in Docket 4202 (1.7%, 2.1% and 2.5% for years 2012 – 2014 respectively) and are designed to make Rhode Island “a national leader in energy efficiency”.<sup>2</sup>

WHEREAS, in the 3-Year Plan, the Company's proposed natural gas savings targets for years 2012, 2013 and 2014 (0.6%, 0.8% and 1.0%) are slightly lower than those approved in Docket 4202. The Company explained that the slight deviation in gas savings targets results from

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<sup>2</sup> National Grid 1, p.13.

a combination of factors which include limited funding, rapid market transformations and the continuing decline in gas supply costs.<sup>3</sup>

WHEREAS, the 3-Year Plan established four main strategies for achieving the electric and gas savings targets: 1) making energy efficiency available to everyone; 2) expanding marketing and customer outreach; 3) innovation; and 4) economic growth.

WHEREAS, the Commission finds that the 2012-2014 Energy Efficiency and System Reliability Procurement Plan is in compliance with R.I.G.L. §39-1-27.7 and the Standards for Energy Efficiency and Conservation Procurement and System Reliability approved in Docket 4202; and

WHEREAS, the Commission finds that the 2012 Energy Efficiency Program Plan is in compliance with applicable Rhode Island General Laws including R.I.G.L. § 39-1-27.7; and,

WHEREAS, the 2012-2014 Energy Efficiency and System Reliability Procurement Plan and the 2012 Energy Efficiency Program Plan are fully endorsed by all parties participating in the above referenced dockets.

ACCORDINGLY, it is

(20596) ORDERED:

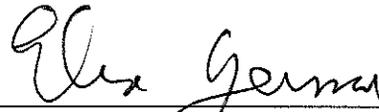
1. National Grid's 2012 Energy Efficiency Program Plan, including the fully reconciling funding mechanism resulting in charges of \$0.384 /dekatherm for gas and \$0.00589/kWh for electric, is hereby approved;
2. National Grid's 2012-2014 Energy Efficiency and System Reliability Procurement Plan is hereby approved.
3. All Energy Efficiency Tariff Provisions filed by National Grid shall comply with the terms and provisions of this Order.

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<sup>3</sup> Id., p.6, 15-16.

EFFECTIVE AT WARWICK, RHODE ISLAND ON DECEMBER 21, 2011  
PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 21, 2011. WRITTEN  
ORDER ISSUED DECEMBER 22, 2011.

PUBLIC UTILITIES COMMISSION



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Elia Germani, Chairman



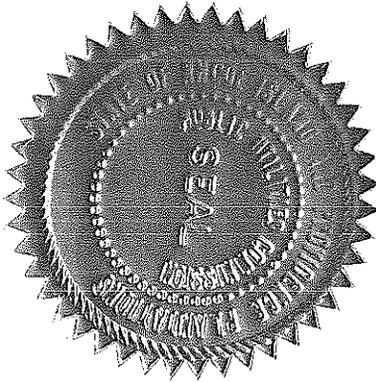
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Mary E. Bray, Commissioner



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Paul J. Roberti, Commissioner\*



\*Commissioner Roberti dissented from the Commission's approval of the Company's proposed 10% incentive for outside funding but concurred with the majority on all other aspects of the Company's 2012 Energy Efficiency Plan and the 2012-2014 Energy Efficiency and System Reliability Procurement Plan. Commissioner Roberti's dissenting opinion will follow along with the Commission's final report and order.