

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC
COMPANY d/b/a NATIONAL GRID'S
2012 SYSTEM RELIABILITY PLAN

DOCKET NO. 4296

ORDER

WHEREAS, the Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) filed a 2012 System Reliability Plan on November 1, 2011 and a revised 2012 System Reliability Plan Report Supplement (“Plan” or “SRP Plan”) on February 1, 2012. The SRP Plan filed on February 1, 2012 superseded the original plan filed on November 1, 2011, and therefore all references to “the Plan” or “SRP Plan” are to the February 1, 2012 filing; and,

WHEREAS, the SRP Plan is filed pursuant to the Least Cost Procurement Act (RIGL §39-1-27.7) and the System Reliability Procurement Standards (“Standards”) approved in Docket 4202 (Order No. 20419); and,

WHEREAS, the SRP Plan represents the Company’s efforts to incorporate non-wires alternatives into its distribution planning process in compliance with the System Reliability Procurement Standards approved in Docket 4202; and,

WHEREAS, by way of the Plan, the Company proposes to leverage existing energy efficiency funds and seeks additional funding of \$221,000 to conduct a Load Curtailment Pilot (“Pilot”) in the Tiverton/Little Compton area; and,

WHEREAS, the Company has proposed the Load Curtailment Pilot to address anticipated load growth in the Tiverton/Little Compton area resulting in an expected overload of two substation feeders estimated to occur in this area on or before 2014; and,

WHEREAS, the Pilot will serve approximately 5,600 customers (residential and commercial) and will target existing energy efficiency programs to the Tiverton/Little Compton area and incorporate other cost effective energy efficiency technologies such as programmable controllable thermostats and lighting with enhanced demand response ballasts; and,

WHEREAS, the Company is seeking in the long term to shed approximately 860kW of load over the course of the Pilot, or by 2017, and to defer construction of a new substation feeder estimated to cost \$2,900,000; and,

WHEREAS, the projected budget over the entire 6 year life of the Pilot is approximately \$1,260,000; however, the Company only seeks approval of \$221,000 to fund the first 10 months of the pilot in 2012, and an incremental SRP charge of \$0.0000342/kWh to be added to the existing energy efficiency procurement (“EEP”) charge, resulting in a new EEP charge of \$0.00592/kWh; and,

WHEREAS, the Company has requested funding of \$221,000 to cover focused energy efficiency costs and system reliability plan costs associated with the Pilot. These costs include without limitation program planning and administration costs, the implementation of demand response credits and other customer incentives, higher rebates and enhanced outreach, technical assistance and training, marketing and evaluation; and,

WHEREAS, the Company has calculated an overall benefit cost ratio for the Pilot of 1.60 in 2012 and 1.82 over the life of the Pilot; and,

WHEREAS, the Plan is in compliance with the System Reliability Procurement Standards, and the Division and the EERMC recommend approval of the Plan on the condition that the DSM Collaborative is kept apprised of the progress and development of the Plan.

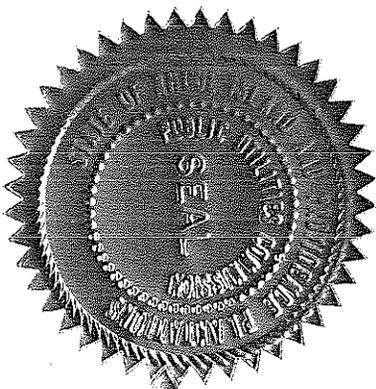
ACCORDINGLY, it is

(20662) ORDERED:

1. Funding for Narragansett Electric Company d/b/a National Grid's 2012 System Reliability Plan in the amount of \$221,000 is hereby approved;
2. Narragansett Electric Company d/b/a National Grid is authorized to conduct the 6-year Load Curtailment Pilot described in the Plan;
3. Narragansett Electric Company d/b/a National Grid's proposed incremental charge of \$0.0000342/kWh to implement the 2012 System Reliability Plan ("SRP") is hereby approved and shall be added to the existing Energy Efficiency Procurement ("EEP") charge of \$0.00589/kWh. The new EEP charge, including the aforesaid incremental SRP charge, shall be \$0.00592/kWh and is hereby approved for effect on March 1, 2012;
4. On a quarterly basis, the Narragansett Electric Company d/b/a National Grid shall provide a report to the DSM Collaborative updating the Collaborative on the status of the 2012 SRP. The report shall inform the Collaborative of the overall success of the 2012 Plan, including any issues arising in the implementation of the Plan, as well any issues arising in the planning and development of the 2013 System Reliability Plan, including any potential transmission and distribution deferral projects which the Company has identified for 2013;
5. All Energy Efficiency Tariff Provisions filed by National Grid shall comply with the terms and provisions of this Order.

EFFECTIVE AT WARWICK, RHODE ISLAND ON FEBRUARY 27, 2012
PURSUANT TO AN OPEN MEETING DECISION ON FEBRUARY 27, 2012. WRITTEN
ORDER ISSUED FEBRUARY 29, 2012.

PUBLIC UTILITIES COMMISSION





Elia Germani, Chairman



Mary E. Bray, Commissioner

Paul J. Roberti, Commissioner*

*Commissioner Roberti consents to the terms and provisions of this Order but is
unavailable for signature.