

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RE: NARRAGANSETT ELECTRIC COMPANY d/b/a/
NATIONAL GRID'S 2013 ENERGY EFFICIENCY
PLAN AND 2013 SYSTEM RELIABILITY
PROCUREMENT PLAN

DOCKET NO. 4366
DOCKET NO. 4367

ORDER

WHEREAS, the Narragansett Electric Company d/b/a National Grid ("National Grid" or "Company") filed a 2013 System Reliability Plan on November 2, 2012 ("SRP Plan"); and,

WHEREAS, the 2013 SRP Plan is filed pursuant to the Least Cost Procurement Act (R.I.G.L. §39-1-27.7) and the System Reliability Procurement Standards ("Standards") approved in Docket 4202 (Order No. 20419); and,

WHEREAS, the 2013 SRP Plan is a Settlement Agreement among National Grid, the Division of Public Utilities and Carriers, the Energy Efficiency Resource Management Council, TEC-RI and Environment Northeast; and,

WHEREAS, the 2013 SRP Plan represents the Company's continued 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, the Company proposes to leverage existing energy efficiency funds and seeks approval of its proposed 2013 budget of \$343,500 to continue the Load Curtailment Pilot ("Pilot") in the Tiverton/Little Compton area; and,

WHEREAS, the proposed 2013 budget is based in part on the Company's projection of unspent funds left over from 2012 totaling \$90,300, leaving a customer funded balance of \$253,200; and,

WHEREAS, the Company proposes to apply the 2013 budget on enhanced efficiency incentives, additional energy efficiency measures not offered through statewide programs, increased marketing, participation and technology updates; and,

WHEREAS, the Pilot serves approximately 5,600 customers (residential and commercial) and targets existing energy efficiency programs to the Tiverton/Little Compton area. In 2013, the Pilot will continue to incorporate cost effective energy efficiency technologies and measures such as wi fi programmable controllable thermostats and window air conditioning recycling, in addition to incorporating new technologies designed to enable the control and curtailment of electricity consumption through electronic signals; and,

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

WHEREAS, the approval of the 2013 budget of \$343,500 would result in an incremental SRP charge of \$0.00003/kWh to be added to the proposed energy efficiency procurement (“EEP”) charge of \$0.00862/kWh, resulting in a total EEP charge of \$0.00865/kWh; and,

WHEREAS, the Pilot’s cost benefit ratio is estimated to be 1.33 in 2013 and 1.46 over the life of the Pilot; and,

WHEREAS, the 2013 Energy Efficiency Program Plan is a Settlement Agreement executed by National Grid, the Division of Public Utilities and Carriers, the Energy Efficiency and Resources Management Council (“EERMC”), TEC-RI and Environment Northeast; and,

WHEREAS, the 2013 EEP includes proposed budgets of \$77.5 million and \$19.5 million, respectively, for electric and gas efficiency programs, and fully reconciling funding mechanisms that would increase the electric efficiency program charge from \$0.00589/kWh to

\$0.00862/kWh and increase the gas efficiency program charge from \$0.0384/dekatherm to \$0.414/dekatherm; and,

WHEREAS, the Company proposes to eliminate from the 2013 EEPP the 10% incentive for securing outside funding; and,

WHEREAS, the Company proposes to continue the existing shareholder incentive but increase the threshold and incentive amount earned. The 2013 EEPP would increase the threshold required to earn an incentive from 60% to 75% , increase the target incentive from 4.4% to 5.0% of the spending budget and authorize a higher incentive for exceeding 100% of target; and,

WHEREAS, the 2013 EEPP includes support for combined, heat and power (“CHP”) installation pursuant to R.I.G.L. §39-1-27.7, including tariff amendments, incentives and streamlined technical assistance studies for eligible CHP customers, and has an estimated cost benefit ratio of 2.27 for electric and 1.91 for gas; and,

WHEREAS, CHP customers receiving incentives pursuant to the 2013 EEPP will no longer be billed on the B-32/62 back-up rate but will be billed according to revised general service tariffs submitted pursuant to the 2013 EEPP; and,

WHEREAS, the Company’s 2013 System Reliability Procurement Plan and 2013 Energy Efficiency Procurement Plan are both in compliance with R.I.G.L. §39-1-27.7 and the Standards for Energy Efficiency and Conservation Procurement and System Reliability. Both plans are fully endorsed by the Division, EERMC, TEC-RI and Environment Northeast.

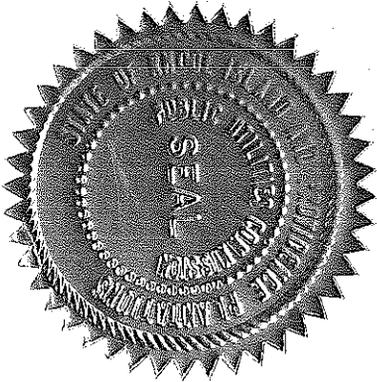
ACCORDINGLY, it is

(20911) ORDERED:

1. Narragansett Electric Company d/b/a National Grid's 2013 Energy Efficiency Program Plan, including all provisions in support of combined, heat and power installation, all proposed tariff provisions and the fully reconciling funding mechanism resulting in charges of \$0.414 /dekatherm for gas and \$0.00862/kWh for electric, is hereby approved for effect on January 1, 2013;
2. Narragansett Electric Company d/b/a National Grid's 2013 System Reliability Procurement Plan, including the 2013 budget of \$343,500 and proposed incremental SRP charge of \$0.00003/kWh to continue funding the Tiverton Load Curtailment Pilot and enhanced marketing, participation and technology updates, is hereby approved for effect on January 1, 2013.
3. Narragansett Electric Company d/b/a National Grid's 2013 SRP charge of \$0.00003/kWh shall be added to the 2013 Energy Efficiency Procurement ("EEP") charge of \$0.00862/kWh for a total new EEP charge of \$0.00865/kWh, approved for effect on January 1, 2013;
4. 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 JANUARY 1, 2013
PURSUANT TO A BENCH DECISION ON DECEMBER 18, 2012. WRITTEN ORDER
ISSUED DECEMBER 21, 2012.

PUBLIC UTILITIES COMMISSION



Elia Germani

Elia Germani, Chairman

Mary E. Bray

Mary E. Bray, Commissioner

Paul J. Roberti

Paul J. Roberti, Commissioner