

December 23, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4366 – The Narragansett Electric Company, d/b/a National Grid
2013 Energy Efficiency Program Plan
Notification of Overspend**

Dear Ms. Massaro:

On behalf of National Grid¹ and pursuant to Sections IV.D.1 of the Energy Efficiency Program Plan For 2013 Settlement of the Parties (“2013 Plan”) approved in Docket 4366, the Company is filing this letter to notify the Commission that the Company plans to exceed its 2013 Plan total electric portfolio budget by 6.7 percent and total gas portfolio budget by 6.4 percent. Section IV.D(1) of the Budget Management provisions of the 2013 Plan provides:

The Company’s expenditures and commitments for 2013 may exceed total budget by up to 10% so long as a written explanation is provided to the EERMC and the Commission for any deviation and the expenditures and commitments are reasonably consistent with the original 2013 plan.

The Company expects several residential programs to exceed their approved programmatic budgets due to higher than anticipated customer demand. Details on these projections are provided below. The overall impact of the overspend in both the electric and gas sector is not expected to exceed 10 percent of the total budget; however, in the event that the Company anticipates that actual expenditures will exceed 10 percent, the Company will make the appropriate filings with the Energy Efficiency and Resources Management Council (“EERMC”) and the Commission in accordance with the budget management provisions of the 2013 Plan.

¹ The Narragansett Electric Company d/b/a National Grid (referred to herein as “National Grid” or the “Company”).

In the electric sector, overspend is projected to exceed the total electric portfolio budget by 1.2 percent. The electric overspend is in addition to the August 8, 2013 notification to the Commission regarding the \$4.3 million dollars in 2012 carryover funds that was treated as an overspend and used to fund the Commercial and Industrial (“C&I”) Revolving Loan Fund. The combination of the \$4.3 million carryover and the residential electric overspend will result in a 6.7 percent overspend of the approved total electric portfolio budget for 2013.

In the gas sector, the overspend is projected to exceed the total gas portfolio budget by 6.4 percent.

The details regarding the projected overspend in each sector is as follows:

A. Electric Sector

1. EnergyWise (electric) is expected to overspend by \$815,000.
 - Customer participation in this program was higher than anticipated.
2. EnergyWise Multifamily (electric) is expected to overspend by \$85,000.
 - Customer participation in this program was higher than anticipated.

B. Gas Sector

1. ENERGY STAR® HVAC (gas) is expected to overspend by \$500,000.
 - The reason for the overspend is better than anticipated program participation as a result of efforts by the new Lead Vendor that aided in maintaining contractor confidence and participation.
 - New popular measures are also leading to increased spending (i.e. WiFi thermostats, including the online "instant" rebate offers with Nest.com & Energy Federation (“EFI”).
 - The overspend will allow participation to continue through the beginning of this heating season, and to continue momentum and contractor confidence into 2014.
2. EnergyWise(gas) is expected to overspend by \$650,000.
 - The Company projects to overspend because of higher than anticipated demand.
3. EnergyWiseMultifamily (gas) is expected to overspend by \$110,000.

Luly E. Massaro, Commission Clerk
2013 Energy Efficiency Program Plan
December 23, 2013
Page 3 of 3

- The Company projects to overspend in response to higher than expected demand in this previously underserved market.

For the reasons outlined above, the Company believes that the deviation in its 2013 spending is reasonably consistent with the 2013 Plan. The Company is simultaneously providing a copy of this written explanation of overspending to the EERMC as required by Section IV.D.1 of the 2013 Plan.

Thank you for your prompt and timely attention in this request. If you have any questions, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

cc: Jon Hagopian, Esq.
Steve Scialabba, Division
Dave Stearns, Division
Leo Wold, Esq.
R. Daniel Prentiss, Esq., EERMC
S. Paul Ryan, Chairman, EERMC

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Copies of this filing were hand delivered to the RI Public Utilities Commission.



Jennifer Brooks Hutchinson
National Grid

December 23, 2013

Date

**Docket No. 4366 - National Grid - 2013 Energy Efficiency Program Plan
Service list updated 11/1/12**

Name/Address	E-mail Distribution List	Phone
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com	401-784-7288
	Thomas.teehan@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
	Jeremy.newberger@nationalgrid.com	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	
	dmacrae@riag.ri.gov	
Jon Hagopian, Esq. Division of Public Utilities and Carriers	Jhagopian@ripuc.state.ri.us	401-784-4775
	Dstearns@ripuc.state.ri.us	
	Acontente@ripuc.state.ri.us	
	Sscialabba@ripuc.state.ri.us	
William H. Ferguson, Executive Director The Energy Council of RI (TEC-RI) 436 Armistice Blvd. Pawtucket, RI 02861	Bferguson2010@cox.net	401-722-7352
R. Daniel Prentiss, P.C. (for EERMC) Prentiss Law Firm One Turks Head Place, Suite 380 Providence, RI 02903	dan@prentisslaw.com	401-824-5150
Jeremy McDiarmid, Esq. Environment Northeast 101 Tremont St., Suite 401 Boston, MA 02108	jmcdiarmid@env-ne.org	617-742-0054
	aanthony@env-ne.org	

<p>Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903</p>	<p>jelmer@clf.org</p>	<p>401-351-1102</p>
<p>Scudder Parker VEIC</p>	<p>sparker@veic.org</p>	
<p>Tim Woof Synapse Energy Economics 22 Pearl Street Cambridge, MA 02139</p>	<p>twoolf@synapse-energy.com</p>	
<p>Original & 10 copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888</p>	<p>Lmassaro@puc.state.ri.us cwilson@puc.state.ri.us Anault@puc.state.ri.us Adalessandro@puc.state.ri.us Nucci@puc.state.ri.us Dshah@puc.state.ri.us</p>	<p>401-941-4500</p>