

January 3, 2014

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4436 - 2013 Gas Cost Recovery Filing
Response to Commission Post-Hearing Data Request

Dear Ms. Massaro:

Enclosed please are ten (10) copies of the National Grid's¹ response to the Commission's Post Hearing Data Request issued in the above-referenced proceeding.

Thank you for your attention to this filing. If you have any questions, please contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4436 Service List
Leo Wold, Esq.
Steve Scialabba
Bruce Oliver

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

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 and the RI Division.

Joanne M. Scanlon

January 3, 2014

Date

Docket No. 4436 – National Grid – 2013 Annual Gas Cost Recovery Filing (“GCR”) - Service List as of 9/9/13

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Request:

Please identify, in addition to the GPIIP and the NGPMP, all of the different programs for which National Grid can earn an incentive. Specify, the program, docket under which the incentive was authorized, date of its inception, details of the incentive plan, how much the Company has earned in incentive payments over the last five years broken down by year, and what portion, if any, ratepayers are entitled to receive.

Response:

GPIIP & NGPMP Incentive

The Gas Procurement Incentive Plan ("GPIIP") was originally approved in Docket 3436, Order 17444. The table below lists the customer and Company benefit for the last five years.

Incentive Period	Customer Benefit	National Grid Benefit
July 2008 – June 2009	\$7,634,933	\$1,000,000*
July 2009 – June 2010	\$9,924,667	\$1,000,000*
July 2010 – June 2011	\$1,918,747	\$226,102
July 2011 – June 2012	\$2,252,596	\$355,884
July 2012 – June 2013	\$2,229,458	\$453,345

*National Grid incentive was capped at \$1,000,000.

The Natural Gas Portfolio Management Plan ("NGPMP") was originally approved on February 24, 2009 in Docket 4038, Order 19627. The table below lists the customer and company benefit for the incentive plan since the inception of the NGPMP.

Incentive Period	Customer Benefit	National Grid Benefit
April 2009 – March 2010	\$2,501,102	\$375,276
April 2010 – March 2011	\$3,924,148	\$731,037
April 2011 – March 2012	\$4,599,193	\$899,798
April 2012 – March 2013	\$6,930,285	\$1,482,571

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Energy Efficiency Incentive

The Company earns an incentive for its gas and electric energy efficiency programs. Electric energy efficiency programs began in 1987, a shareholder incentive was authorized shortly thereafter. Gas energy efficiency programs began in 2007; a shareholder incentive was part of the first plan approved by the Commission in Docket No. 3790.

The basic shareholder incentive design is that the target incentive is a percentage of the spending budget and 100% of the incentive is earned if 100% of the efficiency savings target is met. The incentive is earned for therms saved above an established threshold. There is an opportunity to earn an additional incentive for savings achieved in excess of the savings target up to an incentive cap. The thresholds, incentive percentage, and cap have been altered over the years. The electric energy efficiency programs through 2010 also included performance metrics in the shareholder incentive design, where a portion of the target incentive was set aside and earned for undertaking certain actions that supported the achievement of energy savings. The Commission approved the current incentive structure as part of the Company's 2013 Energy Efficiency Program Plan in Docket No. 4366.

The table below presents the earned shareholder incentive over the past five full years.

Gas Energy Efficiency	Year	Docket	Earned Incentive
	2008	3790	\$321,801
	2009	4000	\$262,121
	2010	4116	\$231,310
	2011	4209	\$239,863
	2012	4295	\$586,036
Electric Energy Efficiency	2008	3892	\$675,282
	2009	4000	\$1,085,888
	2010	4116	\$1,333,996
	2011	4209	\$1,929,273
	2012	4295	\$2,469,411

Please note that, in the table, gas energy efficiency reporting for 2008 combines 2007 & 2008. The Company documents its earned incentive for each year in the Year End Report that it files with the Commission in the corresponding docket.