

November 26, 2013

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4451 – The Narragansett Electric Company, d/b/a National Grid  
2014 Energy Efficiency Program Plan  
Supplemental Filing**

Dear Ms. Massaro:

Enclosed are ten (10) copies of revised gas tables identified as Attachment 5-Revised, of National Grid's<sup>1</sup> proposed Energy Efficiency Program Plan for 2014 (the "2014 Plan" or "Plan") that the Company filed with the Commission on November 1, 2013. Following the November 1 filing, the Company noted that the gas sales forecast used in calculating the gas Energy Efficiency Program ("EEP") charge was inconsistent with the forecast that the Company had used in other recent regulatory proceedings. In addition, the Company noted that it had not updated the uncollectible rate in the calculation of the uncollectible gross up of the gas EEP charge. The Company has revised the forecast and updated the uncollectible rate in Attachment 5-Revised to reflect an accurate calculation of the gas EEP charge that would be assessed to customers and is submitting Attachment 5-Revised to the Commission for its approval.

The Company also filed Attachment 4-Revised on November 22, 2013 to correct inconsistencies in its electric sales forecast and to include the uncollectible gross-up adjustment in the calculation of the electric EEP charge. Together with Attachment 4-Revised, the enclosed Attachment 5-Revised completes the supplemental filing of the Company's 2014 Plan that it is presenting to the Commission for approval.

A summary of the changes contained in Attachment 5-Revised (Tables G-1 through G-9) is as follows:

- The Company corrected the forecast of gas sales in Table G-1 downward approximately 9%. Although the revised quantity of sales is from the same forecast

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (referred to herein as "National Grid" or the "Company").

that the Company used in its November 1, 2013 filing, the original quantity inadvertently double-counted sales forecasted for some rate classes and omitted sales forecasted for other rate classes. In addition, the C&I sector forecast reflected in the November 1 filing omitted the forecast of Non Firm customers, who are subject to the gas EEP charge. Therefore, the Company has included the forecast for this group of customers in this supplemental filing. Also, pursuant to the settlement agreement in Docket 3790, and included in each annual EEP approved since then, certain customers are eligible for an exemption from the gas EEP charge as a result of having installed separately metered combined heat and power (“CHP”) generating facilities or having implemented a self-directed energy efficiency program. The Company has two customers who qualify and are exempt from the EEP charge for the applicable portion of their gas usage as a result of having installed CHP. Therefore, the Company has reduced the forecast in Table G-1 by the historic sales to these customers, as the Company’s forecast includes them. Finally, the November 1 forecast was presented on a calendar-month basis while the corrected forecast is presented, with all of the above corrections, on a billing-month basis. This revised forecast is consistent with the gas forecast used in other recent proceedings.

- To maintain the proposed two sector-specific gas EEP charges as close to the \$0.596 per dekatherm for residential customers and \$0.474 per dekatherm for C&I customers from the November 1 filing as possible, the Company reduced the gas budget by \$2.3 million. This results in a new gas EEP charge of \$0.600 for residential customers and \$0.492 for C&I customers, inclusive of the gross up for uncollectibles expense. The impact on the typical residential heating customer using 846 therms per year is an increase of \$15.97 or 1.3%. Schedule 2 to this letter illustrates the calculation of these figures.<sup>2</sup>
- Thus, in this supplemental filing, the Company is proposing a total gas budget of \$23.5 million (compared to \$25.8 million in the November 1 filing), as shown on Table G-1. The budget reductions include \$1.7 million from program incentives and sales support distributed across all programs, \$300,000 from C&I financing of gas energy efficiency projects, and the balance from marketing, evaluation, and regulatory and shareholder incentive costs that are based on a percentage of the budget. The resulting changes to costs and benefits are reflected in Tables G-2 through G-7, as well as G-9. In addition, as a result of the revised budget, the benefit-cost ratio increased from 1.69 to 1.70, as shown in Table G-5.
- As a result of the budget reduction, savings are 93% of the originally filed savings. The new lifetime savings expected to be produced from the gas plan is 4,052,374

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<sup>2</sup> The Company submitted electric bill impacts as Schedule 1 to the Company’s November 22, 2013 filing. For ease of reference, the Company has identified the gas bill impacts included with this filing as Schedule 2.

MMBtu, as shown in Table G-6, which translates into a lifetime bill savings of approximately \$50.7 million.<sup>3</sup> The revised gas plan will create economic benefits of \$49.0 million over the life of the measures (compared to \$53.5 million in the November 1 filing), as shown in Table G-6. When combined with electric, the Plan will still generate more than \$416.4 million in total economic benefits over the life of the measures.

- Participation in the gas programs will decrease by approximately 1,100 customers compared to the originally filed plan, but will still increase by 46,285 participants compared to the 2013 Plan for the gas program, as shown on Table G-7.
- The Company has also updated the gross-up adjustment for the uncollectible rate of 3.18% in Table G-1, the rate approved by the Commission in the Company's last general rate case, Docket 4323, and to show the charges as they will appear on customer bills.
- For the sake of completeness the Company has included the full set of gas tables.

The Company believes it is necessary to make these corrections to its gas EEP charges and to revise its gas programs accordingly in order to balance the concerns of the parties regarding the funding levels for this year's Plan. The Company apologizes to the Commission for any inconvenience that may have been caused as a result of the errors in the original forecast, and the Company has taken steps to mitigate this occurrence in the future. The Company believes, however, that the gas programs, as revised in this supplemental filing, still meet the objectives of all parties and will provide a stable delivery of energy efficiency services to its customers, notwithstanding the reduction in the gas budget compared to the original proposal.

The Company has consulted with the settlement parties (i.e. the Division of Public Utilities and Carriers, the Rhode Island Energy Efficiency and Resources Management Council, Environment Northeast, and The Energy Council of Rhode Island), and they have each indicated their support for and approval of Attachment 5-Revised. In addition, the Company has received confirmation from The Energy Council of Rhode Island that they support and approve of the revised electric tables (Attachment 4-Revised) that the Company filed with the Commission on November 22, 2013.

The Company respectfully requests that the Commission approve the 2014 Plan, as revised in this supplemental filing.

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<sup>3</sup> Lifetime bill savings are estimated by multiplying lifetime savings by current rates in 2013 dollars.

Luly E. Massaro, Commission Clerk  
Docket 4451 - EEPP Supplemental Filing (Gas)  
November 26, 2013  
Page 4 of 4

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

cc: Docket 4451 Service List  
Karen Lyons, Esq.  
Jon Hagopian, Esq.  
Steve Scialabba, Division

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 of Public Utilities and Carriers.



\_\_\_\_\_  
Jennifer Brooks Hutchinson

November 26, 2013  
Date

**Docket No. 4451 - National Grid - 2014 Energy Efficiency Program Plan  
Service list updated 11/5/13**

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**National Grid - RI Gas**  
**2014 Energy Efficiency Plan Filing - 2014 Energy Efficiency Program Charge**  
**Bill Impact Analysis with Various Levels of Consumption:**

Line  
No.

**Residential Heating:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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**National Grid - RI Gas  
2014 Energy Efficiency Plan Filing - 2014 Energy Efficiency Program Charge  
Bill Impact Analysis with Various Levels of Consumption:**

Line  
No.

**Residential Non-Heating:**

(31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						<u>GCR</u>	<u>Base DAC</u>	<u>DAC</u>	<u>ISR</u>
	140	\$327.76	\$325.12	\$2.64	0.8%	\$0.00	\$0.00	\$0.00	\$0.00
	155	\$345.59	\$342.67	\$2.92	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	171	\$364.69	\$361.46	\$3.23	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	184	\$380.17	\$376.68	\$3.48	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	198	\$396.86	\$393.15	\$3.71	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	<b>214</b>	<b>\$415.56</b>	<b>\$411.54</b>	<b>\$4.02</b>	<b>1.0%</b>	\$0.00	\$0.00	\$0.00	\$0.00
	228	\$432.63	\$428.33	\$4.30	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	244	\$451.74	\$447.13	\$4.61	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	258	\$468.42	\$463.57	\$4.86	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	275	\$488.62	\$483.43	\$5.20	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	288	\$504.19	\$498.76	\$5.43	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	Average Customer								
						\$0.00	\$0.00	\$0.08	\$2.56
						\$0.00	\$0.00	\$0.09	\$2.83
						\$0.00	\$0.00	\$0.10	\$3.13
						\$0.00	\$0.00	\$0.10	\$3.38
						\$0.00	\$0.00	\$0.11	\$3.60
						\$0.00	\$0.00	\$0.12	\$3.90
						\$0.00	\$0.00	\$0.13	\$4.17
						\$0.00	\$0.00	\$0.14	\$4.47
						\$0.00	\$0.00	\$0.15	\$4.71
						\$0.00	\$0.00	\$0.16	\$5.04
						\$0.00	\$0.00	\$0.16	\$5.27

**Residential Non-Heating Low Income:**

(46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60)	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						<u>GCR</u>	<u>Base DAC</u>	<u>DAC</u>	<u>ISR</u>
	140	\$305.34	\$302.70	\$2.64	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	155	\$322.49	\$319.58	\$2.92	0.9%	\$0.00	\$0.00	\$0.00	\$0.00
	171	\$340.87	\$337.64	\$3.23	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	184	\$355.76	\$352.27	\$3.48	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	198	\$371.82	\$368.10	\$3.71	1.0%	\$0.00	\$0.00	\$0.00	\$0.00
	<b>214</b>	<b>\$389.81</b>	<b>\$385.79</b>	<b>\$4.02</b>	<b>1.0%</b>	\$0.00	\$0.00	\$0.00	\$0.00
	228	\$406.23	\$401.93	\$4.30	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	244	\$424.62	\$420.01	\$4.61	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	258	\$440.66	\$435.81	\$4.86	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	275	\$460.10	\$454.90	\$5.20	1.1%	\$0.00	\$0.00	\$0.00	\$0.00
	288	\$475.08	\$469.64	\$5.43	1.2%	\$0.00	\$0.00	\$0.00	\$0.00
	Average Customer								
						\$0.00	\$0.00	\$0.08	\$2.56
						\$0.00	\$0.00	\$0.09	\$2.83
						\$0.00	\$0.00	\$0.10	\$3.13
						\$0.00	\$0.00	\$0.10	\$3.38
						\$0.00	\$0.00	\$0.11	\$3.60
						\$0.00	\$0.00	\$0.12	\$3.90
						\$0.00	\$0.00	\$0.13	\$4.17
						\$0.00	\$0.00	\$0.14	\$4.47
						\$0.00	\$0.00	\$0.15	\$4.71
						\$0.00	\$0.00	\$0.16	\$5.04
						\$0.00	\$0.00	\$0.16	\$5.27



**National Grid - RI Gas  
2014 Energy Efficiency Plan Filing - 2014 Energy Efficiency Program Charge  
Bill Impact Analysis with Various Levels of Consumption:**

Line  
No.

**C & I Small:**

	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						<u>GCR</u>	<u>Base DAC</u>	<u>DAC</u>	<u>GET</u>
(61)									<u>EE</u>
(62)									
(63)									
(64)									
(65)	880	\$1,407.00	\$1,400.21	\$6.79	0.5%	\$0.00	\$0.00	\$0.00	\$0.20
(66)	973	\$1,513.14	\$1,505.62	\$7.52	0.5%	\$0.00	\$0.00	\$0.00	\$0.23
(67)	1,067	\$1,619.66	\$1,611.41	\$8.25	0.5%	\$0.00	\$0.00	\$0.00	\$0.25
(68)	1,162	\$1,724.87	\$1,715.89	\$8.99	0.5%	\$0.00	\$0.00	\$0.00	\$0.27
(69)	1,258	\$1,825.46	\$1,815.75	\$9.71	0.5%	\$0.00	\$0.00	\$0.00	\$0.29
(70)	<b>1,352</b>	\$1,922.85	\$1,912.42	<b>\$10.43</b>	<b>0.5%</b>	\$0.00	\$0.00	\$0.00	\$0.31
(71)	1,446	\$2,021.06	\$2,009.87	\$11.20	0.6%	\$0.00	\$0.00	\$0.00	\$0.34
(72)	1,542	\$2,120.69	\$2,108.76	\$11.93	0.6%	\$0.00	\$0.00	\$0.00	\$0.36
(73)	1,635	\$2,217.30	\$2,204.65	\$12.65	0.6%	\$0.00	\$0.00	\$0.00	\$0.38
(74)	1,730	\$2,314.90	\$2,301.52	\$13.38	0.6%	\$0.00	\$0.00	\$0.00	\$0.40
(75)	1,825	\$2,412.54	\$2,398.45	\$14.09	0.6%	\$0.00	\$0.00	\$0.00	\$0.42

**C & I Medium:**

	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						<u>GCR</u>	<u>Base DAC</u>	<u>DAC</u>	<u>GET</u>
(76)									<u>EE</u>
(77)									
(78)									
(79)									
(80)	7,941	\$9,309.28	\$9,247.90	\$61.38	0.7%	\$0.00	\$0.00	\$0.00	\$1.84
(81)	8,796	\$10,218.71	\$10,150.70	\$68.01	0.7%	\$0.00	\$0.00	\$0.00	\$2.04
(82)	9,650	\$11,126.64	\$11,052.03	\$74.61	0.7%	\$0.00	\$0.00	\$0.00	\$2.24
(83)	10,505	\$12,036.07	\$11,954.85	\$81.23	0.7%	\$0.00	\$0.00	\$0.00	\$2.44
(84)	11,361	\$12,945.90	\$12,858.06	\$87.84	0.7%	\$0.00	\$0.00	\$0.00	\$2.64
(85)	<b>12,217</b>	\$13,856.04	\$13,761.57	<b>\$94.46</b>	<b>0.7%</b>	\$0.00	\$0.00	\$0.00	\$2.83
(86)	13,073	\$14,766.20	\$14,665.12	\$101.08	0.7%	\$0.00	\$0.00	\$0.00	\$3.03
(87)	13,928	\$15,675.08	\$15,567.37	\$107.71	0.7%	\$0.00	\$0.00	\$0.00	\$3.23
(88)	14,782	\$16,583.57	\$16,469.27	\$114.30	0.7%	\$0.00	\$0.00	\$0.00	\$3.43
(89)	15,637	\$17,492.45	\$17,371.51	\$120.94	0.7%	\$0.00	\$0.00	\$0.00	\$3.63
(90)	16,492	\$18,401.92	\$18,274.40	\$127.52	0.7%	\$0.00	\$0.00	\$0.00	\$3.83

## C & ILLF Large:

## C & I HLF Large:

**National Grid - RI Gas**  
**2014 Energy Efficiency Plan Filing - 2014 Energy Efficiency Program Charge**  
**Bill Impact Analysis with Various Levels of Consumption:**

Line  
No.

**C & I LLF Extra-Large:**

	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						GCR	DAC		GET
							Base DAC	ISR	
(121)	174,357	\$157,195.72	\$155,847.62	\$1,348.10	0.9%	\$0.00	\$0.00	\$0.00	\$40.44
(122)	193,136	\$173,559.73	\$172,066.41	\$1,493.32	0.9%	\$0.00	\$0.00	\$0.00	\$44.80
(123)	211,912	\$189,921.42	\$188,282.92	\$1,638.51	0.9%	\$0.00	\$0.00	\$0.00	\$49.16
(124)	230,688	\$206,283.67	\$204,499.97	\$1,783.70	0.9%	\$0.00	\$0.00	\$0.00	\$53.51
(125)	249,466	\$222,646.84	\$220,718.00	\$1,928.85	0.9%	\$0.00	\$0.00	\$0.00	\$57.87
(126)	<b>268,243</b>	<b>\$239,009.19</b>	<b>\$236,935.14</b>	<b>\$2,074.05</b>	<b>0.9%</b>	\$0.00	\$0.00	\$0.00	\$62.22
(127)	287,018	\$255,370.29	\$253,151.09	\$2,219.21	0.9%	\$0.00	\$0.00	\$0.00	\$66.58
(128)	305,796	\$271,734.11	\$269,369.72	\$2,364.39	0.9%	\$0.00	\$0.00	\$0.00	\$70.93
(129)	324,573	\$288,096.57	\$285,587.00	\$2,509.58	0.9%	\$0.00	\$0.00	\$0.00	\$75.29
(130)	343,350	\$304,459.00	\$301,804.22	\$2,654.78	0.9%	\$0.00	\$0.00	\$0.00	\$79.64
(131)	362,127	\$320,821.48	\$318,021.54	\$2,799.95	0.9%	\$0.00	\$0.00	\$0.00	\$84.00
(132)									
(133)									
(134)									
(135)									

Average Customer

**C & I HLF Extra-Large:**

	Annual Consumption (Therms)	Proposed Rates	Current Rates	Difference	% Chg	Difference due to:			
						GCR	DAC		GET
							Base DAC	ISR	
(136)	447,421	\$373,404.07	\$369,944.60	\$3,459.47	0.9%	\$0.00	\$0.00	\$0.00	\$103.78
(137)	495,605	\$413,050.44	\$409,218.43	\$3,832.01	0.9%	\$0.00	\$0.00	\$0.00	\$114.96
(138)	543,789	\$452,697.59	\$448,493.02	\$4,204.57	0.9%	\$0.00	\$0.00	\$0.00	\$126.14
(139)	591,972	\$492,343.23	\$487,766.12	\$4,577.11	0.9%	\$0.00	\$0.00	\$0.00	\$137.31
(140)	640,155	\$531,988.82	\$527,039.14	\$4,949.68	0.9%	\$0.00	\$0.00	\$0.00	\$148.49
(141)	<b>688,340</b>	<b>\$571,636.42</b>	<b>\$566,314.22</b>	<b>\$5,322.21</b>	<b>0.9%</b>	\$0.00	\$0.00	\$0.00	\$159.67
(142)	736,523	\$611,282.40	\$605,587.64	\$5,694.75	0.9%	\$0.00	\$0.00	\$0.00	\$170.84
(143)	784,708	\$650,929.52	\$644,862.18	\$6,067.34	0.9%	\$0.00	\$0.00	\$0.00	\$182.02
(144)	832,891	\$690,575.92	\$684,136.05	\$6,439.87	0.9%	\$0.00	\$0.00	\$0.00	\$193.20
(145)	881,074	\$730,221.53	\$723,409.12	\$6,812.41	0.9%	\$0.00	\$0.00	\$0.00	\$204.37
(146)	929,259	\$769,869.41	\$762,684.42	\$7,184.99	0.9%	\$0.00	\$0.00	\$0.00	\$215.55
(147)									
(148)									
(149)									
(150)									

Average Customer

**Table G-1  
National Grid  
Gas DSM Funding Sources in 2014 by Sector  
\$(000)**

	<u>Projections by Sector</u>			<b>Total</b>
	<b>Income Eligible Residential</b>	<b>Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	
<b>(1) Projected Budget (from G-2):</b>	<b>\$4,827.0</b>	<b>\$10,289.7</b>	<b>\$8,375.8</b>	<b>\$23,492.5</b>
<b>Sources of Other Funding:</b>				
(2) Estimated Year-End 2013 Fund Balance and Interest:	(\$200.0)	(\$1,860.3)	\$4,010.4	\$1,950.1
(3) Low Income Weatherization in Base Rates:	<u>\$200.00</u>			<u>\$200.00</u>
<b>(4) Total Other Funding:</b>	<b>\$0.0</b>	<b>(\$1,860.3)</b>	<b>\$4,010.4</b>	<b>\$2,150.1</b>
<b>(5) Customer Funding Required:</b>	<b>\$4,827.0</b>	<b>\$12,150.0</b>	<b>\$4,365.4</b>	<b>\$21,342.3</b>
(6) Forecasted Firm Dth Sales	1,815,891	17,284,732	19,492,157	38,592,780
(7) Forecasted Non Firm Dth Sales			2,717,890	2,717,890
(8) Less: Exempt DG Customers			(740,708)	(740,708)
<b>(9) Forecasted Dth Sales:</b>	<b>1,815,891</b>	<b>17,284,732</b>	<b>21,469,338</b>	<b>40,569,962</b>
Average Energy Efficiency Program Charge per Dth				
(10) excluding Uncollectible Recovery:				\$0.526
Proposed Energy Efficiency Program Charge per Dth				
(11) excluding Uncollectible Recovery	\$0.581	\$0.581	\$0.477	
(12) Currently Effective Uncollectible Rate	<u>3.18%</u>	<u>3.18%</u>	<u>3.18%</u>	
<b>Proposed Energy Efficiency Program Charge per Dth</b>				
<b>(13) including Uncollectible Recovery:</b>	<b>\$0.600</b>	<b>\$0.600</b>	<b>\$0.492</b>	
Currently Effective Energy Efficiency Program Charge				
(14) per Dth	\$0.417	\$0.417	\$0.417	
Adjustment to Reflect Fully Reconciling Funding				
(15) Mechanism	\$0.183	\$0.183	\$0.075	

**Notes**

(1) Projected Budget from G-2 includes Regulatory costs allocated to each sector based on forecasted sales.

(2) Fund Balance projections include projected revenue and spend through year end, with Low Income sector set to \$0 through projected subsidization from other sectors. Also includes contribution from C&I sector to Residential sector consistent with 2013 Plan.

(11) As agreed to by the settling parties, the proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates. The C&I charge includes collection of \$5875.5 of which \$3771.9 will be allocated to the low income sector and \$2,107.5 to the residential sector.

**Table G-2**  
**National Grid**  
**2014 Gas Energy Efficiency Program Budget (\$000)**

	Program Planning and Administration	Marketing	Rebates and Other Customer Incentives	Sales, Technical Assistance and Training	Evaluation & Market Research	Shareholder Incentive	Grand Total
<b>Non-Income Eligible Residential:</b>							
ENERGY STAR <sup>®</sup> HVAC	\$53.5	\$279.0	\$1,449.5	\$214.9	\$35.2	\$0.0	\$2,032.0
EnergyWise	\$108.4	\$52.9	\$4,380.0	\$279.2	\$28.1	\$0.0	\$4,848.6
EnergyWise Multifamily	\$21.1	\$5.3	\$1,100.0	\$188.3	\$6.8	\$0.0	\$1,321.4
Home Energy Reports	\$18.5	\$0.2	\$412.4	\$37.2	\$27.6	\$0.0	\$496.0
Residential Products Pilot	\$2.4	\$18.1	\$62.5	\$53.3	\$0.1	\$0.0	\$136.4
Residential New Construction	\$7.5	\$0.4	\$425.0	\$175.6	\$1.4	\$0.0	\$610.0
Comprehensive Marketing - Residential	\$2.5	\$136.8	\$0.0	\$0.3	\$0.1	\$0.0	\$139.8
Community Based Initiatives - Residential	\$0.9	\$0.0	\$30.0	\$13.5	\$5.1	\$0.0	\$49.5
Residential Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$481.7	\$481.7
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$214.9</b>	<b>\$492.8</b>	<b>\$7,859.3</b>	<b>\$962.3</b>	<b>\$104.4</b>	<b>\$481.7</b>	<b>\$10,115.4</b>
<b>Income Eligible Residential:</b>							
Single Family - Income Eligible Services	\$24.4	\$7.2	\$1,877.5	\$674.9	\$17.3	\$0.0	\$2,601.3
Income Eligible Multifamily	\$56.0	\$6.1	\$1,650.0	\$255.6	\$10.8	\$0.0	\$1,978.4
Income Eligible Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$229.0	\$229.0
<b>Subtotal - Income Eligible Residential</b>	<b>\$80.3</b>	<b>\$13.3</b>	<b>\$3,527.5</b>	<b>\$930.5</b>	<b>\$28.2</b>	<b>\$229.0</b>	<b>\$4,808.7</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	\$77.0	\$118.9	\$1,383.0	\$517.7	\$65.6	\$0.0	\$2,162.3
Large Commercial Retrofit	\$119.3	\$189.3	\$2,543.3	\$820.7	\$80.8	\$0.0	\$3,753.3
Small Business Direct Install	\$7.2	\$40.5	\$279.6	\$218.6	\$26.9	\$0.0	\$572.8
Commercial & Industrial Multifamily	\$14.2	\$41.3	\$335.0	\$98.3	\$0.3	\$0.0	\$489.1
Commercial & Industrial Pilots	\$6.9	\$32.9	\$294.7	\$64.4	\$0.2	\$0.0	\$399.1
Finance Costs	\$0.0	\$0.0	\$200.0	\$0.0	\$0.0	\$0.0	\$200.0
Comprehensive Marketing - Commercial & Industrial	\$3.9	\$159.2	\$0.0	\$10.6	\$0.1	\$0.0	\$173.7
Community Based Initiatives - C&I	\$0.0	\$0.0	\$0.0	\$30.0	\$0.0	\$0.0	\$30.0
Commercial & Industrial Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$379.0	\$379.0
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$228.6</b>	<b>\$581.9</b>	<b>\$5,035.7</b>	<b>\$1,760.2</b>	<b>\$173.9</b>	<b>\$379.01</b>	<b>\$8,159.3</b>
<b>Regulatory</b>							
EERMC	\$245.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$245.4
OER	\$163.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$163.6
<b>Subtotal - Regulatory</b>	<b>\$409.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$409.0</b>
<b>Grand Total</b>	<b>\$932.8</b>	<b>\$1,088.0</b>	<b>\$16,422.5</b>	<b>\$3,653.0</b>	<b>\$306.5</b>	<b>\$1,089.7</b>	<b>\$23,492.5</b>

**Notes:**

(1) OER is equal to 0.8% and EERMC is equal to 1.2% of total collections from customers' Energy Efficiency Program Charge, reduced by 2%.

**Table G-3**  
**National Grid**  
**Derivation of the 2014 Spending & Implementation Budgets (\$000)**

	Proposed 2013 Budget From G-2 (\$000)	Outside Finance and Stakeholder Oversight Costs (\$000)	Shareholder Incentive (\$000)	Evaluation Costs (\$000)	Eligible Sector Spending Budget for Shareholder Incentive on G-9 (\$000) <sup>1</sup>	Implementation Expenses for Cost-Effectiveness on G-5 (\$000) <sup>2</sup>
<b>Non-Income Eligible Residential</b>						
ENERGY STAR® HVAC	\$ 2,032.0		\$ -	\$ 35.2		\$ 1,996.8
EnergyWise	\$ 4,848.6		\$ -	\$ 28.1		\$ 4,820.5
EnergyWise Multifamily	\$ 1,321.4		\$ -	\$ 6.8		\$ 1,314.7
Home Energy Reports	\$ 496.0		\$ -	\$ 27.6		\$ 468.3
Residential Products Pilot	\$ 136.4		\$ -	\$ 0.1		\$ 136.2
Residential New Construction	\$ 610.0			\$ 1.4		
Comprehensive Marketing - Residential	\$ 139.8		\$ -	\$ 0.1		\$ 139.7
Community Based Initiatives - Residential	\$ 49.5		\$ -	\$ 5.1		\$ 44.4
Residential Shareholder Incentive	\$ 481.7		\$ 481.7	\$ -		\$ -
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$ 10,115.4</b>	<b>\$ -</b>	<b>\$ 481.7</b>	<b>\$ 104.4</b>	<b>\$ 9,633.7</b>	<b>\$ 9,529.3</b>
<b>Income Eligible Residential</b>						
Single Family - Income Eligible Services	\$ 2,601.3		\$ -	\$ 17.3		\$ 2,584.0
Income Eligible Multifamily	\$ 1,978.4		\$ -	\$ 10.8		\$ 1,967.6
Income Eligible Shareholder Incentive	\$ 229.0		\$ 229.0	\$ -		\$ -
<b>Subtotal - Income Eligible Residential</b>	<b>\$ 4,808.7</b>	<b>\$ -</b>	<b>\$ 229.0</b>	<b>\$ 28.2</b>	<b>\$ 4,579.7</b>	<b>\$ 4,551.5</b>
<b>Commercial &amp; Industrial</b>						
Large Commercial New Construction	\$ 2,162.3		\$ -	\$ 65.6		\$ 2,096.7
Large Commercial Retrofit	\$ 3,753.3		\$ -	\$ 80.8		\$ 3,672.5
Small Business Direct Install	\$ 572.8		\$ -	\$ 26.9		\$ 545.9
Commercial & Industrial Multifamily	\$ 489.1		\$ -	\$ 0.3		\$ 488.8
Commercial & Industrial Pilots	\$ 399.1		\$ -	\$ 0.2		\$ 398.8
Finance Costs	\$ 200.0	\$ 200.0	\$ -	\$ -		\$ 200.0
Comprehensive Marketing - Commercial & Industrial	\$ 173.7		\$ -	\$ 0.1		\$ 173.6
Community Based Initiatives - C&I	\$ 30.0		\$ -	\$ -		\$ 30.0
Commercial & Industrial Shareholder Incentive	\$ 379.0		\$ 379.0	\$ -		\$ -
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$ 8,159.3</b>	<b>\$ 200.0</b>	<b>\$ 379.0</b>	<b>\$ 173.9</b>	<b>\$ 7,580.3</b>	<b>\$ 7,606.4</b>
<b>Regulatory</b>						
EERMC	\$ 245.4	\$ 245.4				\$ 245.4
OER	\$ 163.6	\$ 163.6				\$ 163.6
<b>Subtotal - Regulatory</b>	<b>\$ 409.0</b>	<b>\$ 409.0</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 409.0</b>
<b>Grand Total</b>	<b>\$ 23,492.5</b>	<b>\$ 409.0</b>	<b>\$ 1,089.7</b>	<b>\$ 306.5</b>	<b>\$ 21,793.7</b>	<b>\$ 22,096.2</b>

**Notes:**

- (1) Eligible Sector Spending Budget = Budget from G-2 minus Regulatory Costs, Finance Costs, and Shareholder Incentive
- (2) Implementation Expenses = Budget from G-2 minus Evaluation Costs and Shareholder Incentive

**Table G-4**  
**National Grid**  
**Proposed 2014 Budget Compared to Approved 2013 Budget (\$000)**

	<b>Proposed Budget 2014 from G-2</b>	<b>2013 Approved Gas Budget</b>	<b>Difference</b>
<b>Non-Income Eligible Residential</b>			
ENERGY STAR® HVAC	\$ 2,032.0	\$ 2,441.9	\$ (409.8)
EnergyWise	\$ 4,848.6	\$ 3,511.6	\$ 1,337.0
EnergyWise Multifamily	\$ 1,321.4	\$ 464.5	\$ 857.0
Home Energy Reports	\$ 496.0	\$ 304.6	\$ 191.4
Residential Products Pilot	\$ 136.4	\$ 172.9	\$ (36.5)
Residential New Construction	\$ 610.0	\$ 344.2	\$ 265.8
Comprehensive Marketing - Residential	\$ 139.8	\$ 174.6	\$ (34.8)
Community Based Initiatives - Residential	\$ 49.5	\$ 60.0	\$ (10.5)
Residential Shareholder Incentive	\$ 481.7	\$ 373.7	\$ 108.0
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$ 10,115.4</b>	<b>\$ 7,847.9</b>	<b>\$ 2,267.5</b>
<b>Income Eligible Residential</b>			
Single Family - Income Eligible Services	\$ 2,601.3	\$ 2,450.1	\$ 151.2
Income Eligible Multifamily	\$ 1,978.4	\$ 1,628.6	\$ 349.8
Income Eligible Shareholder Incentive	\$ 229.0	\$ 203.9	\$ 25.0
<b>Subtotal - Income Eligible Residential</b>	<b>\$ 4,808.7</b>	<b>\$ 4,282.7</b>	<b>\$ 526.0</b>
<b>Commercial &amp; Industrial</b>			
Large Commercial New Construction	\$ 2,162.3	\$ 2,202.1	\$ (39.8)
Large Commercial Retrofit	\$ 3,753.3	\$ 3,163.2	\$ 590.1
Small Business Direct Install	\$ 572.8	\$ 159.2	\$ 413.6
Commercial & Industrial Multifamily	\$ 489.1	\$ 421.5	\$ 67.7
Commercial & Industrial Pilots	\$ 399.1	\$ 301.5	\$ 97.5
Finance Costs	\$ 200.0	\$ 300.0	\$ (100.0)
Comprehensive Marketing - Commercial & Industrial	\$ 173.7	\$ 165.2	\$ 8.5
Community Based Initiatives - C&I	\$ 30.0	\$ -	\$ 30.0
Commercial & Industrial Shareholder Incentive	\$ 379.0	\$ 320.6	\$ 58.4
<b>Subtotal Commercial &amp; Industrial</b>	<b>\$ 8,159.3</b>	<b>\$ 7,033.4</b>	<b>\$ 1,125.9</b>
<b>Regulatory</b>			
EERMC	\$ 245.4	\$ 225.6	\$ 19.8
OER	\$ 163.6	\$ 150.4	\$ 13.2
<b>Subtotal Regulatory</b>	<b>\$ 409.0</b>	<b>\$ 376.0</b>	<b>\$ 33.0</b>
<b>TOTAL BUDGET</b>	<b>\$ 23,492.5</b>	<b>\$ 19,540.0</b>	<b>\$ 3,952.5</b>

**Table G-5**  
**National Grid**  
**Calculation of 2014 Program Year Cost-Effectiveness**  
**All Dollar Values in (\$000)**

	Rhode Island Benefit/ Cost	Total Benefit	Program Implementation Expenses	Customer Contribution	Evaluation Cost	Shareholder Incentive	TRC \$/Lifetime MMBtu
<b>Non-Income Eligible Residential</b>							
Energy Star® HVAC	1.09	\$ 3,717.9	\$ 1,996.8	\$ 1,382.4	\$ 35.2		\$ 10.09
EnergyWise	1.40	\$ 8,758.3	\$ 4,820.5	\$ 1,400.2	\$ 28.1		\$ 10.37
EnergyWise MultiFamily	2.63	\$ 4,316.3	\$ 1,314.7	\$ 322.5	\$ 6.8		\$ 9.65
Home Energy Reports	1.19	\$ 591.7	\$ 468.3	\$ -	\$ 27.6		\$ 6.71
Residential New Construction	1.11	\$ 799.7	\$ 608.6	\$ 111.0	\$ 1.4		\$ 12.68
Comprehensive Marketing - Residential		\$ -	\$ 139.7	\$ -	\$ 0.1		
Community Based Initiatives - Residential		\$ -	\$ 44.4	\$ -	\$ 5.1		
Residential Products Pilot		\$ -	\$ 136.2	\$ -	\$ 0.1		
<b>Non-Income Eligible Residential Subtotal</b>	<b>1.36</b>	<b>\$ 18,184.0</b>	<b>\$ 9,529.3</b>	<b>\$ 3,216.1</b>	<b>\$ 104.4</b>	<b>\$ 481.7</b>	<b>\$ 10.35</b>
<b>Income Eligible Residential</b>							
Single Family - Income Eligible Services	1.00	\$ 2,599.4	\$ 2,584.0	\$ -	\$ 17.3		\$ 20.34
Income Eligible Multifamily	4.15	\$ 8,219.7	\$ 1,967.6	\$ -	\$ 10.8		\$ 6.44
<b>Income Eligible Residential Subtotal</b>	<b>2.36</b>	<b>\$ 10,819.0</b>	<b>\$ 4,551.5</b>	<b>\$ -</b>	<b>\$ 28.2</b>	<b>\$ 229.0</b>	<b>\$ 10.52</b>
<b>Large Commercial &amp; Industrial</b>							
Large Commercial New Construction	2.50	\$ 5,619.0	\$ 2,096.7	\$ 84.5	\$ 65.6		\$ 3.46
Large Commercial Retrofit	2.26	\$ 12,660.0	\$ 3,672.5	\$ 1,842.7	\$ 80.8		\$ 3.59
Small Business Direct Install	1.16	\$ 708.0	\$ 545.9	\$ 36.3	\$ 26.9		\$ 9.52
Commercial & Industrial Multifamily	1.41	\$ 1,031.4	\$ 488.8	\$ 241.9	\$ 0.3		\$ 6.99
Comprehensive Marketing - Commercial and Industrial		\$ -	\$ 173.6	\$ -	\$ 0.1		
Commercial and Industrial Pilots		\$ -	\$ 398.8	\$ -	\$ 0.2		
Community Based Initiatives - C&I		\$ -	\$ 30.0	\$ -	\$ -		
Finance Costs		\$ -	\$ 200.0	\$ -	\$ -		
<b>Commercial &amp; Industrial Subtotal</b>	<b>1.93</b>	<b>\$ 20,018.3</b>	<b>\$ 7,606.4</b>	<b>\$ 2,205.4</b>	<b>\$ 173.9</b>	<b>\$ 379.0</b>	<b>\$ 4.20</b>
<b>Regulatory</b>							
EERMC			\$ 245.4				
OER			\$ 163.6				
<b>Regulatory Subtotal</b>			<b>\$ 409.0</b>				
<b>Grand Total</b>	<b>1.70</b>	<b>\$ 49,021.3</b>	<b>\$ 22,096.2</b>	<b>\$ 5,421.5</b>	<b>\$ 306.5</b>	<b>\$ 1,089.7</b>	<b>\$ 6.87</b>



**Table G-6**  
**National Grid**  
**Summary of 2014 Benefits and Savings by Program**

	Benefits (\$000)			MMBTU Gas Saved	
	Total(1)	Natural Gas(2)	Non-Gas Benefit (3)	Annual	Lifetime(4)
<b>Non-Income Eligible Residential</b>					
EnergyWise	\$8,758.3	\$5,493.0	\$3,265.4	30,120	602,399
Energy Star® HVAC	\$3,717.9	\$2,982.7	\$735.3	20,344	338,335
EnergyWise Multifamily	\$4,316.3	\$1,585.1	\$2,731.2	9,256	170,396
Home Energy Reports	\$591.7	\$591.7	\$0.0	73,877	73,877
Residential New Construction	\$799.7	\$799.7	\$0.0	3,683	56,855
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>\$18,184.0</b>	<b>\$11,452.1</b>	<b>\$6,731.8</b>	<b>137,281</b>	<b>1,241,861</b>
<b>Income Eligible Residential</b>					
Single Family - Income Eligible Services	\$2,599.4	\$1,166.3	\$1,433.1	6,395	127,900
Income Eligible Multifamily	\$8,219.7	\$2,844.0	\$5,375.6	16,824	307,261
<b>Income Eligible Residential SUBTOTAL</b>	<b>\$10,819.0</b>	<b>\$4,010.3</b>	<b>\$6,808.7</b>	<b>23,219</b>	<b>435,161</b>
<b>Commercial &amp; Industrial</b>					
Large Commercial New Construction	\$5,619.0	\$5,616.4	\$2.6	31,863	648,426
Large Commercial Retrofit	\$12,660.0	\$12,655.7	\$4.3	121,592	1,558,309
Small Business Direct Install	\$708.0	\$703.2	\$4.8	10,496	64,008
Commercial & Industrial Multifamily	\$1,031.4	\$1,030.4	\$0.9	5,511	104,608
<b>Commercial &amp; Industrial SUBTOTAL</b>	<b>\$20,018.3</b>	<b>\$20,005.6</b>	<b>\$12.6</b>	<b>169,463</b>	<b>2,375,352</b>
<b>TOTAL</b>	<b>\$49,021.3</b>	<b>\$35,468.1</b>	<b>\$13,553.2</b>	<b>329,963</b>	<b>4,052,374</b>

**Table G-7**  
**National Grid**  
**Comparison of 2013 and 2014 Goals**

	Proposed 2014			Approved 2013			Difference	
	Annual Energy Savings (MMBTU Natural Gas)	Participants	Population Reached	Annual Energy Savings (MMBTU Natural Gas)	Participants	Population Reached	Annual Energy Savings (MMBTU Natural Gas)	Participants
<b>Non-Income Eligible Residential</b>								
EnergyWise	30,120	2,000	1%	30,333	2,000	1%	-213	0
Energy Star® HVAC	20,344	2,584	1%	19,544	1,578	1%	801	1,006
EnergyWise Multifamily	9,256	2,000	1%	5,605	700	0%	3,651	1,300
Home Energy Reports	73,877	180,000	87%	35,781	136,475	66%	38,097	43,525
Residential New Construction	3,683	392	13%	2,900	584	19%	784	-192
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>137,281</b>	<b>186,976</b>	<b>89%</b>	<b>94,161</b>	<b>141,337</b>	<b>67%</b>	<b>43,120</b>	<b>45,639</b>
<b>Income Eligible Residential</b>								
Single Family - Income Eligible Services	6,395	400	2%	6,250	400	2%	145	0
Income Eligible Multifamily	16,824	2,200	11%	16,562	2,200	11%	262	0
<b>Income Eligible Residential SUBTOTAL</b>	<b>23,219</b>	<b>2,600</b>	<b>13%</b>	<b>22,812</b>	<b>2,600</b>	<b>13%</b>	<b>407</b>	<b>0</b>
<b>Commercial &amp; Industrial</b>								
Large Commercial New Construction	31,863	192	4%	35,967	170	4%	-4,103	23
Large Commercial Retrofit	121,592	606	13%	123,451	235	5%	-1,859	372
Small Business Direct Install	10,496	316	2%	6,583	209	1%	3,913	107
Commercial & Industrial Multifamily	5,511	745	TBD	4,800	600	TBD	711	145
<b>Commercial &amp; Industrial SUBTOTAL</b>	<b>169,463</b>	<b>1,859</b>	<b>8%</b>	<b>170,802</b>	<b>1,213</b>	<b>5%</b>	<b>-1,338</b>	<b>646</b>
<b>TOTAL</b>	<b>329,963</b>	<b>191,435</b>	<b>76%</b>	<b>287,775</b>	<b>145,150</b>	<b>57%</b>	<b>42,188</b>	<b>46,285</b>

**Note:**

- (1) Participants can participate in more than one program, for example Home Energy Reports and EnergyWise. Therefore, participation can be greater than 100%.
- (2) The total population for Residential New Construction is the number of new customer homes that will be built in 2014, which is estimated as 1.5% of the current customer base.

**Table G-8**  
**National Grid**  
**Avoided Costs Used in 2014 Benefit-Cost Model**

Year	RESIDENTIAL				COMMERCIAL & INDUSTRIAL			ALL RETAIL END USES
	Non Heating	Hot Water	Heating	All	Non Heating	Heating	All	
2013	5.32	5.78	6.90	6.73	5.51	6.35	6.05	6.41
2014	5.53	5.98	7.10	6.93	5.72	6.56	6.26	6.61
2015	5.54	5.98	7.09	6.93	5.72	6.56	6.26	6.61
2016	5.61	6.08	7.21	7.03	5.81	6.66	6.36	6.71
2017	5.71	6.34	7.51	7.30	5.96	6.91	6.57	6.95
2018	6.02	6.62	7.79	7.58	6.26	7.20	6.86	7.24
2019	6.46	6.95	8.08	7.90	6.66	7.53	7.22	7.58
2020	6.73	7.20	8.33	8.15	6.93	7.78	7.48	7.83
2021	6.87	7.36	8.48	8.30	7.07	7.93	7.62	7.98
2022	7.07	7.55	8.67	8.50	7.27	8.12	7.82	8.18
2023	7.20	7.67	8.80	8.62	7.40	8.25	7.95	8.30
2024	7.33	7.82	8.95	8.77	7.53	8.39	8.08	8.44
2025	7.52	7.99	9.12	8.94	7.72	8.57	8.27	8.62
2026	7.64	8.13	9.25	9.07	7.84	8.70	8.39	8.75
2027	7.76	8.25	9.37	9.19	7.96	8.82	8.51	8.87
2028	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2029	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2030	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2031	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2032	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2033	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2034	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2035	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2036	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2037	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2038	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2039	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2040	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2041	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2042	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97
2043	7.86	8.34	9.46	9.29	8.06	8.91	8.61	8.97

From 2013 Avoided Cost Study  
Appendix C for Southern New England

**Table G-9**  
**National Grid**  
**2014 Targeted Shareholder Incentive**

Incentive Rate: 5.00%

	(1)	(2)	(3)	(4)	(5)
Sector	Eligible Spending Budget \$(000)	Target Incentive \$(000)	Target Savings Goal (MMBTU)	Threshold Savings (MMBTU)	Target Incentive Per Annual MMBTU
Income Eligible Residential	\$4,580	\$229.0	23,219	17,414	\$9.862
Non-Income Eligible Residential	\$9,634	\$481.7	137,281	102,961	\$3.509
Commercial & Industrial	\$7,580	\$379.0	169,463	127,097	\$2.237
Total	\$ 21,794	\$1,089.7	329,963	247,472	\$3.302

**Notes:**

- (1) Eligible Spending Budget excludes EERMC, OER, Finance Costs, and Shareholder Incentive. See Table G-3 for details.
- (2) Equal to the incentive rate (5.0%) x Column (1).
- (3) See Table G-7
- (4) 75% of Column (3). No incentive is earned on annual MMBTU savings in the sector unless the Company achieves at least this threshold level of performance.
- (5) Column (2)\*1000/Column (3). This illustration is for achieved savings equal to the savings target. The incentive earned per MMBtu will vary with the percent of the savings target achieved

The shareholder incentive will be calculated as follow, where SB is the Spending Budget in the sector:

- From 75% of savings to 100% of savings: Shareholder Incentive = SB x (0.15 x % of savings achieved – 0.10)
- From 100% of savings to 125% of savings: Shareholder Incentive = SB x (0.05 x % of savings achieved)