nationalgrid

Jennifer Brooks Hutchinson Senior Counsel

April 15, 2015

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4527 – 2015 Energy Efficiency Program Plan Responses to Division Post-Hearing Data Requests – Set 2

Dear Ms. Massaro:

Enclosed are ten (10) copies of National Grid's¹ responses to the Division's Second Set of Post-Hearing Data Requests issued on March 25, 2015 in the above-referenced matter.

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

Very truly yours,

Jennifer Brooks Hutchinson

Enclosure

cc: Docket 4527 Service List Karen Lyons, Esq. Jon Hagopian, Esq. Steve Scialabba, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

<u>5df]`%), 201)</u> Date

Docket No. 4527 - National Grid - 2015 Energy Efficiency Program Plan Service list updated 11/6/14

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Request:

The following questions pertain to the attached newsprint advertisement about the energy efficiency program that appeared in the Sunday, March 22, 2015 Providence Journal.

Does National Grid employ the use of an outside advertising agency / marketing firm in the publishing of the aforementioned advertisement? If so, please identify the firm.

Response:

National Grid did not directly hire the advertising firm that developed the advertisement in question. This print advertisement was developed by Osram Sylvania, a lighting manufacturer.

Advertisements referencing Rhode Island's energy efficiency programs are occasionally developed by manufacturers, retailers, and/or contractors to promote their products/services as part of cooperative promotional agreements, which are also designed to promote National Grid's programs. In these cases, the advertising firm is hired by the program ally and advertising material is sent to National Grid for approval prior to publication. This advertisement was sent to National Grid to review prior to its publication. National Grid approved the ad.

Request:

Please provide a copy of the contract between National Grid and the firm identified in response to question 1, above.

Response:

As noted in the response to Division 2-1, National Grid did not hire the advertising firm that developed the advertisement in question. Therefore, National Grid does not have a contract with the advertising firm. The advertisement was developed by Osram Sylvania as the program ally as part of a cooperative promotional agreement. Please see Attachment Division 2-2 for a copy of the 2014 Negotiated Marketing Plan with Osram Sylvania, which has been extended through April 30, 2015.

Markdown MOU	Sylvania_Lowes_RI_MOU_2014_228
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Attachment B: Negotiated Marketing Plan

Manufacturer	Sylvania
Sponsors	NGRID RI

Start and End date(s) of marketing: 8/14/2014 – 12/31/2014

Marketing Plan Overview

Sylvania has requested marketing funding in the amount of \$900 per store to support their Lowe's markdown promotion. Funding will be used to cover activities including in store end caps and product side stacks for the duration of the promotional period, in store co-branded signage, half page newspaper ads, social media posts, product trainings and in store event support. All creative materials including signage, newspaper ads and social media posts will be sent to the Main Contact for Sponsors approval prior to execution.

POP and Signage

Type of POP	Description
Special Packaging	
Displays	Product side stacks and end caps with co-branded signage,
Signage	Manufacturer's Signage will include Sponsor logos
Others:	Half page newspaper ads, social media posts, product training, event support

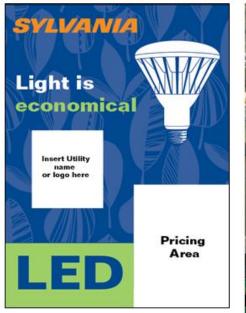
Advertising Activities and schedule

Sponsor	Description of Marketing	Total Cost of Marketing	Sponsor Contribution	Sponsor(s) will pay the percentage below towards invoices for marketing up to the allocated amount.
NGRID RI	End caps (5 Stores), in store signage, printed ads, social media, event support	\$4,500.00	\$4,500.00	100%

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In Store Signage Example





Request:

How much is the advertising / marketing budget for the Rhode Island energy efficiency program in 2015.

Response:

The 2015 Rhode Island ENERGY STAR® Lighting program's marketing budget is \$590,700.

Request:

Who is the person at National Grid who reviews and approves the energy efficiency ad copy prior to its publication?

Response:

Generally, a member of the residential or commercial marketing teams reviews energy efficiency ads. With regard to this specific advertisement, Michelle Eburn and Laurie Acone reviewed it as the lighting discounts are provided through National Grid's Rhode Island ENERGY STAR[®] Lighting program for residential electric customers. Michelle Eburn is a Senior Marketing Analyst. Laurie Acone is a Senior Program Manager.

Request:

Does National Grid agree that the wording shown below, which is prominently displayed in the aforementioned attached ad, can be considered a form of corporate branding, designed in part to enhance the Company's public image?

"Special pricing brought to by: nationalgrid Here with you. Here for you."

Response:

While the National Grid logo and tag line "Here with you. Here for you" is used for multiple efforts, the Company does not agree that it is a form of corporate branding designed to enhance the Company's public image with respect to this particular advertisement. Rather, the logo and tag line, in this instance, is being used to raise customer awareness and drive participation in state-mandated energy efficiency programs. Specifically, inclusion of the logo and tag line highlights the partnership between National Grid and Osram Sylvania, the lighting manufacturer, which is designed to promote National Grid's energy efficiency incentives being offered on selected Sylvania lighting products.

Request:

Does National Grid acknowledge that it is supposed to include language in print ads, as well as radio ads, to the effect that the energy efficiency program is funded through a charge on all customers' bills?

Response:

Yes. Energy efficiency advertisements that are developed by National Grid include the Rhode Island disclaimer: "These programs are funded by the energy efficiency charge on all customers' gas and electric bills, in accordance with Rhode Island law." This language is included in print, radio, and other energy efficiency advertisements that are developed by National Grid where feasible.¹

The Company is committed to working with its program allies going forward to ensure that the Rhode Island disclaimer is included on energy efficiency advertisements that are produced by other entities and submitted to National Grid for approval.

¹ Pursuant to discussions with the Division in 2012, the Company endeavors to include this disclaimer language in all of its advertisement materials; however, for certain advertisements, such as smaller point-of-sale pieces or certain short radio ads, it may not always be possible to include the disclaimer.

Request:

Does National Grid contribute any shareholder funds to the energy efficiency program?

Response:

No, National Grid does not contribute any shareholder funds to the energy efficiency program. The funding sources for energy efficiency are illustrated in the Energy Efficiency Program Plan for 2015, Attachment 5, Table E-1 and Attachment 6, Table G-1. As shown in those tables, most of the funding for energy efficiency programs comes from customers through the energy efficiency program charge.