Andrew Marcaccio
Senior Counsel

November 23, 2020

VIA ELECTRONIC MAIL

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

RE: Docket 5076 – 2021-2023 Energy Efficiency Program Plan & 2021 Energy Efficiency Plan
Responses to PUC Data Requests – Set 2

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company"), attached, please find the electronic version of the Company's responses to the Public Utilities Commission's ("PUC") Second Set of Data Requests ("Complete Set 2") in the above-referenced docket.[1]

Please note that the responses contained within the Complete Set 2 have already been filed with the PUC. The only difference is that Complete Set 2 includes a print-range correction to page 2 of Attachment 2-14. This page had not printed fully when the PDF version was initially filed by the Company on November 16, 2020. (The Excel version of this page, which was filed simultaneously with the PDF version on November 16, 2020, was correct.)

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,

Andrew S. Marcaccio

cc: Docket 5076 Service List
John Bell, Division
Jon Hagopian, Esq.

1 In addition, the Company will deliver to the Commission six, three-hole punched hard copies of PUC Set 2 with Bates stamp.

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PUC Set 2

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PUC 2-1

Request:

Please explain what criteria was used to arrive at the target company performance incentives of $5.5 million for the electric program and $1.7 million for the gas program.

Response:

In developing the target performance incentive earning opportunities proposed in the 2021 Annual Energy Efficiency Plan (EEP or the Plan), the Company engaged in negotiations with the Division of Public Utilities and Carriers (Division), the Offices of Energy Resources (OER), and the Energy Efficiency & Resource Management Council (EERMC) Consultant team. The Company, the Division, OER, and the EERMC considered several factors in arriving at the earning opportunity targets that were ultimately a component of the 2021 EEP settlement. These factors were also considered in light of other proposed changes to the performance incentive mechanism, as well as in the context of other commitments made by the Company in ultimately arriving at a settlement of the parties.

Specifically, the parties considered the history of performance incentive levels in prior Rhode Island EEPs that have led to positive program outcomes, the total and net benefits planned for under the proposed 2021 EEP, and how historical and potential future earning levels compared to earning opportunities available to utilities delivering energy efficiency programs in other jurisdictions. Additional detail around the performance incentive mechanism development process, considerations, and discussions is provided in the 2021 – 2023 Three-Year Plan on Bates Pages 137 – 145.

While the absolute dollar amount of performance incentive earning opportunity was not formulaically tied to any one specific metric, evaluating the Company's earning opportunity as a function of program size and ambition, as quantified through proposed implementation budgets, was also used as a criteria in evaluating the appropriateness of the total incentive opportunity.

Prepared by or under the supervision of: Christopher Porter, Matthew Ray and John Tortorella

PUC 2-2

Request:

Please explain how the benefits associated with paying performance incentives of more than $7 million exceed the cost of the incentives.

Response:

The proposed 2021 Annual Energy Efficiency Plan (EEP or the Plan) as filed provides the Company with an opportunity to earn $7.2 million in performance incentives across the electric and gas program portfolios for achieving planned levels of energy efficiency savings and benefits.

Program outcomes in line with planned and budgeted levels would produce gross benefits of $565.0 MM (electric) and $145.0 MM (gas) for a total of $710.0 MM; net benefits (inclusive of economic multipliers) of $454.9 MM (electric) and $109.0 MM (gas) for a total of $563.9 MM; and net benefits (exclusive of economic multipliers) of $168.7 MM (electric) and $61.6 MM (gas) for a total of $230.3 MM.

The total cost to customers of the combined electric and gas portfolios is $160.9 MM.[1] Of this total, $146.1 MM of programmatic spending is subtracted from the gross benefits and embedded in the net benefits (inclusive of economic multipliers).[2]

Achieving the design level of performance incentive outcomes would result in the Company retaining 1.01% of gross benefits (inclusive of economic multipliers)[3], and 1.28% of net benefits (inclusive of economic multipliers)[4], produced by the energy efficiency programs.[5]

[1] Total all-in cost of the portfolios from the Grand Total column of Tables E-2 and G-2

[2] Programmatic spending is the eligible spending budget. Excludes Commitments, Regulatory Costs, Pilots, Assessments, Residential ConnectedSolutions, Commercial ConnectedSolutions, Performance Incentive. See Column 6 in Tables E-3 and G-3 for details.

[3] Calculated as Total Design-level Performance Incentive ÷ Total Gross Benefits (inclusive of economic multipliers): $7.2MM ÷ $710.0 MM = 1.01%

[4] Calculated as Total Design-level Performance Incentive ÷ Net Benefits (inclusive of economic multipliers): $7.2MM ÷ $563.9 MM = 1.28%

[5] Calculated from Tables E-6, G-6 and E-3, G-3 in the 2021 Annual Plan filing.

PUC 2-3

Request:

Given that National Grid plc reported to shareholders that its electric distribution business in 2019 earned 11.9% return on equity which was in excess of an allowed return on equity of 9.3%, (see page 45 at the following link: https://investors.nationalgrid.com/~/media/Files/N/National-Grid-IR-V2/results-centre/2020/fy20-results-combined-presentations-with-appendices.pdf) why does the Company believe it would be reasonable for Rhode Island ratepayers to be required to pay an incentive as high as $5.5 million to enhance its electric distribution earnings in 2021 by more than 100 basis points, especially given the state of the economy in Rhode Island and the expected lingering effects from the COVID crisis that is causing electric arrearages to grow?

Response:

The Company does not believe that the evaluation of the appropriateness of a performance incentive associated with its energy efficiency programs should be performed in the context of the financial performance of other aspects of its business. The Company would not propose underperformance in other areas of the business as a justification for a higher energy efficiency performance incentive; by the same token, the Company believes that the proposed energy efficiency performance incentive should be evaluated on its own merits.

The Company believes that the proposed performance incentive mechanism is built on the same foundation as in previous plans. These plans, and their associated performance incentives, have served customers well, driven customer benefits far in excess of costs, and have led to programs that have consistently been ranked among the leading programs in the country by third party organizations including the American Council for an Energy Efficient Economy (ACEEE).[1]

The Company also believes that the proposed performance incentive mechanism in the 2021 Annual Energy Efficiency Plan is well aligned with core aspects of the principles of performance incentive mechanism design as identified by the PUC in Docket No. 4943.

First, the proposed performance incentive provides a financial incentive for the Company to achieve excellent performance in the delivery of its energy efficiency programs. Absent a performance incentive mechanism, the Company would lack a financial incentive to maximize the achievement of energy efficiency savings and associated customer benefits. Moreover, an active financial disincentive could exist for the Company to pursue energy efficiency measures,

[1] Rhode Island was ranked as tied for third in the United States in the ACEEE's most recently published (October 2019) State Energy Efficiency Scorecard. Moreover, Rhode Island received the highest possible score – 20 out of 20 points – in the "Utility & public benefits programs & policies" sub-category within the evaluation.

PUC 2-3, page 2

as such measures could obviate the need for infrastructure investments that would otherwise allow the Company to grow its rate base and associated earnings.

Second, a significant, quantifiable positive delta exists between the benefits that will necessarily be produced by the Company's energy efficiency programs and the costs (inclusive of proposed performance incentive) to achieve these benefits for the Company to earn a performance incentive.

Third, as quantified in the Company's response to PUC 2-23, under the benefits streams codified through Docket 4600 and the Rhode Island Test, the vast majority of the planned benefits to be produced by the Company under the proposed performance mechanism will be retained by customers.

Fourth, the specific amount of the target performance incentive opportunity proposed was arrived through a robust stakeholder process, culminating in a vote of unanimous support for the plan by the Energy Efficiency Resource Management Council and a settlement joined by a diverse set of stakeholders including the Division of Public Utilities and Carriers and the Officer of Energy Resources.

PUC 2-4

Request:

Referring to Bates page 178, there is a reference to 71% of companies delivering energy efficiency being based in Rhode Island. Please provide a detailed list identifying all of the 71% of Companies based in Rhode Island that are delivering energy efficiency in Rhode Island and the 29% who are not based in Rhode Island.

Response:

This list is included in the 2019 Year End Report, Bates pages 170 – 188. The 2019 Year End Report can be found here: http://www.ripuc.ri.gov/eventsactions/docket/4888-NGird-Year-End%20Report%202019%20(5-15-20).pdf

Prepared by or under the supervision of: John Richards

PUC 2-5

Request:

Referring to Bates page 258, relating to Budget Management,

a. please explain why it is reasonable for the Company to be able to over-spend its budget by up to 10% without any impact on cost recovery that requires the Company to justify the overspend;
b. please explain why the Company proposes to give the EERMC and OER the authority to allow expenditures to exceed 10% of the budget, but not the Commission until the amount reaches 15% or higher;
c. what is the purpose of notifying the Commission that the budget will be exceeding 100% if the plan removes any authority of the Commission to take any action to prevent the over-spend until the spending reaches 115% of budget or higher;
d. please reconcile (i) the section which does not allow the Commission to prevent overspending until spending reaches 115% of budget with (ii) the sentence at the bottom of the page that states: "the PUC retains its traditional authority to review the prudency and reasonableness of the Company's actions."

Response:

(a), (b)

The Budget Management provisions set forth in Section 11.4 of the 2021 Annual Energy Efficiency Plan (EEP) (Bates Page 258) are designed to support appropriate flexibility for the Company to make adjustments to programs during the year when necessary to meet the objectives and purposes of the Least Cost Procurement (LCP) statute, R.I.G.L. §39-1-27.7, and generate benefits and value for customers. An example of this may be a beneficial, but large, cost-effective project that arises mid- or late in the year, or other unforeseen circumstances that may result in it being to customers' benefit for the Company to deviate from the planned budget.

These Budget Management provisions were negotiated and developed through past annual stakeholder engagement and settlement processes to establish controls and provide settling parties with visibility and transparency into Company spending. Although there have been variations in the specific thresholds over the years, the process remains unchanged from what was proposed and approved in the 2020 Annual Energy Efficiency Plan in Docket No. 4979. Consistent with prior energy efficiency annual plans, the Company and stakeholders (i.e., the Rhode Island Division of Public Utilities and Carriers (Division), the Office of Energy Resources (OER), and the Energy Efficiency & Resource Management Council (EERMC)) agreed to the

PUC 2-5, page 2

ten percent threshold in recognition of the need for the Company to be able to adjust programs mid-year, while also holding the Company accountable for managing to the planned and approved spending levels.

The requirements to notify the PUC, Division, OER, and EERMC of budget variations of up to 10% and to seek PUC approval of budget variations in excess of 15% are intended to strike the appropriate balance among (a) supporting the Company's ability to react quickly to evolving market conditions in a transparent manner, (b) avoiding undue administrative burdens for the Company and the PUC, and (c) ensuring appropriate external controls, through stakeholder and PUC oversight, over any changes to Company spend that deviates from the approved budget.

(c), (d)
The Budget Management provisions were specifically added to the energy efficiency annual plans to provide clarity and transparency around the realities of program management scenarios and to engage stakeholders in that process. These provisions are not intended or designed to limit or alter the PUC's authority to review the reasonableness and prudency of incurred expenses, and the Company always bears the burden to show that its actions are reasonable and prudent. For this reason, the Company included the language at the bottom of Bates Page 258, which states "[i]n each of these three instances, the PUC retains its traditional ratemaking authority to review the prudency and reasonableness of the Company's actions."

PUC 2-6

Request:

Referring to Section 11.6 (Bates 259) of the annual plan, why does the Company propose to inform the PUC, DPUC, OER, and EERMC of incentives in excess of $3 million per measure and not $1 million per measure? Why did the Company choose $3 million as the threshold?

Response:

The $3 million threshold for energy efficiency incentives dates back to the Company's 2013 Annual Energy Efficiency Program Plan ("EEPP") in Docket No. 4366, which the PUC approved by written order, dated December 21, 2012. Section IV.D, Budget Management, Page 20, included the following provision relating to energy efficiency incentives:

> In addition, the Company will file a written notification with the Commission of any energy efficiency incentive offer in excess of $3 million. The project, the incentive and any other related proposals will be authorized to proceed after thirty days from the notice filing, unless the Commission suspends the filing and/or issues an order within such 30-day period to extend the time for purposes of further review.

The 2013 EEPP was also the first energy efficiency annual plan filing since R.I.G.L. § 39-1- 27 was amended to provide support for the development of combined heat and power ("CHP") facilities through the energy efficiency programs under Least Cost Procurement. That statute directed the Company to document support for CHP in its annual energy efficiency plan filing and included specific criteria that the Company must factor into its CHP plan and program. This documentation is included as Attachment 2 to the 2013 EEPP. Projects greater than 1 MW of net nameplate capacity are defined in the 2013 EEPP as a "Large CHP Project" and are eligible for an additional performance incentive, subject to certain "Special Considerations" as further specified in the EEPP. Although not explicitly set forth in Attachment 2, the $3 million threshold for PUC notification of energy efficiency incentives was designed to provide transparency and PUC oversight of certain large incentives, such as incentives that may be awarded for large CHP projects.

These CHP provisions, as well as the notification requirement for energy efficiency incentives in excess of $3 million, have largely carried forward into future energy efficiency annual plan filings, which the PUC has approved, subject to the changes to the notification process as part of the 2020 Annual Energy Efficiency Plan approved in Docket No. 4979 as further discussed in the Company's response to PUC 2-7.

Prepared by or under the supervision of: Christopher Porter and Daniel Tukey

PUC 2-6, page 2

The Company continues to believe that a measure level incentive threshold of $3 million per measure best achieves the balance between transparency and stakeholder awareness of Company implementation activities with the need for the Company to be agile and responsive to customers in managing to and achieving planned savings goals and budgets.

PUC 2-7

Request:

Referring to Section 11.6 (Bates 259) of the annual plan, why does the Company propose to inform the DPUC, OER, and EERMC of any CHP projects of 1 MW or greater, but not inform the PUC of the same?

Response:

The stakeholder notification protocols for CHP projects of 1 MW or greater are further described on Bates Pages 393-395 of the Company's 2021 Annual Energy Efficiency Plan (EEP or the Plan) and include notification to the PUC (*see* Bates Page 394). These stakeholder notification protocols are the same protocols contained in the Company's 2020 EEP, approved by PUC at its Open Meeting on December 30, 2019, in Docket No. 4979,[1] and the same protocols referred to in the Settlement Agreement between the Company and the Rhode Island Division of Public Utilities and Carriers (Division) dated June 18, 2020, in Docket No. 4755, approved by the PUC at its Open Meeting on September 1, 2020.[2]

During the development of the 2020 EEP, the Company agreed to certain changes to the stakeholder notification protocols related to the CHP program, which were incorporated into the Company's 2020 EEP. This notification process requires the Company to notify the Division, the Office of Energy Resources (OER), and the Energy Efficiency Resources Management Council (EERMC) of any CHP project with a net output of 1 MW or greater and to submit specific supporting documentation to the Division for its review, which includes, among other items, a report including a natural gas capacity analysis that addresses the impact of the proposed project on gas reliability and two scenarios for the benefit cost screening for CHP systems. This process was designed in collaboration with the Division, OER, and the EERMC with a goal of providing an early opportunity for the Division to review and seek the necessary information from the Company regarding a specific CHP project, prior to the Division offering a recommendation regarding the project to the PUC.

As further outlined on Bates Pages 393-394 of the 2021 Plan, the Company is required to notify the PUC setting forth the pertinent facts related to the CHP project following the Division's review and notification of support. If, after 50 days from the date the Company provided the project description to the Division, the Division has not provided either an opinion of support for, or opposition to, the project, the Company may seek approval of the CHP incentive from the PUC.

[1] *See* PUC Report and Order No. 23937 (October 29, 2020).
[2] *See* PUC Order No. 23899 (September 9, 2020).

PUC 2-7, page 2

The Company believes that this notification process will provide a robust review of CHP projects prior to those projects being presented to the PUC. Through this notification process, the Company will work with the Division, OER, and the EERMC to address questions and comments, which should lead to a more efficient process for providing the PUC with all the information and perspectives necessary for the PUC to take action on a specific CHP project as outlined in the 2021 Plan.

PUC 2-8

Request:

Referring to Bates page 391-2, the CHP rules set forth in Attachment 2, if a CHP project does not meet cost effectiveness screening without the economic benefits adder, would the Company notify the Commission? If not, why not?

Response:

Through the notification process described on Bates Pages 393-395 of the Company's 2021 Annual Energy Efficiency Plan (EEP or the Plan), the Company will submit to the Rhode Island Division of Public Utilities and Carriers (Division) a complete benefit cost analysis for any qualifying CHP project using the Rhode Island Test, or a Regional Economic Models, Inc. (REMI)[1] analysis for a system above 3MW, as well as an application of this test applying sensitivities related to the removal of the economic benefits. In the event the Division makes a filing with the PUC on a disputed CHP incentive, the application of the cost effectiveness screening applying sensitivities related to the removal of the economic benefits would be made available to the PUC.

In the event that the Division does not dispute a proposed CHP incentive, independent of whether or not the project meets cost effectiveness screening without the economics benefit adder, then the Company would not, as a standard practice under the proposed process, submit the analysis to the PUC.

[1] For CHP projects larger than 3 MW in size, the Company will run a REMI analysis using project-specific values in accordance with the recommended methodology from the Brattle Group Study.

PUC 2-9

Request:

Referring to Bates page 395, Table 5, when the Company notifies the Division, OER, and the EERMC of any updates to the Table, why does the Company not propose to provide a copy to the Commission?

Response:

As provided on Bates Page 395, the Company will provide the PUC with the updated table showing the pipeline of combined heat and power projects as part of each annual Energy Efficiency Plan and reconciliation filing. If the PUC prefers, the Company would be amenable to notifying the PUC at the same time that the Company notifies currently identified stakeholders (i.e., the Division of Public Utilities and Carriers, the Office of Energy Resources, and the Energy Efficiency and Resource Management Council) when a combined heat and power project with a net output of 1 megawatt or greater is added, removed, or updated from the project pipeline.

Prepared by or under the supervision of: Christopher Porter and Daniel Tukey

PUC 2-10

Request:

Referring to Table E-1, Attachment 5, page 1 of 13, line 3 (Projected Year-End 2020 Fund Balance and Interest), please provide schedules which show precisely how the fund balance was calculated for each column on that line. Please provide the information in excel format, with column letters, line numbers, and appropriate footnotes which show the calculations and identify the sources of the figures used in the calculations.

Response:

Please see Attachment PUC 2-10 for the schedules which show monthly activity for the totals provided in Table E-1, Attachment 5, page 1 of 13 line 3 (Projected Year-End 2020 Fund Balance and Interest).

C:\Users\~\~\2020 Fund Balance RI 4+8 Aug 2020 Rev 10 07 2020.xlsx

National Grid

TABLE 2

ANALYSIS OF RESIDENTIAL ENERGY EFFICIENCY FUND BALANCE

Row	Column	(A) JANUARY	(B) FEBRUARY	(C) MARCH	(D) APRIL	(E) MAY	(F) JUNE	(G) TOTAL
1.	Start Of Period Balance	($6,760,221)	($4,098,290)	($4,097,417)	($4,138,847)	($2,505,466)	$84,444	($6,760,221)
2.	Revenue	$3,891,515	$3,292,103	$3,315,622	$3,204,277	$3,444,247	$4,056,304	$21,204,068
3.	Monthly EE Expenses	$1,216,435	$3,283,928	$3,349,715	$1,564,976	$852,180	$1,828,214	$12,095,449
4.	Cash Flow Over/(Under)	$2,675,080	$8,175	($34,093)	$1,639,300	$2,592,067	$2,228,089	$9,108,619
5.	End Of Period Balance Before Interest	($4,085,140)	($4,090,115)	($4,131,510)	($2,499,547)	$86,601	$2,312,534	$2,348,398
6.	Interest	($13,150)	($7,301)	($7,337)	($5,919)	($2,157)	$2,137	($33,728)
7.	End Of Period Balance After Interest	($4,098,290)	($4,097,417)	($4,138,847)	($2,505,466)	$84,444	$2,314,671	$2,314,671
		JULY	**AUGUST**	***SEPTEMBER**	***OCTOBER**	***NOVEMBER**	***DECEMBER**	**YEAR END TOTAL**
8.	Start Of Period Balance	$2,314,671	$5,372,877	$7,770,534	$7,874,939	$6,980,306	$5,981,172	($6,760,221)
9.	Revenue	$5,389,454	$5,232,672	$4,266,103	$3,267,769	$3,164,956	$3,651,061	$46,176,083
10.	Monthly EE Expenses	$2,338,096	$2,846,723	$4,175,637	$4,175,637	$4,175,637	$4,175,637	$33,982,816
11.	Cash Flow Over/(Under)	$3,051,357	$2,385,948	$90,467	($907,867)	($1,010,680)	($524,576)	$12,193,268
12.	End Of Period Balance Before Interest	$5,366,028	$7,758,825	$7,861,001	$6,967,071	$5,969,625	$5,456,596	$5,433,047
13.	Interest	$6,849	$11,709	$13,938	$13,234	$11,547	$10,199	$33,748
14.	End Of Period Balance After Interest	$5,372,877	$7,770,534	$7,874,939	$6,980,306	$5,981,172	$5,466,795	**$5,466,795**
15.	2020 Incentive							**$2,194,867**
16.	Ending Balance after Incentive							**$3,271,928**
17.	Income Eligible Subsidization							**($2,919,215)**
18.	Ending Balance after Subsidization							**$352,713**

1. Previous year's ending balance
2. Business Objects queries for actual revenues, *estimates based on forec
3. SAP queries for actual expenses, *estmates based on forecasted expense
4. Line 2 minus Line 3
5. Line 1 plus Line 4
6. Interest applied
7. Line 5 plus Line 6
8. Previous month's ending balance
9. Business Objects queries for actual revenues, *estimates based on forecasted KWH
10. SAP queries for actual expenses, *estmates based on forecasted expenses
11. Line 9 minus Line 10
12. Line 8 plus Line 11
13. Interest applied
14. Line 12 plus Line 13
15. Estimated 2020 Incentive plus prior period true-ups
16. Line 14 minus Line 16
17. IE Subsidization rate: 60% C&I, 40% Non-IE
18. Line 16 minus Line 17

National Grid

TABLE 3

ANALYSIS OF COMMERCIAL & INDUSTRIAL AND STREETLIGHTING ENERGY EFFICIENCY FUND BALANCE

Column	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Row	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL
1. Start Of Period Balance	$10,505,455	$9,926,810	$17,138,290	$21,626,777	$25,065,163	$27,865,405	$10,505,455
2. Revenue	$4,041,220	$5,125,121	$5,697,568	$4,778,762	$4,663,687	$5,279,681	$29,586,039
3. Monthly EE Expenses	$4,644,608	($2,062,246)	$1,243,615	$1,381,973	$1,910,600	$3,641,694	$10,760,243
4. Cash Flow Over/(Under)	($603,389)	$7,187,368	$4,453,953	$3,396,789	$2,753,088	$1,637,987	$18,825,796
5. End Of Period Balance Before Interest	$9,902,066	$17,114,178	$21,592,243	$25,023,566	$27,818,251	$29,503,392	$29,331,251
6. Interest	$24,744	$24,112	$34,535	$41,597	$47,154	$51,154	$223,295
7. End Of Period Balance After Interest	$9,926,810	$17,138,290	$21,626,777	$25,065,163	$27,865,405	$29,554,546	$29,554,546
	JULY	AUGUST	*SEPTEMBER	*OCTOBER	*NOVEMBER	*DECEMBER	YEAR END TOTAL
8. Start Of Period Balance	$29,554,546	$34,003,184	$35,460,791	$33,603,303	$30,747,690	$27,621,055	$10,505,455
9. Revenue	$5,815,533	$5,302,808	$5,942,510	$4,948,584	$4,682,891	$4,812,900	$61,091,265
10. Monthly EE Expenses	$1,423,517	$3,907,084	$7,861,525	$7,861,525	$7,861,525	$7,861,525	$47,536,947
11. Cash Flow Over/(Under)	$4,392,015	$1,395,723	($1,919,015)	($2,912,942)	($3,178,634)	($3,048,626)	$13,554,319
12. End Of Period Balance Before Interest	$33,946,562	$35,398,907	$33,541,776	$30,690,361	$27,569,056	$24,572,429	$24,059,774
13. Interest	$56,622	$61,884	$61,527	$57,329	$51,999	$46,539	$559,195
14. End Of Period Balance After Interest	$34,003,184	$35,460,791	$33,603,303	$30,747,690	$27,621,055	$24,618,968	**$24,618,968**
15. 2020 Incentive							**$631,178**
16. Ending Balance after Incentive							**$23,987,790**
17. Income Eligible Subsidization							**($4,378,823)**
18. Ending Balance after Subsidization							**$19,608,967**

1. Previous year's ending balance
2. Business Objects queries for actual revenues, *estimates based on forec
3. SAP queries for actual expenses, *estmates based on forecasted expense
4. Line 2 minus Line 3
5. Line 1 plus Line 4
6. Interest applied
7. Line 5 plus Line 6
8. Previous month's ending balance
9. Business Objects queries for actual revenues, *estimates based on forecasted KWH
10. SAP queries for actual expenses, *estmates based on forecasted expenses
11. Line 9 minus Line 10
12. Line 8 plus Line 11
13. Interest applied
14. Line 12 plus Line 13
15. Estimated 2020 Incentive plus prior period true-ups
16. Line 14 minus Line 16
17. IE Subsidization rate: 60% C&I, 40% Non-IE
18. Line 16 minus Line 17

National Grid

TABLE 4

ANALYSIS OF INCOME ELIGIBLE ENERGY EFFICIENCY FUND BALANCE

Column		(A)	(B)	(C)	(D)	(E)	(F)	(G)
Row		**JANUARY**	**FEBRUARY**	**MARCH**	**APRIL**	**MAY**	**JUNE**	**TOTAL**
1.	Start Of Period Balance	$0	$246,829	($472,308)	($1,140,707)	($1,776,370)	($1,706,292)	$0
2.	Revenue	$316,415	$274,690	$287,302	$274,864	$302,192	$353,476	$1,808,939
3.	Monthly EE Expenses	$69,885	$993,626	$954,265	$907,928	$229,011	$168,866	$3,323,580
4.	Cash Flow Over/(Under)	$246,531	($718,937)	($666,962)	($633,064)	$73,181	$184,610	($1,514,641)
5.	End Of Period Balance Before Interest	$246,531	($472,107)	($1,139,270)	($1,773,771)	($1,703,189)	($1,521,682)	($1,514,641)
6.	Interest	$299	($201)	($1,437)	($2,599)	($3,103)	($2,878)	($9,919)
7.	End Of Period Balance After Interest	$246,829	($472,308)	($1,140,707)	($1,776,370)	($1,706,292)	($1,524,560)	($1,524,560)
		JULY	**AUGUST**	***SEPTEMBER**	***OCTOBER**	***NOVEMBER**	***DECEMBER**	**YEAR END TOTAL**
8.	Start Of Period Balance	($1,524,560)	($1,258,675)	($1,126,816)	($2,611,872)	($4,178,129)	($5,755,501)	$0
9.	Revenue	$436,840	$406,698	$353,383	$274,901	$266,587	$304,201	$3,851,549
10.	Monthly EE Expenses	$168,476	$272,713	$1,835,109	$1,835,109	$1,835,109	$1,835,109	$11,105,206
11.	Cash Flow Over/(Under)	$268,364	$133,985	($1,481,726)	($1,560,208)	($1,568,522)	($1,530,908)	($7,253,656)
12.	End Of Period Balance Before Interest	($1,256,196)	($1,124,690)	($2,608,542)	($4,172,080)	($5,746,651)	($7,286,409)	($7,253,656)
13.	Interest	($2,480)	($2,125)	($3,331)	($6,049)	($8,850)	($11,629)	($44,382)
14.	End Of Period Balance After Interest	($1,258,675)	($1,126,816)	($2,611,872)	($4,178,129)	($5,755,501)	($7,298,038)	**($7,298,038)**
15.	2020 Incentive							**$0**
16.	Ending Balance after Incentive							**($7,298,038)**
17.	Income Eligible Subsidization							**$7,298,038**
18.	Ending Balance after Subsidization							**$0**

1. Previous year's ending balance
2. Business Objects queries for actual revenues, *estimates based on forec
3. SAP queries for actual expenses, *estmates based on forecasted expense
4. Line 2 minus Line 3
5. Line 1 plus Line 4
6. Interest applied
7. Line 5 plus Line 6
8. Previous month's ending balance
9. Business Objects queries for actual revenues, *estimates based on forecasted KWH
10. SAP queries for actual expenses, *estmates based on forecasted expenses
11. Line 9 minus Line 10
12. Line 8 plus Line 11
13. Interest applied
14. Line 12 plus Line 13
15. Estimated 2020 Incentive plus prior period true-ups
16. Line 14 minus Line 16
17. IE Subsidization rate: 60% C&I, 40% Non-IE
18. Line 16 minus Line 17

PUC 2-11

Request:

Please provide in excel format the forecasted kWh (by month and by rate class) used to develop the forecasted kWh sales shown in Table E-1, line 7.

Response:

Columns C to K in Attachment PUC 2-11 provide the forecasted kWh by month and by rate class for the year of 2021. Column L in the same attachment provides the total across all rate classes.

Narragansett Electric Company
d/b/a National Grid

	A	B	C	D	E	F	G	H	I	J	K	L
1	**Year**	**Month**	**A16 (kWh)**	**A60 (kWh)**	**C06 (kWh)**	**C08 (kWh)**	**G02 (kWh)**	**G32 (kWh)**	**B32 (kWh)**	**X01 (kWh)**	**SL (kWh)**	**TOTAL (kWh)**
2	2021	1	248,171,716	19,328,913	51,924,997	525,551	96,335,553	169,343,419	867,245	1,587,304	5,093,995	593,178,691
3	2021	2	221,764,924	17,261,297	48,144,903	513,328	89,606,853	159,629,257	828,729	1,468,909	5,035,604	544,253,804
4	2021	3	208,856,581	16,261,386	47,980,438	424,903	89,458,375	160,383,062	837,972	1,462,873	4,060,332	529,725,921
5	2021	4	195,733,481	15,260,245	48,918,748	390,800	91,212,558	163,212,005	851,084	1,492,738	3,659,304	520,730,962
6	2021	5	152,051,804	11,848,275	44,488,098	318,516	83,393,214	152,203,832	809,237	1,354,192	2,944,251	449,411,420
7	2021	6	185,394,349	14,491,564	48,898,908	325,011	91,336,892	164,607,310	864,481	1,490,600	2,937,374	510,346,489
8	2021	7	267,328,343	20,925,903	57,843,547	340,966	107,513,431	190,669,618	985,386	1,765,475	2,966,058	650,338,728
9	2021	8	281,483,268	22,029,705	58,891,386	381,370	109,398,000	193,714,029	999,562	1,797,455	3,400,435	672,095,210
10	2021	9	245,829,213	19,240,741	55,791,943	436,822	103,764,958	184,250,589	953,401	1,703,147	4,064,898	616,035,712
11	2021	10	168,595,557	13,162,868	49,187,004	455,372	91,874,650	165,094,895	864,515	1,501,165	4,377,607	495,113,634
12	2021	11	165,320,027	12,883,616	46,880,859	505,360	87,602,946	157,764,067	827,927	1,430,127	4,972,866	478,187,794
13	2021	12	211,916,432	16,501,889	50,487,942	525,894	93,901,449	166,266,733	857,842	1,542,999	5,125,846	547,127,026
14												
15	**Annual Total:**		2,552,445,694	199,196,401	609,438,773	5,143,893	1,135,398,879	2,027,138,815	10,547,382	18,596,984	48,638,569	6,606,545,391

PUC 2-12

Request:

Please provide in excel format the forecasted kWh (by month, by rate class) used to develop the original forecast of 7,113,299,305 for 2020, found in Attachment 1, Table 1, on Bates page 147.

Response:

Attachment PUC 2-12 provides the forecasted kWh by month and rate class for 2020.

Narragansett Electric Company
d/b/a National Grid

	A	B	C	D	E	F	G	H	I	J	K	L
1	**Year**	**Month**	**A16 (kWh)**	**A60 (kWh)**	**C06 (kWh)**	**C08 (kWh)**	**G02 (kWh)**	**G32 (kWh)**	**B32 (kWh)**	**X01 (kWh)**	**SL (kWh)**	**TOTAL (kWh)**
2	2020	1	261,792,691	19,933,549	56,381,419	556,176	109,750,066	194,956,802	1,287,889	2,021,502	5,455,623	652,135,716
3	2020	2	238,507,460	18,151,567	52,327,744	543,948	102,147,999	183,696,793	1,216,660	1,872,600	5,394,719	603,859,489
4	2020	3	224,643,527	17,109,340	50,376,056	449,203	98,490,583	178,280,795	1,182,401	1,800,961	4,374,748	576,707,614
5	2020	4	211,972,472	16,163,782	50,337,376	411,801	98,415,114	177,912,592	1,179,636	1,800,531	3,953,435	562,146,739
6	2020	5	175,135,362	13,362,370	46,818,253	341,180	91,899,600	168,635,012	1,121,572	1,671,481	3,231,716	502,216,544
7	2020	6	197,219,604	15,084,538	48,668,950	340,654	95,365,156	174,048,830	1,156,297	1,738,203	3,197,660	536,819,891
8	2020	7	281,672,967	21,573,161	58,817,476	358,240	114,609,222	204,991,251	1,356,156	2,105,381	3,236,147	688,720,001
9	2020	8	284,448,598	21,776,370	57,376,410	393,278	111,918,716	201,338,462	1,333,613	2,051,333	3,659,328	684,296,108
10	2020	9	255,103,616	19,529,443	55,068,627	452,783	107,512,013	193,778,274	1,284,041	1,969,164	4,351,173	639,049,133
11	2020	10	186,473,289	14,245,797	51,662,471	481,267	101,124,060	183,142,545	1,214,764	1,848,861	4,707,595	544,900,650
12	2020	11	184,770,912	14,101,030	49,506,434	533,413	96,956,041	176,124,381	1,168,947	1,770,540	5,322,837	530,254,534
13	2020	12	224,979,138	17,146,522	52,867,777	553,146	103,161,135	184,887,217	1,223,663	1,893,718	5,480,569	592,192,885
14												
15	**Annual Total:**		2,726,719,636	208,177,469	630,208,992	5,415,088	1,231,349,704	2,221,792,954	14,725,637	22,544,276	52,365,549	7,113,299,305

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 2-12
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PUC 2-13

Request:

Please provide in excel format the actual kWh deliveries for 2020, (by month and by rate class) through the month of October 2020. Within the schedule, please also include columns which compare the original forecasted total for all rate classes aggregated against the actual deliveries for all rate classes aggregated by month. In order to show 12 months of deliveries for 2020, for illustrative purposes please add rows that assume actuals for November and December will match the forecasted kWh by rate class, by month.

Response:

Columns C to K in Attachment PUC 2-13 provide the actual kWh deliveries for 2020 by month and by rate class.

Column L lists the aggregated actual deliveries of all rate classes by month. The values are actual through October 2020 and are assumed to match the forecasted kWh for November and December 2020. Please note that there were billing corrections in January 2020 for rate class G32 and B32 that artificially lowered the kWh values in these two classes. The actual total delivery was also lower than it should be for the same reason for January 2020.

Column N lists forecasted total kWh for each month. These forecasts were developed using a normalized weather assumption - that is, assuming kWh deliveries based on typical monthly heating and cooling degree days. (It is a common practice to use normalized weather assumptions in long-term forecasts because long-term weather forecasts are usually unavailable or unreliable). "Normal weather" is defined as the average of the most recent ten-year's heating and cooling degrees days.

An additional column (Column M) that lists the weather-normalized (or weather-adjusted) aggregated actual deliveries is also provided for comparison purposes. The values in Column M are based on adjusting the actual total kWh in Column L for the difference between the actual weather that occurred and the normalized weather assumption that was used in the forecasts. These values estimate what the actual total kWh deliveries would have been had the actual weather matched the normalized weather assumption used in the forecast. The comparison between the forecasted total kWh and the weather-normalized total kWh excludes the fluctuation caused by weather and is more of an "apples-to-apples" comparison.

Prepared by or under the supervision of: John Richards and Shira Horowitz

Narrangansett Electric Company
d/b/a National Grid

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	**Year**	**Month**	**A16 (kWh)**	**A60 (kWh)**	**C06 (kWh)**	**C08 (kWh)**	**G02 (kWh)**	**G32 (kWh)**	**B32 (kWh)**	**X01 (kWh)**	**SL (kWh)**	**TOTAL (kWh)**	**Weather Normalized TOTAL (kWh)**	**Forecasted TOTAL (kWh)**
2	2020	1	262,621,108	19,548,182	61,235,143	403,726	114,468,573	84,830,332	811,350	2,170,306	6,456,345	552,545,065	568,153,547	652,135,716
3	2020	2	206,990,897	16,158,098	53,600,403	402,430	98,574,412	204,374,695	568,806	2,181,537	4,214,804	587,066,082	608,314,427	603,859,489
4	2020	3	202,833,422	16,532,919	55,345,043	383,578	97,883,566	197,985,464	535,701	2,344,364	3,289,822	577,133,879	596,182,219	576,707,614
5	2020	4	205,593,477	16,772,048	50,004,677	660,268	90,268,378	192,609,707	545,943	1,382,797	5,144,979	562,982,274	566,279,899	562,146,739
6	2020	5	201,017,972	16,426,855	47,210,698	472,542	80,854,270	182,242,996	832,633	473,155	2,712,262	532,243,383	523,745,152	502,216,544
7	2020	6	210,449,344	16,372,553	48,291,223	422,815	87,178,918	183,452,142	745,792	476,935	2,686,574	550,076,296	543,600,694	536,819,891
8	2020	7	316,255,757	23,097,520	58,887,811	395,779	107,114,514	193,762,962	1,505,548	909,345	2,220,991	704,150,227	687,500,203	688,720,001
9	2020	8	382,027,719	29,029,896	65,781,779	399,653	124,902,250	200,899,832	1,241,182	871,016	2,243,325	807,396,652	738,887,313	684,296,108
10	2020	9	266,952,054	19,862,580	56,027,379	309,735	103,537,158	187,228,982	663,320	862,206	2,004,067	637,447,481	636,699,275	639,049,133
11	2020	10	206,584,212	14,626,519	53,113,834	285,137	98,229,432	177,818,359	1,866,971	1,122,182	2,168,780	555,815,426	561,004,393	544,900,650
12	2020	11	184,770,912	14,101,030	49,506,434	533,413	96,956,041	176,124,381	1,168,947	1,770,540	5,322,837	530,254,534	530,254,534	530,254,534
13	2020	12	224,979,138	17,146,522	52,867,777	553,146	103,161,135	184,887,217	1,223,663	1,893,718	5,480,569	592,192,885	592,192,885	592,192,885
14														
15	**Annual Total:**		2,871,076,011	219,674,722	651,872,200	5,222,222	1,203,128,647	2,166,217,069	11,709,855	16,458,101	43,945,355	7,189,304,184	7,152,814,540	7,113,299,305

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 2-13
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PUC 2-14

Request:

Please provide a table showing the total actual kWh deliveries for each year from 2015 through 2019, (by month and by rate class) and show the total of all deliveries for each year. Next to the total annual deliveries, please include columns which compare actual to the original forecasts for each year used to develop the electric EE factor for each year.

Response:

Please see Attachment PUC 2-14 for the following:

(a) a table showing the actual monthly kWh deliveries for each year 2015 through 2019, by rate class and in total, and

(b) the original monthly forecasts for each year used to develop the electric EE factor for each year.

There are two tabs in Attachment PUC 2-14:

The first tab labeled "Attachment 1 actuals" provides the information in item (a), above.

The second tab labeled "Attachment 1 wn compare" compares weather-normalized (or weather-adjusted) actual deliveries to the original forecast.

Within this tab, Column O shows the weather-normalized (or weather-adjusted) total actuals. These show what the actual kWh deliveries would have been based on applying the same normal weather that was used in the original creation of the sales forecasts (Columns Q to U).

Therefore, Column O "Weather-adjusted Total (kWh)" provides the truest "apples-to-apples" comparison to the "Forecast Total (kWh)" in Columns Q to U, based on using similar weather adjustment factors (effectively netting out any weather driven forecast variances).

Prepared by or under the supervision of: John Richards and Shira Horowitz

Attachment PUC 2-14

Please also see the Excel version of Attachment PUC 2-14

Prepared by or under the supervision of: John Richards and Shira Horowitz

MONTHLY GWh (Historicals: *Actuals*; Projections: *Weather-Normal*) by Rate Code
After Energy Efficiency, Solar and Electric Vehicle Impacts

YEAR	MONTH	A16	A60	C06	C08	G02	G32	G62	B32	X01	SL	TOTAL
2015	1	262.8	28.9	51.4	0.3	106.7	162.9	32.3	0.6	1.9	7.6	655.5
2015	2	266.6	29.9	54.6	0.3	107.7	171.0	40.3	0.5	1.8	6.3	679.0
2015	3	241.7	27.8	52.9	0.3	106.0	162.2	38.7	0.5	1.8	5.7	637.5
2015	4	210.8	25.7	47.5	0.3	104.3	162.3	35.6	0.6	1.8	5.0	593.9
2015	5	176.4	20.7	41.9	0.3	96.5	157.1	33.5	0.9	2.0	4.8	534.1
2015	6	197.3	22.1	45.7	0.3	109.2	171.7	35.2	1.7	2.1	3.9	589.2
2015	7	249.9	27.2	50.6	0.3	116.8	173.7	32.6	1.2	1.9	4.0	658.3
2015	8	299.2	31.8	57.6	0.3	127.7	183.9	45.8	1.8	2.0	4.5	754.6
2015	9	300.0	31.8	56.9	0.3	129.7	188.7	41.6	1.8	2.1	5.0	758.0
2015	10	208.2	22.3	45.3	0.3	106.7	156.1	37.9	1.3	2.0	5.6	585.6
2015	11	178.4	20.0	40.2	0.3	94.3	154.0	33.3	1.4	2.0	6.1	530.1
2015	12	229.2	26.2	47.9	0.3	107.8	166.7	36.3	0.6	2.2	7.1	624.3
2016	1	242.2	26.9	48.7	0.2	107.6	160.2	31.8	0.7	1.9	7.8	627.9
2016	2	226.3	26.2	48.6	0.3	101.3	161.5	38.0	0.5	1.9	6.1	610.6
2016	3	224.7	20.2	49.2	0.3	106.2	163.3	35.4	0.7	1.9	5.9	607.9
2016	4	203.1	16.4	45.6	0.3	100.2	160.0	37.5	0.8	2.1	5.2	571.2
2016	5	172.4	14.0	40.2	0.3	93.9	148.2	31.8	1.0	1.9	3.2	506.9
2016	6	222.7	17.4	47.5	0.3	110.2	171.5	35.4	1.3	2.1	3.1	611.4
2016	7	276.7	21.0	53.8	0.3	122.8	173.0	36.9	2.0	2.0	3.3	691.8
2016	8	340.4	25.3	58.9	0.3	130.8	184.3	39.7	1.5	2.0	3.1	786.3
2016	9	300.6	22.4	56.6	0.3	128.6	187.6	40.2	1.2	1.9	3.6	742.9
2016	10	208.7	16.3	46.0	0.3	106.1	162.1	37.4	1.0	2.0	4.4	584.2
2016	11	191.1	15.2	41.6	0.3	96.6	153.2	33.4	1.4	1.9	4.5	539.2
2016	12	220.7	17.6	44.8	0.3	99.5	156.4	35.8	1.1	2.1	4.9	583.3
2017	1	252.3	20.5	50.8	0.5	105.6	165.2	36.2	0.9	2.3	5.2	639.4
2017	2	233.1	18.8	50.5	0.3	101.9	152.1	35.4	0.7	1.9	4.7	599.5
2017	3	217.0	17.2	49.1	0.3	103.7	156.5	34.7	0.7	1.8	4.2	585.1
2017	4	212.7	17.2	48.8	0.3	101.5	158.9	34.8	0.8	2.2	3.0	580.3
2017	5	182.0	15.1	45.5	0.3	95.6	151.7	29.6	0.8	2.1	(3.3)	519.4
2017	6	208.1	16.5	51.3	0.7	105.2	160.0	38.0	2.2	2.0	8.8	592.7
2017	7	285.7	22.0	56.0	0.4	121.8	175.4	36.7	1.5	2.0	4.5	706.1
2017	8	291.6	21.3	55.7	0.4	120.4	176.5	39.2	1.4	2.1	3.3	711.9
2017	9	248.9	17.9	52.4	0.3	116.0	164.8	38.0	1.4	2.1	3.1	645.0
2017	10	203.7	14.1	46.3	0.3	107.6	167.1	39.0	0.9	1.9	3.3	584.2
2017	11	207.2	13.6	46.1	0.5	102.6	152.7	36.8	1.9	2.1	4.4	567.9
2017	12	220.2	14.1	46.9	0.4	97.8	155.0	28.8	1.1	2.0	5.0	571.2
2018	1	289.0	19.3	59.2	0.9	114.0	168.9	41.3	0.6	1.9	13.1	708.2
2018	2	239.7	16.8	53.3	0.7	102.3	147.4	30.7	0.7	2.0	9.1	602.8
2018	3	211.6	15.8	49.9	0.4	100.8	154.4	34.5	1.0	1.9	3.6	573.8
2018	4	205.0	15.5	48.5	0.4	99.9	150.3	40.5	1.7	1.6	3.6	566.9
2018	5	197.6	15.0	48.2	0.3	99.1	147.6	39.2	1.6	1.6	3.1	553.4
2018	6	198.1	15.0	50.6	0.3	104.0	154.9	41.1	1.7	1.7	3.1	570.6
2018	7	294.4	21.8	57.5	0.4	121.3	165.6	36.8	1.5	2.0	2.6	703.9
2018	8	327.6	23.4	60.2	0.4	126.5	180.4	40.2	1.4	2.1	2.6	764.8
2018	9	324.2	23.6	61.4	0.4	127.7	186.8	42.0	1.8	1.9	3.5	773.2
2018	10	207.2	15.0	47.4	0.4	103.7	182.4	17.7	2.5	2.0	3.4	581.7
2018	11	196.4	14.6	45.2	0.4	94.3	181.4	-	0.7	2.0	3.7	538.6
2018	12	230.0	17.5	53.0	0.3	101.9	194.4	-	3.5	2.0	3.7	606.3
2019	1	256.0	19.0	56.8	0.3	107.8	191.7	-	0.3	1.9	4.5	638.4
2019	2	240.3	19.2	56.9	0.9	101.8	175.4	-	0.4	1.9	10.8	607.6
2019	3	219.7	18.4	55.8	0.4	101.2	189.7	-	1.0	1.9	4.0	592.1
2019	4	183.8	15.6	52.5	0.4	94.7	198.4	-	1.4	1.9	3.3	551.9
2019	5	185.8	15.4	49.9	0.4	98.8	176.5	-	1.0	2.1	2.7	532.5
2019	6	191.8	15.2	52.6	0.4	99.2	181.5	-	1.8	2.1	2.8	547.5
2019	7	270.5	20.2	58.3	0.4	115.1	210.8	-	0.9	1.9	2.8	680.9
2019	8	344.0	25.4	67.8	0.4	132.2	229.2	-	1.4	2.2	2.9	805.4
2019	9	261.8	18.8	59.2	0.4	115.1	203.4	-	1.3	2.0	3.1	665.1
2019	10	185.8	13.9	49.9	0.1	99.5	180.0	-	1.0	2.1	0.9	533.1
2019	11	176.5	13.7	45.4	0.6	90.8	184.3	-	0.9	1.9	5.9	520.0
2019	12	218.7	17.3	52.2	0.4	100.3	186.2	-	1.6	1.9	3.7	582.2

MONTHLY GWh (Historicals & Projections: Weather-Normal) by Rate Code
After Energy Efficiency, Solar and Electric Vehicle Impacts

weather-adjusted (nk 's) - net of DERs, including EE

YEAR	MONTH	A16	A60	C06	C08	G02	G32	G62	B32	X01	SL	TOTAL	Forecast: 2015 vintage: fall 2014	2016 fall 2015	2017 fall 2016	2018 fall 2017	2019 fall 2018
2015	1	262.2	28.8	51.4	0.3	106.7	162.8	32.3	0.6	1.9	7.6	654.8	692.5	652.5	652.3	652.8	649.1
2015	2	245.7	27.6	53.6	0.3	105.8	168.5	39.7	0.5	1.8	6.3	649.7	662.2	655.2	655.3	657.5	652.9
2015	3	214.7	24.7	51.5	0.3	103.5	159.1	38.1	0.5	1.7	5.7	599.7	619.1	608.0	608.0	613.6	603.7
2015	4	201.2	24.6	47.1	0.3	103.5	161.2	35.4	0.6	1.8	5.0	580.7	606.6	581.5	581.4	583.0	579.9
2015	5	176.3	20.7	41.7	0.3	96.1	156.5	33.3	0.9	2.0	4.8	532.8	561.4	529.7	529.6	529.3	529.0
2015	6	193.8	21.7	45.4	0.3	108.5	170.6	35.0	1.7	2.1	3.9	583.0	591.1	583.0	583.0	581.8	582.3
2015	7	262.9	28.7	51.9	0.3	119.8	177.7	33.4	1.3	2.0	4.0	681.9	682.1	692.5	677.5	679.8	682.1
2015	8	294.1	31.3	57.1	0.3	126.5	182.4	45.4	1.8	1.9	4.5	745.3	775.4	761.1	751.5	747.9	745.4
2015	9	270.1	28.6	53.9	0.3	123.0	179.8	39.7	1.7	2.0	5.0	704.0	716.3	729.8	687.9	690.2	690.0
2015	10	206.2	22.1	45.1	0.3	106.1	155.4	37.7	1.3	1.9	5.6	581.8	599.0	587.3	578.3	575.7	576.8
2015	11	183.3	20.6	40.6	0.3	95.0	155.0	33.5	1.4	2.0	6.1	537.8	556.8	566.0	538.6	536.4	538.4
2015	12	243.1	27.7	48.5	0.3	109.1	168.3	36.6	0.6	2.2	7.2	643.6	632.2	623.2	643.6	638.3	643.9
2016	1	264.8	29.4	49.8	0.2	109.8	163.0	32.3	0.7	1.9	7.8	659.6	691.8	656.0	653.0	650.3	653.5
2016	2	234.6	27.2	49.0	0.3	102.1	162.5	38.2	0.5	1.9	6.1	622.3	661.5	662.8	622.7	620.9	625.1
2016	3	233.3	20.9	49.6	0.3	107.0	164.3	35.6	0.8	2.0	5.9	619.7	635.1	629.3	621.8	622.4	623.2
2016	4	206.9	16.7	45.8	0.3	100.6	160.6	37.6	0.8	2.1	5.2	576.7	608.4	585.9	574.2	574.8	575.7
2016	5	171.3	13.9	40.3	0.3	94.4	148.9	31.9	1.0	1.9	3.2	507.2	555.4	525.8	505.5	505.4	504.9
2016	6	214.1	16.7	46.8	0.3	108.5	169.1	34.9	1.3	2.0	3.0	596.8	598.0	593.8	597.6	597.5	597.0
2016	7	277.6	21.1	53.9	0.3	123.0	173.3	36.9	2.0	2.0	3.3	693.5	693.0	708.8	694.4	693.4	692.2
2016	8	312.4	23.2	56.0	0.3	124.5	176.2	38.0	1.4	1.9	3.1	737.1	773.6	762.7	746.7	742.7	733.3
2016	9	269.9	20.1	53.5	0.3	121.9	178.5	38.4	1.1	1.8	3.6	689.1	703.4	716.9	679.9	675.2	674.9
2016	10	204.0	15.9	45.5	0.3	105.1	160.6	37.1	1.0	1.9	4.4	575.9	610.3	601.0	594.4	570.5	571.0
2016	11	192.4	15.3	41.6	0.3	96.6	153.2	33.4	1.4	1.9	4.5	540.7	559.0	570.4	548.3	539.0	539.4
2016	12	221.1	17.7	44.8	0.3	99.5	156.5	35.8	1.1	2.1	4.9	583.8	621.5	614.6	635.0	583.0	584.5
2017	1	260.6	21.1	51.2	0.5	106.3	166.2	36.4	0.9	2.3	5.2	650.7	675.3	642.3	634.4	646.0	644.9
2017	2	246.4	19.9	51.1	0.3	103.2	153.7	35.7	0.7	2.0	4.7	617.7	657.6	663.5	623.9	614.8	620.4
2017	3	220.5	17.4	49.2	0.3	104.0	156.9	34.8	0.7	1.8	4.2	589.9	624.6	623.4	613.0	594.1	593.4
2017	4	206.9	16.8	48.4	0.3	100.8	157.8	34.7	0.8	2.2	3.0	571.6	603.5	586.2	570.0	576.3	569.1
2017	5	177.1	14.7	44.9	0.3	94.3	149.8	29.2	0.8	2.1	(3.3)	509.9	568.9	546.0	526.9	507.1	505.4
2017	6	199.7	15.8	50.2	0.7	103.1	157.1	37.4	2.2	1.9	8.8	576.9	586.9	587.8	589.5	572.2	569.4
2017	7	283.7	21.8	55.8	0.4	121.3	174.8	36.6	1.5	2.0	4.5	702.5	682.0	703.1	680.4	702.3	699.9
2017	8	322.0	23.5	58.8	0.4	127.1	185.4	41.1	1.4	2.2	3.4	765.3	772.3	767.4	747.7	762.7	770.9
2017	9	272.3	19.5	54.9	0.3	121.2	171.5	39.5	1.5	2.2	3.2	686.0	708.2	728.2	684.9	682.0	680.1
2017	10	183.9	12.7	44.6	0.3	103.7	161.5	37.7	0.9	1.8	3.2	550.4	596.7	592.3	578.7	568.7	549.0
2017	11	215.2	14.1	46.0	0.5	102.3	152.3	36.7	1.9	2.1	4.4	575.6	574.2	592.4	567.5	566.9	569.3
2017	12	217.6	13.9	46.8	0.4	97.5	154.7	28.7	1.1	2.0	5.0	567.8	615.6	613.8	630.0	603.1	568.5
2018	1	270.5	18.1	58.2	0.9	112.3	166.7	41.0	0.6	1.8	13.0	683.2	674.0	646.2	632.3	636.5	688.3
2018	2	252.5	17.7	54.0	0.7	103.4	148.9	31.0	0.7	2.0	9.2	620.1	652.3	663.1	616.7	608.7	615.9
2018	3	224.7	16.7	50.6	0.4	102.0	155.9	34.8	1.0	1.9	3.6	591.7	619.9	623.5	602.8	595.2	587.6
2018	4	196.1	14.8	48.1	0.4	99.1	149.4	40.3	1.7	1.6	3.6	555.0	591.5	578.4	549.0	563.6	554.7
2018	5	189.8	14.4	47.4	0.3	97.5	145.5	38.7	1.6	1.6	3.1	540.0	562.0	543.4	512.1	529.2	535.5
2018	6	196.6	14.9	50.5	0.3	103.7	154.5	41.0	1.7	1.7	3.1	568.2	596.9	603.1	593.1	582.6	567.8
2018	7	286.6	21.2	56.6	0.4	119.6	163.4	36.4	1.5	1.9	2.6	690.2	670.3	695.0	658.5	681.5	687.4
2018	8	303.8	21.7	57.6	0.3	121.2	173.6	38.8	1.4	2.0	2.5	722.9	762.8	761.4	728.7	720.0	721.1
2018	9	292.2	21.3	57.9	0.4	120.7	177.6	40.0	1.7	1.8	3.4	717.0	706.9	730.9	676.5	665.3	669.7
2018	10	202.1	14.7	46.9	0.4	102.6	180.7	17.5	2.5	2.0	3.4	572.8	603.0	603.0	582.8	570.1	568.9
2018	11	188.0	13.9	44.7	0.4	93.3	179.9	-	0.7	2.0	3.7	526.6	552.8	573.2	540.1	536.8	534.9
2018	12	218.8	16.6	52.4	0.3	100.9	192.9	-	3.5	2.0	3.7	591.1	616.3	618.0	630.4	602.7	594.0
2019	1	261.7	19.5	57.1	0.3	108.3	192.5	-	0.3	1.9	4.5	646.2	684.5	660.7	643.9	649.3	649.0
2019	2	240.1	19.2	56.9	0.9	101.8	175.3	-	0.4	1.9	10.8	607.3	652.5	666.4	615.9	608.6	600.7
2019	3	212.5	17.8	55.4	0.4	100.5	188.7	-	1.0	1.8	4.0	582.1	612.3	618.3	589.7	582.9	578.7
2019	4	185.8	15.8	52.6	0.4	94.9	198.8	-	1.4	1.9	3.3	554.9	581.3	570.2	531.4	546.9	546.0
2019	5	184.4	15.3	50.1	0.4	99.1	177.0	-	1.0	2.1	2.7	532.1	571.8	556.6	518.9	537.8	536.9
2019	6	203.9	16.2	53.9	0.4	101.7	185.6	-	1.9	2.2	2.8	568.6	581.0	588.5	568.6	558.0	557.3
2019	7	263.5	19.7	57.5	0.4	113.6	208.3	-	0.9	1.9	2.8	668.6	674.1	701.4	658.3	682.2	679.9
2019	8	323.3	23.9	65.3	0.4	127.5	222.1	-	1.4	2.1	2.9	768.8	781.1	783.0	746.5	739.4	726.7
2019	9	282.9	20.4	61.6	0.4	119.7	210.7	-	1.3	2.1	3.1	702.2	701.1	726.8	666.4	655.1	644.8
2019	10	190.2	14.2	50.4	0.1	100.4	181.6	-	1.0	2.1	0.9	540.9	584.7	585.3	560.0	545.8	535.5
2019	11	172.6	13.4	45.3	0.6	90.7	184.1	-	0.9	1.9	5.9	515.3	546.8	568.7	532.7	529.0	519.5
2019	12	207.8	16.5	51.6	0.4	99.3	184.6	-	1.6	1.9	3.7	567.4	619.6	623.4	634.7	607.5	591.8

PUC 2-15

Request:

Below is data compiled from the originally filed (and revised) Table E-1 (Attachment 5, page 1) for each program year back to 2015, which reflects data from line 3 of such Table for each year. Please confirm its accuracy and, if needed, provide a corrected table and an explanation of any errors. Please explain why the C&I Sector has tended to result in a large fund balance each year. Please also explain why the 2017 data reflecting the 2016 experience was $0. Conversely, please explain why the Non-Income Eligible Sector tended to result in negative fund balance each year (except for the 2021 data reflecting the year 2020 experience).

History of Fund Balance Schedule Table E-1 -- Attachment 5, page 1 (line 3)			
Program Year	**Non-Income Eligible Sector**	**C& I Sector**	**Fund Balance + Interest**
2021	$352,710	$19,608,970	$19,961,680
2020*	($10,628,170)	$12,328,110	$1,699,940
2019*	($1,317,130)	$4,346,640	$3,029,510
2018	($2,477,730)	$11,373,530	$8,895,800
2017	($2,677,640)	$0	($2,677,640)
2016	($8,483,680)	$5,615,440	($2,868,240)
2015	($1,373,600)	$7,727,200	$6,353,600
*Revised Schedule			

Response:

The table listed above accurately reflects the historical estimated year-end Fund Balances at the time of each recent Annual Plan filing and is reported within each filing.

Each year's estimated C&I sector year-end fund balance is impacted by a combination of the yearly starting balance, anticipated collections and budgeted and estimated actual full-year expenses.

Prepared by or under the supervision of: John Richards and Matthew Manzo

PUC 2-15, page 2

Both carrying over a larger than anticipated beginning balance from prior year-end as well as in-year SBC revenues outpacing forecasted full year energy efficiency program implementation expenses within a sector can result in a positive year-end fund balance forecast for that sector.

The primary reason that C&I electric fund balances tend to end the year with a positive balance is because the Company's energy efficiency electric SBC surcharge is held constant between C&I and residential tariff classes. In other words, the Company establishes a single SBC electric surcharge each year that is applied to both residential and C&I customers, based on total anticipated delivery volumes and total anticipated energy efficiency program funding requirements across all sectors. As C&I deliveries have historically accounted for roughly 57%-60% of annual electric deliveries (but C&I energy efficiency program budgets have tended to represent a meaningfully smaller portion of total electric program implementation budgets),[1] this has tended to lead to positive fund balance projections within the C&I sector, and corresponding negative fund balances within the income eligible and non-income eligible residential sectors.

As a practical matter, sector level fund balances within the electric program have no impact on the establishment of each year's SBC charge. As that charge is held constant across sectors, it is established each year on the basis of overall (i.e. cross-sector) fund balance forecasts, anticipated deliveries, and anticipated implementation expenses, not on the basis of individual sector fund balances.

In looking at anticipated year-end 2020 fund balances for the start of the 2021 program year, the non-income eligible residential sector balance is projected to be positive, unlike in recent previous years, because the non-income eligible residential implementation budget for program year 2020 is projected to be underspent, leading to a higher 2020 year-end fund balance forecast for the non-income eligible residential sector. While this leads to less of a disconnect between non-income eligible sector-level collections and expenditures than in past years (and thus an anticipated year-end fund balance that is closer to $0), the specific amount of the non-income eligible residential fund balance continues to have no direct impact on future electric surcharge requirements, as these charges will continue to be established on the basis of aggregated, cross-sector balances, funding requirements and anticipated deliveries.

[1] In the approved E-1 Tables for the 2018, 2019, and 2020 Annual Plans, the C&I electric sector budget represented approximately 49% (2018), 42% (2019), and 43% (2020) of the overall electric portfolio's budget.

PUC 2-15, page 3

In reviewing the reported 2017 program year C&I fund balance expectation of $0, the Company was able to confirm that this was the result of a specific transfer from the C&I sector fund balance to the income-eligible sector fund balance to offset a negative income eligible sector balance, and the remaining positive balance for the C&I sector was used to reduce some of the residential sector's negative fund balance. The Company also notes that some level of transfer between both C&I and non-income eligible residential fund balances to the income-eligible fund balance is an annual occurrence. As stated earlier, this is a function of income-eligible program expenditures (and associated funding requirements) exceeding income-eligible SBC collections, but has no impact on overall surcharge levels, which are established in the aggregate, across all sectors.

PUC 2-16

Request:

If the Commission approved the electric EE factor as currently proposed in Table E-1 which is based on forecasted kWh equal to 6,606,545,391, but actual deliveries for 2021 were equal to the 3-year average actual deliveries from 2018 through 2020, how much of a resulting over-collection would occur in 2021, assuming cost incurrence exactly matched the proposed budget. (NOTE: for calculating 2020, please use the Company's forecast for the months of November and December). Please provide a schedule showing the calculation. Please also provide the EE factor if actual deliveries were equal to the 3-year average.

Response:

See Attachment PUC 2-16 for schedule showing the calculations and EE factor if 2021 actual deliveries were equal to the 3-year average.

2021 Annual Plan Filing - October 15, 2020

(a)	2021 Forecast kwh (Line 7)	6,606,545,391
(b)	2021 Proposed EE Charge (Line 12)	0.01323
(c)	2021 Forecast Collections (a) x (b)	$87,404,596

2021 Annual Plan (Applying 2018-2020 kwh Average)

(d)	2018-2020 Forecast kwh average (l)	7,330,077,054
(e)	2021 Proposed EE Charge (Line 12)	0.01323
(f)	2021 Forecast Collections (d) x (e)	$96,976,919

(g)	Difference in Collections (f) - (c)	$9,572,324

		Actual kwh
(h)	2018	7,544,191,770
(i)	2019	7,256,735,209
(j)	2020	7,189,304,184
(k)	2018-2020 Forecast kwh average	7,330,077,054

(l)	EE Factor if actual 2021 kwh deliveries were equal to the 3 year average	0.01192

Footnotes

(a) Docket 5076, Attachment 5, Table E-1, Line 7
(b) Docket 5076, Attachment 5, Table E-1, Line 12
(c) (a) x (b)
(d) Attachment PUC 2-16, Line (k)
(e) Docket 5076, Attachment 5, Table E-1, Line 12
(f) (d) x (e)
(g) (f) - (c)
(h) Attachment PUC 2-14, "Attachment 1_Actuals", Column O
(i) Attachment PUC 2-14, "Attachment 1_Actuals", Column O
(j) Attachment PUC 2-13, Column L
(k) Avarege of Lines (h)(i)(j)

PUC 2-17

Request:

Please perform the same calculation as requested in 2-16, but assume actual deliveries for 2021 matched actual deliveries for 2020, as actual deliveries for 2020 were determined in 2-16. Please also provide the EE factor if actual deliveries were equal to actual deliveries in 2020.

Response:

See Attachment PUC 2-17 for schedule showing the calculations and EE factor if 2021 deliveries were equal to 2020 actuals.

Prepared by or under the supervision of: John Richards

2021 Annual Plan Filing - October 15, 2020

(a)	2021 Forecast kwh (Line 7)	6,606,545,391
(b)	2021 Proposed EE Charge (Line 12)	0.01323
(c)	2021 Forecast Collections (a) x (b)	$87,404,596

2021 Annual Plan (Applying 2018-2020 kwh Average)

(d)	2020 kwh Actuals (i)	7,189,304,184
(e)	2021 Proposed EE Charge (Line 12)	0.01323
(f)	2021 Forecast Collections (d) x (e)	$95,114,494

(h)	Difference in Collections (f) - (c)	$7,709,899

		Actual kwh
(i)	2020	7,189,304,184

(j)	EE Factor if actual 2021 kwh deliveries were equal 2020 kwh deliveries	0.01215

Footnotes

(a) Docket 5076, Attachment 5, Table E-1, Line 7
(b) Docket 5076, Attachment 5, Table E-1, Line 12
(c) (a) x (b)
(d) Line (i)
(e) Docket 5076, Attachment 5, Table E-1, Line 12
(f) (d) x (e)
(h) (f) - (c)
(i) Attachment PUC 2-13, Column L

PUC 2-18

Request:

In calculating the electric Fund Balance in Table E-1, as shown on line 3, please explain how the Company accounted for the originally forecasted electric performance incentives of $2,155,400 for the Residential sector, $819,800 for the Income Eligible sector, and $2,092,200 for the Commercial & Industrial sector (as provided in the Revised E-2 Table that was filed in Docket 4979)? In other words, were these forecasted incentives treated as costs incurred when calculating the Fund Balance, or were they adjusted in any way in determining the Fund Balance?

Response:

For calculation purposes, the Company treats electric performance incentives as debits to the fund balance. Performance incentives, when earned, reduce the overall available balance.

In Docket 4979 the proposed surcharge assumed a fund balance requirement of $5,054,448 in performance incentive associated with the Company's earnings at 100% of the planned incentive for the 2020 program year. These amounts were debited from the fund balance forecast for 2020, producing a forecasted ending balance which was used to calculate the necessary 2020 energy efficiency surcharge.

In Docket 5076, in forecasting the Year End 2020 Fund Balance (and the associated 2021 energy efficiency surcharge), any reductions in assumed 2020 performance incentive earnings would have the impact of increasing the forecasted 2020 Year End Fund Balance, and therefore reducing the proposed 2021 energy efficiency surcharge.

Prepared by or under the supervision of: John Richards and Matthew Manzo

PUC 2-19

Request:

What is the Company's best estimate for achievement of its targets in 2020 and total performance incentives earned for 2020, given the significant underspending that has occurred in 2020? Please provide copies of any internal presentations or notifications to management that have projected or forecasted the energy efficiency incentives the Company reasonably expects to earn for the 2020 program year for both electric and gas.

Response:

The Company's October 15, 2020 filing of its 2021 Annual Energy Efficiency Plan (EEP) included expectations of earning $2,826,045 in electric energy efficiency performance incentives and $493,609 in gas electric energy performance incentives during calendar year 2020. These earnings were forecast based on expectations of achieving 89% of planned non-income eligible residential, 68% of planned income eligible residential and 81% of commercial and industrial electric annual kWh savings; 89% of planned non-income eligible residential, 67% of planned income eligible residential and 64% of planned commercial and industrial electric annual kW savings; and 87% of planned non-income eligible residential, 62% of planned income eligible residential and 67% of planned commercial and industrial annual therm gas savings.

These savings and earnings forecast included in the 2021 EEP filing were based on the latest estimates of anticipated implementation spend and savings (as of the end of August), that were current as of when the Company submitted the 2021 EEP to the Energy Efficiency & Resource Management Council (EERMC) on October 1, 2020, ahead of the EERMC's October 8, 2020 vote on the 2021 EEP.

The Company will include updated estimates of forecasted calendar year 2020 performance incentive earnings with the December 1 fund balance forecast update to the PUC. These forecast values will be based on anticipated spend and savings performance as of the energy efficiency program implementation team's internal update from month-end October, and are expected to reflect the following:

Electric energy efficiency performance incentive earnings:	$2,904,085
Gas energy efficiency performance incentive earnings:	$648,641

The above performance incentive earnings are based on expectations of achieving 93% of planned non-income eligible residential, 65% of planned income eligible residential and 77% of commercial and industrial electric annual kWh savings; 92% of planned non-income eligible

PUC 2-19, page 2

residential, 65% of planned income eligible residential and 56% of planned commercial and industrial electric annual kW savings; and 86% of planned non-income eligible residential, 55% of planned income eligible residential and 76% of planned commercial and industrial annual therm gas savings.

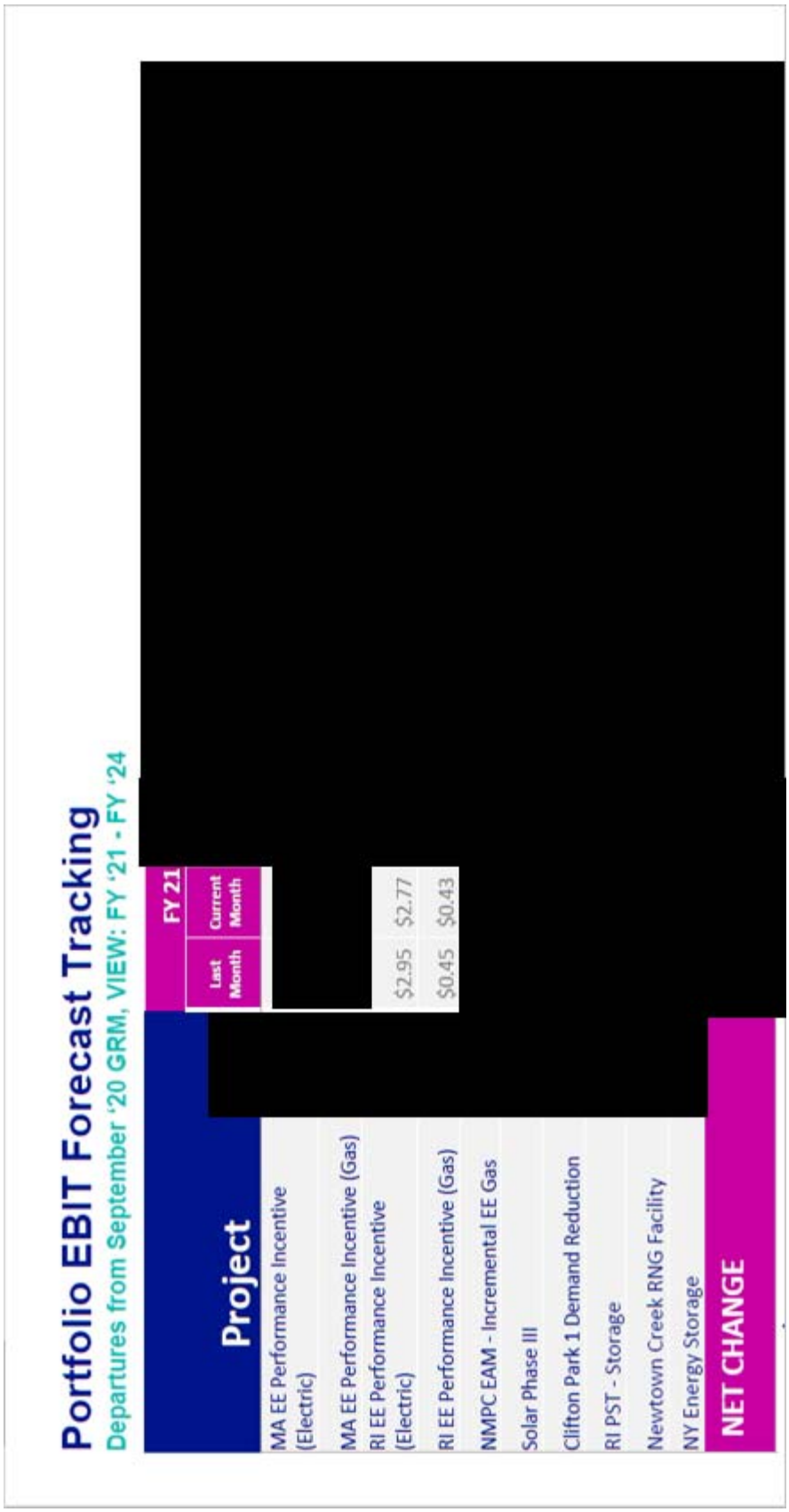
As the energy efficiency strategy policy and planning team has not yet presented its standard monthly internal management forecast update based on the end of October update, Attachment PUC 2-19 represents the most recent internal Rhode Island energy efficiency performance incentive earnings forecast update. This forecast was presented as part of an October 16, 2020 update based on the energy efficiency program implementation team's forecasted savings and spend performance as of month end September. The forecast in Attachment PUC 2-19 differs slightly from the now current best estimate of full year performance incentive earnings set forth in this response based on changes to forecasted full year savings and implementation spend between the end of September and end of October updates.

Please note that Attachment PUC 2-19 represents a copy of the standard monthly earnings forecast update that the Rhode Island energy efficiency strategy, policy and planning team provides to the Company's internal product reporting organization. Portions of this attachment include forecasts on a consolidated slide that are unrelated to Rhode Island energy efficiency performance incentive earnings in calendar year 2020, and have, therefore, been redacted (as non-responsive to the request) for purposes of this response.

Please also note that Attachment PUC 2-19 represents the most current presentation stemming from the energy efficiency strategy, policy, and planning team. The Company is continuing to search for any other presentations that are responsive to this question and will submit a supplemental response by Friday, November 20, 2020.

In all cases, the Company emphasizes that these estimates are preliminary and subject to change based on potential adjustments to achieved savings resulting from QA/QC processes, as well as potential adjustments to anticipated remaining savings and implementation spending to be realized through year-end 2020.

Prepared by or under the supervision of: Christopher Porter and John Richards


Portfolio EBIT Forecast Tracking
Departures from September '20 GRM, VIEW: FY '21 - FY '24
Project
FY 21
Last Month
Current Month
MA EE Performance Incentive (Electric)
MA EE Performance Incentive (Gas)
RI EE Performance Incentive (Electric)
$2.95
$2.77
RI EE Performance Incentive (Gas)
$0.45
$0.43
NMPC EAM - Incremental EE Gas
Solar Phase III
Clifton Park 1 Demand Reduction
RI PST - Storage
Newtown Creek RNG Facility
NY Energy Storage
NET CHANGE

PUC 2-19 (Revised)[1]

Request:

What is the Company's best estimate for achievement of its targets in 2020 and total performance incentives earned for 2020, given the significant underspending that has occurred in 2020? Please provide copies of any internal presentations or notifications to management that have projected or forecasted the energy efficiency incentives the Company reasonably expects to earn for the 2020 program year for both electric and gas.

Original Response:

The Company's October 15, 2020 filing of its 2021 Annual Energy Efficiency Plan (EEP) included expectations of earning $2,826,045 in electric energy efficiency performance incentives and $493,609 in gas electric energy performance incentives during calendar year 2020. These earnings were forecast based on expectations of achieving 89% of planned non-income eligible residential, 68% of planned income eligible residential and 81% of commercial and industrial electric annual kWh savings; 89% of planned non-income eligible residential, 67% of planned income eligible residential and 64% of planned commercial and industrial electric annual kW savings; and 87% of planned non-income eligible residential, 62% of planned income eligible residential and 67% of planned commercial and industrial annual therm gas savings.

These savings and earnings forecast included in the 2021 EEP filing were based on the latest estimates of anticipated implementation spend and savings (as of the end of August), that were current as of when the Company submitted the 2021 EEP to the Energy Efficiency & Resource Management Council (EERMC) on October 1, 2020, ahead of the EERMC's October 8, 2020 vote on the 2021 EEP.

The Company will include updated estimates of forecasted calendar year 2020 performance incentive earnings with the December 1 fund balance forecast update to the PUC. These forecast values will be based on anticipated spend and savings performance as of the energy efficiency program implementation team's internal update from month-end October, and are expected to reflect the following:

Electric energy efficiency performance incentive earnings:	$2,904,085
Gas energy efficiency performance incentive earnings:	$648,641

[1] The Company's revised response to PUC 2-19 begins on page 3.

Prepared by or under the supervision of: Christopher Porter and John Richards

PUC 2-19 (Revised), page 2

The above performance incentive earnings are based on expectations of achieving 93% of planned non-income eligible residential, 65% of planned income eligible residential and 77% of commercial and industrial electric annual kWh savings; 92% of planned non-income eligible residential, 65% of planned income eligible residential and 56% of planned commercial and industrial electric annual kW savings; and 86% of planned non-income eligible residential, 55% of planned income eligible residential and 76% of planned commercial and industrial annual therm gas savings.

As the energy efficiency strategy policy and planning team has not yet presented its standard monthly internal management forecast update based on the end of October update, Attachment PUC 2-19 represents the most recent internal Rhode Island energy efficiency performance incentive earnings forecast update. This forecast was presented as part of an October 16, 2020 update based on the energy efficiency program implementation team's forecasted savings and spend performance as of month end September. The forecast in Attachment PUC 2-19 differs slightly from the now current best estimate of full year performance incentive earnings set forth in this response based on changes to forecasted full year savings and implementation spend between the end of September and end of October updates.

Please note that Attachment PUC 2-19 represents a copy of the standard monthly earnings forecast update that the Rhode Island energy efficiency strategy, policy and planning team provides to the Company's internal product reporting organization. Portions of this attachment include forecasts on a consolidated slide that are unrelated to Rhode Island energy efficiency performance incentive earnings in calendar year 2020, and have, therefore, been redacted (as non-responsive to the request) for purposes of this response.

Please also note that Attachment PUC 2-19 represents the most current presentation stemming from the energy efficiency strategy, policy, and planning team. The Company is continuing to search for any other presentations that are responsive to this question and will submit a supplemental response by Friday, November 20, 2020.

In all cases, the Company emphasizes that these estimates are preliminary and subject to change based on potential adjustments to achieved savings resulting from QA/QC processes, as well as potential adjustments to anticipated remaining savings and implementation spending to be realized through year-end 2020.

Prepared by or under the supervision of: Christopher Porter and John Richards

PUC 2-19 (Revised), page 3

Revised Response:

This response represents a revised version of the Company's original response to PUC 2-19 that was submitted on November 16, 2020. (See above for original response.) Please note that the below response supersedes the Company's original response to PUC 2-19.

In sum the revisions include:

- Adjustments to anticipated full-year 2020 savings and resulting performance incentive earnings, reflecting the incorporation of updated assumptions from an updated version of the internal implementation team's end of October monthly update. (The values reported in the Company's initial response to PUC 2-19 were based on an end of October update that was mistakenly believed to be final, but was subsequently finalized to include small adjustments to full year C&I electric savings projections).
- The inclusion of three additional internal presentation slides presented to Company management reflecting expectations of Company energy efficiency performance incentive earnings from Rhode Island in 2020.

Please see full revised response to PUC 2-19 below.

The Company's October 15, 2020 filing of its 2021 Annual Energy Efficiency Plan (EEP) included expectations of earning $2,826,045 in electric energy efficiency performance incentives and $493,609 in gas electric energy performance incentives during calendar year 2020. These earnings were forecast based on expectations of achieving 89% of planned non-income eligible residential, 68% of planned income eligible residential and 81% of commercial and industrial electric annual kWh savings; 89% of planned non-income eligible residential, 67% of planned income eligible residential and 64% of planned commercial and industrial electric annual kW savings; and 87% of planned non-income eligible residential, 62% of planned income eligible residential and 67% of planned commercial and industrial annual therm gas savings.

These savings and earnings forecast included in the 2021 EEP filing were based on the latest estimates of anticipated implementation spend and savings (as of the end of August), that were current as of when the Company submitted the 2021 EEP to the Energy Efficiency & Resource Management Council (EERMC) on October 1, 2020, ahead of the EERMC's October 8, 2020 vote on the 2021 EEP.

The Company will include updated estimates of forecasted calendar year 2020 performance incentive earnings with the December 1 fund balance forecast update to the PUC. These forecast

PUC 2-19 (Revised), page 4

values will be based on anticipated spend and savings performance as of the energy efficiency program implementation team's internal update from month-end October, and are expected to reflect the following:

Electric energy efficiency performance incentive earnings: $2,966,166
Gas energy efficiency performance incentive earnings: $648,641

The above performance incentive earnings are based on expectations of achieving 93% of planned non-income eligible residential, 65% of planned income eligible residential and 79% of commercial and industrial electric annual kWh savings; 92% of planned non-income eligible residential, 65% of planned income eligible residential and 56% of planned commercial and industrial electric annual kW savings; and 86% of planned non-income eligible residential, 55% of planned income eligible residential and 76% of planned commercial and industrial annual therm gas savings.

As the energy efficiency strategy, policy and planning team had not yet presented its regular monthly internal management forecast update based on the end of October update at the time of the initial submission of the Company's response to 2-19, Attachment PUC 2-19-1 represents what had been the most recent internal Rhode Island energy efficiency performance incentive earnings forecast update as of the initial filing of the Company's response to PUC 2-19. This forecast was presented as part of an October 16, 2020 update based on the energy efficiency program implementation team's forecasted savings and spend performance as of month-end September. The forecast in Attachment PUC 2-19-1 differs slightly from the now current best estimate of full-year performance incentive earnings set forth in this response based on changes to forecasted full-year savings and implementation spend between the implementation team's end of September and end of October updates.

Attachment PUC 2-19-2 represents the forecast slide that was presented as part of this regular monthly update and that was distributed internally on November 18, 2020. It represents the incentive earnings forecast update that is consistent with the Company's original response to PUC 2-19. Given that it was distributed prior to the revision highlighted above, it does not match the incentive forecast reflected in this updated response, which is based on the now finalized end of October update from the implementation team.

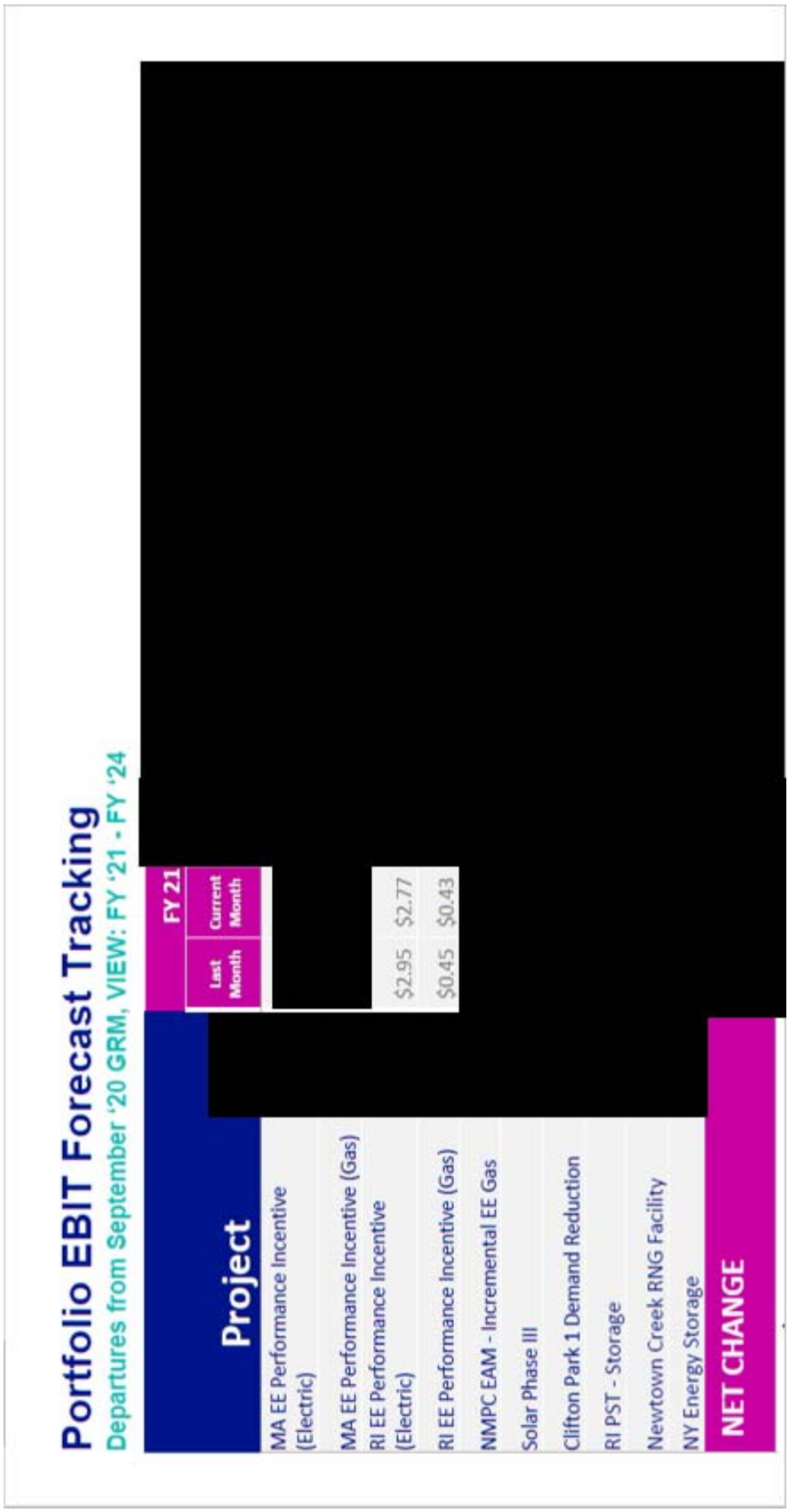
Attachment PUC 2-19-3 represents a slide that was presented as part of the Company's most recent internal presentation to Rhode Island jurisdictional leadership. The forecast incentive range of $3-4 million remains consistent with the Company's end of October update and full-year 2020 savings and performance incentive earnings expectations.

PUC 2-19 (Revised), page 5

Attachment PUC 2-19-4 represents a slide prepared and presented by the Company's energy efficiency implementation team that was delivered as a component of a broader update distributed on November 16, 2020. The MWh and therm savings forecasts presented in the attachment are consistent with the implementation team's most current monthly update, and, as such, are consistent with the savings expectations that align with the performance incentive earnings forecast conveyed in the response. The separate, internal estimate of associated performance incentive earnings in this slide were based on incorrect performance incentive calculations, however, and therefore, are inconsistent with the performance incentive forecast shared in the text of this response.

Please note that all attachments include slides where Rhode Island energy efficiency performance incentive forecasts are consolidated with updates on other matters that are unrelated to Rhode Island energy efficiency performance incentive earnings in calendar year 2020, and have, therefore, been redacted (as non-responsive to the request) for purposes of this response.

In all cases, the Company emphasizes that these estimates are preliminary and subject to change based on potential adjustments to achieved savings resulting from QA/QC processes, as well as potential adjustments to anticipated remaining savings and implementation spending to be realized through year-end 2020.


Portfolio EBIT Forecast Tracking
Departures from September '20 GRM, VIEW: FY '21 - FY '24
Project
FY 21
Last Month
Current Month
MA EE Performance Incentive (Electric)
MA EE Performance Incentive (Gas)
RI EE Performance Incentive (Electric)
$2.95
$2.77
RI EE Performance Incentive (Gas)
$0.45
$0.43
NMPC EAM - Incremental EE Gas
Solar Phase III
Clifton Park 1 Demand Reduction
RI PST - Storage
Newtown Creek RNG Facility
NY Energy Storage
NET CHANGE

CEM New England – Amber/Red CY20 Performance Incentive Summary

Date Reported	Op Co(s)	Calendar Year	Fiscal Year
11/17/20	All MA and RI OpCo's	2020	2021

	Performance Incentive	Plan		Forecast	Variance	
		Metric	Incentive ($M)	Incentive ($M)	Incentive: Forecast % of Plan	Incentive: Forecast $ +/- Plan
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
	RI Electric EE	Annual MWh & MW Savings	$5.1M	$2.9M	57%	($2.2M)
	RI Gas EE	Annual Therm Savings	$1.6M	$0.6M	38%	($1.0M)
	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

RAG Status – Green: Incentive ($M) forecast = plan or better | Amber: Incentive ($M) forecast <= 10% off plan | Red: Incentive ($M) forecast > 10% off plan

nationalgrid

NECOD FY21 Risks & Opportunities Potential ROE Impact

NECOD Risks & Opportunities (GAAP)	Low Case	High Case
[redacted]		
[redacted]		
[redacted]		
[redacted]		
[redacted]		
EE Incentives	0.5%	0.7%
[redacted]		
[redacted]		

Low Case ($M)	High Case ($M)
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	
3	4
[redacted]	
[redacted]	

[redacted]

Commentary

[redacted]

- **EE Incentives** – EE incentives in RI have been reduced to zero due to our inability to spend on these programs during the lock-down. There is an opportunity to re-earn $2.8M - 3.75M in incentives based on our ability to go out and spend to meet the requirements.
- [redacted]

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The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 2-19-3 (Revised)
Page 1 of 1

Customer Operations Strategic Imperatives

Consistently Grow Earnings – Pg2

Develop new products & expand participation in existing products

Initiative	Threshold	Target	Stretch	Owner	Actual	Status	Commentary
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
Achieve EE savings targets in RI	Elec: 133,817 MWh $3.7M Gas: 334,966 Dth $1.1M	Elec: 178,423 MWh $5.0M Gas: 446,621 Dth $1.5M	Elec: 223,029 MWh $6.3M Gas: 558,276 Dth $1.9M	[redacted]		●	Forecasting 150,255 MWh and $2.168M for RI Electric + 352,280 Dth and $528K for RI Gas. Many gap closing activities are underway
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]		[redacted]	[redacted]

PUC 2-20

Request:

Referring to Table 22, Bates page 260, please provide a more complete explanation of how the parties arrived at the allocation percentages. Please provide a schedule showing how the allocation percentages align with the implementation budget level.

Response:

In arriving at proposed allocation percentages, the Company began working from the assumption of a constant payout rate across all sectors within both the gas and electric portfolios.

Given the significantly larger share of net benefits produced from the Commercial and Industrial sector programs, however, the settling parties determined that a fixed payout rate would have the consequence of over-emphasizing Company performance within the commercial and industrial programs, at the expense of accountability for residential and income-eligible sector performance.

In determining alternative incentive pool allocation methodologies, the settling parties considered alternative approaches and data points, including relative share of commodity deliveries across sectors, historical allocation percentages within the Company's previously approved energy efficiency plans, and proposed 2021 annual implementation budget-based allocations.

Ultimately, the parties arrived at a consensus position (reflected in the filed 2021 Annual Energy Efficiency Plan) that was similar to an implementation budget-based allocation methodology, with adjustments reflecting desired levels of Company focus, in line with Company obligations regarding program equity and parity under the Least Cost Procurement Standards.
Please see Attachment PUC 2-20 for the requested schedule.

Prepared by or under the supervision of: Christopher Porter and John Tortorella

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5076
Attachment PUC 2-20-1
Table 22. Allocations of Performance Incentive Earning Opportunity - Expanded

Sector	Sector Implementation Expenses - Electric ($000)[1]	Percentage Sector Implementation Expenses - Electric	Electric Portfolio Allocation of Overall Performance Incentive Pool by Sector in 2021[2]	Sector Implementation Expenses - Gas($000)[1]	Percentage Sector Implementation Expenses - Gas	Gas Portfolio Allocation of Overall Performance Incentive Pool by Sector in 2021[2]
Residential	$ 38,563	33%	35%	$ 16,612	46%	35%
Income Eligible	$ 18,704	16%	20%	$ 10,042	28%	25%
Commercial and Industrial	$ 57,847	50%	45%	$ 9,619	27%	40%
Equity metric	N/A	N/A	0%	N/A	N/A	0%

Notes:
1) Sector Implementation Expenses from 2021 Annual Plan tables E-3 and G-3, Equal to the Columns "Implementation Expenses for Cost-Effectiveness on E-5" and "Implementation Expenses for Cost-Effectiveness on G-5"
2) Portfolio Allocations of Overall Performance Incentive Pools by Sector in 2021 are sourced from Annual Plan tables E-8 and G-8, Column 5.

PUC 2-21

Request:

Referring to Section 12.2.3 (Sector Thresholds and Caps), please explain in greater detail the "unusual degree of delivery risk," elaborating on why the Company appears to be concerned that it will only be able to achieve 65% of planned net benefits. Please provide specific evidence of the risk and address each sector.

Response:

Historically, filed and approved Annual Plans have recognized that forecasting future savings is an imperfect science, and that achievement of planned saving goals can be impacted by exogenous factors that are beyond the Company's control. For these reasons, the Company has been afforded the opportunity to begin to earn performance incentive at 75% of planned earnings. Conversely, the performance incentive mechanism has also historically been designed to support and incent Company achievement of savings and benefits in excess of planned savings (up to 125% of planned savings), in order to encourage the Company to remain aggressive in the pursuit of cost effective savings and resulting benefits for customers even in situations where the Company has significantly exceeded plan savings and benefits.

Looking to 2021, several exogenous risks remain that have the potential to negatively impact Company ability to deliver on savings and benefit goals:

1) **COVID-19 Pandemic**

   COVID-19 case and positivity rates continue to rise in New England as of the submission of this response. While neither the state of Rhode Island nor the Company have responded by mandating shelter-in-place orders, the further shut-down of non-essential business activities or, in the case of the Company, any re-suspension of previously suspended on-premise energy efficiency activities, there is a higher likelihood of any or all of these restrictions being imposed than has ever existed in any prior planning cycle.

   Additionally, even in the absence of any formal or mandated suspension of Company or vendor ability to deliver on-premise services to customers, customer psychology could develop to a point, in light of a continuing worsening of the pandemic, that customers have a reduced willingness to allow vendors into their homes and businesses, even with the use of mandated safety protocols. Given the substantial share of planed savings that require on-premise service delivery, this development would negatively impact Company ability to deliver on planned savings.

PUC 2-21, page 2

All sectors would be equally impacted by either of these COVD-19 developments, as all sectors are dependent upon on-premise service delivery for the achievement of savings.

2) Macro-economic uncertainty

The macro-economic impacts of the COVID-19 pandemic, in the form of GDP contraction, elevated unemployment rates, and business failures, are well documented. While most of the Company's energy efficiency programs are predicated on the idea of the provision of financial incentives to increase the economic attractiveness of energy efficiency investments by customers, in the market rate residential and commercial and industrial sector, customer adoption of measures typically still requires customer contribution to total measure installation costs. In an environment where customers have reduced liquidity, reduced access to, or appetite to utilize third-party capital, or lower confidence in their near-term economic outlook, customer demand for energy efficiency measures could expect to be depressed. In this event, Company ability to realize planned savings could be negatively impacted.

These impacts would be most directly felt in the market rate residential and commercial and industrial sectors, as income eligible measures are typically implemented at no cost to participating customers.

Finally, the proposed reduction of the Company's earning threshold from 75% of planned net benefits to 65% in 2021 is not intended be read as a belief on the Company's part that it is likely to only be able to achieve 65% of planned savings and benefits. Rather, it is intended to reflect a recognition on the part of the settling parties of an unusual degree of uncertainty in 2021, and a desire to maintain the delivery risk / earnings threshold equilibrium that had been established in prior plans featuring lower levels of uncertainty and a 75% threshold.

PUC 2-22

Request:

Referring to Section 12.2.3, please explain the concern that the economic conditions create a program delivery risk for 2021 and reconcile it with the Company's confidence in being able to deliver programs at a budget which is substantially higher in 2021 than the 2020 budget.

Response:

Please see the Company's response to PUC 2-21 for a detailed description of the economic drivers that the Company believes contribute to the unusual degree of program delivery uncertainty in 2021.

While the Company continues to acknowledge elevated delivery risk in 2021, it does not view this uncertainty as a cause for reducing savings and benefits goals, or the budget necessary to achieve them.

Least Cost Procurement obligates the Company to pursue all achievable cost-effective energy efficiency that is prudent and reliable. The targets proposed by the EERMC, and approved by the PUC, underscore this mandate and stakeholder expectations that the Company set aggressive goals. The historical performance incentive earnings threshold at 75% of planned savings is an indicator that perfect certainty around Company ability to deliver on proposed savings goals is not the standard in establishing and approving savings goals – requiring this degree of confidence would necessarily limit the ambition of proposed plans, and potentially customer access to otherwise achievable savings and associated benefits.

Two core aspects of the design of the Company's energy efficiency plans and associated funding mechanisms also mitigate risks to customers in the event that the Company is not able to fully utilize planned budgets in a given year. First, the fully reconciling nature of the funding mechanism ensures that any unspent funds are returned to customers, with interest, in the form of reduced funding requirements and associated SBC surcharges in future years. Second, reduced achievement of savings and benefits contributes directly to lower performance incentive earnings. While these earnings are ultimately in customers' interest in that they support Company achievement of positive outcomes, in the near-term, given that these incentives are paid for from collections from customers, Company failure to achieve planned savings and benefits will lead to reduced collections from customers in the ensuing year.

PUC 2-23

Request:

Referring to Tables 23 and 24, Bates page 261, please compare the "Planned Net Benefits" stated on those tables with the "Net Benefits" shown on column 3 in Tables E-8 and G-8, respectively. It appears that the Planned Net Benefits stated in the tables on Bates page 261 are actually the Total Benefits and the Company's presentation in the tables are in error.

Response:

The Company became aware of discrepancies between Tables 23/24 and Tables E-8/G-8 through its review of PUC 1-50. The Company corrected Tables 23 and 24 accordingly through its response to 1-50. Please see the transmittal letter dated November 16, 2020 and the Company's response to 1-50.

No new corrections to Tables 23 and 24 are being made through this response. Please see below for additional background.

In Table 23 the column "Planned Net Benefits (ex-Macroeconomic Multiplier)" was incorrect. The values in that column match to Column 1 in Table E-8 "Total Benefits (Without Economic Benefits) $(000)." Table 23 as revised through the Company's response to 1-50 is below.

Table 23 (Bates 261) Revision: PI Earning Rates by Sector – Electric Portfolio

Sector	Planned Net Benefits (ex-Macroeconomic Multiplier)	Design level Incentive Pool Allocation	Performance Incentive Payout Rate
Residential	$17,292,828	$1,925,000	11.132%
Income Eligible	$8,718,256	$1,100,000	12.617%
Commercial and Industrial	$142,654,797	$2,475,000	1.735%

In Table 24 the column "Planned Net Benefits (ex-Macroeconomic Multiplier)" is correct. It matches to Column 3 in Table G-8 "Net Benefits $(000)." As noted in the Company's response to PUC 1-50, two additional revisions to Table 24 (Bates 261) were necessary.

- Design Level Incentive Pool Allocation for the Commercial and Industrial Row, the value was incorrect. It was corrected to be $680,000 to match Table G-8.
- Performance Incentive Payout Rates were incorrect and did not match Table G-8.

Table 24 as revised through the Company's response to 1-50 is below.

PUC 2-23, page 2

Table 24. (Bates 261) Revision: PI Earning Rates by Sector – Gas Portfolio

Sector	Planned Net Benefits (ex-Macroeconomic Multiplier)	Design level Incentive Pool Allocation	Performance Incentive Payout Rate
Residential	$14,459,738	$595,000	4.115%
Income Eligible	$11,763,446	$425,000	3.613%
Commercial and Industrial	$35,393,410	$680,000	1.921%

PUC 2-24

Request:

Please describe how the "Performance Incentive Payout Rates" on Tables 23 and 24 were determined and explain why the method used to arrive at those payout rates align with advancing the priorities of the annual plan as defined by the Company.

Response:

The "Performance Incentive Payout Rates" proposed in the 2021 Annual Plan are a function of the overall portfolio level incentive pools and the allocation of these incentive pools, agreed to by the settling parties, divided by the planned sector level net benefits (ex-economic multipliers). The sector level net benefits are themselves a function of the planned level and allocation of savings across sectors and measures. Put another way, the payout rates are an output of other elements of the Annual Plan, not an input.

These payout rates, and the proposed performance incentive mechanism generally, align with the five identified priorities of the Annual Plan as follows:

1. **Priority 1: Deepen Customer Relationships**

   Deepening customer relationships is a path to positioning the Company to achieving deeper savings with customers, typically through longer-lived measures. By building the performance incentive mechanism around net benefits, the Company is incented to pursue measures with longer lives, which, holding everything else equal, produce higher lifetime savings and benefits.

2. **Priority 2: Drive Adoption of Comprehensive Measures**

   Customer adoption of comprehensive measures is aligned with both achieving greater lifetime savings (and therefore net benefits), while also reducing the costs of acquisition of savings, as individual customer selling and marketing costs can be amortized across a greater volumes of savings per customers. Achievement of higher savings, and increased cost efficiency in achieving savings, are both directly incented through the proposed net benefits-based mechanism.

PUC 2-24, page 2

3. Priority 3: Expand Active DR

As achievement of active demand reduction targets is incented through the Company's System Efficiency PIM, and not through the energy efficiency performance incentive structure, this priority is not directly addressed through the proposed energy efficiency performance incentive mechanism or associated payout rates.

4. Priority 4: Achieve Cost Optimization and Efficiency

The proposed net benefits-based performance incentive mechanism directly incents the Company to achieve savings and associated benefits at lower costs.

5. Priority 5: A Deeper Equity Lens Across All Program Planning and Delivery

The proposed allocation of the performance incentive pool across three distinct sectors, and the separate performance evaluation and earnings calculation within each sector, ensures that, in order to maximize earnings, the Company must achieve planned outcomes in all sectors. This promotes both equity and parity in achievement of benefits across sectors and portfolios.