



**Environment  
Northeast**

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Luly Massaro, Clerk  
Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: National Grid Gas Energy Efficiency Programs –  
Commission Docket No. 3790

Dear Ms. Massaro:

Enclosed for filing in Docket No. 3790 please find the testimony of Mr. Sam Krasnow, Policy Advocate and Attorney of Environment Northeast. Copies of this letter and its enclosure will be filed with you electronically and will also be provided electronically to all persons on the service list for this docket.

Respectfully submitted,  
Environment Northeast  
By its attorney,

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#### CERTIFICATE OF SERVICE

I hereby certify that on the 2<sup>nd</sup> day of April, 2007, I emailed a copy of this document to all parties on the service list for this docket providing email addresses and by regular mail to any remaining parties.

BEFORE THE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: NATIONAL GRID GAS ENERGY  
EFFICIENCY PROGRAMS :

DOCKET NO. 3790

Direct Testimony of

Samuel Krasnow

On Behalf of

Environment Northeast

Regarding National Grid's Gas Energy Efficiency Programs

April 2, 2007

**Q. Please identify your name, position, and business address.**

A. My name is Sam Krasnow. I am the Policy Advocate and Attorney for Environment Northeast (ENE), 203 S. Main St, Providence, RI 02903.

**Q. Please describe Environment Northeast.**

A. ENE is a non-profit organization which researches and addresses environmental problems that threaten regional ecosystems, human health and the management of natural resources. ENE is a member of the Energy Conservation Management Board which reviews the planning and implementation of gas and electric utility energy efficiency programs for the State of Connecticut. ENE has been active in Rhode Island and other New England states in researching and promoting energy efficiency and other demand side measures to mitigate environmental harm and reduce costs for energy consumers.

**Q. What is the purpose of your testimony?**

A. I am submitting testimony in docket 3790 to express ENE's support for the Settlement being filed by the parties to the docket. ENE has signed on to the Settlement.

**Q. Why did ENE sign the Settlement?**

A. ENE signed the Settlement because gas efficiency programs will deliver tremendous cost savings for RI consumers and achieve large environmental

benefits. Illustrating this point are the current Massachusetts natural gas energy efficiency programs administered by the utilities which deliver significant benefits. KeySpan's program in Massachusetts, for one year spanning 2005 to 2006 delivered the following benefits. They invested ~\$12.6 million per year in gas efficiency with total savings to consumers exceeding ~\$73.4 million. For every \$1 invested in efficiency, more than \$2.7 are saved. The efficiency programs deliver energy savings at about \$2.6/Mcf or \$0.25/therm while energy supply costs customers about \$11/Mcf or \$1.1/therm.

Natural gas efficiency programs deliver similar benefits to the electric programs in terms of energy independence, job and economic growth, and reduced emissions. The KeySpan natural gas efficiency programs in Massachusetts save over 600 thousand tons of CO<sub>2</sub> every year the programs are run.

**Q. What some other benefits you believe the Settlement provides for Rhode Island ratepayers and the environment?**

First, by laying the foundation for the integration of gas and electric DSM offering, the settlement is moving Rhode Island in a positive direction – one that will achieve great cost savings for ratepayers and more environmental benefits.

Second, all parties to the settlement were able to request that the Commission establish an administratively simple procedure for a self-directed program for gas used for manufacturing processes. The parties worked together to develop recommendations about how the self-direct process could work with the thought that such recommendation would be useful for Commission.

Third, ENE supports the ramp up of funding outlined in the Settlement to \$0.114 per decatherm. This program funding level is consistent with the Comprehensive Energy Conservation, Efficiency, and Affordability Act of 2006. ENE, along with the other parties believe it is important increase funding to \$0.115 per decatherm as program ramp allows. to TEC-RI joins the other Parties in support of increasing the energy efficiency surcharge over time commensurate with customer demand for program services, up to the maximum of 15 cents per decatherm allowed under the law

**Q. Does ENE support the Settlement's shareholder incentive mechanism?**

A. Yes, it is appropriate to include the shareholder incentive mechanism proposed in the Settlement.

**Q. Are you asking the Commission to approve the Settlement?**

A. Yes. ENE respectfully requests the approval of this settlement so that RI ratepayers, all parties, and the environment can receive associated benefits.

**Q. Does this conclude your testimony at this time.**

A. Yes.