

May 22, 2007

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 3790 – National Grid Gas Energy Efficiency Programs
Response to Record Request –Set 4**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's response to the Commission Record Request 4-1 issued today in the above-captioned proceeding.

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

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3790 Service List

Record Request 4-1

Request:

The response to PUC Record Request 3-4 was inadequate. In the Response to PUC Record Request 1-1, NGrid estimated the amount of the annual loss distribution revenues as approximately \$508,000 utilizing the figures on Attachment 8, page 2. Utilizing the same approach, assume in addition to distribution revenues, all customers purchased gas at the current GCR rates. Provide the annual loss in all revenues and the lifetime loss in all revenues.

Response:

Utilizing the current gas distribution rates and current GCR rates, ratepayers are expected to save approximately \$2,725,000 per year as a result of program induced natural gas savings. The average life of savings related to measures expected to be installed through the programs is equal to 3,078,531 lifetime MMBTU divided by 198,908 annual MMBTU or approximately 15 years. If we estimate total bill savings over the expected life of measures by multiplying \$2,725,000 of annual bill savings by 15 years, the total bill savings are equal to \$40,875,000. The total energy efficiency program budget for the 2007–2008 period, excluding the commitments budget, is equal to \$6,850,900. The resultant benefit cost ratio using expected bill savings to value savings, rather than the avoided costs that have been used to project cost-effectiveness, is equal to $\$40,875,000/\$6,850,900$ or 5.97.

Prepared by or under the supervision of:
Peter Czekanski and Carol White

Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been mailed or hand-delivered to the individuals listed below.



Joanne M. Scanlon

May 22, 2007

Date

**Docket 3790 – National Grid – Gas Energy Efficiency Programs
Service List as of 4/19/07**

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