

November 20, 2007

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**Re: Docket 3892 - Electric Demand-Side Management Programs for 2008**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's responses to the Commission's first set of data requests issued on November 15, 2007 in the above-captioned proceeding.

Thank you for your attention to this transmittal. Please contact me if you have any questions concerning this Settlement at (401) 784-7667.

Very truly yours,



Laura S. Olton

Enclosures

cc: Docket 3892 Service List  
RI Collaborative Members (w/enc.)

Commission Data Request 1-1

Request:

Why is the rebate for programmable thermostats being eliminated?

Response:

Given the reduced available funding in the residential sector, this seemed an appropriate place to make a spending reduction. Customers typically receive the thermostat rebate with an installed boiler that receives incentives through the program. Cutting the thermostat measures allows National Grid to rebate more boilers and minimize the number of customers who may not be able to participate due to reduced funding for this program.

Commission Data Request 1-2

Request:

Why is the rebate for torchieres being reduced?

Response:

The additional cost of promoting a separate coupon and managing different rebate levels for indoor lighting fixtures increases program administrative costs, and has not provided additional participation. Accordingly, the 2008 lighting program is designed to pay the same incentive level for ENERGY STAR torchieres as other indoor lighting fixtures.

National Grid  
Docket No. 3892  
2008 Electric Demand-Side Management Programs  
Responses to Commission Data Requests – Set 1  
Issued November 15, 2007

Commission Data Request 1-3

Request:

With regard to 2008 advertising, please identify the type of advertising, the amount that will be spent on each type of advertising and which program(s) will be promoted through the advertising.

Response:

National Grid uses a category of “marketing” to identify activities which promote the programs. This can include developing and printing of brochures, point of purchase materials, e-mails, website updates, etc. Information is provided below that summarizes proposed expenditures in marketing for 2008. Expenditures may shift based on program participation, costs, and coordination.

<b>Type of Marketing</b>	<b>Proposed Approximate Spending</b>	<b>Programs</b>
Printed Brochures	\$16,300	ENERGY STAR Homes Lighting HVAC Education
Point of Purchase and Retailer/Builder Outreach	\$80,500	ENERGY STAR Homes Products Lighting
Cooperative Advertising with Retailers	\$6,000	Products Lighting
TV/Radio advertising	\$20,000	Products Lighting Education
Trade Journal/Yellow Page Ads	\$8,100	HVAC
Bill insert printing	\$7,000	HVAC Lighting
Website maintenance, e-mail outreach	\$3,800	HVAC Lighting & Products
Developing and printing of Brochures; posters; and outreach	\$32,600	Large C&I
Printed Brochures, mailings, outreach	\$50,000	Small Business
<b>Total</b>	<b>\$224,300</b>	

Prepared by or under the supervision of: Laura G. McNaughton

Commission Data Request 1-4

Request:

What will be done to continue to educate customers and contractors for central air conditioning?

Response:

The Company plans to continue to focus its efforts on customer and contractor education on high efficiency equipment and the benefits of a quality installation including the advantages of selecting NATE (North American Technician Excellence) certified technicians. The quality installation specification recently developed by the U.S. Environmental Protection Agency (EPA) and the Air Conditioning Contractors of America (ACCA) stipulates that the air flow across the indoor coil has been measured and set to correct levels, ducts are sealed, systems including ducts are properly sized, and refrigerant charge is set correctly. The HVAC industry, EPA, National Grid and many other utilities acknowledge that these practices are essential for a quality installation and that they are unfortunately not standard industry practice.

The Company plans to continue customer outreach and education via bill inserts, mycoolsmart.com which is the program's fairly comprehensive website, a 1-800 line, brochures, and the rebate application. The website includes links to tax credit information, NATE, and the ENERGY STAR Guide to Energy-Efficient Heating and Cooling. Consumer education is also supported by providing brochures, web site materials, and training for contractor use for kitchen table sales.

Contractor education and outreach will be via phone calls, circuit rider visits, awards contests, distributor outreach and spiffs, direct and E-mailings, one-on-one meetings, trainings on technical issues, usage of sizing software, usage of QIV software, and up-selling to high efficiency equipment.

Although new central air conditioning equipment that is properly sized and operating is critical to the energy efficiency of the equipment, HVAC technicians do not, as a standard practice, perform all the needed calculations and tests. The Company has and will continue to assist technicians by providing hands-on training and technical support on Quality Installation Verification (QIV) which is third party verification of charge and airflow of systems and system sizing. The Company also will provide written guidelines for the QIV component and a QIV quick reference guide which contractors requested to refresh technician's recall of the QIV procedures at the beginning of the cooling season. There also is web-based training and a DVD on QIV produced by COOL SMART in conjunction with one of the manufacturers.

Commission Data Request 1-5

Request:

Please update Attachment 7, page 2 of 2 (Proposed 2008 Budget Compared to Approved 2007 Budget) to include a column that includes expected 2007 actual expenditures.

Response:

A column showing expected 2007 actual expenditures has been added to Attachment 7, Page 2 of 2. See attached.

**THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID**

R.I.P.U.C Docket No.3892

Attachment 7

page 2 of 2

**Proposed 2008 Budget Compared to Approved 2007 Budget (\$000)**

	<b>Proposed Budget (2008)</b>	<b>Approved Budget (2007)</b>	<b>Change Compared to 2007</b>	<b>Projected 2007 Spending</b>
<b>RESIDENTIAL PROGRAMS</b>				
EnergyWise	\$1,662.7	\$2,170.2	(\$507.5)	\$2,170.2
Single Family - Low Income Services	\$1,475.1	\$1,953.3	(\$478.1)	\$1,953.3
ENERGY STAR Products	\$309.1	\$332.7	(\$23.6)	\$290.0
ENERGY STAR Heating System	\$99.6	\$130.8	(\$31.2)	\$130.8
ENERGY STAR Air Conditioning	\$297.8	\$145.4	\$152.4	\$246.0
Residential Lighting	\$625.9	\$819.8	(\$193.9)	\$819.8
ENERGY STAR New Construction	\$716.3	\$712.3	\$4.1	\$712.3
Energy Efficiency Educational Programs	\$31.2	\$48.4	(\$17.1)	\$48.4
EERMC - Residential	\$124.1	\$125.5	(\$1.4)	\$124.5
<b>Subtotal Residential</b>	\$5,341.9	\$6,438.3	(\$1,096.3)	\$6,495.3
<b>LARGE COMMERCIAL AND INDUSTRIAL PROGRAMS</b>				
Design 2000plus	\$3,828.9	\$3,957.1	(\$128.1)	\$3,957.1
Energy Initiative	\$6,340.5	\$6,603.3	(\$262.8)	\$6,273.1
EERMC - Large C&I	\$111.8	\$114.3	(\$2.5)	\$125.4
<b>Subtotal Large Commercial &amp; Industrial</b>	\$10,281.2	\$10,674.6	(\$393.4)	\$10,355.5
<b>SMALL COMMERCIAL &amp; INDUSTRIAL PROGRAMS</b>				
Small C&I	\$4,263.9	\$4,260.0	\$3.9	\$4,260.0
EERMC - Small C&I	\$80.5	\$82.0	(\$1.5)	\$73.8
<b>Subtotal Small Commercial &amp; Industrial</b>	\$4,344.4	\$4,342.0	\$2.4	\$4,333.8
<b>OTHER EXPENSE ITEMS</b>				
Company Incentive	\$647.7	\$723.0	(\$75.3)	\$723.0
Program Design, Evaluation and Planning	\$400.0	\$350.0	\$50.0	\$350.0
<b>Subtotal Other Items</b>	\$1,047.7	\$1,073.0	(\$25.3)	\$1,073.0
<b>TOTAL BUDGET</b>	\$21,015.2	\$22,527.8	(\$1,512.6)	\$22,257.5

Note: The Energy Efficiency and Resource Management Council (EERMC) may collect up to 2% of the funding collected from customers through the \$0.0002 per kWh in the year. Although the EERMC has not requested these funds from the Company to date in 2007, the Company views this as a commitment and has shown the expected amount for 2007 in this response.

## Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted to the individuals listed below on 11/1/2007. Copies will be sent via U. S. Mail on 11/2/2007.



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Joanne M. Scanlon

November 20, 2007

Date

### **National Grid - 2008 Demand Side Management – Docket No. 3892 Service list as of 11/2/07**

<b>Name/Address</b>	<b>E-mail Distribution List</b>	<b>Phone/FAX</b>
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