

May 1, 2009

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: National Grid Electric and Gas Demand-Side Management Programs - 2008 Year-End Report
Docket Nos. 3790 & 3892**

Dear Ms. Massaro:

Enclosed please find ten (10) copies of National Grid's¹ Demand-Side Management ("DSM") Programs 2008 Year-End Report. This report summarizes the year-end results of the Company's gas and electric energy efficiency program efforts in 2008, and serves as the Year-End Report for both. A copy of this report has also been provided to the parties in this proceeding.

Thank you for your attention to our filing. Please feel free to contact me if you have any questions regarding this matter at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

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

¹ Submitted on behalf of The Narragansett Electric Company d/b/a National Grid ("Company").

2008 DSM Year-End Report

for

The Narragansett Electric
Company

and National Grid Gas in
Rhode Island

d/b/a

National Grid

June 1, 2009

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National Grid

2008 DSM Year-End Report

Overview

This report summarizes the results of The Narragansett Electric Company's, d/b/a National Grid (Company's) gas and electric energy efficiency program efforts in 2008, and serves as the Year-End Report for both. The gas programs are described more fully in the "Settlement of the Parties," filed in Docket No. 3790 on April 2, 2007, and approved by the Rhode Island Public Utilities Commission in Order No. 19024, issued July 23, 2008. The electric programs are described more fully in the "Settlement of the Parties," filed in Docket No. 3892 on November 2, 2007, and approved by the Rhode Island Public Utilities Commission in Order No. 19179, issued January 17, 2008.

Electric Programs

Introduction

This section summarizes the results of the Company's commercial and industrial (C&I) and residential electric demand-side management (DSM, or energy efficiency) program efforts in 2008. These programs are described more fully in the "Settlement of the Parties," filed November 2, 2007, and approved by the Rhode Island Public Utilities Commission in Order No. 19179, issued January 17, 2008.

For the 2008 DSM program year, the Company established a goal, adjusted by year-end evaluation results, to achieve 9,085 kW in annual demand savings and 54,152 MWh of annual energy savings. By year-end 2008, the Company achieved annual demand savings of 10,225kW and 60,053 annual MWh energy savings. These results were achieved at a benefit/cost ratio of 6.21.

The chart below summarizes year-end program expenditures compared to budgeted amounts.

Budget vs. Expenditures, 2008		
	Budget, \$Million ¹	Year-End Spending, \$Million ²
Total Expenditures and Commitments ³	\$21.0	\$19.2
Total Expenditures, excluding Commitments	\$16.5	\$15.9
Total Implementation Expenses, residential and C&I programs ⁴	\$14.5	\$14.9

As seen above, the Company spent \$14.9 million in 2008 on the residential and C&I DSM programs. The Company also made \$3.3 million in commitments for future projects in the Large C&I programs.

Table E-1 summarizes the 2008 year-end performance for all of the DSM programs compared with annual goals and approved budgets. Overall, the programs achieved approximately 111% of targeted annual energy savings and 113% of targeted annual kW savings, while using 106% of the implementation budget for the DSM programs.

Table E-2 summarizes the value created by the projected lifetime MWh and lifetime kW savings from the 2008 DSM programs. The programs created \$98.8 million in total value. The total value created stems from \$92.3 million in electricity savings and \$6.5 million from other participant resource savings, such as fossil fuel and water.

Table E-3 provides the Rhode Island benefit/cost (B/C) ratios for the residential and C&I programs. The B/C ratios incorporate the total value, implementation expenses, evaluation costs and shareholder incentive resulting from the Company's implementation of the programs during 2008. Overall, the B/C ratio for the portfolio of energy efficiency programs implemented in 2008 is 6.21.

Table E-4 documents that the Company has earned \$675,282 for the successful implementation of its energy efficiency programs in 2008. The Company earned \$585,282 through the energy savings portion of the incentive mechanism. This exceeds the target savings incentive of \$547,689 due to the Company's exceeding the kWh savings goal in 2008. The savings target and incentive calculation for the small business sector was adjusted

¹ Budget is Total Budgeted Expenditures and Commitments from the Filing in Docket 3892, filed September 30, 2008, Attachment 7, page 1.

² Year-End Spending is actual spending in 2008.

³ Total Expenditures and Commitments includes all DSM program-related expenses, including rebates, administration and general expenses (A&G), evaluation, expenses to be repaid by customer co-payments, commitments for future years, and Company incentive.

⁴ Total Implementation Expenses are net of the co-payment amounts paid directly by Small Business Program participants and paid by Large C&I customers for technical assistance. Implementation expenses also exclude evaluation expenses, EERMC expenses, and the Company's incentive. See Table E-1 notes for details on co-payments and Table E-3 for details on the evaluation expenses and incentive.

for actual expenditures varying from budgeted amounts by more than 5%. The Company further earned \$90,000 from fully meeting four performance metric targets, and partially meeting a fifth performance metric target in 2008. Table E-5 provides details on the metric performance.

The 2008 Year-End DSM fund balance of \$2,976,655 is shown in Table E-6. Table E-7 summarizes the Company's C&I programs including SBS, and Table E-8 summarizes the Company's residential programs.

Commercial and Industrial Programs

Descriptions of the C&I energy efficiency programs implemented in 2008 are contained in Table E-7.

Large Commercial and Industrial Programs

For the Large C&I programs, Energy Initiative and Design 2000*plus*, the Company achieved 112% of the targeted annual energy savings and 114% of targeted annual kW savings while spending 101% of the implementation budget. The Rhode Island B/C ratio for the Large C&I programs was 9.25.

The total amount of spending in 2008 was \$5.7 million, which was 101% of the approved 2008 spending budget. There were an additional \$3.3 million in commitments.

Small Commercial and Industrial Programs

The Company offered its Small Business Services (SBS) Program to the Small Commercial and Industrial sector. The Company spent 115% of the SBS implementation budget and achieved 96% of targeted annual energy savings and 100% of targeted annual demand savings. The SBS program achieved a Rhode Island B/C ratio of 3.73.

Residential Programs

In 2008, the residential DSM programs were cost-effective with an overall Rhode Island B/C ratio of 4.62. The Company spent approximately 104% of the residential implementation budget and achieved 117% of targeted annual energy savings and 126% of targeted annual kW savings. Descriptions of the 2008 residential energy efficiency programs are contained in Table E-8.

Gas Programs

Introduction

This section summarizes the results of National Grid Gas’s C&I and residential DSM program efforts from July 1, 2007, through December 31, 2008. These programs are described more fully in the “Settlement of the Parties,” filed April 2, 2007, and approved by the Rhode Island Public Utilities Commission in Order No. 19024, issued July 23, 2008.

For the 2007-08 DSM program year, the Company established a goal, adjusted by year-end evaluation results, to achieve 198,908 MMBTU natural gas savings. By year-end 2008, the Company achieved annual savings of 209,829 MMBTU. These results were achieved at a benefit/cost ratio of 10.72.

The chart below summarizes year-end program expenditures compared to budgeted amounts.

Budget vs. Expenditures, 2007-08		
	Budget, \$Million ⁵	Year-End Spending, \$Million ⁶
Total Expenditures and Commitments ⁷	\$7.3	\$7.4
Total Expenditures, excluding Commitments	\$6.6	\$7.1
Total Implementation Expenses, residential and C&I programs ⁸	\$6.2	\$6.7

As seen above, the Company spent \$6.7 million in 2007-08 on the residential and C&I DSM programs. The Company also made \$ 297,500 in commitments for future projects in the Large C&I programs.

Table G-1 summarizes the 2007-08 year-end performance for all of the DSM programs compared with annual goals and approved budgets. Overall, the programs achieved approximately 109% of targeted annual gas savings, while using 108% of the implementation budget.

⁵ Budget is Total Budgeted Expenditures and Commitments from the Settlement.

⁶ Year-End Spending is actual spending in 2007 and 2008.

⁷ Total Expenditures and Commitments includes all DSM program-related expenses, including rebates, administration and general expenses (A&G), evaluation, commitments for future years, and Company incentive.

⁸ Total Implementation Expenses are net of the co-payment amounts paid directly by Small Business Program participants and paid by Large C&I customers for technical assistance. Implementation expenses also exclude evaluation expenses, EERMC expenses, and the Company’s incentive. See Table G-1 notes for details on co-payments and Table G-3 for details on the evaluation expenses and incentive

Table G-2 summarizes the benefits of annual and lifetime MMBTU saved by DSM programs. The programs created \$69.3 million in total value. The total value created stems from \$69.3 million in natural gas savings and \$24,000 in participant resource benefits.

Table G-3 provides the Rhode Island B/C ratios for C&I and residential programs. The B/C ratios incorporate the total benefit, the implementation expenses, evaluation expenses, and shareholder incentive. Overall, the B/C ratio for the 2007-08 DSM programs was 9.83.

Table G-4 documents that the Company has earned \$321,801 for the successful implementation of energy efficiency programs in 2007-08. This exceeds the \$288,734 target incentive because the company exceeded the annual MMBTU savings goal.

The 2008 Year-End DSM fund balance of (\$3,472) is showing in Table G-5. Table G-6 describes the residential programs while Table G-7 describes the C&I programs.

Large Commercial and Industrial Programs

For the Large C&I programs, the Company achieved 100% of the targeted annual gas savings while spending 73% of the approved implementation budget. The Rhode Island B/C for Large C&I programs was 27.5.

Residential Programs

For Residential programs, the Company achieved 119% of the targeted annual energy savings, while spending 132% of the approved implementation budget. The Rhode Island B/C for residential programs was 3.01.

NATIONAL GRID ELECTRIC ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table E1. Summary of 2008 Target and Year End Results

Sector and Program	(1) Demand Reduction (Annual kW)				(5) Energy Savings (Annual MWh)				(9) Customer Participation			(12) Implementation Expenses (\$ 000)		
	Approved Target	Adjusted Target	Year To Date	Pct Achieved	Approved Target	Adjusted Target	Year To Date	Pct Achieved	Approved Target	Year To Date	Pct Achieved	Approved Budget	Year To Date	Pct Achieved
Large Commercial and Industrial														
Design 2000plus	2,016	1,949	2,873	147.4%	9,157	8,860	13,535	152.8%	159	132	83.0%	\$2,328.9	\$2,836.0	121.8%
Energy Initiative	3,592	3,509	3,328	94.8%	21,039	20,967	19,854	94.7%	145	157	108.3%	3,340.5	2,897.7	86.7%
SUBTOTAL	5,608	5,458	6,200	113.6%	30,196	29,827	33,389	111.9%	304	289	95.1%	\$5,669.4	\$5,733.6	101.1%
Small Commercial and Industrial														
Small Business Services	2,094	2,088	2,093	100.2%	8,698	8,282	7,980	96.4%	542	531	98.0%	\$3,257.7	\$3,755.2	115.3%
SUBTOTAL	2,094	2,088	2,093	100.2%	8,698	8,282	7,980	96.4%	542	531	98.0%	\$3,257.7	\$3,755.2	115.3%
Residential														
EnergyWise	131	131	132	100.9%	1,875	1,875	3,054	162.9%	2,962	4,496	151.8%	1,662.7	1,796.6	108.1%
Single Family Low Income Services	105	105	108	103.3%	945	945	996	105.4%	806	861	106.8%	1,475.1	1,421.0	96.3%
ENERGY STAR @ Appliances	153	175	103	58.7%	415	549	512	93.3%	3,750	4,456	118.8%	309.1	349.5	113.1%
ENERGY STAR @ Heating Program	6	6	10	182.7%	50	50	84	168.1%	423	385	91.0%	99.6	91.3	91.6%
ENERGY STAR @ Central A/C Program	192	192	147	76.7%	116	116	93	80.3%	620	684	110.3%	297.8	416.8	140.0%
ENERGY STAR @ Lighting	782	782	825	105.5%	11,974	11,974	12,584	105.1%	51,650	36,348	70.4%	625.9	612.4	97.8%
ENERGY STAR @ Homes	149	149	606	406.8%	534	534	1,362	255.1%	335	396	118.2%	716.3	747.0	104.3%
Energy Efficiency Education Programs	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	31.2	10.0	32.1%
SUBTOTAL	1,517	1,539	1,932	125.5%	15,909	16,043	18,684	116.5%	60,546	47,626	78.7%	\$5,217.7	\$5,444.6	104.3%
TOTAL	9,219	9,085	10,225	112.5%	54,803	54,152	60,053	110.9%	61,392	48,446	78.9%	\$14,144.8	\$14,933.4	105.6%

NOTES

- (1) Approved Target from 2008 Settlement, Attachment 10 page 2 of 3, Summer kW.
- (2) kW Target adjusted for evaluation results, per letter sent to RI PUC September 30, 2008.
- (4) Pct Achieved is Column (3)/ Column (2).
- (5) Approved Target from 2008 Settlement, Attachment 10 page 2 of 3, Maximum Annual MWh Saved.
- (6) kWh target adjusted for evaluation results
- (8) Pct Achieved is Column (7)/ Column (6).
- (9), (10) Customer Participation in 2008 defined as completed projects in Approved Target and Year To Date, except for C&I Year To Date participants, which are counted as unique customer participants from the DSM Tracking System. There were 208 Energy Initiative applications, 175 Design 2000 applications, and 677 SBS Applications
- (11) Pct Achieved is Column (10)/ Column (9).
- (12) Approved Budget from 2008 Settlement, Attachment 10, page 1 of 3
For Design 2000plus and Energy Initiative this excludes estimated collective commitment budget of \$3,300,000.
For Small Business Services, this is net of expected copayments of \$1,078,535
- (13) Year To Date Implementation Expenses are net of the following items:
Actual commitments made in 2008 for 2009.
Customer copayments
Evaluation expenses
- (14) Pct Achieved is Column (14)/ Column (12).

Preliminary lifetime cost per kWh = \$14,933,400/750,060,000 =
Does not include EERMC, Shareholder incentive, or customer contribu \$0.021

NATIONAL GRID ELECTRIC ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table E2. Summary of Value, kW, and kWh by Program

2008 Program Year

	Value (000's)						Load Reduction in kW				MWh Saved	
	Total	Capacity	Energy		MDC	Participant Resource	Maximum Annual (1)	Winter	Summer	Lifetime	Annual (1)	Lifetime
			On Peak	Off Peak								
Large Commercial and Industrial												
Design 2000 <i>plus</i>	\$27,191	\$5,731	\$13,587	\$4,765	\$3,108	\$0	2,873	1,832	2,873	45,739	13,535	209,721
Energy Initiative	\$30,178	\$5,206	\$15,333	\$6,691	\$2,948	\$0	3,328	2,602	3,328	41,261	19,854	242,067
SUBTOTAL	\$57,368	\$10,936	\$28,920	\$11,456	\$6,055	\$0	6,200	4,433	6,200	87,000	33,389	451,788
Small Commercial and Industrial												
Small Business Services	\$14,550	\$3,186	\$7,791	\$1,760	\$1,814	\$0	2,093	1,040	2,093	25,377	7,980	96,888
SUBTOTAL	\$14,550	\$3,186	\$7,791	\$1,760	\$1,814	\$0	2,093	1,040	2,093	25,377	7,980	96,888
Residential												
EnergyWise	\$3,788	\$229	\$1,470	\$1,508	\$186	\$396	132	813	132	1,819	3,054	37,258
Single Family Low Income Services	\$3,178	\$153	\$448	\$460	\$129	\$1,988	108	222	108	1,251	996	11,243
ENERGY STAR @ Appliances	\$2,037	\$178	\$281	\$277	\$144	\$1,157	103	83	103	1,382	512	7,136
ENERGY STAR @ Heating Program	\$604	\$23	\$96	\$27	\$18	\$440	10	3	10	183	84	1,506
ENERGY STAR @ Central A/C Program	\$493	\$208	\$86	\$23	\$176	\$0	147	2	147	1,722	93	1,202
ENERGY STAR @ Lighting	\$9,790	\$704	\$4,147	\$4,260	\$679	\$0	825	3,105	825	6,004	12,584	90,792
ENERGY STAR @ Homes	\$6,977	\$1,713	\$732	\$747	\$1,292	\$2,493	606	532	606	14,335	1,362	19,901
Energy Efficiency Education Programs	n/a						n/a				n/a	
SUBTOTAL	\$26,868	\$3,208	\$7,260	\$7,301	\$2,625	\$6,474	1,932	4,759	1,932	26,696	18,684	169,038
TOTAL	\$98,786	\$17,330	\$43,970	\$20,517	\$10,494	\$6,474	10,225	10,233	10,225	139,073	60,053	717,714

(1) From Table 1.

NATIONAL GRID ELECTRIC ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

**Table E3. Summary of B/C Ratios, Value, Implementation Expenses, and Evaluation Costs (\$000's)
2008 Program Year**

	Rhode Island Benefit/Cost (1)	Value Total (2)	Implementation Expenses (3)	Evaluation Cost(4)	Shareholder Incentives (5)
Large Commercial and Industrial					
Design 2000 <i>plus</i> (4)	8.90	\$27,190.5	\$2,836.0	\$108.0	\$112.7
Energy Initiative (4)	9.59	30,177.8	2,897.7	83.5	165.3
SUBTOTAL	9.25	\$57,368.3	\$5,733.6	\$191.5	\$278.1
Small Commercial and Industrial					
Small Business Services (4)	3.73	\$14,549.8	\$3,755.2	\$16.0	\$128.2
SUBTOTAL	3.73	\$14,549.8	\$3,755.2	\$16.0	\$128.2
Residential					
EnergyWise	2.1	\$3,788.4	\$1,796.6	\$1.9	\$14.3
Single Family Low Income Services	2.1	3,177.8	1,421.0	22.2	44.0
ENERGY STAR ® Appliances	5.7	2,037.1	349.5	0.9	7.4
ENERGY STAR ® Heating Program	6.5	604.0	91.3	0.0	1.3
ENERGY STAR ® Central A/C Program	0.8	493.4	416.8	32.1	181.2
ENERGY STAR ® Lighting	14.8	9,790.1	612.4	46.2	1.2
ENERGY STAR ® Homes	9.10	\$6,976.9	747.0	0.3	19.6
Energy Efficiency Education Programs	n/a	n/a	10.0	0.0	0.0
SUBTOTAL RESIDENTIAL	4.62	\$26,867.7	\$5,444.6	\$103.5	\$269.0
TOTAL	6.21	\$98,785.8	\$14,933.4	\$311.0	\$675.3

Notes:

- (1) RI Benefit/Cost = Value/(Implementation Expenses + Evaluation Cost + Shareholder Incentives).
- (2) Year-End Value Total from Table 2.
- (3) Year-End Implementation Expenses by Program from Table 1.
- (4) National Grid's evaluation cost including staff labor costs and outside contractor services.
Other program design, evaluation, and planning expenses have been allocated to each program.
- (5) Shareholder incentives earned by sectors have been allocated to programs based on annual kWh savings.

NATIONAL GRID ELECTRIC ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table E4. National Grid 2008 DSM Incentive Calculation

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)	(5a)	(5b)	(6)
Sector	Spending Budget	Target Incentive	Target Incentive for Performance Metrics	Target Incentive - Annual kWh Savings	Annual kWh Savings Goal	Adjusted Annual kWh Savings Goal	Budget adjusted target kWh savings	Threshold kWh Savings
Residential	\$5,284,732	\$236,627	\$40,000	\$196,627	15,908,740	16,042,626	16,042,626	9,625,575
Small Commercial & Industrial	\$3,479,808	\$149,472	\$20,000	\$129,472	8,698,030	8,282,134	9,546,848	5,728,109
Large Commercial & Industrial	\$5,955,670	\$261,590	\$40,000	\$221,590	30,196,093	29,827,093	29,827,093	17,896,256
Total	\$14,720,210	\$647,689	\$100,000	\$547,689	54,802,862	54,151,853	55,416,568	

	(7)	(7a)	(8)	(9)	(10)	(11)	(12)	(13)
Sector	Target Incentive Per kWh	Adj Target Incentive Per kWh	Actual kWh	% of Target Savings	Savings Eligible for Incentive	Earned Savings Incentive	Earned Metric Incentive	Total Earned Incentive
Residential	\$0.012	\$0.012	18,684,481	116%	18,684,481	\$229,007	\$40,000	\$269,007
Small Commercial & Industrial	\$0.015	\$0.014	7,980,170	84%	7,980,170	\$108,225	\$20,000	\$128,225
Large Commercial & Industrial	\$0.007	\$0.007	33,388,753	112%	33,388,753	\$248,050	\$30,000	\$278,050
Total			60,053,403			\$585,282	\$90,000	\$675,282

- Column 1: From 2008 Settlement Agreement, Attachment 8 Page 2 of 2, column (1).
- Column 2: Column 1 * Incentive Rate
- Column 3: \$20,000 per proposed performance metric. From 2007 Settlement Agreement, Attachment 8 Page 2 of 2, column (4).
- Column 4: Column (2) - Column (3) allocated to each sector based on the sector Spending Budget.
- Column 5: Annual MWh Approved Targets by Sector from Table 1, Column (5).
- Column 5a: Annual MWh Adjusted Target by Sector from Table 1, Column (6).
- Column 5b: Column (5a) * Pct Achieved Budget spending for sector, Table 1, Column 14
- Column 6: Column 5b * 0.60 (60% Threshold).
- Column 7: Column 4 / Column 5
- Column 7a: Column 4/ Column 5b
- Column 8: Year End Savings from Table 1, Column (7)
- Column 9: Column 8 / Column 5b
- Column 10: If Column 9 is less than 60%, Column 10 = 0,
If Column 9 is between 60% and 125%, Column 10 = Column 8;
If Column 9 is greater than 125%, Column 10 = 125% of Column 5a due to the incentive cap.
- Column 11: Column 10 * Column 7a
- Column 12: As documented in Table 5
- Column 13: Column 11 + Column 12

NATIONAL GRID ELECTRIC ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table E5. 2008 Performance Metric Targets and Year End Results

Metric	Description	Threshold		Target		Actual	Incentive
ENERGY STAR® HOMES							
Residential Metric 1:	The Company will conduct plans analyses and home ratings and sign ENERGY STAR® builders' agreements for new homes being built in Rhode Island. It will increase the penetration of signed builders agreements in 2008 by 3 percentage points compared to the penetration achieved in 2007. Penetration will be calculated as the number of signed agreements divided by the number of permits for new dwelling units issued in 2008.	20.60%		22.60%		24.10%	\$20,000
		\$6,700		\$20,000			
RESIDENTIAL OTHER PROGRAM SAVINGS							
Residential Metric 2:	The Company will achieve a target amount of MWh savings from programs other than Residential Lighting in 2008. The target will be calculated as the net annual MWh savings goal for all residential programs excluding the net annual MWh savings from the Residential Lighting program.			4,068		6,101	\$20,000
				\$20,000		150%	
ENERGY INITIATIVE OTHER SUBPROGRAM SAVINGS							
C&I Metric 1: (1)	The Company will achieve a target amount of MWh savings from subprograms other than prescriptive lighting in the Energy Initiative program in 2008. The target will be calculated as the net annual MWh savings from all other subprograms estimated as part of the planned savings for the Energy Initiative program in 2008.			3,505		5,155	\$20,000
				\$20,000			
HIGH PERFORMANCE SCHOOLS							
C&I Metric 2:	The Company will contract with new public or private school projects through Design 2000plus to provide full incremental cost for high performance design and construction practices with a special focus on high quality energy efficient lighting. It shall contract with 2 schools in 2008 more than were contracted with in 2007.	2	3	4		2	\$10,000
		\$10,000	\$15,000	\$20,000			
SBS COMPREHENSIVENESS							
C&I Metric 3:	The Company will achieve 6% greater MWh savings from completed measures other than prescriptive lighting and refrigeration in Small Business Services in 2007 than it achieved in 2006.	487		516		698	\$20,000
		\$10,000		\$20,000			

(1) See letter from Teehan to Massaro dated 9/30/2008, "Docket 3892 - The Narragansett Electric Company, d/b/a National Grid Electric Demand-Side Management Programs for 2008 Performance Metrics and Updated Attachments 8 and 10" which changes the metric target value from what was originally filed (3,729 MWh) to 3,505 MWh.

TABLE E6

Date: 01-Jun-09

NARRAGANSETT ELECTRIC COMPANY
2008 DEMAND - SIDE MANAGEMENT ADJUSTMENT AND BALANCE
12 month(s) of actuals 0 month(s) of estimates

Total DSM Revenue/Expense for Jan-Dec 2008

	<u>Actual JAN</u>	<u>Actual FEB</u>	<u>Actual MAR</u>	<u>Actual APRIL</u>	<u>Actual MAY</u>	<u>Actual JUNE</u>	<u>6MTHS Y.T.D</u>
Residential Revenue	\$538,118	\$503,512	\$511,181	\$438,612	\$430,195	\$503,930	\$2,925,548
Small C&I Revenue	\$292,113	\$271,410	\$260,723	\$312,342	\$283,172	\$318,867	\$1,738,627
Large C&I Revenue	<u>\$510,597</u>	<u>\$491,312</u>	<u>\$474,371</u>	<u>\$559,081</u>	<u>\$516,603</u>	<u>\$534,497</u>	<u>\$3,086,460</u>
1. TOTAL REVENUE (A)	\$1,340,828	\$1,266,233	\$1,246,274	\$1,310,035	\$1,229,971	\$1,357,295	\$7,750,636
Residential Expense	\$132,221	\$263,247	\$451,997	\$434,964	\$665,371	\$658,991	\$2,606,791
Small C&I Expense	<u>(\$41,042)</u>	\$254,134	\$305,260	\$288,310	\$242,800	\$300,930	\$1,350,392
Large C&I Expense	<u>\$380,487</u>	<u>\$375,499</u>	<u>\$448,051</u>	<u>\$432,031</u>	<u>\$457,363</u>	<u>\$295,642</u>	<u>\$2,389,073</u>
2. TOTAL EXPENSE (B)	\$471,666	\$892,880	\$1,205,308	\$1,155,305	\$1,365,534	\$1,255,563	\$6,346,256
3. Cash Flow Over/(Under)	\$869,162	\$373,353	\$40,966	\$154,730	<u>(\$135,563)</u>	\$101,732	\$1,404,380
4. Start of Period Balance (C)	\$4,547,336	\$5,445,476	\$5,846,991	\$5,915,632	\$6,096,531	\$5,986,087	\$4,547,336
5. End of Period Balance Before Interest	\$5,416,498	\$5,818,830	\$5,887,957	\$6,070,361	\$5,960,967	\$6,087,819	\$5,951,716
6. Residential Interest	<u>(\$7,536)</u>	<u>(\$4,901)</u>	<u>(\$3,940)</u>	<u>(\$3,527)</u>	<u>(\$3,863)</u>	<u>(\$4,692)</u>	<u>(\$28,459)</u>
Small C&I Interest	\$13,535	\$12,578	\$11,861	\$10,987	\$10,664	\$10,830	\$70,456
C&I Interest	<u>\$22,980</u>	<u>\$20,483</u>	<u>\$19,754</u>	<u>\$18,709</u>	<u>\$18,318</u>	<u>\$19,016</u>	<u>\$119,260</u>
TOTAL INTEREST (D)	\$28,978	\$28,161	\$27,675	\$26,169	\$25,120	\$25,154	\$161,257
7. End of Period Balance After Interest	\$5,445,476	\$5,846,991	\$5,915,632	\$6,096,531	\$5,986,087	\$6,112,973	\$6,112,973
	<u>Actual JULY</u>	<u>Actual AUG</u>	<u>Actual SEPT</u>	<u>Actual OCT</u>	<u>Actual NOV</u>	<u>Actual DEC</u>	<u>ANNUAL TOTAL</u>
Residential Revenue	\$709,322	\$566,834	\$454,526	\$413,270	\$517,525	\$527,090	\$6,114,115
Small C&I Revenue	\$363,611	\$270,474	\$316,568	\$321,070	\$245,169	\$275,241	\$3,530,761
Large C&I Revenue	<u>\$630,913</u>	<u>\$489,485</u>	<u>\$627,532</u>	<u>\$646,562</u>	<u>\$551,396</u>	<u>\$586,821</u>	<u>\$6,619,170</u>
8. TOTAL REVENUE (A)	\$1,703,846	\$1,326,793	\$1,398,626	\$1,380,902	\$1,314,090	\$1,389,152	\$16,264,045
Residential Expense	\$609,804	\$423,186	\$420,116	\$441,472	\$369,876	\$642,403	\$5,513,648
Small C&I Expense	<u>(\$149,867)</u>	<u>(\$135,539)</u>	\$916,269	<u>(\$75,967)</u>	\$296,124	\$581,884	\$2,783,296
Large C&I Expense	<u>\$314,568</u>	<u>\$300,547</u>	<u>\$790,959</u>	<u>\$555,325</u>	<u>\$508,591</u>	<u>\$1,032,458</u>	<u>\$5,891,521</u>
9. TOTAL EXPENSE (B)	\$774,505	\$588,194	\$2,127,344	\$920,830	\$1,174,591	\$2,256,745	\$14,188,465
10. Cash Flow Over/(Under)	\$929,341	\$738,599	<u>(\$728,718)</u>	\$460,072	\$139,499	<u>(\$867,593)</u>	\$2,075,580
11. Start of Period Balance (C)	\$6,112,973	\$7,069,721	\$7,839,316	\$7,141,744	\$7,629,828	\$7,794,993	\$4,547,336
12. End of Period Balance Before Interest	\$7,042,314	\$7,808,320	\$7,110,598	\$7,601,816	\$7,769,328	\$6,927,400	\$6,622,916
13. Residential Interest	<u>(\$4,827)</u>	<u>(\$4,341)</u>	<u>(\$3,988)</u>	<u>(\$3,640)</u>	<u>(\$3,006)</u>	<u>(\$2,962)</u>	<u>(\$51,224)</u>
Small C&I Interest	\$11,982	\$13,948	\$13,602	\$12,072	\$11,207	\$10,648	\$143,915
C&I Interest	<u>\$20,252</u>	<u>\$21,389</u>	<u>\$21,531</u>	<u>\$19,581</u>	<u>\$17,465</u>	<u>\$16,852</u>	<u>\$236,330</u>
TOTAL INTEREST	\$27,407	\$30,996	\$31,146	\$28,013	\$25,665	\$24,537	\$329,021
14. End of Period Balance After Interest	\$7,069,721	\$7,839,316	\$7,141,744	\$7,629,828	\$7,794,993	\$6,951,937	\$6,951,937
15. Residential Incentive							\$269,007
Small C&I Incentive							\$128,225
C&I Incentive							\$278,050
Total Incentives							\$675,282
15a. End of Period Balance (minus incentive)							\$6,276,655
15b. Commitments							\$3,300,000
15c. FUND BALANCE AT YEAR-END							\$2,976,655

(A) Revenue Report
(B) Source: PeopleSoft query

Table E-7: 2008 Commercial and Industrial DSM Programs

Program Name	Description
Design 2000plus Program	<p>Promotes energy efficient design and construction practices in new and renovated commercial, industrial, and institutional buildings. The program also promotes the installation of high efficiency equipment in existing facilities during building remodeling and at the time of equipment failure and replacement. Design 2000plus is known as a lost opportunities program because a customer who does not install energy efficient equipment at the time of new construction or equipment replacement will likely never make the investment for that equipment or will make the investment at a much greater cost at a later time.</p> <p>Design 2000plus provides both technical and design assistance to help customers identify efficiency opportunities in their new building designs and to help them refine their designs to pursue these opportunities. The program also offers rebates to eliminate or significantly reduce the incremental cost of high efficiency equipment over standard efficiency equipment. Commissioning or quality assurance is also offered to ensure that the equipment and systems operate as intended.</p>
Energy Initiative Program	<p>Energy Initiative is a comprehensive retrofit program designed to promote the installation of energy efficient electric equipment such as lighting, motors, and heating, ventilation and air conditioning (HVAC) systems in existing buildings. All commercial, industrial, and institutional customers are eligible to participate. The Company offers technical assistance to customers to help them identify cost-effective conservation opportunities, and pays rebates to assist in defraying part of the material and labor costs associated with the energy efficient equipment.</p>
Small Business Services Program	<p>The Small and Medium Business Program provides direct installation of energy efficient lighting and non-lighting retrofit measures. Customers with average monthly demand of less than 200 kW or annual energy usage of less than 300,000 kWh are eligible to participate. The program's lighting measures are delivered through one labor and one product vendor selected through a competitive bidding process. The labor vendor performs lighting analysis, installs measures, and inputs data into a database. Refrigeration measures are performed by a different vendor. These measures include cooler door heaters, fan controls, and freezer door heater controls. The customer pays 30% of the total cost of a retrofit. This amount is discounted 15% for a lump sum payment or the customer has the option of spreading the payments over a two-year period interest free.</p>

Table E-8: 2008 Residential DSM Programs

Program Name	Description
Single Family Low Income Services	The low income program, marketed as the Appliance Management Program, is delivered by the State Energy Office and local Community Action agencies. It provides the same services as the EnergyWise program, described below, but no customer contribution is required for equipment installation.
Energy Wise	The EnergyWise program offers customers free home energy audits of their homes and information on their actual electric usage. Participants in this program receive financial incentives to replace inefficient lighting fixtures, appliances, thermostats, and insulation levels with models that are more energy efficient. The program addresses baseload electric use as well as electric heat in all residential buildings.
ENERGY STAR Products	Included in this initiative is the ENERGY STAR Appliance Program which promotes the purchase of high efficiency major appliances (refrigerators, dishwashers, clothes washers, room air conditioners, and dehumidifiers) that bear the ENERGY STAR Label. It is offered by several utilities throughout the region.
ENERGY STAR Lighting	This is an initiative implemented jointly with other regional utilities. It provides discounts to customers for the purchase of ENERGY STAR compact fluorescent lamps and fixtures through instant rebates, special promotions at retail stores, or a mail order catalog.
ENERGY STAR Heating	Homeowners purchasing or replacing an existing oil or propane heating system with a qualifying ENERGY STAR heating system are eligible to receive a rebate to defray the cost of the higher efficiency system. Funding is provided by the Company and administered by the State Energy Office.
ENERGY STAR Central A/C	This program promotes the installation of high efficiency central air conditioners. The program provides training of contractors in installation, testing of the high efficiency systems, tiered rebates for new ENERGY STAR systems, and incentives for checking existing systems.
Information and Education	The Company promotes energy education in schools through the National Energy Education Development (N.E.E.D) Program. This program provides curriculum materials and training for a comprehensive energy education program. The Company also supports the ENERGY STAR Homes Vocational School Initiative which trains students at the nine Rhode Island Career and Technical schools to be ENERGY STAR certified builders.
New Construction	The ENERGY STAR Homes Program promotes the construction of energy efficient homes by offering technical and marketing assistance, as well as cash incentives to builders of new energy efficient homes that comply with the program's performance standards.

NATIONAL GRID NATURAL GAS ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table G1. Summary of 2008 Target and Year End Results

Program	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Annual Energy Savings (MMBTU Natural Gas)(1)				Customer Participation			Implementation Expenses (\$ 000)		
	Approved Target	Adjusted Target	Year End	Pct Achieved	Approved Target	Year End	Pct Achieved	Approved Budget	Year End	Pct Achieved
Commercial & Industrial										
Commercial Energy Efficiency Program	82,122	82,122	53,833	66%	176	1,253	712%	\$1,159	\$1,107	96%
Commercial High Efficiency Heating Program	8,500	8,500	22,647	266%	225	176	78%	390	280	72%
Economic Redevelopment Program	4,341	4,341	17,985	414%	10	118	1180%	337	0	0%
Trade Ally Training Program	0	0			500		0%	108	0	0%
EERMC - C&I	0	0			NA			65	0	0%
Building Practices and Demonstrations Program	10,154	10,154	14,340	141%	4	2	50%	293	0	0%
The Emerald Network	3,266	3,266	0	0%	7	0	0%	171	457	266%
SUBTOTAL	108,383	108,383	108,805	100%	922	1,549	168.0%	\$2,524	\$1,843	73%

Residential Programs

IN-HOME SERVICES

EnergyWise Program	42,631	42,631	51,452	121%	1,888	2,353	125%	\$1,070	\$1,198	112%
Single Family Low Income	14,465	14,465	22,703	157%	336	527	157%	1350	\$2,228	165%
PRODUCTS & SERVICES		0								
High Efficiency Heating Program	24,042	24,042	21,348	89%	1,475	1,373	93%	639	\$1,041	163%
High Efficiency Water Heating Program	2,869	2,869	4,548	159%	375	585	156%	198	\$253	128%
ENERGY STAR® Thermostat Program	6,160	6,160	7,656	124%	1,400	1,712	122%	104	\$110	106%
EERMC - Residential	NA	NA			NA			80		0%
Building Practices and Demonstrations Program	358	358	0	0%	5	1	20%	55	\$3	5%
ENERGY STAR® Homes	0	0			0			206	\$47	23%
SUBTOTAL	90,525	90,525	107,707	119%	5,479	6,551	120%	\$3,703	\$4,882	132%

TOTAL	198,908	198,908	216,512	109%	6,401	8,100	127%	\$6,227	\$6,725	108%
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Note:

- (1) Approved Target from 2007/2008 Settlement, Attachment 8, Page 2 of 3.
- (2) Adjusted Target = Approved Target, no evaluated savings changes.
- (4) Pct Achieved is Column (3)/ Column (2).
- (5) Approved Target from 2007/2008 Settlement, Attachment 8, page 3 of 3.
- (6) Year End participation for Commercial Energy Efficiency Program reflects total number of applications rather than participation
- (7) Pct Achieved is Column (6)/ Column (5).
- (8) Approved Budget from 2007/2008 Settlement, Attachment 8, page 1 of 3.
- (9) Year To Date Implementation Expenses exclude estimated commitment budget of \$297,500 for CEEP
- (10) Pct Achieved is Column (9)/ Column (8).

NATIONAL GRID NATURAL GAS ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND
Table G2. Summary of Benefits and Annual and Lifetime MMBTU Saved by Program
2008 Program Year

	Benefits (\$000)			MMBTU Gas Saved	
	Total(4)	Natural Gas(5)	Participant Resource(6)	Annual(7)	Lifetime(8)
Commercial & Industrial					
Commercial Energy Efficiency Program	\$48,639	\$48,639	\$0	53,833	7,191,193
Commercial High Efficiency Heating Program	\$852	\$839	\$13	22,647	130,525
Economic Redevelopment Program	\$4,262	\$4,262	\$0	17,985	630,053
Trade Ally Training Program	NA	\$0	\$0	0	0
EERMC - C&I	NA	\$0	\$0	0	0
Building Practices and Demonstrations Program	\$269	\$269	\$0	14,340	34,523
The Emerald Network	\$0	\$0	\$0	0	0
SUBTOTAL	\$54,021	\$54,008	\$13	108,805	7,986,294
Residential Programs					
IN-HOME SERVICES					
EnergyWise Program	\$7,963	\$7,963	\$0	51,452	1,062,427
Single Family Low Income	\$3,073	\$3,073	\$0	22,703	408,372
PRODUCTS & SERVICES					
High Efficiency Heating Program	\$3,031	\$3,031	\$0	21,348	402,838
High Efficiency Water Heating Program	\$664	\$664	\$0	4,548	89,505
ENERGY STAR® Thermostat Program	\$609	\$609	\$0	7,656	75,328
EERMC - Residential	NA	\$0	\$0	0	0
Building Practices and Demonstrations Program	\$28	\$17	\$12	0	2,148
ENERGY STAR® Homes	NA	\$0	\$0	0	0
SUBTOTAL	\$15,369	\$15,357	\$12	107,707	2,040,618
TOTAL	\$69,390	\$69,365	\$24	216,512	10,026,912

Notes:

- 4) Equal to the sum of Natural Gas benefits and Participant Resource benefits.
- 5) The value of lifetime natural gas savings valued using the avoided gas costs quantified in "Avoided Energy Supply Costs in New England," December 23, 2005 prepared by ICF Consulting for the Avoided-Energy-Supply-Component Study Group. This is also the source of the electric avoided costs that have been used to assess electric energy efficiency program cost-effectiveness.
- 6) Participant Resource Benefits are equal to the dollar value of expected electricity savings that have not been included in National Grid's electric energy efficiency plans for 2008.
- 7) The projection of annual savings reflects results attained for similar programs in other jurisdictions.
- 8) Lifetime savings are equal to annual savings multiplied by the expected life of measures expected to be installed in each program.

NATIONAL GRID NATURAL GAS ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND
Table G3. Summary of B/C Ratios, Benefit, Implementation Expenses, and Evaluation Costs (\$000's)
2008 Program Year

	Rhode Island Benefit/ Cost(1)	Total Benefit (2)	Program Implementation Expenses(3)	Evaluation Expenses(4)	Shareholder Incentive(5)
Commercial & Industrial					
Commercial Energy Efficiency Program	43.80	\$48,639.3	\$1,106.9	\$3.5	NA
Commercial High Efficiency Heating Program	3.05	\$851.8	\$279.6	\$0.0	NA
Economic Redevelopment Program	NA	\$4,261.5	\$0.0	\$0.0	NA
Trade Ally Training Program	NA	NA	\$0.0	\$0.0	NA
EERMC - C&I	NA	NA	\$0.0	\$0.0	NA
Building Practices and Demonstrations Program	NA	\$268.5	\$0.0	\$0.0	NA
The Emerald Network	0.00	\$0.0	\$456.7	\$0.0	NA
SUBTOTAL	27.50	\$54,021.1	\$1,843.2	\$3.5	\$117.4
Residential Programs					
IN-HOME SERVICES	3.21	\$11,036.0	\$3,426.5	\$11.9	NA
EnergyWise Program	6.65	\$7,963.2	\$1,198.3	\$0.0	NA
Single Family Low Income	1.37	\$3,072.8	\$2,228.1	\$11.9	NA
PRODUCTS & SERVICES	3.06	\$4,304.5	\$1,405.2	\$0.1	NA
High Efficiency Heating Program	2.91	\$3,031.1	\$1,041.5	\$0.0	NA
High Efficiency Water Heating Program	2.62	\$664.1	\$253.3	\$0.0	NA
ENERGY STAR® Thermostat Program	5.52	\$609.2	\$110.4	\$0.0	NA
EERMC - Residential	NA	NA	\$0.0	\$0.0	NA
Building Practices and Demonstrations Program	9.26	28.20	\$3.0	\$0.0	NA
ENERGY STAR® Homes	NA	NA	\$47.1	\$0.0	NA
SUBTOTAL	3.01	\$15,368.7	\$4,881.8	\$12.0	\$204.4
TOTAL	9.83	\$69,389.7	\$6,725.0	\$15.5	\$321.8

Notes:

- (1) RI Benefit/Cost = Value/(Implementation Expenses + Evaluation Cost + Shareholder Incentives).
- (2) Year-End Value Total from Table 2.
- (3) Year-End Implementation Expenses by Program from Table 1.
- (4) National Grid's evaluation cost including staff labor costs and outside contractor services.
Other program design, evaluation, and planning expenses have been allocated to each program.
- (5) Shareholder incentives from Table 4.

NATIONAL GRID NATURAL GAS ENERGY EFFICIENCY PROGRAMS IN RHODE ISLAND

Table G4. National Grid 2008 DSM Incentive Calculation

Incentive Rate: 4.40%

	(1)	(2)	(3)	(4)	(5)
Sector	Budget	Target Incentive	Savings Goal (MMBTU)	Threshold Savings (MMBTU)	Target Incentive Per MMBTU
Residential	\$3,904,882	\$171,815	90,525	54,315	\$1.898
Commercial & Industrial	\$2,657,257	\$116,919	108,383	65,030	\$1.079
Total	\$6,562,139	\$288,734	198,908	119,345	

	(6)	(7)	(8)	(9)
Sector	Actual Savings (MMBTU)	% of Target Savings	Savings Eligible for Incentive	Earned Savings Incentive
Residential	107,707	119%	107,707	\$204,426
Large Commercial & Industrial	108,805	100%	108,805	\$117,375
Total	216,512			\$321,801

Notes:

- (1) Approved Budget from 2007/2008 Settlement, Attachment 7.
- (2) Equal to the incentive rate (4.40%) x Column (1).
- (3) Approved savings goal from 2007/2008 Settlement, Attachment 8, Page 3 of 3.
- (4) 60% of Column (3). No incentive is earned on annual MMBTU savings in the sector unless the Company achieves at least this threshold level of performance.
- (5) Column (2)/Column (3)
- (6) From Table 1, Column (1).
- (7) Column (6)/Column (3)
- (8) If Column 7 is less than 60%, Column 8 = 0,
 If Column 7 is between 60% and 125%, Column 8 = Column 6;
 If Column 7 is greater than 125%, Column 8 = 125% of Column 3 due to the incentive cap.
- (9) Equal to Column (8) * Column (5).

TABLE G5

Date: 1-Jun-09

NATIONAL GRID
2007/2008 DEMAND - SIDE MANAGEMENT ADJUSTMENT AND BALANCE
 24 month(s) of actuals 0 month(s) of estimates

Total Gas DSM Revenue/Expense for Jan-Dec 2007

	<u>Actual</u> <u>JAN</u>	<u>Actual</u> <u>FEB</u>	<u>Actual</u> <u>MAR</u>	<u>Actual</u> <u>APRIL</u>	<u>Actual</u> <u>MAY</u>	<u>Actual</u> <u>JUNE</u>	<u>Actual</u> <u>JULY</u>	<u>Actual</u> <u>AUG</u>	<u>Actual</u> <u>SEPT</u>	<u>Actual</u> <u>OCT</u>	<u>Actual</u> <u>NOV</u>	<u>Actual</u> <u>DEC</u>	<u>2007</u> <u>Y.T.D</u>
Residential Revenue	\$60,099	\$207,682	\$203,929	\$139,765	\$82,732	\$41,060	\$37,434	\$42,910	\$50,463	\$51,963	\$107,160	\$234,371	\$1,259,566
Comm & Ind Revenue	<u>\$86,474</u>	<u>\$156,549</u>	<u>\$162,309</u>	<u>\$122,832</u>	<u>\$114,285</u>	<u>\$27,224</u>	<u>\$93,743</u>	<u>\$77,204</u>	<u>\$144,430</u>	<u>\$34,262</u>	<u>\$148,179</u>	<u>\$250,265</u>	<u>\$1,417,756</u>
1. TOTAL REVENUE (A)	\$146,573	\$364,231	\$366,237	\$262,597	\$197,017	\$68,284	\$131,177	\$120,114	\$194,893	\$86,225	\$255,339	\$484,635	\$2,677,322
Residential Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$28,100	\$0	\$0	\$218,958	\$270,218	\$182,306	\$699,582
Comm & Ind Expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,076</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,563</u>	<u>\$3,833</u>	<u>\$18,472</u>
2. TOTAL EXPENSE (B)	\$0	\$0	\$0	\$0	\$0	\$0	\$34,176	\$0	\$0	\$218,958	\$278,781	\$186,139	\$718,054
3. Cash Flow Over/(Under)	\$146,573	\$364,231	\$366,237	\$262,597	\$197,017	\$68,284	\$97,001	\$120,114	\$194,893	(\$132,733)	(\$23,442)	\$298,496	\$1,959,268
4. Start of Period Balance	\$0	\$146,955	\$512,900	\$882,762	\$1,150,641	\$1,354,164	\$1,429,678	\$1,534,378	\$1,662,796	\$1,866,540	\$1,742,432	\$1,726,923	\$0
5. End of Period Balance Before Interest	\$146,573	\$511,186	\$879,137	\$1,145,359	\$1,347,658	\$1,422,448	\$1,526,679	\$1,654,492	\$1,857,690	\$1,733,807	\$1,718,990	\$2,025,419	\$1,959,268
6. Residential Interest	\$157	\$855	\$1,931	\$2,836	\$3,430	\$3,771	\$3,921	\$4,078	\$4,192	\$3,736	\$2,834	\$2,513	\$34,253
C&I Interest	<u>\$225</u>	<u>\$859</u>	<u>\$1,694</u>	<u>\$2,445</u>	<u>\$3,076</u>	<u>\$3,460</u>	<u>\$3,777</u>	<u>\$4,226</u>	<u>\$4,658</u>	<u>\$4,890</u>	<u>\$5,098</u>	<u>\$5,821</u>	<u>\$40,232</u>
TOTAL INTEREST	\$382	\$1,714	\$3,625	\$5,282	\$6,506	\$7,231	\$7,699	\$8,304	\$8,850	\$8,626	\$7,932	\$8,334	\$74,485
7. End of Period Balance After Interest	\$146,955	\$512,900	\$882,762	\$1,150,641	\$1,354,164	\$1,429,678	\$1,534,378	\$1,662,796	\$1,866,540	\$1,742,432	\$1,726,923	\$2,033,753	\$2,033,753

TABLE G5

Date: 1-Jun-09

NATIONAL GRID
2007/2008 DEMAND - SIDE MANAGEMENT ADJUSTMENT AND BALANCE
 24 month(s) of actuals 0 month(s) of estimates

<u>Total Gas DSM Revenue/Expense for Jan-Dec 2008</u>													2008
	Actual <u>JAN</u>	Actual <u>FEB</u>	Actual <u>MAR</u>	Actual <u>APRIL</u>	Actual <u>MAY</u>	Actual <u>JUNE</u>	Actual <u>JULY</u>	Actual <u>AUG</u>	Actual <u>SEPT</u>	Actual <u>OCT</u>	Actual <u>NOV</u>	Actual <u>DEC</u>	<u>TOTAL</u>
Residential Revenue	\$331,511	\$339,504	\$285,731	\$215,718	\$145,299	\$76,858	\$51,218	\$48,692	\$44,115	\$56,251	\$118,103	\$212,011	\$3,184,577
Comm & Ind Revenue	<u>\$267,389</u>	<u>\$271,863</u>	<u>\$311,437</u>	<u>\$211,937</u>	<u>\$136,392</u>	<u>\$96,658</u>	<u>\$75,131</u>	<u>\$24,888</u>	<u>\$82,094</u>	<u>\$128,779</u>	<u>\$121,472</u>	<u>\$186,557</u>	<u>\$3,332,354</u>
8. TOTAL REVENUE (A)	\$598,900	\$611,366	\$597,168	\$427,656	\$281,692	\$173,516	\$126,349	\$73,580	\$126,209	\$185,030	\$239,575	\$398,568	\$6,516,931
Residential Expense	\$166,173	\$55,507	\$303,614	\$151,261	\$133,638	\$296,488	\$227,249	\$43,591	\$215,093	\$197,120	\$338,506	\$1,097,386	\$3,925,208
Comm & Ind Expense	<u>-\$1,810</u>	<u>\$27,763</u>	<u>\$58,905</u>	<u>\$87,515</u>	<u>\$62,324</u>	<u>\$51,444</u>	<u>\$48,322</u>	<u>\$247,199</u>	<u>\$6,956</u>	<u>\$545,193</u>	<u>\$208,270</u>	<u>\$767,988</u>	<u>\$2,128,541</u>
9. TOTAL EXPENSE (B)	\$164,363	\$83,270	\$362,519	\$238,776	\$195,962	\$347,932	\$275,571	\$290,790	\$222,049	\$742,313	\$546,776	\$1,865,374	\$6,053,749
10. Cash Flow Over/(Under)	\$434,537	\$528,096	\$234,649	\$188,880	\$85,730	-\$174,416	-\$149,222	-\$217,210	-\$95,840	-\$557,283	-\$307,201	-\$1,466,806	\$463,182
11. Start of Period Balance	\$2,033,753	\$2,477,632	\$3,014,867	\$3,259,070	\$3,457,004	\$3,551,483	\$3,385,728	\$3,244,784	\$3,035,415	\$2,947,043	\$2,395,452	\$2,091,988	\$0
12. End of Period Balance Before Interest	\$2,468,291	\$3,005,728	\$3,249,516	\$3,447,949	\$3,542,733	\$3,377,067	\$3,236,506	\$3,027,574	\$2,939,574	\$2,389,760	\$2,088,252	\$625,182	\$463,182
13. Residential Interest	\$2,809	\$3,015	\$3,173	\$2,881	\$2,770	\$2,517	\$2,028	\$1,820	\$1,617	\$1,051	\$521	-\$399	\$58,055
Comm & Ind Interest	<u>\$6,533</u>	<u>\$6,124</u>	<u>\$6,380</u>	<u>\$6,174</u>	<u>\$5,980</u>	<u>\$6,144</u>	<u>\$6,249</u>	<u>\$6,021</u>	<u>\$5,852</u>	<u>\$4,642</u>	<u>\$3,215</u>	<u>\$2,663</u>	<u>\$106,209</u>
TOTAL INTEREST	\$9,342	\$9,139	\$9,553	\$9,054	\$8,750	\$8,661	\$8,278	\$7,840	\$7,469	\$5,693	\$3,736	\$2,264	\$164,264
14. End of Period Balance After Interest	\$2,477,632	\$3,014,867	\$3,259,070	\$3,457,004	\$3,551,483	\$3,385,728	\$3,244,784	\$3,035,415	\$2,947,043	\$2,395,452	\$2,091,988	\$627,446	\$627,446
15. Residential Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$191,742
Comm & Ind Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$117,375
Total Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$309,117
16. End of Period Balance (minus incentive)	\$2,477,632	\$3,014,867	\$3,259,070	\$3,457,004	\$3,551,483	\$3,385,728	\$3,244,784	\$3,035,415	\$2,947,043	\$2,395,452	\$2,091,988	\$627,446	\$318,329
17. Commitments													\$321,801
18. FUND BALANCE AT YEAR-END													(\$3,472)

(A) Revenue Report

(B) Source: PeopleSoft query

Table G-6: 2008 Residential Energy Efficiency Programs

Program Name	Description
EnergyWise Program	Free in home assessment for both single and multi-family homes providing recommendations and technical assistance for the installation of energy saving measures as well as incentives to encourage implementation of recommendations.
High-Efficiency Heating Program	\$1,000 incentive for ENERGY STAR labeled boilers (90% AFUE), \$500 incentive for ENERGY STAR labeled boilers (85% AFUE), \$200 incentive for steam boilers (with electronic ignition, 82% AFUE), \$400 ¹ incentive for high efficiency furnaces (92% AFUE) with ECM Motor or equivalent and \$100 incentive on furnaces (90% AFUE).
High-Efficiency Water Heating Program	\$300 incentive for indirect water heating system connected to an ENERGY STAR rated natural gas forced hot water boiler and \$300 for tankless/on-demand water heaters (EF .82 or greater with electronic ignition).
ENERGY STAR Programmable Thermostat Program	\$25 incentive each for up to two ENERGY STAR labeled programmable thermostats.
New Construction and ENERGY STAR Homes Program	Free building plans review and certification for new ENERGY STAR residential construction.
Single Family Low Income Services	Free weatherization services provided to income eligible 1-4 unit homes. Operated through the Rhode Island Office of Energy Resources (OER).
Building Practices and Demonstration Program	Participate in funding for demonstration projects that apply to new or underutilized technologies.

¹ \$200 of this incentive will be funded through the electric energy efficiency program approved by the Commission.

Table G-7: 2008 Commercial and Industrial Energy Efficiency Programs

Program Name	Description
Energy Audit and Engineering Services	No- cost company-provided energy auditing service to help customers evaluate energy efficiency improvements in their facilities or 50% matching funds up to \$10,000 for outside studies that evaluate more complex technologies under consideration for implementation in customer facilities.
Commercial Energy Efficiency Program	Co-funding for Energy Auditing or Engineering Services; Prescriptive and custom incentives for more sophisticated systems and controls up to \$100,000, up to \$150,000 for eligible CHP projects.
Commercial High Efficiency Heating Program	Incentives up to \$6,000 for high-efficiency furnaces (90% AFUE), high efficiency furnaces (92% AFUE with ECM or equivalent), boilers (85% thermal efficiency) or steam boilers (82% thermal efficiency). Incentives up to \$300 for qualified efficient water heating measures.
Economic Redevelopment Program	Matching grants up to \$100,000 for energy saving measures in commercial properties in designated Economic Redevelopment areas.
The Emerald Network	Incentives and services to customers focused on developing new green buildings (new construction) or increasing green aspects of existing buildings.
Building Practices & Demonstration Program	Participate in funding for demonstration projects that apply to new or underutilized technologies.
Trade Ally Training Program	Energy management training sessions targeted to individuals responsible for the maintenance and operation of equipment and systems in commercial buildings, industrial plants, and public facilities. Provide information and training on energy efficiency issues to plumbing & heating contractors, builders, architects, engineers, realtors, appraisers and others.