

July 11, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4209 Energy Efficiency Program Plan for 2011
Responses to Commission Data Requests – Set 5**

Dear Ms. Massaro:

On behalf of National Grid¹, enclosed please find ten (10) copies of the Company's responses to the Commission's Fifth Set of Data Requests issued on July 6, 2011, in the above-referenced proceeding.

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

Very truly yours,



Thomas R. Teehan

Enclosures

Cc: Docket 4209 Service List
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid ("Company").

Commission 5-1

Request:

The Company is proposing to increase the gas EEP charge from \$0.15/Dt to \$0.411/Dt. for the period August 1, 2011 to December 31, 2011. This is the same charge the Company originally proposed on November 1, 2010, except the gas EEP charge originally proposed in 2010 was designed to be effective for a 12 month period. The gas EEP charge proposed on June 15, 2011 would be effective for a period of 5 months. Please explain how the shorter implementation period of the gas EEP charge will impact the adjustment factor in the next reconciliation? Please include in your response whether or not the shorter implementation period will result in a larger adjustment factor in the next reconciliation and a detailed explanation in support of your response

Response:

The shorter implementation period for the gas Energy Efficiency Program ("EEP") should have no impact on any future adjustment factor since the EEP has been adjusted to reflect the customer funding that will be necessary to meet the new annual EEP expenditure costs. As shown on Attachment D, line 6 of the Company's November 1, 2010 EEP filing, the Company initially requested annual customer funding for the EEP of \$12,438,900 which would have required an EEP surcharge of \$0.411 Dth. In its Order of December 23, 2010, the Commission limited the customer funding for the gas EEP to \$0.15 Dth. In its January 21, 2011 compliance filing the Company adjusted its annual EEP program costs to reflect the \$0.15 Dth rate.

With the passage of the new legislation, as shown in its June 15, 2011 filing, the Company is now expanding the programs in its EEP (See Table G-2), and is now requesting annual customer funding for this expanded EEP of \$7,239,000 as shown on Table G-1 line 5. Table G-1 of this filing recognizes that for the period January to July of 2011, the \$0.15 Dth charge is estimated to generate approximately \$3,785,351. ($25,235,673 \text{ Dth} \times \0.15 Dth). This leaves approximately \$3,453,649 of EEP costs to be recovered over the remainder of the year. ($\$7,239,000 \text{ minus } \$3,785,351 = \$3,453,649$) Table G-1 line 16 also indicates that the forecasted sales for the remaining August to December 2011 period will be 8,405,052 Dth.

Dividing the remaining \$3,453,649 EEP costs to be recovered by the forecasted sales for the August to December period of 8,405,052 Dth results in a new EEP surcharge of \$0.411 Dth for the remaining five month period of 2011. As such the new EEP surcharge of \$0.411 Dth has been calculated to accomplish full recovery of the new annual EEP costs of \$7,239,000, and the shorter implementation period will have no impact on the next reconciliation.

Commission 5-2

Request:

For clarification, is the proposed gas EEP charge \$0.411/Dt or \$0.0411/Dt? The Company's November 1, 2010 letter (p.1) which accompanied the Proposed Tariff Provisions (and Attachment D) as well as the June 17, 2011 letter to the Commission cite \$0.0411/Dt. as the proposed charge. The Company's November 1, 2010 letter regarding the 2011 EEP Plan (p.2), the Company's June 15, 2011 letter (p.2) and the Legal Notice filed June 17, 2011 cite \$0.411/Dt. as the proposed charge.

Response:

As shown on Table G-1 lines 18 and 19 of the Company's June 15 filing, the proposed gas EEP charge for effect August 1, 2011 is \$0.411 (\$0.15 plus \$0.241) per *dekatherm* (Dth) which equates to the \$0.0411 per *therm* charge referenced in the Company's November 1, 2010 and June 17, 2011 tariff advise cover letters. The Company provided the EEP charge in both Dth and therms because the tariff (RIPUC NG-GAS No 101, Section 1, Schedule C, Sheet 2) references the current energy efficiency surcharge in Dth while rates are displayed on customer bills in therms.

Prepared by or under the supervision of: Jeremy Newberger

Commission 3-2

Request:

Please confirm that the other parties to the original settlement agree with the company's modifications to the budget. (Please note, this question is not asking if the parties agree with the Commission's decision to limit funding to \$0.15 per dekatherm, rather it is asking if the parties agree to the changes made by the company given the constraints of a \$0.15 per dekatherm funding mechanism.)

Response:

The Company confirmed with all parties that they support the Company's modifications to the budget.