

November 7, 2012

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4366 – The Narragansett Electric Company, d/b/a National Grid  
2012 Energy Efficiency Program Plan – Supplement**

Dear Ms. Massaro:

Enclosed are ten (10) copies of a revised Attachment 5 to National Grid's<sup>1</sup> 2013 Energy Efficiency Program Plan ("EEPP" or the "Plan") that it filed on November 2, 2012. The Company subsequently recognized certain discrepancies between the final benefit cost model that it had provided to the Energy Efficiency Resource Management Council ("EERMC") for review and the tables in Attachment 5 of the EEPP. Upon further review, the Company determined that it had inadvertently submitted an earlier version of Attachment 5 with its EEPP on November 2, 2012, which did not reflect certain final residential program modifications. While the overall budget for the Plan remains unchanged in the revised Attachment 5, there were some changes in budgets and savings for individual programs that were made in the final Plan. The overall cost effectiveness of the electric energy efficiency portion of the Plan remains 2.27 as noted in Tables 1 and 2 (pages 2 and 3) of the main text of the Plan, and all representations of Plan values in the main text are correct. The enclosed revised Attachment 5 is consistent with those values.

The enclosed revised Attachment 5 supersedes the prior Attachment 5 provided in the booklets hand delivered to the Commission on November 5, 2012.

Thank you for your attention to this filing. If you have any questions, please feel free to contact me at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

cc: Docket 4366 Service List  
Karen Lyons, Esq.  
Jon Hagopian, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (referred to herein as "National Grid" or the "Company").

**Table E-1**  
**National Grid**  
**Electric DSM Funding Sources in 2013 by Sector**  
**\$(000)**

	<u>Projections by Sector</u>			<b>Total</b>
	<b>Income Eligible Residential</b>	<b>Non-Income Eligible Residential</b>	<b>Commercial &amp; Industrial</b>	
(1) <b>Projected Budget (from E-2):</b>	\$ 8,430.47	\$ 23,544.99	\$ 44,160.23	\$77,496.8
<b>Sources of Other Funding:</b>				
(2) Projected DSM Commitments at Year-End 2012:	\$0.0	\$0.0	\$1,392.3	\$1,392.3
(3) Projected Year-End 2012 Fund Balance and Interest:	-\$314.7	\$679.2	\$5,639.8	\$6,004.3
(4) Projected FCM Payments from ISO-NE:	\$75.9	\$738.2	\$1,215.2	\$2,029.2
(5) Projected RGGI Payments:	\$0.0	\$0.0	\$0.0	\$0.0
(6) Projected Copayments from LC&I Finance:	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$379.1</u>	<u>\$379.1</u>
(7) <b>Total Other Funding:</b>	<b>-\$238.8</b>	<b>\$1,417.4</b>	<b>\$8,626.4</b>	<b>\$9,804.8</b>
(8) <b>Customer Funding Required:</b>	<b>\$8,669.3</b>	<b>\$22,127.6</b>	<b>\$35,533.8</b>	<b>\$67,692.0</b>
(9) <b>Forecasted kWh Sales:</b>	<b>293,673,545</b>	<b>2,857,025,515</b>	<b>4,703,201,534</b>	<b>7,853,900,593</b>
(10) <b>Energy Efficiency Program charge per kWh:</b>				\$ 0.00862
(11) Currently Effective EE Charge				\$ 0.00589
(12) Adjustment to Reflect Fully Reconciling Funding Mechanism				\$ 0.00273

Notes:

(1) The total projection of FCM revenue is allocated by kWh sales to each sector.

(2) Copayments from LC&I Finance are the anticipated amount to be repaid in 2013 by large customers who received finance.

(3) Projected street lighting and sales for resale kWh have been allocated to each sector based on the percentage of sales in each sector excluding expected street lighting sales.

**Table E-2**  
**National Grid**  
**2013 Electric Energy Efficiency Program Budget (\$000)**

	Program Planning & Administration	Marketing	Rebates and Other Customer Incentives	Sales, Technical Assistance & Training	Evaluation & Market Research	Shareholder Incentive	Grand Total
<b>Non-Income Eligible Residential</b>							
Residential New Construction	\$53.1	\$30.5	\$939.3	\$846.5	\$13.2		\$1,882.6
ENERGY STAR® HVAC	\$28.1	\$444.4	\$671.4	\$159.8	\$11.0		\$1,314.7
EnergyWise	\$103.2	\$242.2	\$4,648.8	\$1,756.7	\$13.9		\$6,764.8
EnergyWise Multifamily	\$60.3	\$127.7	\$847.5	\$370.1	\$13.9		\$1,419.6
ENERGY STAR® Lighting	\$112.6	\$640.6	\$2,986.0	\$495.4	\$66.9		\$4,301.5
ENERGY STAR® Appliances	\$80.7	\$504.6	\$946.0	\$908.3	\$15.2		\$2,454.8
Home Energy Reports	\$35.6	\$18.7	\$1,331.7	\$33.8	\$11.0		\$1,430.8
Energy Efficiency Educational Programs	\$0.0	\$0.0	\$0.0	\$55.3	\$0.0		\$55.3
Residential Products Pilot	\$15.2	\$60.8	\$255.0	\$259.2	\$110.4		\$700.7
Community Based Initiatives - Residential	\$18.4	\$103.3	\$15.0	\$361.9	\$10.0		\$508.6
Comprehensive Marketing - Residential <sup>†</sup>	\$0.0	\$1,590.4	\$0.0	\$0.0	\$0.0		\$1,590.4
Residential Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,121.2	\$1,121.2
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$507.2</b>	<b>\$3,763.2</b>	<b>\$12,640.6</b>	<b>\$5,247.2</b>	<b>\$265.6</b>	<b>\$1,121.2</b>	<b>\$23,545.0</b>
<b>Income Eligible Residential</b>							
Single Family - Income Eligible Services	\$129.5	\$75.3	\$4,398.4	\$1,639.2	\$97.2		\$6,339.7
Income Eligible Multifamily	\$63.8	\$127.7	\$1,156.3	\$327.6	\$13.9		\$1,689.3
Income Eligible Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$401.5	\$401.5
<b>Subtotal - Income Eligible Residential</b>	<b>\$193.3</b>	<b>\$203.0</b>	<b>\$5,554.8</b>	<b>\$1,966.8</b>	<b>\$111.1</b>	<b>\$401.5</b>	<b>\$8,430.5</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	\$266.2	\$286.0	\$6,512.5	\$2,330.1	\$183.2		\$9,578.0
Large Commercial Retrofit	\$443.0	\$227.6	\$15,344.5	\$2,770.5	\$197.4		\$18,983.0
Small Business Direct Install	\$195.3	\$234.7	\$10,435.8	\$719.9	\$165.4		\$11,751.1
Community Based Initiatives - C&I	\$30.2	\$12.0	\$0.0	\$105.8	\$10.3		\$158.4
Commercial Pilots	\$49.6	\$31.5	\$179.1	\$59.0	\$17.3		\$336.5
Comprehensive Marketing - C&I	\$0.0	\$555.1	\$0.0	\$0.0	\$0.0		\$555.1
Finance Costs	\$0.0	\$0.0	\$1,000.0	\$80.0	\$0.0		\$1,080.0
Commercial & Industrial Shareholder Incentive	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,718.1	\$1,718.1
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$984.4</b>	<b>\$1,346.9</b>	<b>\$33,472.0</b>	<b>\$6,065.3</b>	<b>\$573.6</b>	<b>\$1,718.1</b>	<b>\$44,160.2</b>
<b>Regulatory</b>							
OER	\$544.4	\$0.0	\$0.0	\$0.0	\$0.0		\$544.4
EERMC	\$816.7	\$0.0	\$0.0	\$0.0	\$0.0		\$816.7
<b>Subtotal - Regulatory</b>	<b>\$1,361.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,361.1</b>
<b>Grand Total</b>	<b>\$3,046.0</b>	<b>\$5,313.0</b>	<b>\$51,667.3</b>	<b>\$13,279.4</b>	<b>\$950.3</b>	<b>\$3,240.7</b>	<b>\$77,496.8</b>
Incremental System Reliability	\$50.0	\$77.0	\$101.6	\$14.9	\$100.0	\$0.0	\$343.5

**Notes:**

- (1) Includes Total Commitments for 2013, expected to be \$7 million. The allocation between Large Commercial New Construction and Large Commercial Retrofit is:  
Large Commercial New Const. Commitments (\$000): \$0.0  
Large Commercial Retrofit Commitments (\$000): \$7,000.0  
These commitments reflect agreements with customers to provide funding for approved energy efficiency projects that will be completed after year-end 2013
- (2) For more information on Finance Costs, please refer to the 2013 C&I Program Description, Attachment 2
- (3) The Small Business Revolving loan fund supports the on-bill repayment of projects. The loan fund does not require additional funds for copays in 2013.
- (4) Incremental System Reliability funds are included for illustrative purposes. They are part of the 2013 System Reliability Procurement Report, filed as a separate docket.

**Table E-3**  
**National Grid**  
**Derivation of the 2013 Spending and Implementation Budgets (\$000)**

	Proposed 2013 Budget From E-2	Commitments, Copays and Finance Costs	Regulatory Costs	Shareholder Incentive	Evaluation Expenses	Eligible Sector Spending Budget for Shareholder Incentive on E-9	Implementation Expenses for Cost- Effectiveness on E-5
<b>Non-Income Eligible Residential</b>							
Residential New Construction	\$1,882.6				\$13.2		\$1,869.4
ENERGY STAR® HVAC	\$1,314.7				\$11.0		\$1,303.7
EnergyWise	\$6,764.8				\$13.9		\$6,750.9
EnergyWise Multifamily	\$1,419.6				\$13.9		\$1,405.7
ENERGY STAR® Lighting	\$4,301.5				\$66.9		\$4,234.6
ENERGY STAR® Appliances	\$2,454.8				\$15.2		\$2,439.6
Home Energy Reports	\$1,430.8				\$11.0		\$1,419.8
Energy Efficiency Educational Programs	\$55.3						\$55.3
Residential Products Pilot	\$700.7				\$110.4		\$590.3
Community Based Initiatives - Residential	\$508.6				\$10.0		\$498.6
Comprehensive Marketing - Residential2	\$1,590.4						\$1,590.4
Residential Shareholder Incentive	\$1,121.2			\$1,121.2			\$0.0
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$23,545.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,121.2</b>	<b>\$265.6</b>	<b>\$22,423.8</b>	<b>\$22,158.2</b>
<b>Income Eligible Residential</b>							
Single Family - Income Eligible Services	\$6,339.7				\$97.2		\$6,242.5
Income Eligible Multifamily	\$1,689.3				\$13.9		\$1,675.4
Income Eligible Shareholder Incentive	\$401.5			\$401.5			\$0.0
<b>Subtotal - Income Eligible Residential</b>	<b>\$8,430.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$401.5</b>	<b>\$111.1</b>	<b>\$8,029.0</b>	<b>\$7,917.9</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	\$9,578.0	\$0.0			\$183.2		\$9,394.8
Large Commercial Retrofit	\$18,983.0	\$7,000.0			\$197.4		\$11,785.6
Small Business Direct Install	\$11,751.1	\$0.0			\$165.4		\$11,585.7
Community Based Initiatives - C&I	\$158.4				\$10.3		\$148.0
Commercial Pilots	\$336.5				\$17.3		\$319.2
Comprehensive Marketing - C&I	\$555.1						\$555.1
Finance Costs	\$1,080.0	\$1,080.0					\$1,080.0
Commercial & Industrial Shareholder Incentive	\$1,718.1			\$1,718.1			\$0.0
<b>Subtotal - Commercial &amp; Industrial</b>	<b>\$44,160.2</b>	<b>\$8,080.0</b>	<b>\$0.0</b>	<b>\$1,718.1</b>	<b>\$573.6</b>	<b>\$34,362.1</b>	<b>\$34,868.6</b>
<b>Regulatory</b>							
OER	\$544.4		\$544.4				\$544.4
EERMC	\$816.7		\$816.7				\$816.7
<b>Subtotal - Regulatory</b>	<b>\$1,361.1</b>	<b>\$0.0</b>	<b>\$1,361.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1,361.1</b>
<b>Grand Total</b>	<b>\$77,496.8</b>	<b>\$8,080.0</b>	<b>\$1,361.1</b>	<b>\$3,240.7</b>	<b>\$950.3</b>	<b>\$64,814.9</b>	<b>\$66,305.8</b>

Notes:

- (1) Finance Costs are capital costs to secure outside financing funds. Like the historical treatment of copays, outside finance costs do not directly lead to savings, therefore they are excluded from the eligible spending budget and a shareholder incentive is not collected on these funds. They are counted as an implementation expense.
- (2) Spending budget = Total Budget from E-2 minus Commitments, Copays, Outside Finance Costs, EERMC costs, and shareholder incentive.
- (3) Implementation Expenses = Total Budget from E-2 minus Commitments, Copays, Evaluation expenses, and shareholder incentive.
- (4) OER Costs = 0.8% of implementation expenses, excluding evaluation expenses. These costs were not illustrated in the Three Year Plan.
- (5) EERMC Costs = 1.2% of implementation expenses, excluding evaluation expenses.

**Table E-4**  
**National Grid**  
**Proposed 2013 Budget Compared to Approved 2012 Budget (\$000)**

	<b>Proposed Implementation Budget 2013</b>	<b>Approved Implementation Budget 2012</b>	<b>Difference</b>
<b>Non-Income Eligible Residential</b>			
Residential New Construction	\$1,869.4	\$1,036.0	\$833.4
ENERGY STAR® HVAC	\$1,303.7	\$2,477.0	-\$1,173.3
EnergyWise	\$6,750.9	\$7,541.5	-\$790.6
EnergyWise Multifamily	\$1,405.7		\$1,405.7
ENERGY STAR® Lighting	\$4,234.6	\$4,507.4	-\$272.8
ENERGY STAR® Appliances	\$2,439.6	\$2,045.4	\$394.2
Home Energy Reports	\$1,419.8		\$1,419.8
Energy Efficiency Educational Programs	\$55.3	\$75.0	-\$19.7
Residential Products Pilot	\$590.3	\$314.7	\$275.6
Community Based Initiatives - Residential	\$498.6	\$156.6	\$342.0
Comprehensive Marketing - Residential <sup>2</sup>	\$1,590.4	\$920.0	\$670.4
<b>Subtotal - Non-Income Eligible Residential</b>	<b>\$22,158.2</b>	<b>\$19,369.8</b>	<b>\$2,788.4</b>
<b>Income Eligible Residential</b>			
Single Family - Income Eligible Services	\$6,242.5	\$5,615.4	\$627.1
Income Eligible Multifamily	\$1,675.4		\$1,675.4
<b>Subtotal - Income Eligible Residential</b>	<b>\$7,917.9</b>	<b>\$5,615.4</b>	<b>\$2,302.5</b>
<b>Commercial &amp; Industrial</b>			
Large Commercial New Construction	\$9,394.8	\$8,834.4	\$560.4
Large Commercial Retrofit	\$11,785.6	\$9,708.5	\$2,077.2
Small Business Direct Install	\$11,585.7	\$10,231.3	\$1,354.4
Community Based Initiatives - C&I	\$148.0	\$200.0	-\$52.0
Commercial Pilots	\$319.2		\$319.2
Comprehensive Marketing - C&I	\$555.1	\$330.0	\$225.1
Finance Costs	\$1,080.0	\$1,000.0	\$80.0
<b>Subtotal Commercial &amp; Industrial</b>	<b>\$34,868.6</b>	<b>\$30,658.6</b>	<b>\$4,210.0</b>
<b>TOTAL IMPLEMENTATION BUDGET</b>	<b>\$64,944.7</b>	<b>\$55,643.8</b>	<b>\$7,625.5</b>
<b>OTHER EXPENSE ITEMS</b>			
Commitments	\$7,000.0	\$2,000.0	\$5,000.0
Small Business Revolving Loan Fund	\$0.0	\$0.0	\$0.0
Company Incentive	\$3,240.7	\$2,420.8	\$819.9
Evaluation	\$950.3	\$1,026.0	-\$75.7
EERMC	\$816.7	\$653.5	\$163.2
OER	\$544.4	\$0.0	\$544.4
<b>Subtotal - Other Expense Items</b>	<b>\$12,552.1</b>	<b>\$5,446.8</b>	<b>\$7,105.3</b>
<b>TOTAL BUDGET</b>	<b>\$77,496.8</b>	<b>\$61,090.6</b>	<b>\$16,406.2</b>

**Notes:**

- (1) Implementation Budget excludes Commitments, Company Incentive and Evaluation; derived on Table E-3
- (2) Total Budget includes Implementation, Commitments, Evaluation; illustrated on Table E-3

**Table E-5**  
**National Grid**  
**Calculation of 2013 Program Year Cost-Effectiveness**  
**All Dollar Values in (\$000)**

	TRC Benefit/ Cost <sup>1</sup>	Total Benefit	Program Implementation Expenses <sup>2</sup>	Customer Contribution	Evaluation Cost	Shareholder Incentive	¢/Lifetime kWh
<b>Non-Income Eligible Residential</b>							
Residential New Construction	2.40	\$ 4,599.4	\$ 1,869.4	\$ 36.9	\$ 13.2	NA	19.0
ENERGY STAR® HVAC	1.24	\$ 2,080.9	\$ 1,303.7	\$ 364.3	\$ 11.0	NA	23.9
EnergyWise	1.53	\$ 11,082.6	\$ 6,750.9	\$ 478.4	\$ 13.9	NA	11.0
EnergyWise Multifamily	1.05	\$ 1,723.4	\$ 1,405.7	\$ 215.7	\$ 13.9	NA	9.2
Home Energy Reports	1.02	\$ 1,466.3	\$ 1,419.8	\$ -	\$ 11.0	NA	9.3
ENERGY STAR® Lighting	3.04	\$ 16,085.4	\$ 4,234.6	\$ 984.2	\$ 66.9	NA	3.2
ENERGY STAR® Products	1.42	\$ 4,062.3	\$ 2,439.6	\$ 398.1	\$ 15.2	NA	7.2
Energy Efficiency Education Programs		\$ -	\$ 55.3	\$ -	\$ -	NA	
Residential Products Pilot		\$ -	\$ 498.6	\$ -	\$ 10.0	NA	
Community Based Initiatives - Residential		\$ -	\$ 590.3	\$ -	\$ 110.4	NA	
Comprehensive Marketing - Residential		\$ -	\$ 1,590.4	\$ -	\$ -	NA	
<b>n-Income Eligible Residential SUBTOTAL</b>	<b>1.58</b>	<b>\$ 41,100.3</b>	<b>\$ 22,158.2</b>	<b>\$ 2,477.6</b>	<b>\$ 265.6</b>	<b>\$ 1,121.2</b>	<b>7.7</b>
<b>Income Eligible Residential</b>							
Single Family - Income Eligible Services	1.63	\$ 10,359.9	\$ 6,242.5	\$ 7.5	\$ 97.2	NA	14.0
Income Eligible Multifamily	1.46	\$ 2,468.3	\$ 1,675.4	\$ -	\$ 13.9	NA	9.9
<b>Income Eligible Residential SUBTOTAL</b>	<b>1.52</b>	<b>\$ 12,828.2</b>	<b>\$ 7,917.9</b>	<b>\$ 7.5</b>	<b>\$ 111.1</b>	<b>\$ 401.5</b>	<b>12.9</b>
<b>Commercial &amp; Industrial</b>							
Large Commercial New Construction	4.58	\$ 43,834.6	\$ 9,394.8	\$ -	\$ 183.2	NA	2.3
Large Commercial Retrofit	3.63	\$ 65,826.3	\$ 11,785.6	\$ 6,145.0	\$ 197.4	NA	3.2
Small Business Direct Install	1.52	\$ 21,549.8	\$ 11,585.7	\$ 2,393.1	\$ 165.4	NA	6.6
Community Based Initiatives - C&I		\$ -	\$ 148.0	\$ -	\$ 10.3	NA	
Commercial Pilots		\$ -	\$ 319.2	\$ -	\$ 17.3	NA	
Comprehensive Marketing - C&I		\$ -	\$ 555.1	\$ -	\$ -	NA	
Finance Costs		\$ -	\$ 1,080.0	\$ -	\$ -	NA	
<b>C&amp;I SUBTOTAL</b>	<b>2.87</b>	<b>\$ 131,210.7</b>	<b>\$ 34,868.6</b>	<b>\$ 8,538.1</b>	<b>\$ 573.6</b>	<b>\$ 1,718.1</b>	<b>3.7</b>
<b>Regulatory</b>							
OER			\$ 544.4				
EERMC			\$ 816.7				
<b>Regulatory SUBTOTAL</b>			<b>\$ 1,361.1</b>				
<b>TOTAL</b>	<b>2.27</b>	<b>\$ 185,139.2</b>	<b>\$ 66,305.8</b>	<b>\$ 11,023.1</b>	<b>\$ 950.3</b>	<b>\$ 3,240.7</b>	<b>4.9</b>

**Notes:**

(1) TRC B/C Test = (Energy + Capacity + Resource Benefits) / (Program Implementation + Evaluation Costs + Customer Contribution + Shareholder Incentive)  
Also includes effects of free-ridership and spillover.

(2) For Implementation Expenses derivation, see Table E-3.

(3) System Reliability may leverage some of the energy efficiency savings and benefits. Energy efficiency savings and benefits are attributed to the program in which they occur. The incremental costs of System Reliability appears below along with the resulting Total in order to illustrate that the existing Energy Efficiency programs are cost effective with the additional expenses. For more information please see the 2013 System Reliability Procurement Report.

System Reliability Procurement		\$ 974.0	\$ 243.5	\$ 3.8	\$ 100.0	\$ -	
Total with System Reliability	2.26	\$ 185,139.19	\$ 66,549.32	\$ 11,026.95	\$ 1,050.27	\$ 3,240.75	5.2

**Table E-6**  
**National Grid**  
**Summary of 2013 Benefits and Savings by Program**

	Benefits (000's)													Load Reduction in kW			MWh Saved		
	Total	Capacity					Energy				Non Electric			Summer	Winter	Lifetime	Maximum Annual	Lifetime	
		Generation		Trans	MDC	DRIPE	Winter		Summer		DRIPE	Resource	Non Resource						
		Summer	Winter				Peak	Off Peak	Peak	Off Peak									
<b>Non-Income Eligible Residential</b>																			
Residential New Construction	\$4,599	\$20	\$0	\$12	\$50	\$4	\$178	\$223	\$111	\$123	\$52	\$2,035	\$1,791	67	133	524	883	10,103	
ENERGY STAR® HVAC	\$2,081	\$344	\$0	\$111	\$468	\$45	\$112	\$72	\$188	\$76	\$35	\$235	\$395	308	133	5,100	513	7,029	
EnergyWise	\$11,083	\$14	\$0	\$10	\$43	\$4	\$1,411	\$1,566	\$591	\$572	\$438	\$5,147	\$1,288	55	170	445	7,059	65,969	
EnergyWise Multifamily	\$1,723	\$52	\$0	\$29	\$121	\$13	\$434	\$372	\$177	\$144	\$124	\$32	\$226	145	574	1,264	2,129	17,755	
Home Energy Reports	\$1,466	\$59	\$0	\$68	\$285	\$0	\$347	\$267	\$180	\$127	\$133	\$0	\$0	2,834	3,881	2,834	15,325	15,325	
ENERGY STAR® Lighting	\$16,085	\$528	\$0	\$410	\$1,721	\$146	\$3,103	\$3,758	\$1,820	\$1,834	\$1,271	\$0	\$1,495	2,657	5,313	17,771	24,757	166,005	
ENERGY STAR® Products	\$4,062	\$100	\$0	\$65	\$273	\$27	\$759	\$874	\$442	\$427	\$292	\$0	\$805	347	659	2,836	4,872	39,657	
<b>Non-Income Eligible Residential SUBTOTAL</b>	<b>\$41,100</b>	<b>\$1,117</b>	<b>\$0</b>	<b>\$704</b>	<b>\$2,960</b>	<b>\$238</b>	<b>\$6,343</b>	<b>\$7,132</b>	<b>\$3,509</b>	<b>\$3,304</b>	<b>\$2,345</b>	<b>\$7,450</b>	<b>\$5,999</b>	<b>\$6,412</b>	<b>\$10,864</b>	<b>\$30,774</b>	<b>55,538</b>	<b>\$321,843</b>	
<b>Income Eligible Residential</b>																			
Single Family - Income Eligible Services	\$10,360	\$310	\$0	\$130	\$547	\$46	\$828	\$1,012	\$474	\$503	\$246	\$3,412	\$2,851	574	920	5,850	4,131	45,200	
Income Eligible Multifamily	\$2,468	\$103	\$0	\$65	\$272	\$25	\$397	\$353	\$192	\$150	\$121	\$28	\$764	318	548	2,835	2,057	17,148	
<b>Income Eligible Residential SUBTOTAL</b>	<b>\$12,828</b>	<b>\$413</b>	<b>\$0</b>	<b>\$195</b>	<b>\$819</b>	<b>\$71</b>	<b>\$1,225</b>	<b>\$1,365</b>	<b>\$666</b>	<b>\$653</b>	<b>\$366</b>	<b>\$3,440</b>	<b>\$3,615</b>	<b>893</b>	<b>1,468</b>	<b>8,685</b>	<b>6,188</b>	<b>62,349</b>	
<b>Commercial &amp; Industrial</b>																			
Large Commercial New Construction	\$43,835	\$4,240	\$0	\$1,578	\$6,629	\$747	\$11,813	\$5,822	\$6,951	\$2,902	\$2,258	\$895	\$0	4,985	3,445	71,206	29,302	421,072	
Large Commercial Retrofit	\$65,826	\$3,838	\$0	\$1,743	\$7,322	\$948	\$15,334	\$8,251	\$9,122	\$4,068	\$3,621	-\$4,342	\$15,922	6,451	5,618	77,579	47,600	564,007	
Small Business Direct Install	\$21,550	\$1,948	\$0	\$1,063	\$4,465	\$566	\$7,383	\$1,794	\$4,433	\$880	\$1,578	-\$2,560	\$0	4,443	2,519	46,917	20,192	213,224	
<b>C&amp;I SUBTOTAL</b>	<b>\$131,211</b>	<b>\$10,026</b>	<b>\$0</b>	<b>\$4,383</b>	<b>\$18,416</b>	<b>\$2,262</b>	<b>\$34,530</b>	<b>\$15,867</b>	<b>\$20,506</b>	<b>\$7,850</b>	<b>\$7,458</b>	<b>-\$6,008</b>	<b>\$15,922</b>	<b>15,879</b>	<b>11,582</b>	<b>195,702</b>	<b>97,093</b>	<b>1,198,304</b>	
<b>TOTAL</b>	<b>\$185,139</b>	<b>\$11,555</b>	<b>\$0</b>	<b>\$5,282</b>	<b>\$22,194</b>	<b>\$2,572</b>	<b>\$42,098</b>	<b>\$24,363</b>	<b>\$24,681</b>	<b>\$11,807</b>	<b>\$10,170</b>	<b>\$4,882</b>	<b>\$25,535</b>	<b>23,183</b>	<b>23,914</b>	<b>235,161</b>	<b>158,820</b>	<b>1,582,496</b>	

**Table E-7**  
**National Grid**  
**Comparison of 2012 and 2013 Goals**

	Proposed 2013			Approved 2012			Difference	
	Annual Energy Savings (MWh)	Participants	Population Reached	Annual Energy Savings (MWh)	Participants	Population Reached	Annual Energy Savings (MWh)	Participants
<b>Non-Income Eligible Residential</b>								
Residential New Construction	883	734	0%	812	405	0%	71	329
ENERGY STAR® HVAC	513	2,090	1%	1,964	5,437	1%	(1,451)	(3,347)
EnergyWise	7,059	7,800	2%	8,432	13,017	3%	(1,373)	(5,217)
EnergyWise Multifamily	2,129	3,700	1%	0	0	0%	2,129	3,700
Home Energy Reports	15,325	246,500	63%	0	0	0%	15,325	246,500
ENERGY STAR® Lighting	24,757	181,560	47%	20,174	160,000	41%	4,583	21,560
ENERGY STAR® Products	4,872	24,450	6%	4,971	19,080	5%	(98)	5,370
<b>Non-Income Eligible SUBTOTAL</b>	<b>55,538</b>	<b>466,834</b>	<b>120%</b>	<b>36,352</b>	<b>197,939</b>	<b>51%</b>	<b>19,186</b>	<b>268,895</b>
<b>Income Eligible Residential</b>								
Single Family - Income Eligible Services	4,131	2,501	6%	3,960	2,501	6%	171	0
Income Eligible Multifamily	2,057	3,100	7%	0	0	0%	2,057	3,100
<b>Income Eligible SUBTOTAL</b>	<b>6,188</b>	<b>5,601</b>	<b>13%</b>	<b>3,960</b>	<b>2,501</b>	<b>6%</b>	<b>171</b>	<b>0</b>
<b>Commercial &amp; Industrial</b>								
Large Commercial New Construction	29,302	1,260	15%	30,346	2,387	28%	(1,044)	(1,127)
Large Commercial Retrofit	47,600	982	12%	39,928	503	6%	7,672	479
Small Business Direct Install	20,192	1,667	3%	17,984	2,043	4%	2,208	(375)
<b>C&amp;I SUBTOTAL</b>	<b>97,093</b>	<b>3,910</b>	<b>7%</b>	<b>88,258</b>	<b>4,932</b>	<b>9%</b>	<b>8,836</b>	<b>-1,023</b>
<b>TOTAL</b>	<b>158,820</b>	<b>476,345</b>	<b>97%</b>	<b>128,570</b>	<b>205,373</b>	<b>42%</b>	<b>30,249</b>	<b>270,972</b>

**Notes:**

- (1) There are additional Low Income participants in Residential New Construction.
- (2) Proposed 2013 Participants for Commercial & Industrial programs based on average savings per participant from 2012 actuals.
- (3) % Population reached for both C&I and Residential New Construction assumes an annual new home growth rate of 1.5%
- (4) A customer can participate in more than one program, for example, ENERGY STAR® Lighting and Home Energy Reports, therefore the population reached can be more than 100%.
- (5) In 2012, the Company modified how it counts participants to better identify unique participants in an effort better estimate penetration rates. Please see the Main Text for a description.



**Table E-8**  
**National Grid**  
**Avoided Costs Used in 2013 Benefit-Cost Model**

	Rhode Island					DRIPE for Installations in 2012				
	Winter Peak Energy	Winter Off-Peak Energy	Summer Peak Energy	Summer Off-Peak Energy	Annual Market Capacity Value	Winter Peak Energy	Winter Off-Peak Energy	Summer Peak Energy	Summer Off-Peak Energy	Annual Market Capacity Value
Units:	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kW-yr	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kW-yr
Period:										
2013	0.057	0.050	0.068	0.049	18.38	0.009	0.007	0.010	0.005	0.00
2014	0.059	0.052	0.071	0.051	18.38	0.009	0.007	0.010	0.005	0.00
2015	0.066	0.057	0.077	0.056	18.38	0.010	0.008	0.010	0.006	0.00
2016	0.066	0.058	0.084	0.057	16.55	0.009	0.007	0.011	0.005	13.79
2017	0.067	0.059	0.084	0.057	24.37	0.009	0.007	0.010	0.005	13.833
2018	0.066	0.058	0.085	0.056	34.05	0.009	0.007	0.010	0.005	13.893
2019	0.064	0.057	0.081	0.055	38.23	0.009	0.007	0.010	0.005	13.334
2020	0.065	0.054	0.074	0.055	53.52	0.004	0.003	0.005	0.003	4.435
2021	0.065	0.055	0.074	0.055	54.56	0.004	0.003	0.004	0.002	4.457
2022	0.066	0.055	0.074	0.055	81.94	0.003	0.003	0.004	0.002	44.788
2023	0.069	0.057	0.076	0.058	98.79	0.003	0.002	0.003	0.002	22.052
2024	0.071	0.057	0.078	0.059	108.15	0.003	0.002	0.003	0.002	10.526
2025	0.070	0.056	0.077	0.059	112.29					5.352
2026	0.071	0.056	0.079	0.059	114.81					2.335
2027	0.072	0.057	0.082	0.060	115.86					
2028	0.075	0.059	0.084	0.062	116.50					
2029	0.077	0.060	0.086	0.064	116.72					
2030	0.079	0.062	0.089	0.065	116.93					
2031	0.081	0.064	0.091	0.067	117.15					
2032	0.083	0.066	0.094	0.069	117.22					
2033	0.086	0.068	0.097	0.071	117.29					
2034	0.088	0.070	0.100	0.073	117.36					
2035	0.091	0.072	0.102	0.076	117.43					
2036	0.094	0.074	0.105	0.078	117.51					
2037	0.096	0.076	0.109	0.080	117.58					
2038	0.099	0.078	0.112	0.082	117.65					
2039	0.102	0.081	0.115	0.085	117.73					
2040	0.105	0.083	0.118	0.087	117.80					
2041	0.108	0.085	0.122	0.090	117.88					

From the 2011 Avoided Cost Study

**Table E-9  
National Grid  
2013 Targeted Shareholder Incentive**

Incentive Rate: 5.00%

Sector	(1) Spending Budget \$(000)	(3) Target Incentive \$(000)	(3) Annual kWh Savings Goal	(4) Threshold kWh Savings	(5) Target Incentive Per kWh
Income Eligible Residential	\$8,029	\$401	6,188,112	4,641,084	\$0.006
Non-Income Eligible Residential	\$22,424	\$1,121	55,537,956	41,653,467	\$0.002
Commercial & Industrial	\$34,362	\$1,718	97,093,494	72,820,120	\$0.002
<b>Total</b>	<b>\$64,815</b>	<b>\$3,241</b>	<b>158,819,562</b>	<b>119,114,672</b>	<b>\$0.002</b>

**Notes:**

- (1) Eligible Spending Budget excludes EERMC, OER, Finance Costs, and Shareholder Incentive. See Table E-3 for details.
- (2) Equal to the incentive rate (5.0%) x Column (1).
- (3) See Table E-7
- (4) 75% of Column (3). No incentive is earned on annual kWh savings in the sector unless the Company achieves at least this threshold level of performance.
- (5) Column (2)\*1000/Column (3). This illustration is for achieved savings equal to the savings target. The incentive earned per kWh will vary with the percent of the savings target achieved

The shareholder incentive will be calculated as follow, where SB is the Spending Budget in the sector:

- From 75% of savings to 100% of savings: Shareholder Incentive = SB x (0.15 x % of savings achieved – 0.10)
- From 100% of savings to 125% of savings: Shareholder Incentive = SB x (0.05 x % of savings achieved)

The chart below illustrates the potential shareholder incentive

