

September 28, 2017

**BY HAND DELIVERY AND ELECTRONIC MAIL**

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

**RE: Docket 4684 – The Narragansett Electric Company, d/b/a National Grid  
2018-2020 Energy Efficiency and System Reliability Procurement Plan  
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's<sup>1</sup> responses to the Public Utilities Commission's second set of data requests issued in the above-referenced docket.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Sincerely,



Raquel J. Webster

Enclosures

cc: Docket 4684 Service List  
Jon Hagopian, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid.

PUC 2-1

Request:

Please present calculations side-by-side of the Rhode Island Benefit Cost Test (RI Test) and the Total Resource Cost Test (TRC Test) both including and excluding the \$12.5 million transfer to the State Controller pursuant to 2017 -- H 5175 SubAaa, Budget Article I SubAaa, Section 17.

Response:

The \$12.5 million transfer to the State Controller is not included in either the RI Test or the TRC Test because it does not meet the definition of a cost associated with the implementation of efficiency measures and programs.

Attachment 4 of the 2017 EE Plan (Docket No. 4654) describes the costs that must be included in the calculation of cost effectiveness. These definitions are applicable to both the RI Test and the TRC Test.

As written in the 2017 EE Plan, "Utility costs incurred to achieve implementation of energy efficiency measures and programs" and "the customer's costs include their contribution to the installation cost of the efficient measure." Stated mathematically:

"The total costs will equal the sum of the NPV of each cost component:  
[Program Planning and Administration + Sales, Training, Technical assistance +  
Marketing + Rebates and Other Customer Incentives + Evaluation + Shareholder  
incentive+ Customer Cost]"

The resulting calculations are as follows:

The Calculation of the RI Test:

- RI Test Benefit Cost Ratio = (Energy Benefits + Generation Capacity Benefits + Avoided T&D Benefits + Natural Gas Benefits + Fuel Benefits + Water & Sewer Benefits + Non-Resource Benefits + Price Effects Benefits + Non-embedded Greenhouse Gas Reduction Benefits + Economic Development Benefits) / (Program Planning and Administration Costs + Sales, Training, Technical assistance Costs + Marketing Costs + Rebates and Other Customer Incentives + Evaluation costs + Shareholder Incentive + Customer Cost)

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The Calculation of the TRC Test:

- TRC Test Benefit Cost Ratio = (Energy Benefits + Generation Capacity Benefits + Avoided T&D Benefits + Natural Gas Benefits + Fuel Benefits + Water & Sewer Benefits + Non-Resource Benefits + Price Effects Benefits) / (Program Planning and Administration Costs + Sales, Training, Technical assistance Costs + Marketing Costs + Rebates and Other Customer Incentives + Evaluation costs + Shareholder Incentive + Customer Cost)

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

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Joanne M. Scanlon

September 28, 2017  
Date

**Docket No. 4684 – RI Energy Efficiency Resource Mgmt. Council (EERMC)  
Energy Efficiency Savings Targets, 2018-2020**

**Service list updated 9/18/17**

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