

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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Secretary

August 1, 2008

Hon. Jaclyn A. Brillling
Secretary to the Commission
NYS Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 08-G-0609 - Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of the Niagara Mohawk Power
Corporation for Gas Service

Dear Secretary Brillling,

On behalf of the Staff of the New York State Department of Public Service, please find enclosed an original and five copies of the Interim Energy Efficiency Joint Proposal in the above case.

Very truly yours,

Danielle C. Rathbun

Assistant Counsel

Enc.

**NEW YORK STATE
PUBLIC SERVICE COMMISSION**

**CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for
Gas Service**

**JOINT PROPOSAL
FOR
INTERIM ENERGY EFFICIENCY PROGRAMS**

By:

**Niagara Mohawk Power Corporation d/b/a National Grid
Staff of the New York State Department of Public Service
Small Customer Marketer Coalition
The E Cubed Company, LLC
ECR International, Inc.
Joint Supporters
Climate Energy, LLC
Multiple Intervenors
National Association of Energy Service Companies**

**JOINT PROPOSAL
FOR
INTERIM ENERGY EFFICIENCY PROGRAMS**

This Joint Proposal ("Joint Proposal") is made as of the 1st day of August, 2008 by and among Niagara Mohawk Power Corporation d/b/a National Grid (Niagara Mohawk), the Staff of the New York State Department of Public Service (Staff), the Small Customer Marketer Coalition, the E Cubed Company, LLC, ECR International, Inc., Joint Supporters, Climate Energy, LLC, Multiple Intervenors, National Association of Energy Service Companies (collectively referred to herein as "the Signatory Parties").

I. Overview

This Joint Proposal arises within the rate proceeding of Niagara Mohawk in Case 08-G-0609. A Notice of Impending Negotiations was sent to all persons reasonably known to have an interest in the outcome of negotiations and was duly filed with the Secretary by letter dated July 8, 2008. After notice to the parties, settlement conferences were held among the parties that desired to participate. Settlement is now feasible because, after thorough investigation and discussion, the Signatory Parties hereto more fully understand their respective positions and recognize that reasonable settlement of the discrete issues addressed herein is possible. The Signatory Parties hereto also believe that this Joint Proposal will further the objective of giving fair consideration to the interests of customers and utility investors alike in assuring the provision of safe and adequate service at just and reasonable rates. This Joint Proposal provides the framework under which Niagara Mohawk will implement gas energy efficiency programs in its service territory on an interim basis commencing October 1, 2008, or as soon thereafter as the Commission adopts the terms of this Joint Proposal.

II. Interim Programs

The Signatory Parties agree that the public interest would be served by Niagara Mohawk undertaking "Interim Energy Efficiency Programs" subject to the current recovery of operating costs and lost revenues, as defined below. Therefore, the Signatory Parties agree that commencing October 1, 2008, or as soon thereafter as the Commission adopts the terms of this Joint Proposal, Niagara Mohawk shall undertake in its service territory Interim Energy Efficiency Programs budgeted at \$5.053 million. Nothing in this Joint Proposal would require Niagara Mohawk to spend more than the above-stated budget amount of \$5.053 million while the Interim Energy Efficiency Programs are in effect.

The Signatory Parties agree to allow Niagara Mohawk, upon 20 days notice to Staff and other interested Signatory Parties, to transfer up to 20 percent of an individual interim energy efficiency program's budget to another individual interim energy efficiency program upon a determination that the transfer will better accomplish the Signatory Parties' goal of achieving energy efficiency savings within Niagara Mohawk's service territory. Staff and other interested Signatory Parties would review the proposed transfer of up to 20 percent of the individual program's budget and, if there is no dispute as to the transfer, the transfer will go into effect at the conclusion of the 20 day review period. Any proposed transfer of more than 20 percent of an individual program's budget shall be subject to review and approval by the Commission.

Status reports will be submitted to Staff and interested parties every two months during the course of the interim program period. Reports will be submitted 45 days following the conclusion of each reporting period. The report shall provide a concise summary of overall program and individual program operation, and attainment of gas savings and customer participation goals as of the conclusion of each reporting period. The report shall include a data table, provided in electronic spreadsheet format to facilitate data analysis, as well as a written summary of progress. The written summary will include a description of program expenditures, and activities and accomplishments, and shall reference the data provided. The report should also include, but not be limited to, information related to how programs are working, the types and number of measures installed, any significant steps taken or planned to implement programs or to address program performance issues, and coordination with other entities, such as NYSERDA and neighboring utilities. Information on significant program achievements or events, such as the rollout of a marketing plan, should be noted. Samples of marketing materials should be provided as they are implemented. Program evaluation activity during the period should be summarized.

A final report shall be submitted to Staff and interested parties 45 days after the Commission approves permanent energy efficiency programs in Case 08-G-0609. The final report shall summarize program spending, achievements and performance against goals for individual program components and overall for the entire program period. It shall also provide an overview and summary of the entire period of the subjects to be addressed in the status reports and include an assessment of program strengths and improvement opportunities based on spending and accomplishments. Additionally, the final report shall list and analyze program evaluation findings.

III. Program Design

To ensure efficient implementation on an interim basis, the program design of the Interim Energy Efficiency Programs will be based on cost-effective energy efficiency programs that satisfy the Total Resource Cost Test, as shown in "Appendix A" attached hereto. These Interim Energy Efficiency Programs will be available solely to residential, commercial and industrial customers served under Niagara Mohawk's Service Classification Nos. 1, 2 and 7. Niagara Mohawk will coordinate with the other providers of energy efficiency programs in its service territory, to wit: New York State Energy Research Development Authority and local weatherization subgrantee agencies to avoid duplication, to enhance efficiency in the provision of programs, to take advantage of existing opportunities which could be implemented by or through such other programs, and to customize program design and implementation to its service territory to the extent practicable given the objective of implementing the Interim Energy Efficiency Programs during the 2008-09 winter season.

The Company shall maintain books and records that sufficiently demonstrate to Staff and all interested parties that the budgets dedicated to promoting oil-to-gas conversions and energy efficiency programs are maintained and used separately. The Company shall illustrate, in its periodic reports on the Interim Energy Efficiency Programs, the total number of fuel conversions that have occurred, the number of those customers who converted from oil to gas and received an efficiency rebate incentive, and the costs charged to the Interim Energy Efficiency Program for providing such incentives. The Company is authorized to offer an energy efficiency incentive to install high efficiency gas equipment to customers wishing to convert from alternative fuels to

natural gas, but is prohibited from using interim energy efficiency program budget money to encourage conversion.

Niagara Mohawk and NYSERDA will enter an agreement to provide for the transfer of funding to NYSERDA to fund the Residential Low Income Program that will be implemented by NYSERDA, as described in Appendix A.

IV. Recovery of Operating Costs

Subject to the conditions discussed herein, Niagara Mohawk will be allowed to collect through a volumetric surcharge up to a maximum of \$5.053 million annually in incremental operating costs to implement its Interim Energy Efficiency Program, plus carrying charges equal to the other customer capital rate as similarly used in the Company's Monthly Cost of Gas reconciliations. These incremental costs will be recovered solely from customers served under Service Classification Nos. 1, 2 and 7. Recovery of these incremental costs shall commence on the first day of the month following the implementation of the Interim Energy Efficiency Program. The initial volumetric surcharge shall be designed to effectuate recovery of \$5.053 million of operating costs net of associated deferred taxes over an annual period. This surcharge shall be subject to an annual reconciliation of all costs and cost recoveries. Niagara Mohawk will maintain books and records sufficient to document every calculation necessary to determine actual operating costs to implement the Interim Energy Efficiency Programs. Such books and records shall be made available to the Signatory Parties whenever requested upon reasonable notice.

Niagara Mohawk shall recover incremental costs during the course of the interim program provided that, 15 days after the filing of the Joint Proposal, the company shall file with Staff and all interested parties documentation illustrating that the internal incremental costs to be recovered are in fact incremental. The filing shall contain, but not be limited to, the accounting used to record these internal incremental costs (the cost components), documentation that the costs were not also included in the historic year and a break out of all of the internal incremental costs, including labor and labor loadings. This filing shall be analyzed by Staff and other interested parties and the Commission shall decide the issue of whether the costs were incremental within the course of Case 08-G-0609. If the Commission determines that the costs were not incremental, any money already collected would be refunded to customers.

The Company shall file a reconciliation of program operating costs and Interim Lost Revenue 90 days after the Commission acts upon the Company's rate filing and approves permanent energy efficiency programs in Case 08-G-0609, but no later than one year following Commission approval of this Joint Proposal. Any net credit captured in the reconciliation shall be used to offset the volumetric surcharge used to fund the permanent energy efficiency programs. Any net debit captured in the reconciliation will be recovered through future surcharges.

V. Interim Lost Revenue

For purposes of this Joint Proposal and the Interim Energy Efficiency Programs, "Interim Lost Revenue" will be defined as calculated below. Niagara Mohawk will be allowed to defer its Interim Lost Revenue associated with actual implementation of the Interim Energy Efficiency Programs, net of the associated deferred New York State and federal income taxes, plus carrying charges at the same rate as the allowance for funds used during construction (AFUDC), for later recovery from customers. The Company's full recovery of Interim Lost Revenue will occur

immediately following the reconciliation filing referenced above and will be recovered through a volumetric surcharge only from customers in Service Classification Nos. 1, 2 and 7.

Interim Lost Revenue will be calculated monthly for all energy efficiency measures installed under the Interim Energy Efficiency Programs. A measure shall be deemed "installed" for the purposes of calculating Interim Lost Revenue for the month if the measure was actually installed prior to the first day of the month. For each installed energy efficiency measure, the Interim Lost Revenue will be the product of the stipulated energy savings for each installed measure set forth in Table 1 of "Appendix B" attached hereto and the stipulated rate set forth in Table 2 of "Appendix B" attached hereto. These stipulated energy savings are expected savings based on National Grid's experience implementing energy efficiency programs in New England and downstate New York. Niagara Mohawk will maintain books and records sufficient to document each installed measure and to audit every calculation necessary to determine Interim Lost Revenues. Such books and records shall be made available to the Signatory Parties whenever requested.

VI. Interim Provisions to be Superseded

It is the intent of the Signatory Parties that the interim budget levels contained in this Joint Proposal will be superseded by future non-interim budget levels that will be determined in Case 08-G-0609, once non-interim budget levels are approved by the Commission and made to take effect.

It is the intent of the Signatory Parties that the interim program design elements contained in this Joint Proposal will be superseded by new non-interim program design elements to be determined in Case 08-G-0609 once such new non-interim programs are approved by the Commission.

It is the intent of the Signatory Parties that the mechanisms designed to permit Niagara Mohawk to 1) immediately recover incremental costs associated with implementation of the Interim Energy Efficiency Program and 2) recover the Interim Lost Revenues deferred in accordance with Section V of this Joint Proposal, and prospective operating costs and lost revenues associated with the non-interim energy efficiency programs will be implemented in Case 08-G-0609. Until such time as the Commission approves such mechanisms in Case 08-G-0609, Niagara Mohawk may continue to recover interim operating costs and to defer Interim Lost Revenues in the manner provided herein.

It is the intent of the Signatory Parties that the methodology for determining Interim Lost Revenues as described in the second paragraph of Section V of this Joint Proposal will be superseded by a new methodology that will take effect on such date rates in Case 08-G-0609 take effect. The new methodology will be used to determine any "Prospective Lost Revenues" to be recovered. It is the intent of the Signatory Parties that the details of this new methodology for calculating Prospective Lost Revenues be determined in Case 08-G-0609 regarding rate design/revenue allocation/revenue decoupling and approved by the Commission. Notwithstanding the foregoing, if the Commission determines that the new methodology for determining Prospective Lost Revenues should not take effect as of the date that new rates take effect, then such methodology will take effect as of the date established by the Commission, and Niagara Mohawk will continue to retain the right to calculate and defer Interim Lost Revenues in the manner set forth in this Joint Proposal until the new methodology approved by the Commission takes effect.

The Signatory Parties also acknowledge and intend that any and all provisions of this Joint Proposal and the terms of the Interim Energy Efficiency Programs shall conform prospectively to any requirements and conditions adopted by the Commission in the Energy Efficiency Portfolio Standard proceeding in Case 07-M-0548. The Company reserves the right to petition the Commission for retroactive application of incentives approved in Case 07-M-0548 to the Interim Energy Efficiency Programs.

VII. General Provisions

The Signatory Parties believe that public interest fully justifies the approval of this Joint Proposal. It is the intent of the Signatory Parties that the provisions of this Joint Proposal be approved by the Commission as being in the public interest. The Signatory Parties agree to submit this Joint Proposal to the Commission along with a request that the Commission adopt the terms and provisions of this Joint Proposal as set forth herein.

It is understood that each provision of this Joint Proposal is in consideration and support of all of the other provisions of this Joint Proposal and is expressly conditioned upon approval of the terms of this Joint Proposal in full by the Commission. If the Commission fails to adopt the terms of this Joint Proposal, the parties to the Joint Proposal shall be free to pursue their respective positions in these proceedings without prejudice.

The terms and provisions of this Joint Proposal apply solely to, and are binding only in, the context of the purposes of this Joint Proposal. None of the terms or provisions of this Joint Proposal and none of the positions taken herein by any party may be cited or relied upon in any fashion as precedent in any other proceeding before this Commission or any other regulatory agency or before any court of law for any purpose, except in furtherance of ensuring the effectuation of the purposes and results of this Joint Proposal.

The Signatory Parties recognize that certain provisions of this Joint Proposal contemplate actions to be taken in the future to effectuate fully this Joint Proposal. Accordingly, the Signatory Parties agree to cooperate with each other in good faith in taking such actions.

In the event of any disagreement over the interpretation of this Joint Proposal or implementation of any of the provisions of this Joint Proposal, which cannot be resolved informally among the Signatory Parties, such disagreement shall be resolved in the following manner: (a) the Signatory Parties shall promptly convene a conference and in good faith attempt to resolve any such disagreement; and (b) if any such disagreement cannot be resolved by the Signatory Parties, any Signatory Party may petition the Commission for resolution of the disputed matter.

This Joint Proposal contains the entire agreement of the Signatory Parties regarding the matters contained herein and supersedes and replaces any and all prior or contemporaneous written and verbal agreements or understandings.

Nothing in this Joint Proposal shall prohibit the Commission (upon its own motion or upon motion of a Signatory Party) from exercising its ongoing statutory authority to act on the level of Niagara Mohawk's gas rates in the event of unforeseen circumstances that, in the Commission's judgment, have such a substantial impact on the rate of return as to render the return on the common equity devoted to Niagara Mohawk's gas operations unreasonable, unnecessary, or inadequate for the provision of safe and adequate service.

This Joint Proposal is being executed in counterpart originals, and will be binding on each Signatory Party when the counterparts have been executed.

APPENDIX A

Part One – Energy Efficiency Program Descriptions

RESIDENTIAL NATURAL GAS EFFICIENCY PROGRAM

Residential High Efficiency Heating and Water Heating Program

The purpose of this program is to provide incentives to residential customers to install high efficiency residential natural gas heating and water heating equipment and controls. The proposed incentives are designed to cover approximately 75% of the incremental cost of installing high efficiency equipment. Residential consumers installing heating and water heating equipment and controls, typically up to 300,000 BTUs/hr, will be eligible to participate in this program. Marketing approaches will include direct mail, bill inserts, trade ally events, sponsorships, and contractor job site visits and education. Trade ally training for local contractors as well as builder specification and installation of high efficiency equipment will be emphasized. All installations of high-efficiency heating systems, water heating systems, and boiler reset controls must be installed by a licensed contractor or plumber to qualify for the program. The program will pay higher incentives to contractors who are BPI-certified. Incentive levels by type of equipment are included in the Appendix.

Enhanced Home Sealing Incentives

The purpose of this program is to encourage customers and contractors who are not able to easily participate in Home Performance with ENERGY STAR[®] to complete critical insulation, air sealing, ventilation, and health and safety measures. Additional incentives will be offered to National Grid customers who complete Home Performance with ENERGY STAR[®] projects. The target market for this program will be residential customers and contractors who are not currently participating in NYSERDA's Home Performance with ENERGY STAR[®] program to encourage them to participate, and if they are not able to do so, to ensure that safe insulation and air sealing work is completed. The target market is customers who heat with natural gas. Outreach will include bill inserts, media advertising, and trade ally training of contractors. Work must be performed by BPI contractors in order to be eligible for an incentive. National Grid will initially offer a 75% incentive up to \$5,000 for insulation, blower-door assisted air sealing, mechanical ventilation, and related health and safety items.

Residential ENERGY STAR[®] Products Program

The purpose of this program is to encourage customers to choose ENERGY STAR[®] products that will decrease their gas energy use and support ENERGY STAR[®] market transformation efforts. The Company will promote ENERGY STAR[®] replacement windows and thermostats using various methods, including the Company website, electronic newsletters, bill inserts, and cooperative promotions with retailers. The Company will establish an outreach program with retailers such as Home Depot[®], Lowe's[®], and regional hardware stores. The ENERGY STAR[®] Replacement Window Program will provide a \$10 mail-in incentive for each high-efficiency window installed in existing residential customers' homes. Eligible participants must be

residential heating customers who have installed ENERGY STAR[®] labeled replacement windows with a U-factor of .35 or less during the program year as specified on the incentive form. Windows installed in new construction or home additions will not qualify for the per window incentive. Each customer will be subject to a \$500 maximum incentive per account. National Grid will work with contractors for multi-family or other large residential renovation projects on a case-by- case basis, and may provide different incentive levels for cost-effective projects. Customers will also be able to receive \$25 each for up to two ENERGY STAR[®] programmable thermostats, where the rebate does not exceed the price of the thermostat.

Residential Low Income Program

National Grid customers who heat with natural gas and meet program guidelines will be eligible to participate in this program. National Grid will promote this program directly to customers who are low income and have trouble paying their bills. Customers with household income levels below 60% of the State Median Income are eligible for EmPower New YorkSM services. Tenants are eligible to receive services if the customer is the bill payer and if the landlord agrees not to raise the rent based on the energy efficiency improvements made by the program. Services are free to program participants. The Assisted Home Performance with ENERGY STAR[®] program targets households with income levels between 60% and 80% of the State Median Income. Incentives available for up to 75% of the project cost with low-cost financing for the balance of the cost. There is a maximum subsidy of \$6,000 per applicant for single-family homes or up to \$12,000 per building for 2-4 family dwellings. Measures for the EmPower New YorkSM and Assisted Home Performance with ENERGY STAR[®] programs will include attic and wall insulation, blower-door assisted air sealing, and related health and safety measures. The Assisted Home Performance Program includes heating system replacement. The EmPower New YorkSM program includes water heating system repair or replacement. These are the same measures available to low-income customers through the state-administered Weatherization Assistance Program (“WAP”).

Residential Internet Audit Program and E-Commerce Sales

The purpose of this program is to provide customers with easy-to-access information about energy usage in their homes and encourage them to participate in the National Grid and NYSERDA energy efficiency programs. This self-service audit tool will allow customers to complete an electronic survey about their home, including age, size, appliances and average use patterns that will provide them with actionable steps that can be taken to improve energy efficiency in their homes. The program also provides easy access to on-line purchases of compact fluorescent lighting, weatherization materials, and other do-it-yourself products. The process starts with twelve basic questions and produces a report that compares the participant’s home with similar homes while generating their “Top Ways to Save,” including estimated annual cost savings if recommended measures are taken. Subsequent steps require more detailed information from the customer, resulting in more personalized tips to improve the home’s efficiency. The analyzer is fuel-blind and lists opportunities to save in heating/cooling, lighting, water use, etc. The customer will also receive information about any relevant energy efficiency opportunities available through other National Grid and NYSERDA energy efficiency programs.

Tune Up Program

National Grid proposes to offer an incentive program to encourage gas heating system tune-ups. This will be a limited time offer to a geographically distinct area or areas in the service territory as a way to gather information about customer and contractor interest, and to gather information about potential energy savings informed by an efficiency measurement before and after the tune up completed by the installation vendor. National Grid will offer a \$50 incentive to customers to have their heating system cleaned and tuned. They may use a BPI certified technician or a contractor qualified to perform the tune ups in the town or municipality where the home is located. National Grid shall collect and analyze data concerning actual usage pre- and post- tune up, the benefit/cost ratio of the program and all other relevant data in order to determine whether the program should be offered as a permanent energy efficiency program. No TRC is provided for this measure because it is a pilot program being evaluated for inclusion in the permanent programs.

COMMERCIAL AND INDUSTRIAL NATURAL GAS EFFICIENCY PROGRAMS

Commercial High-Efficiency Heating and Water Heating Program

The Commercial High-Efficiency Heating and Water Heating Program offers rebates to customers on a firm commercial service classification tariff that install high-efficiency heating equipment. The rebates are provided to reduce the incremental cost between standard and high-efficiency equipment. Eligible products include furnaces, boilers, infrared heaters and water heating equipment. Rebate amounts will vary according to the size and type of the heating equipment installed, with a cap of \$15,000. Efficiency ratings for smaller heating equipment (up to 300,000 btuh input) are measured using Annual Fuel Utilization Efficiency ("AFUE") ratings. Efficiency ratings for larger heating equipment, which exceeds the size ranges for AFUE, will be measured using a thermal efficiency or steady state rating. The Company reserves the right to negotiate a lower rebate amount per-unit for multiple installations at a single site. This practice ensures that rebate dollars are helping participants reduce the true incremental costs of installing high-efficiency heating equipment.

APPENDIX A

Table 1: Program Portfolio Quick Reference

Program Portfolio Quick Reference	
Residential Programs	
High Efficiency Heating and Water Heating	Residential consumers installing heating and water heating equipment and controls, typically up to 300,000 BTUs/hr, will be eligible to participate in this program. See Appendix, Table 2.
Enhanced Home Sealing Incentive	National Grid will initially offer a 75% incentive up to \$5,000 for insulation, blower-door assisted air sealing, mechanical ventilation, and related health and safety items.
Energy Star Products	\$25 rebate each for up to two ENERGY STAR labeled programmable thermostats. \$10 rebate each for qualifying ENERGY STAR labeled windows (U-factor of .35 or less). Each customer will be subject to a \$500 maximum incentive per account. Different incentive levels for cost-effective projects for multi-family or other large residential renovation projects may be available.
Low Income	Incentives available for up to 75% of the project cost with low-cost financing for the balance of the cost. There is a maximum subsidy of \$6,000 per applicant for single-family homes or up to \$12,000 per building for 2-4 family dwellings. Measures for the EmPower New YorkSM and Assisted Home Performance with ENERGY STAR® programs will include attic and wall insulation, blower-door assisted air sealing, and related health and safety measures as well as heating system replacement and water heating system repair or replacement.
Internet Audit Program and E-Commerce Sales	Free online energy analysis service that makes customized energy efficiency recommendations based on a customer's energy consumption profile and provides actionable steps that can be taken to improve energy efficiency in their homes. The program also provides easy access to on-line purchases of compact fluorescent lighting, weatherization materials, and other do-it-yourself products.
Tune Up (Pilot)	\$50 incentive given to customers to have their heating system cleaned and tuned. Customers may use their existing contractor, or the Company will recommend they select a BPI certified technician if they do not have a regular contractor.
Commercial and Industrial Programs	
Commercial High-Efficiency Heating and water heating Program	Rebate amounts vary according to the size and type of the heating equipment installed, with a cap of \$15,000. Efficiency ratings for smaller heating equipment (up to 300,000 btuh input) are measured using Annual Fuel Utilization Efficiency ("AFUE") ratings. Efficiency ratings for larger heating equipment, which exceeds the size ranges for AFUE, will be measured using a thermal efficiency or steady state rating.

APPENDIX A

Part Two - Initial Budget Breakdown

NIMO - 10/2008 - 05/2009	Proposed Program Budget Year 1	Estimated Program Participants Year 1	Estimated Annual Savings Year 1 (Therm
Low Income Total	3,333,333	-	-
Residential Total	1,459,715	2,267	172,543
Enhanced Home Sealing Incentives	312,986	82	27,048
Residential High-Efficiency Heating, Water-Heating, Controls Program	987,441	627	85,918
Residential ENERGY STAR® Products Program	79,288	478	25,557
Gas Heating Equipment Tune Up	80,000	1,080	34,020
C&I Total	260,260	200	61,380
Comm High Efficiency Heating	260,260	200	61,380
Grand Total	5,053,308	2,467	233,923
		Savings Per Participant (Therms) ¹	95
		Program Expenditures Per Participant ¹	\$ 697.19
	-		
	-		
¹ Does not include savings or expenditures from the Low Income Program.			

APPENDIX A

Applicable Service Classes for Interim Energy Efficiency Programs

Niagara Mohawk Power Corporation d/b/a National Grid

Program	Service Classification
Residential	
Enhanced Home Sealing Incentives	SC1
Residential High Efficiency Heating and Water Heating	SC1
Residential ENERGY STAR® Products Program	SC1
Residential Internet Audit	SC1
Gas Heating Equipment Tune Up	SC1
Commercial & Industrial	
Commercial High Efficiency Heating	SC2 & SC7

Note: Applicability also to accompanying delivery only classes.

NIMO - 10/2008 - 05/2009			
	Proposed Program Budget Year 1	Estimated Program Participants Year 1	Estimated Annual Savings Year 1 (Therms)
Low Income Total	3,333,333	-	-
Residential Total	1,459,715	2,267	172,543
Enhanced Home Sealing Incentives	312,986	82	27,048
Residential High-Efficiency Heating, Water	987,441	627	85,918
Residential ENERGY STAR® Products Pr	79,288	478	25,557
Gas Heating Equipment Tune Up	80,000	1,080	34,020
C&I Total	260,260	200	61,380
Comm High Efficiency Heating	260,260	200	61,380
Grand Total	5,053,308	2,467	233,923

Savings Per Participant (Therms) ¹	95
Program Expenditures Per Participant ¹	\$ 697.19



¹ Does not include savings or expenditures from the Low Income Program.

APPENDIX B

Sample Calculation of Interim Lost Revenue

In this example, NMPC installs one Residential High Efficiency Water Heating measure for an SC1 residential heating customer in January and one Residential High Efficiency Water Heating measure for an SC1 residential non-heating customer in February.

For January, the Interim lost revenue is \$0.96, calculated as follows:

Stipulated Energy Savings for each installed Residential High Efficiency Water Heating measure for January: 5.7 therms
SC1 Residential Heat Rate/Therm for January: \$0.16876

1 installed measure x 5.7 therms/measure x \$0.16876/therm = \$0.96

For February, the Interim Lost revenue is \$0.30, calculated as follows:

Stipulated Energy Savings for each installed Residential High Efficiency Water Heating measure for February: 5.7 therms
SC1 Residential Non-Heat Rate/Therm for February: \$0.05322

2 installed measures x 5.7 therms/measure x \$0.05322/therm = \$0.30

APPENDIX B

Table 1 - Stipulated Energy Savings for Each Installed Measure

Niagara Mohawk Power Corporation d/b/a National Grid

Therms

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Residential													
Enhanced Home Sealing Incentives	64.2	54.6	46.1	26.9	12.1	3.3	0.3	1.0	7.3	23.1	36.3	54.5	329.9
Residential High-Efficiency Heating	30.3	25.7	21.7	12.7	5.7	1.6	0.2	0.5	3.5	10.9	17.1	25.7	155.5
Residential High-Efficiency Water-Heating	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	68.4
Residential ENERGY STAR® Products Program	10.4	8.9	7.5	4.4	2.0	0.5	0.1	0.2	1.2	3.7	5.9	8.8	53.5
Residential Internet Audit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gas Heating Equipment Tune Up	6.1	5.2	4.4	2.6	1.2	0.3	0.0	0.1	0.7	2.2	3.5	5.2	31.5
Commercial & Industrial													
Commercial High Efficiency Heating	59.7	50.8	42.9	25.0	11.3	3.1	0.3	1.0	6.8	21.5	33.8	50.7	306.9

APPENDIX B

Table 2 - Stipulated Rates for the Calculation of Lost Revenues

Niagara Mohawk Power Corporation d/b/a National Grid

\$/Therm

Service Classifications		
SC1 Residential Non Heat	\$	0.05322
SC1 Residential Heat	\$	0.16876
SC2 Residential, Commercial & Industrial	\$	0.05028
SC7	\$	0.10334

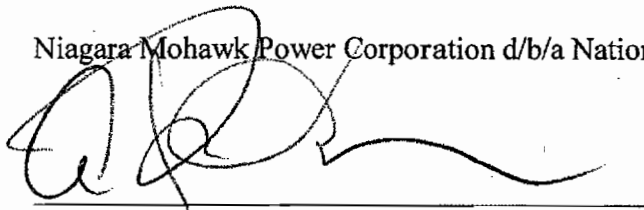
New York Public Service Commission

CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

Niagara Mohawk Power Corporation d/b/a National Grid



A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Date: August 1, 2008

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

Daniel C. Rathke
Department of Public Service

[Signature]
Department of Public Service

Date: August 1, 2008

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.


Small Customer Marketer Coalition

Date: 8/11/08

New York Public Service Commission

CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

ENTITY NAME: The E Cubed Company, LLC

SIGNATURE:

A handwritten signature in cursive script that reads "Ruben S. Brown".

PERSON NAME (SPELLED OUT): Ruben S. Brown

Date: August 1, 2008

New York Public Service Commission

CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

ENTITY NAME: ECR International, Inc.

SIGNATURE: Michael Paparone

PERSON NAME (SPELLED OUT): Michael Paparone CEO/PRESIDENT

Date: 8/1/2008

New York Public Service Commission

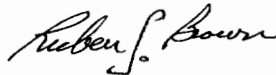
CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

ENTITY NAME: Joint Supporters

SIGNATURE:

A handwritten signature in cursive script that reads "Ruben S. Brown". The signature is written in black ink and is positioned above the printed name.

PERSON NAME (SPELLED OUT): Ruben S. Brown

Date: August 1, 2008

New York Public Service Commission

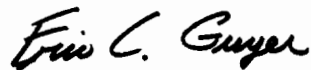
CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

ENTITY NAME: Climate Energy, LLC.

SIGNATURE:

Handwritten signature of Eric C. Guyer in black ink.

PERSON NAME (SPELLED OUT): Eric Guyer, President

Date: August 1, 2008

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

James L. King
Couch White, LLP
For Multiple Intervenors

Date: August 1, 2008

New York Public Service Commission

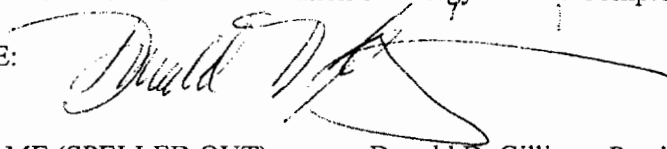
CASE 08-G-0609 – Proceeding on Motion of the Commission as to the Rates, Charges,
Rules and Regulations of the Niagara Mohawk Power Corporation for Gas Service

Joint Proposal For Interim Energy Efficiency Programs

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and
executed this Joint Proposal.

ENTITY NAME: National Association of Energy Service Companies

SIGNATURE:

A handwritten signature in black ink, appearing to read "Donald D. Gilligan", written over a horizontal line.

PERSON NAME (SPELLED OUT): Donald D. Gilligan, President

Date: August 1, 2008