

**Table G-1
National Grid
Gas DSM Funding Sources in 2019 by Sector
\$(000)**

| | <u>Projections by Sector</u> | | | Total |
|--|------------------------------------|--|------------------------------------|-------------------|
| | Income Eligible Residential | Non-Income Eligible Residential | Commercial & Industrial | |
| (1) Projected Budget (from G-2): | \$8,613.6 | \$14,797.1 | \$8,785.5 | \$32,271.3 |
| Sources of Other Funding: | | | | |
| (2) Estimated Year-End 2018 Fund Balance and Interest: | \$0.00 | \$206.3 | \$4,512.8 | \$4,719.1 |
| (3) Low Income Weatherization in Base Rates: | <u>\$200.00</u> | | | <u>\$200.00</u> |
| (4) Total Other Funding: | \$200.0 | \$206.3 | \$4,512.8 | \$4,919.1 |
| (5) Customer Funding Required: | \$8,413.6 | \$14,590.8 | \$4,272.8 | \$27,352.2 |
| (6) Forecasted Firm Dth Sales | 1,373,241 | 18,648,373 | 19,699,548 | 39,721,163 |
| (7) Forecasted Non Firm Dth Sales | | | 1,589,138 | 1,589,138 |
| (8) Less: Exempt DG Customers | | | (1,330,639) | (1,330,639) |
| (9) Forecasted Dth Sales: | 1,373,241 | 18,648,373 | 19,958,047 | 39,979,661 |
| Average Energy Efficiency Program Charge per Dth | | | | |
| (10) excluding Uncollectible Recovery: | | | | \$0.684 |
| Proposed Energy Efficiency Program Charge per Dth | | | | |
| (11) excluding Uncollectible Recovery | \$0.841 | \$0.841 | \$0.526 | |
| (12) Currently Effective Uncollectible Rate | <u>1.91%</u> | <u>1.91%</u> | <u>1.91%</u> | |
| Proposed Energy Efficiency Program Charge per Dth including Uncollectible Recovery: | \$0.857 | \$0.857 | \$0.536 | |
| Currently Effective Energy Efficiency Program Charge | | | | |
| (14) per Dth | \$0.869 | \$0.869 | \$0.671 | |
| Adjustment to Reflect Fully Reconciling Funding | | | | |
| (15) Mechanism | (\$0.012) | (\$0.012) | (\$0.135) | |

Notes

(1) Projected Budget from G-2 includes OER and EERMC costs allocated to each sector based on forecasted sales.

(2) Fund Balance projections include projected revenue and spend through year-end with Residential and C&I sector subsidies applied to Income Eligible as detailed in the 2018 EE Plan Table G-1.

(11) As agreed to by the settling parties, the proposed EE program charges allow for the use of collections from one sector to fund energy efficiency services in other sectors that would otherwise not be supported with the proposed collection rates. The C&I charge includes collection of \$5,709.6 of which \$4,334.8 will be allocated to the low income sector and \$1,364.8 to the residential sector.

(12) Uncollectible rate approved in Docket No. 4770.

**Table G-2
National Grid
2019 Gas Energy Efficiency Program Budget (\$000)**

| | Program Planning and Administration | Marketing | Rebates and Other Customer Incentives | Sales, Technical Assistance and Training | Evaluation & Market Research | Shareholder Incentive | Grand Total |
|---|-------------------------------------|----------------|---------------------------------------|--|------------------------------|-----------------------|-------------------|
| Non-Income Eligible Residential: | | | | | | | |
| ENERGY STAR® HVAC | \$68.9 | \$120.0 | \$1,747.0 | \$247.2 | \$3.7 | \$0.0 | \$2,186.9 |
| EnergyWise | \$246.1 | \$78.2 | \$6,709.8 | \$1,550.2 | \$19.3 | \$0.0 | \$8,603.7 |
| EnergyWise Multifamily | \$66.5 | \$34.1 | \$1,280.0 | \$356.0 | \$28.5 | \$0.0 | \$1,765.2 |
| Home Energy Reports | \$21.8 | \$0.8 | \$415.0 | \$5.1 | \$5.4 | \$0.0 | \$448.1 |
| Residential Pilots | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Residential New Construction | \$23.9 | \$3.2 | \$508.4 | \$186.7 | \$15.7 | \$0.0 | \$737.9 |
| Comprehensive Marketing - Residential | \$0.5 | \$73.2 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$73.7 |
| Community Based Initiatives - Residential | \$0.5 | \$18.8 | \$19.7 | \$0.0 | \$0.0 | \$0.0 | \$39.0 |
| Residential Shareholder Incentive | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$692.7 | \$692.7 |
| Subtotal - Non-Income Eligible Residential | \$428.2 | \$328.3 | \$10,679.8 | \$2,345.4 | \$72.8 | \$692.7 | \$14,547.1 |
| Income Eligible Residential: | | | | | | | |
| Single Family - Income Eligible Services | \$151.6 | \$14.8 | \$3,800.0 | \$1,054.8 | \$40.7 | \$0.0 | \$5,061.9 |
| Income Eligible Multifamily | \$96.9 | \$10.5 | \$2,625.0 | \$348.9 | \$42.7 | \$0.0 | \$3,124.0 |
| Income Eligible Shareholder Incentive | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$409.3 | \$409.3 |
| Subtotal - Income Eligible Residential | \$248.6 | \$25.2 | \$6,425.0 | \$1,403.7 | \$83.4 | \$409.3 | \$8,595.2 |
| Commercial & Industrial | | | | | | | |
| Large Commercial New Construction | \$83.3 | \$193.6 | \$1,274.0 | \$743.3 | \$95.0 | \$0.0 | \$2,389.1 |
| Large Commercial Retrofit | \$290.8 | \$292.9 | \$2,630.6 | \$810.7 | \$205.1 | \$0.0 | \$4,230.0 |
| Small Business Direct Install | \$5.3 | \$26.9 | \$50.0 | \$37.6 | \$4.7 | \$0.0 | \$124.5 |
| Commercial & Industrial Multifamily | \$31.3 | \$16.5 | \$850.0 | \$110.0 | \$7.3 | \$0.0 | \$1,015.1 |
| Commercial Pilots | \$0.1 | \$9.5 | \$241.1 | \$89.9 | \$17.0 | \$0.0 | \$357.6 |
| Finance Costs | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| RI Infrastructure Bank | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Community Based Initiatives - C&I | \$0.2 | \$6.3 | \$6.6 | \$0.0 | \$0.0 | \$0.0 | \$13.0 |
| Commercial & Industrial Shareholder Incentive | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$388.6 | \$388.6 |
| Subtotal - Commercial & Industrial | \$410.9 | \$545.6 | \$5,052.2 | \$1,791.5 | \$329.1 | \$388.59 | \$8,518.0 |
| Regulatory | | | | | | | |
| EERMC | \$268.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$268.0 |
| OER | \$268.0 | \$0.0 | \$0.0 | \$0.0 | \$75.0 | \$0.0 | \$343.0 |
| Subtotal - Regulatory | \$536.0 | \$0.0 | \$0.0 | \$0.0 | \$75.0 | \$0.0 | \$611.0 |
| Grand Total | \$1,623.6 | \$899.1 | \$22,157.0 | \$5,540.5 | \$560.3 | \$1,490.6 | \$32,271.3 |

Notes:

(1) OER and EERMC is equal to 2% of total collections from customers' Energy Efficiency Program Charge, reduced by 2%.

**Table G-3
National Grid
Derivation of the 2019 Spending & Implementation Budgets (\$000)**

| | Proposed 2018 Budget From G-2 (\$000) | Outside Finance and Stakeholder Oversight Costs (\$000) | Shareholder Incentive (\$000) | Eligible Sector Spending Budget for Shareholder Incentive on G-9 (\$000)¹ | Implementation Expenses for Cost-Effectiveness on G-5 (\$000)² |
|---|--|--|--|---|--|
| Non-Income Eligible Residential | | | | | |
| ENERGY STAR® HVAC | \$ 2,186.9 | | \$ - | | \$ 2,186.9 |
| EnergyWise | \$ 8,603.7 | | \$ - | | \$ 8,603.7 |
| EnergyWise Multifamily | \$ 1,765.2 | | \$ - | | \$ 1,765.2 |
| Home Energy Reports | \$ 448.1 | | \$ - | | \$ 448.1 |
| Residential Pilots | \$ - | | \$ - | | \$ - |
| Residential New Construction | \$ 737.9 | | | | \$ 737.9 |
| Comprehensive Marketing - Residential | \$ 73.7 | | \$ - | | \$ 73.7 |
| Community Based Initiatives - Residential | \$ 39.0 | | \$ - | | \$ 39.0 |
| Residential Shareholder Incentive | \$ 692.7 | | \$ 692.7 | | \$ - |
| Subtotal - Non-Income Eligible Residential | \$ 14,547.1 | \$ - | \$ 692.7 | \$ 13,854.4 | \$ 13,854.4 |
| Income Eligible Residential | | | | | |
| Single Family - Income Eligible Services | \$ 5,061.9 | | \$ - | | \$ 5,061.9 |
| Income Eligible Multifamily | \$ 3,124.0 | | \$ - | | \$ 3,124.0 |
| Income Eligible Shareholder Incentive | \$ 409.3 | | \$ 409.3 | | \$ - |
| Subtotal - Income Eligible Residential | \$ 8,595.2 | \$ - | \$ 409.3 | \$ 8,185.9 | \$ 8,185.9 |
| Commercial & Industrial | | | | | |
| Large Commercial New Construction | \$ 2,389.1 | | \$ - | | \$ 2,389.1 |
| Large Commercial Retrofit | \$ 4,230.0 | | \$ - | | \$ 4,230.0 |
| Small Business Direct Install | \$ 124.5 | | \$ - | | \$ 124.5 |
| Commercial & Industrial Multifamily | \$ 1,015.1 | | \$ - | | \$ 1,015.1 |
| Commercial Pilots | \$ 357.6 | | \$ - | | \$ 357.6 |
| Finance Costs | \$ - | \$ - | \$ - | | \$ - |
| Community Based Initiatives - C&I | \$ 13.0 | | \$ - | | \$ 13.0 |
| Commercial & Industrial Shareholder Incentive | \$ 388.6 | | \$ 388.6 | | \$ - |
| Subtotal - Commercial & Industrial | \$ 8,518.0 | \$ - | \$ 388.6 | \$ 7,771.7 | \$ 8,129.4 |
| Regulatory | | | | | |
| EERMC | \$ 268.0 | \$ 268.0 | | | \$ 268.0 |
| OER | \$ 343.0 | \$ 343.0 | | | \$ 343.0 |
| Subtotal - Regulatory | \$ 611.0 | \$ 611.0 | \$ - | | \$ 611.0 |
| Grand Total | \$ 32,271.3 | \$ 611.0 | \$ 1,490.6 | \$ 29,812.0 | \$ 30,780.7 |

Notes:

- (1) Eligible Sector Spending Budget = Budget from G-2 minus Regulatory Costs, Pilots, and Shareholder Incentive
- (2) Implementation Expenses = Budget from G-2 minus Shareholder Incentive

Table G-4
National Grid
Proposed 2019 Budget Compared to Approved 2018 Budget (\$000)

| | Proposed Budget 2019 from G-2 | 2018 Approved Gas Budget | Difference |
|---|--|-------------------------------------|-------------------|
| Non-Income Eligible Residential | | | |
| ENERGY STAR® HVAC | \$ 2,186.9 | \$ 1,730.4 | \$ 456.4 |
| EnergyWise | \$ 8,603.7 | \$ 8,370.8 | \$ 232.9 |
| EnergyWise Multifamily | \$ 1,765.2 | \$ 1,267.1 | \$ 498.1 |
| Home Energy Reports | \$ 448.1 | \$ 428.7 | \$ 19.5 |
| Residential Pilots | \$ - | \$ 19.6 | \$ (19.6) |
| Residential New Construction | \$ 737.9 | \$ 587.4 | \$ 150.5 |
| Comprehensive Marketing - Residential | \$ 73.7 | \$ 73.7 | \$ - |
| Community Based Initiatives - Residential | \$ 39.0 | \$ 39.2 | \$ (0.2) |
| Residential Shareholder Incentive | \$ 692.7 | \$ 624.9 | \$ 67.9 |
| Subtotal - Non-Income Eligible Residential | \$ 14,547.1 | \$ 13,141.6 | \$ 1,405.5 |
| Income Eligible Residential | | | |
| Single Family - Income Eligible Services | \$ 5,061.9 | \$ 4,032.4 | \$ 1,029.4 |
| Income Eligible Multifamily | \$ 3,124.0 | \$ 2,349.5 | \$ 774.5 |
| Income Eligible Shareholder Incentive | \$ 409.3 | \$ 319.1 | \$ 90.2 |
| Subtotal - Income Eligible Residential | \$ 8,595.2 | \$ 6,701.1 | \$ 1,894.1 |
| Commercial & Industrial | | | |
| Large Commercial New Construction | \$ 2,389.1 | \$ 2,658.1 | \$ (268.9) |
| Large Commercial Retrofit | \$ 4,230.0 | \$ 3,643.3 | \$ 586.8 |
| Small Business Direct Install | \$ 124.5 | \$ 132.5 | \$ (8.0) |
| Commercial & Industrial Multifamily | \$ 1,015.1 | \$ 410.2 | \$ 604.9 |
| Commercial Pilots | \$ 357.6 | \$ 482.1 | \$ (124.5) |
| Finance Costs | \$ - | \$ - | \$ - |
| RI Infrastructure Bank | \$ - | \$ - | \$ - |
| Community Based Initiatives - C&I | \$ 13.0 | \$ 9.8 | \$ 3.2 |
| Commercial & Industrial Shareholder Incentive | \$ 388.6 | \$ 342.7 | \$ 45.9 |
| Subtotal Commercial & Industrial | \$ 8,518.0 | \$ 7,678.6 | \$ 839.3 |
| Regulatory | | | |
| EERMC | \$ 268.0 | \$ 279.8 | \$ (11.8) |
| OER | \$ 343.0 | \$ 279.8 | \$ 63.2 |
| Subtotal Regulatory | \$ 611.0 | \$ 559.6 | \$ 51.4 |
| TOTAL BUDGET | \$ 32,271.3 | \$ 28,080.9 | \$ 4,190.4 |

Table G-5
National Grid
Calculation of 2019 Program Year Cost-Effectiveness
All Dollar Values in (\$000)

| | Rhode Island Benefit/ Cost | Total Benefit | Program Implementation Expenses | Customer Contribution | Shareholder Incentive | \$/Lifetime MMBtu |
|---|----------------------------------|---------------------|---------------------------------------|--------------------------|--------------------------|----------------------|
| Non-Income Eligible Residential | | | | | | |
| Energy Star® HVAC | 2.30 | \$ 12,576.7 | \$ 2,186.9 | \$ 3,270.9 | | \$ 11.37 |
| EnergyWise | 1.89 | \$ 20,461.1 | \$ 8,603.7 | \$ 2,215.0 | | \$ 16.18 |
| EnergyWise MultiFamily | 3.10 | \$ 6,586.6 | \$ 1,765.2 | \$ 360.0 | | \$ 8.33 |
| Home Energy Reports | 3.64 | \$ 1,631.7 | \$ 448.1 | \$ - | | \$ 3.88 |
| Residential New Construction | 1.45 | \$ 1,993.4 | \$ 737.9 | \$ 635.7 | | \$ 16.19 |
| Comprehensive Marketing - Residential | | | \$ 73.7 | | | |
| Community Based Initiatives - Residential | | | \$ 39.0 | | | |
| Residential Pilots | | | \$ - | | | |
| Non-Income Eligible Residential Subtotal | 2.06 | \$ 43,249.6 | \$ 13,854.4 | \$ 6,481.5 | \$ 692.7 | \$ 12.68 |
| Income Eligible Residential | | | | | | |
| Single Family - Income Eligible Services | 2.83 | \$ 14,329.1 | \$ 5,061.9 | \$ - | | \$ 27.58 |
| Income Eligible Multifamily | 3.78 | \$ 11,822.7 | \$ 3,124.0 | \$ - | | \$ 8.69 |
| Income Eligible Residential Subtotal | 3.19 | \$ 26,151.9 | \$ 8,185.9 | \$ - | \$ 409.3 | \$ 15.07 |
| Large Commercial & Industrial | | | | | | |
| Large Commercial New Construction | 2.72 | \$ 15,142.6 | \$ 2,389.1 | \$ 3,179.0 | | \$ 7.86 |
| Large Commercial Retrofit | 4.38 | \$ 25,534.7 | \$ 4,230.0 | \$ 1,599.4 | | \$ 4.21 |
| Small Business Direct Install | 2.96 | \$ 404.5 | \$ 124.5 | \$ 12.0 | | \$ 6.45 |
| Commercial & Industrial Multifamily | 4.09 | \$ 4,504.3 | \$ 1,015.1 | \$ 85.0 | | \$ 7.07 |
| Commercial Pilots | | | \$ 340.6 | | | |
| Community Based Initiatives - C&I | | | \$ 13.0 | | | |
| Finance Costs | | | \$ - | | | |
| Commercial & Industrial Subtotal | 3.41 | \$ 45,586.0 | \$ 8,112.4 | \$ 4,875.4 | \$ 388.6 | \$ 5.72 |
| Regulatory | | | | | | |
| EERMC | | | \$ 268.4 | | | |
| OER | | | \$ 343.4 | | | |
| Regulatory Subtotal | | | \$ 611.8 | | | |
| Grand Total | 2.64 | \$ 114,987.5 | \$ 30,764.4 | \$ 11,356.9 | \$ 1,490.6 | \$ 9.53 |

Table G-5A
National Grid
Calculation of 2019 Program Year Cost-Effectiveness with TRC Test
All Dollar Values in (\$000)

| | TRC Benefit/ Cost | Total Benefit | Program Implementation Expenses | Customer Contribution | Shareholder Incentive | \$/Lifetime MMBtu |
|---|----------------------------------|--------------------------|--|----------------------------------|----------------------------------|------------------------------|
| Non-Income Eligible Residential | | | | | | |
| Energy Star® HVAC | 1.25 | \$ 5,899.2 | \$ 1,727.0 | \$ 2,988.3 | | \$ 9.89 |
| EnergyWise | 1.09 | \$ 11,590.0 | \$ 8,366.8 | \$ 2,301.5 | | \$ 16.37 |
| EnergyWise MultiFamily | 2.36 | \$ 3,422.0 | \$ 1,250.6 | \$ 199.4 | | \$ 7.31 |
| Home Energy Reports | 1.27 | \$ 541.1 | \$ 427.5 | \$ - | | \$ 5.54 |
| Residential New Construction | 0.97 | \$ 624.2 | \$ 585.9 | \$ 59.4 | | \$ 10.30 |
| Comprehensive Marketing - Residential | | | \$ 73.7 | | | |
| Community Based Initiatives - Residential | | | \$ 39.2 | | | |
| Residential Demonstration and R&D | | | \$ 19.6 | | | |
| Non-Income Eligible Residential Subtotal | 1.18 | \$ 22,076.6 | \$ 12,490.2 | \$ 5,548.6 | \$ 624.5 | \$ 12.30 |
| Income Eligible Residential | | | | | | |
| Single Family - Income Eligible Services | 2.40 | \$ 9,671.7 | \$ 4,028.8 | \$ - | | \$ 15.96 |
| Income Eligible Multifamily | 2.26 | \$ 5,306.1 | \$ 2,345.8 | \$ - | | \$ 8.18 |
| Income Eligible Residential Subtotal | 2.35 | \$ 14,977.8 | \$ 6,374.6 | \$ - | \$ 318.7 | \$ 11.83 |
| Large Commercial & Industrial | | | | | | |
| Large Commercial New Construction | 1.55 | \$ 7,248.2 | \$ 2,651.7 | \$ 2,015.1 | | \$ 5.85 |
| Large Commercial Retrofit | 3.22 | \$ 15,080.9 | \$ 3,632.1 | \$ 1,054.6 | | \$ 2.56 |
| Small Business Direct Install | 2.55 | \$ 368.0 | \$ 132.3 | \$ 11.9 | | \$ 4.85 |
| Commercial & Industrial Multifamily | 6.27 | \$ 2,746.1 | \$ 408.6 | \$ 29.4 | | \$ 4.70 |
| Commercial Demonstration and R&D | | | \$ 482.1 | | | |
| Community Based Initiatives - C&I | | | \$ 9.8 | | | |
| Finance Costs | | | \$ - | | | |
| Commercial & Industrial Subtotal | 2.36 | \$ 25,443.3 | \$ 7,316.7 | \$ 3,111.0 | \$ 365.8 | \$ 3.79 |
| Regulatory | | | | | | |
| EERMC | | | \$ 295.2 | | | |
| OER | | | \$ 295.2 | | | |
| Regulatory Subtotal | | | \$ 590.3 | | | |
| Grand Total | 1.70 | \$ 62,497.7 | \$ 26,771.8 | \$ 8,659.6 | \$ 1,309.1 | \$ 7.45 |

**Table G-6
National Grid
Summary of 2019 Benefits and Savings by Program**

| | Benefits (\$000) | | | MMBTU Gas Saved | |
|---|--------------------|-------------------|-------------------|-----------------|------------------|
| | Total | Natural Gas | Non-Gas Benefit | Annual | Lifetime |
| Non-Income Eligible Residential | | | | | |
| EnergyWise | \$20,461.1 | \$6,106.8 | \$14,354.3 | 27,806 | 668,615 |
| Energy Star® HVAC | \$12,576.7 | \$4,315.1 | \$8,261.6 | 28,120 | 480,042 |
| EnergyWise Multifamily | \$6,586.6 | \$2,307.0 | \$4,279.6 | 16,043 | 255,276 |
| Home Energy Reports | \$1,631.7 | \$830.0 | \$801.8 | 115,520 | 115,520 |
| Residential New Construction | \$1,993.4 | \$769.6 | \$1,223.8 | 4,240 | 84,839 |
| Non-Income Eligible Residential SUBTOTAL | \$43,249.6 | \$14,328.4 | \$28,921.1 | 191,729 | 1,604,291 |
| Income Eligible Residential | | | | | |
| Single Family - Income Eligible Services | \$14,329.1 | \$1,680.6 | \$12,648.5 | 9,178 | 183,560 |
| Income Eligible Multifamily | \$11,822.7 | \$3,255.0 | \$8,567.8 | 20,487 | 359,611 |
| Income Eligible Residential SUBTOTAL | \$26,151.9 | \$4,935.6 | \$21,216.3 | 29,665 | 543,171 |
| Commercial & Industrial | | | | | |
| Large Commercial New Construction | \$15,142.6 | \$5,478.5 | \$9,664.2 | 42,536 | 708,462 |
| Large Commercial Retrofit | \$25,534.7 | \$10,535.7 | \$14,999.0 | 155,049 | 1,385,654 |
| Small Business Direct Install | \$404.5 | \$157.9 | \$246.5 | 2,559 | 21,163 |
| Commercial & Industrial Multifamily | \$4,504.3 | \$1,289.4 | \$3,214.8 | 10,829 | 155,667 |
| Commercial & Industrial SUBTOTAL | \$45,586.0 | \$17,461.5 | \$28,124.5 | 210,974 | 2,270,945 |
| TOTAL | \$114,987.5 | \$36,725.6 | \$78,261.9 | 432,369 | 4,418,408 |

Table G-7
National Grid
Comparison of 2019 and 2018 Goals

| | Proposed 2019 | | Approved 2018 | Difference |
|---|---|-----------------------------|---|---|
| | Annual Energy Savings (MMBTU Natural Gas) | Planned Unique Participants | Annual Energy Savings (MMBTU Natural Gas) | Annual Energy Savings (MMBTU Natural Gas) |
| Non-Income Eligible Residential | | | | |
| EnergyWise | 27,806 | 2,275 | 26,787 | 1,019 |
| Energy Star® HVAC | 28,120 | 1,557 | 27,513 | 607 |
| EnergyWise Multifamily | 16,043 | 2,500 | 12,069 | 3,975 |
| Home Energy Reports | 115,520 | 104,250 | 77,220 | 38,300 |
| Residential New Construction | 4,240 | 255 | 3,117 | 1,123 |
| Non-Income Eligible Residential SUBTOTAL | 191,729 | 110,837 | 146,706 | 45,023 |
| | | | | |
| Income Eligible Residential | | | | |
| Single Family - Income Eligible Services | 9,178 | 675 | 12,620 | -3,442 |
| Income Eligible Multifamily | 20,487 | 3,500 | 16,222 | 4,265 |
| Income Eligible Residential SUBTOTAL | 29,665 | 4,175 | 28,842 | 823 |
| | | | | |
| Commercial & Industrial | | | | |
| Large Commercial New Construction | 42,536 | 105 | 42,764 | -229 |
| Large Commercial Retrofit | 155,049 | 158 | 186,780 | -31,731 |
| Small Business Direct Install | 2,559 | 30 | 3,059 | -500 |
| Commercial & Industrial Multifamily | 10,829 | 1,698 | 6,643 | 4,186 |
| Commercial & Industrial SUBTOTAL | 210,974 | 1,992 | 239,246 | -28,273 |
| | | | | |
| TOTAL | 432,369 | 117,004 | 414,795 | 17,574 |

Notes:

- (1) Participants can participate in more than one program, for example Home Energy Reports and EnergyWise.
- (2) Planned 2019 participation takes into account net-to-gross and estimates unique participation by taking into account 2017 unique customer accounts to savings ratios. Therefore the number of planned measures may be more than the planned participants. For measure counts please view the widgets tables at the end of the Residential and C&I text sections. Table G-7 no longer includes a comparison to the previous year's participation. Due to the way unique participation is calculated it is not possible to compare year-over-year results.

Table G-8
National Grid
Avoided Costs Used in 2019 Benefit-Cost Model

| Year | RESIDENTIAL | | | | COMMERCIAL & INDUSTRIAL | | |
|------|-------------|-----------|---------|------|-------------------------|---------|------|
| | Non Heating | Hot Water | Heating | All | Non Heating | Heating | All |
| 2019 | 4.59 | 6.48 | 7.83 | 7.20 | 5.47 | 6.95 | 6.30 |
| 2020 | 5.51 | 7.26 | 8.56 | 7.97 | 6.33 | 7.71 | 7.11 |
| 2021 | 6.44 | 8.20 | 9.50 | 8.91 | 7.27 | 8.66 | 8.05 |
| 2022 | 6.38 | 8.12 | 9.42 | 8.83 | 7.20 | 8.58 | 7.97 |
| 2023 | 6.39 | 8.12 | 9.42 | 8.83 | 7.21 | 8.58 | 7.98 |
| 2024 | 6.48 | 8.20 | 9.50 | 8.91 | 7.29 | 8.66 | 8.06 |
| 2025 | 6.50 | 8.21 | 9.51 | 8.92 | 7.31 | 8.67 | 8.08 |
| 2026 | 6.57 | 8.28 | 9.58 | 8.99 | 7.38 | 8.74 | 8.15 |
| 2027 | 6.61 | 8.31 | 9.60 | 9.02 | 7.41 | 8.77 | 8.18 |
| 2028 | 6.73 | 8.43 | 9.72 | 9.14 | 7.53 | 8.88 | 8.29 |
| 2029 | 6.84 | 8.53 | 9.81 | 9.24 | 7.64 | 8.98 | 8.40 |
| 2030 | 6.90 | 8.58 | 9.87 | 9.29 | 7.70 | 9.04 | 8.45 |
| 2031 | 7.06 | 8.74 | 10.02 | 9.45 | 7.86 | 9.19 | 8.61 |
| 2032 | 7.08 | 8.74 | 10.03 | 9.45 | 7.87 | 9.20 | 8.62 |
| 2033 | 7.02 | 8.68 | 9.96 | 9.39 | 7.81 | 9.14 | 8.56 |
| 2034 | 6.93 | 8.58 | 9.86 | 9.29 | 7.71 | 9.04 | 8.46 |
| 2035 | 6.96 | 8.60 | 9.87 | 9.31 | 7.74 | 9.06 | 8.48 |
| 2036 | 7.00 | 8.63 | 9.90 | 9.34 | 7.77 | 9.09 | 8.51 |
| 2037 | 7.04 | 8.66 | 9.93 | 9.37 | 7.81 | 9.12 | 8.55 |
| 2038 | 7.08 | 8.70 | 9.96 | 9.40 | 7.85 | 9.15 | 8.58 |
| 2039 | 7.12 | 8.73 | 9.99 | 9.43 | 7.88 | 9.19 | 8.62 |
| 2040 | 7.16 | 8.76 | 10.03 | 9.47 | 7.92 | 9.22 | 8.65 |
| 2041 | 7.20 | 8.79 | 10.06 | 9.50 | 7.96 | 9.25 | 8.69 |
| 2042 | 7.24 | 8.83 | 10.09 | 9.53 | 8.00 | 9.28 | 8.72 |
| 2043 | 7.28 | 8.86 | 10.12 | 9.56 | 8.03 | 9.32 | 8.76 |
| 2044 | 7.32 | 8.89 | 10.15 | 9.60 | 8.07 | 9.35 | 8.79 |
| 2045 | 7.36 | 8.93 | 10.18 | 9.63 | 8.11 | 9.38 | 8.83 |
| 2046 | 7.41 | 8.96 | 10.21 | 9.66 | 8.15 | 9.42 | 8.86 |
| 2047 | 7.45 | 8.99 | 10.24 | 9.70 | 8.19 | 9.45 | 8.90 |

From 2018 Avoided Cost Study Update
Appendix C for Southern New England

**Table G-9
National Grid
2019 Targeted Shareholder Incentive**

Incentive Rate: 5.00%

| | (1) | (2) | (3) | (4) | (5) |
|---------------------------------|----------------------------------|--------------------------|-----------------------------|---------------------------|-----------------------------------|
| Sector | Eligible Spending Budget \$(000) | Target Incentive \$(000) | Target Savings Goal (MMBTU) | Threshold Savings (MMBTU) | Target Incentive Per Annual MMBTU |
| Income Eligible Residential | \$8,186 | \$409.3 | 29,665 | 22,249 | \$13.80 |
| Non-Income Eligible Residential | \$13,854 | \$692.7 | 191,729 | 143,797 | \$3.61 |
| Commercial & Industrial | \$7,772 | \$388.6 | 210,974 | 158,230 | \$1.84 |
| Total | \$29,812 | \$1,490.6 | 432,369 | 324,277 | \$3.45 |

Notes:

- (1) Eligible Spending Budget excludes EERMC, OER, Pilots, and Shareholder Incentive. See Table G-3 for details.
 - (2) Equal to the incentive rate (5.0%) x Column (1).
 - (3) See Table G-7
 - (4) 75% 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)*1000/Column (3). This illustration is for achieved savings equal to the savings target. The incentive earned per MMBtu 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)

**Table G-10
National Grid
Revolving Loan Fund Projections**

Large C&I Revolving Loan Fund

| | | |
|-------------|--|---------------------|
| (1) | Total Loan Fund Deposits Through 2017 | \$ 1,291,679 |
| (2) | Current Loan Fund Balance | \$ 1,967,496 |
| (3) | Projected Loans by Year End 2017 | \$ 487,871 |
| (4) | Projected Repayments by Year End 2017 | \$ 200,000 |
| (5) | Projected Year End Loan Fund Balance 2017 | \$ 1,679,625 |
| (6) | 2018 Fund Injection | \$ - |
| (7) | Projected Loan Fund Balance, January 2018 | \$ 1,679,625 |
| (8) | Projected Repayments throughout 2018 | \$ 600,000 |
| (9) | Estimated Loans in 2018 | \$ 1,000,000 |
| (10) | Projected Year End Loan Fund Balance 2018 | \$ 1,279,625 |

Notes

2 Current Loan Fund Balance is through July 2017

3 Projected Loans by Year End 2017 is estimated based on current commitments

4 Projected Repayments by Year End 2017 is estimated based on projected loans by year end and repayment schedules

5 Equal to (2) - (3) + (4)

6 Fund Injection, as budgeted on E-2

7 Equal to (5) + (6)

8 Assumption based on average repayments over 12 months; repayments accumulate over time and may vary widely.