SEC INTERROGATORY #83

INTERROGATORY

[B/6/2, p. 7, 12] Please advise whether, in the expert's opinion, the judgments of DNV GL with respect to survey design and scoring algorithm were reasonable. If any of those judgments were, in the expert's opinion, not reasonable, please provide details. Please advise whether, in the expert's opinion, it is fair to say the following [from EB-2017-0323, Ex. A/3, p. 15]:

> *"There are well documented concerns with the approach to NTG determination taken by the EC [DNV GL]. The NTG study did not in many instances reflect industry best practice."*

RESPONSE

It is important to acknowledge that judgments are just judgments and that other experienced researchers might have used different judgments in arriving at approaches and methods. In addition, there may be no specific criteria to determine which judgements are more appropriate than alternatives in advance of performing the study.

Rather than debating whether specific judgments are appropriate or not, it may be more useful to highlight where judgments were made by researchers and assess the influence of those judgments. If a judgment is determined to be influential in scoring or producing the study's results, then it can be important to examine alternative judgments that also fall into the set of reasonable judgments. In some cases, judgments can be mistakenly viewed as being facts or research driven assumptions.

For example, DNV made judgments in the scoring algorithm, such as the use of a 48 month cut-off. The Navigant team is not criticizing the DNV or any specific judgments. All research requires certain judgments. After the study is fielded, however, there are now data on how customers answered the timing question. Examining this data in the context of the judgmental assumption can be important. How many respondents provided a specific future-month estimate out to 48 months as the date when they would have undertaken the EE investment offered by the program, or whether they provide brackets, i.e., a lower month and an upper month? These data provide information on potentially useful sensitivity analyses that can be conducted to test the importance of this judgment. This judgment can then be compared to other reasonable but different judgments, which provides insight regarding the robustness of the results under differing assumptions. For example, the assumed scoring for timing seems to

Witnesses: S. Dimetrosky
            L. Gage
            D. Violette

result in lower NTG values than do the same or similar questions applied in Massachusetts (See Exhibit B, Tab 6, Schedule 2, page 11 of 19). It would be useful to understand how the responses and scoring assumptions drive these different results.

These types of analyses can facilitate stakeholder review of the findings and help reach common agreement regarding the context of the findings, as well as suggest research questions for future NTG studies. This type of process can also be facilitated by the forward looking prospective application of NTG values rather than the retrospective application of NTG estimates.

With respect to "industry best practice," the work by Navigant reviewed best practices in other jurisdictions and in general for self-report studies. A best practice review of the DNV GL was not undertaken; however, some of the best practices outlined in the reports (Exhibit B, Tab 6, Schedule 1 and Exhibit B, Tab 6, Schedule 2) did not seem to be applied. A discussion of methods in this context would be useful for stakeholders.

Witnesses: S. Dimetrosky
            L. Gage
            D. Violette