DG 09-049 (National Grid Gas Energy Efficiency)
Program Year 2 (January 1, 2010 - December 31, 2010) Actual Results

Shareholder Incentive Template-National Grid NH
B/C Component

	National Grid	Northern
Benefits:		
Avoided Generation, Transmmission & Distributions costs for:		
Program Participants	Yes	Yes
Market effects (e.g. spillover, post-program adoptions)	Yes (zero) (1)	Yes (zero)
Customer Benefits (including O&M)	Yes (zero)	Yes (zero)
Quantifiable avoided resource costs (e.g. water, electricity)	Yes (2)	Yes (zero)
Adder for other non-quantified benefits (e.g. environmental and other)	Yes (15%)	Yes (15%)
Costs:		
Program costs (e.g. incentives, admin, monitoring, evaluation for:		
Utility Costs (i.e. for admin, monitoring, evaluation, marketing, rebates)	Yes	Yes
Program participants (i.e. incremental costs not reimbursed by rebates)	Yes	Yes
Market effects (e.g. spillover, post-program adoptions)	Yes (zero)	Yes (zero)
Customer Costs (including O&M)	Yes (zero)	Yes (zero)
Quantifiable additional resource costs (e.g. water, electricity)	Yes (zero)	Yes (zero)
Utility Performance Incentives	Yes (3)	Yes (3)

footnotes:

(1) Staff defers consideration of National Grid's "Market Effects" benefits and costs to the next program year filing.

(2) Electric benefits are identified for the following Residential programs - High Efficiency Heating ECM 92% and ENERGY STAR Windows. These benefits are included in National Grid's benefits benchmark.

(3) Performance Incentives are 8% (i.e. 8% of program budgets) consistent with Commission approved guidelines in Order No. 23,574 and 23,850. but, the 8% rate may change pursuant to the agreement calling for the Settling Parties to participate in good faith in any Commission sponsored generic proceeding to determine the appropriateness of the 8% rate level for utility-sponsored energy efficiency programs. The Performance Incentive amount is included in the cost component of the B/C ratio at the Sector-level only for purposes of calculating and measuring the B/C component of the Shareholder Incentive.

Shareholder Incentive Template-National Grid
Savings Component

Gas Savings in MMBTU's resulting from Energy Efficiency Measures Installed in the Program Year

Number of Participants served in the annual program year time period	4,192
MMBTU Savings per Participant Per Year	18.66
Total MMBTU Savings Per Year	78,227
Measure Life of Measures installed in the annual program year time period	19.17
Grand Total MMBTU Savings Benchmark for Performance Incentive	1,499,657

Electric Savings in kWh's resulting from Energy Efficiency Measures Installed in the Program Year

Number of Participants served in the annual program year time period	-
kWh Savings per Participant	
Total kWh Savings Per Participant Per Year	-
Measure Life of Measures installed in the annual program year time period	
Grand Total kWh Savings Benchmark for Performance Incentive	-

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Benefit Cost (B/C) Benchmark for Computing Shareholder Incentives - National Grid

Residential Programs	footnotes	Low Income	High Efficiency Heating	Energy Audit & Home Performance	Weatherization	Energy Analysis Internet Guide Education	Energy Star Homes	Residential Sub-Total
Benefits:								
Avoided Generation, Transmmission & Distributions costs for:								
Program Participants	(a)	$ 977,702	$ 3,136,063	$ -	$ 5,602,231		$ 58,559	$ 9,774,556
Market effects (e.g. spillover, post-program adoptions)	(b)	$ -	$ -	$ -	$ -	$ -	$ -	
Customer Benefits (including O&M)	(c)	$ -	$ -	$ -	$ -	$ -	$ -	
Quantifiable avoided resource costs (e.g. water, electricity)	(d)	$ -			$ -	$ -	$ -	
Adder for other non-quantified benefits (e.g. environmental and other)	(e)							
Total Benefits		$ 977,702	$ 3,136,063	$ -	$ 5,602,231	$ -	$ 58,559	$ 9,774,556
Costs:								
Program costs (e.g. incentives, admin, monitoring, evaluation for:								
Utility Costs (i.e. for admin, monitoring, evaluation, market	(f)	$ 595,992	$ 576,423	$ 122,379	$ 1,146,032		$ 2,418	$ 2,443,244
Program participants (i.e. incremental costs not reimburse	(g)	$ -	$ 398,085	$ -	$ 752,760		$ 14,040	$ 1,164,885
Market effects (e.g. spillover, post-program adoptions)	(b)	$ -	$ -	$ -	$ -	$ -	$ -	
Customer Costs (including O&M)	(c)	$ -	$ -	$ -	$ -	$ -	$ -	
Quantifiable additional resource costs (e.g. water, electricity)	(h)	$ -	$ -	$ -	$ -	$ -	$ -	
Total Costs		$ 595,992	$ 974,508	$ 122,379	$ 1,898,792		$ 16,458	$ 3,608,129
Utility Shareholder Incentive at the Sector Level*	(i)	n/a	n/a	n/a	n/a	n/a	n/a	$238,469
Total Costs Including Utility Shareholder Incentives at Sector Level								$ 3,846,599
Benefit Cost Ratio by Sector (i.e. B/C Benchmark for Shareholder Incentive Calc.)		1.64	3.22	-	2.95		3.56	2.54

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Benefit Cost (B/C) Benchmark for Computing Shareholder Incentives - National Grid

C&I Programs	footnotes	Commercial Energy Efficiency	High Efficiency Space and Water Heating	Business Internet Audit	C&I Sub-Total
Benefits:					
Avoided Generation, Transmmission & Distributions costs for:					
Program Participants	(a)	$ 5,055,104	$ 2,103,131	$ -	$ 7,158,236
Market effects (e.g. spillover, post-program adoptions)				$ -	$ -
Customer Benefits (including O&M)	(c)	0	0	0	0
Quantifiable avoided resource costs (e.g. water, electricity)	(d)	$ -	0	$ -	$ -
Adder for other non-quantified benefits (e.g. environmental and other)	(e)				
Total Benefits		$ 5,055,104	$ 2,103,131	$ -	$ 7,158,236
Costs:					
Program costs (e.g. incentives, admin, monitoring, evaluation for:					
Utility Costs (i.e. for admin, monitoring, evaluation, marketing, rebates)	(f)	$ 877,566	$ 253,880	$ 8,858	$ 1,140,304
Program participants (i.e. incremental costs not reimbursed by rebates)	(g)	$ 1,902,676	$ 460,298	$ -	$ 2,362,975
Market effects (e.g. spillover, post-program adoptions)		$ -	0	$ -	$ -
Customer Costs (including O&M)	(c)	$ -	0	$ -	$ -
Quantifiable additional resource costs (e.g. water, electricity)	(h)	$ -	0	$ -	$ -
Total Costs		$ 2,780,242	$ 714,178	$ 8,858	$ 3,503,279
Utility Shareholder Incentive at the Sector Level*		n/a	n/a	n/a	$95,559
					$3,598,837
Total Costs Including Utility Shareholder Incentives at Sector Level	(i)				
Benefit Cost Ratio by Sector (i.e. B/C Benchmark for Shareholder Incentive Calc.)		1.82	2.94	-	1.99

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MMBTU Savings Benchmark for Computing Shareholder Incentives - National Grid

Residential Programs

	footnotes	Low Income	High Efficiency Heating	& Home Performance	Weatherization	Energy Analysis Internet Guide Education	Energy Star Homes	Residential Sub-Total
Gas Savings in MMBTU's from Measures Installed in the Program Year								
Number of Participants	(j)	336	1,382	0	1,224	961	9	3,912
MMBTU Savings per Participant Per Year	(k)	12.1	11.5	0.0	19.1	0.0	22.1	11.1
Total MMBTU Savings Per Year		4,080	15,867	-	23,378	-	199	43,524
Measure Life of Measures installed during the program year	(l)	20.00	16.85	15.00	20.00	1.00	25.00	18.87
Grand Total MMBTU Savings Benchmark for Performance Incentive		81,600	267,366	-	467,568	-	4,978	821,512

Electric Savings in kWh's from Measures Installed in the Program Year

Number of Participants	
kWh Savings per Participant	
Total kWh Savings Per Participant Per Year	
Measure Life of Measures installed in the annual program year time period	
Grand Total kWh Savings Benchmark for Performance Incentive	

C&I Programs

	Commercial Energy Efficiency	High Efficiency Space and Water Heating	Business Internet Audit	C&I Sub-Total
Gas Savings in MMBTU's from Measures Installed in the Program Year				
Number of Participants	83	129	68	280
MMBTU Savings per Participant Per Year	296.6	78.1	-	123.9
Total MMBTU Savings Per Year	24,622	10,081	-	34,703
Measure Life of Measures installed during the program year	19	20	1	14
Grand Total MMBTU Savings Benchmark for Performance Incentive	478,730	199,415	-	502,973

DG 09-049 (National Grid Gas Energy Efficiency)
Program Year 2 (January 1, 2010 - December 31, 2010) Actual Results

Footnotes for Budget Benefit Cost Ratio-National Grid

(a) Residential and C&I Program Avoided Gen., Trans. & Distribution for Program Participants

Residential Programs:	Low Income	High Efficiency Heating	Energy Audit & Home Performance	Weatherization	Energy Analysis Internet Guide Education	Energy Star Homes	Residential Sub-Total
Number of Participants *	336	1,382	0	1,224	961	9	3,912
MMBTU Savings per Participant per year**	12	11	0	19	0	22	11
Total MMBTU Savings Per Year	4,080	15,867	-	23,378	-	199	43,524
Number of years in the Measure Life**	20	17	15	20	1	25	19
Grand Total MMBTU Lifetime Savings for Benchmark for Performance Incentive	81,600	267,366	-	467,568	-	4,978	821,512
Lifetime Therm Savings	816,000	2,673,655	-	4,675,680	-	49,781	8,215,116
Rate of Savings per MMBTU ***	$ 12.45	$ 12.45	$ 12.45	$ 12.45	$ 12.45	$ 12.45	$ 12.45
Grand Total Dollar Savings	$ 1,015,920	$ 3,328,700	$ -	$ 5,821,222	$ -	$ 61,978	$ 10,227,820

C&I Programs:	Commercial Energy Efficiency	High Efficiency Space and Water Heating	Business Internet Audit	C&I Sub-Total
Number of Participants *	83	129	68	280
MMBTU Savings per Participant per year**	297	78	-	124
Total MMBTU Savings Per Year	24,622	10,081	0	34,703
Number of years in the Measure Life	19	20	1	14
Grand Total MMBTU Savings for Benchmark for Performance Incentive	478,730	199,415	-	678,145
Lifetime Therm Savings	4,787,303	1,994,146	-	6,781,449
Rate of Savings per MMBTU ***	$ 12.45	$ 12.45	$ 12.45	$ 12.45
Grand Total Dollar Savings	$ 5,960,192	$ 2,482,712	$ -	$ 8,442,904

* In Demand
** The values are variable for program year measurement purposes and based upon the B/C model assumptions.
*** Source: Per email communication with J. Cunningham. Consistent with 2007 Synapse Avoided Cost Study.

Residential Programs	Low Income	High Efficiency Water Heating, Controls	Weatherization	Residential Internet Audit	Energy Audit & Home Performance	New Home Construction w/Energy Star	Residential Tech Demo	Residential Sub-Total
Number of Participants	336	1,224	1,224	961	928	9	0	4,682
Participant Incremental Cost	$ -	$ 325	$ 615	$ -	$ -	$1,560	$ -	$ 249
Program Participant Cost	$ -	$ 398,085	$ 752,760	$ -	$ -	$14,040	$ -	$ 1,164,885

C&I Programs	Commercial Energy Efficiency	High Efficiency Space and Water Heating	Building Operator Certification	Online Business Analyzer	Building Prac Tech Demo	C&I Sub-Total
Number of Participants	83	129	0	68	0	280
Participant Incremental Cost	$ 22,924	$ 3,568		0	$ -	$ -
Program Participant Cost	$ 1,902,676	$ 460,298	$ -	$ -	$ -	$ 2,362,975

Exhibit D - Shareholder Incentive Page 1 of 2

National Grid Gas Energy Efficiency

Shareholder Incentive Year TWO- January 1, 2010 - December 31, 2010

Commercial/Industrial Incentive

1. Target Benefit/Cost Ratio	2.01
Actual Benefit/Cost Ratio	1.99
2. Threshold Benefit/Cost Ratio	1.00
3. Target Benefits	11,038,062
Actual Benefits	$7,158,236
4. Threshold Benefits	$7,174,740
5. Budget	$2,411,290
6. CE Percentage	4.00%
7. Lifetime Benefits Percentage	4.00%
8. Target C/I Incentive	**$192,903**
Actual C/I Incentive	**$95,559**
9. Cap	**$289,355**

Residential Incentive

10. Target Benefit/Cost Ratio	2.15
Actual Benefit/Cost Ratio	2.54
11. Threshold Benefit/Cost Ratio	1.00
12. Target Benefits	$8,644,460
Actual Benefits	$9,774,556
13. Threshold Benefits	$5,618,899
14. Budget	$2,575,126
15. CE Percentage	4.00%
16. Lifetime Benefits Percentage	4.00%
17. Target Residential Incentive	**$206,010**
Actual Residential Incentive	**$238,469**
18. Cap	**$309,015**
19. TOTAL INCENTIVE	**$291,015**

Exhibit D - Shareholder Incentive Page 2 of 2

National Grid Gas Energy Efficiency

Target Benefit-Cost Ratio by Sector

Year TWO- January 1, 2010 - December 31, 2010

Commercial & Industrial:	**Planned**	**Actual**
1. Benefits (Value) From Eligible Programs	$11,038,062	$7,158,236
2. Implementation Expenses	$2,295,901	$1,117,477
3. Customer Contribution	$2,893,873	$2,362,975
4. Evaluation Expense	$115,389	$22,827
5. Shareholder Incentive	$192,903	$95,559
6. Total Costs Including Shareholder Incentive	**$5,498,066**	**$3,598,837**
7. Benefit/Cost Ratio - C&I Sector	**2.01**	**1.99**
8. Implementation Plus Evaluation Expense - C&I Sector	**$2,411,290**	**$1,140,304**
Residential:		
9. Benefits (Value) From Eligible Programs	$8,644,460	$9,774,556
10. Implementation Expenses	$2,526,304	$2,422,638
11. Customer Contribution	$1,248,016	$1,164,885
12. Evaluation Expense	$48,822	$20,606
13. Shareholder Incentive	$206,010	$238,469
14. Total Costs Including Shareholder Incentive	**$4,029,152**	**$3,846,599**
15. Benefit/Cost Ratio - Residential Sector	**2.15**	**2.54**
16. Implementation Plus Evaluation Expense - Residential Sector	**$2,575,126**	**$2,443,244**