

Program Cost-Effectiveness - 2010 ACTUAL

	Total Resource Benefit/Cost Ratio	Present Value			Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served
		Benefit (\$000)	Utility Costs (\$000)	Customer Costs (\$000)					
Residential Programs									
ENERGY STAR Homes	4.69	\$ 8,800.6	\$ 1,118.9	\$ 758.8	1,719.5	37,128.9	514.3	433.9	453
NH Home Performance with Energy Star ^{1,2}	1.28	\$ 910.9	\$ 596.05	\$ 115.7	944.9	11,562.2	215.2	57.2	1,413
ENERGY STAR Lighting	4.91	\$ 4,739.3	\$ 801.4	\$ 164.8	12,757.2	65,857.6	2,949.3	783.7	308,059
ENERGY STAR Appliances	1.98	\$ 4,584.5	\$ 759.1	\$ 1,552.8	2,503.1	33,404.9	397.3	353.5	13,752
Home Energy Assistance	2.06	\$ 9,945.7	\$ 2,223.1	\$ 2,616.3	1,059.6	14,528.0	127.6	169.7	1,034
EnergyStar Homes (Geothermal)	3.44	\$ 2,303.3	\$ 362.2	\$ 308.3	1,370.4	34,258.9	820.8	-	54
Other	0.00	\$ -	\$ -	\$ -	-	-	-	-	-
Subtotal Residential	2.75	\$ 31,284.4	\$ 5,860.6	\$ 5,516.6	20,354.7	196,740.4	5,024.7	1,798.0	324,765
Commercial/Industrial Programs									
New Construction / Major Renovation	4.68	\$ 12,342.0	\$ 1,974.5	\$ 665.0	7,717.4	120,353.9	1,204.7	3,446.7	129
Large C&I Retrofit	2.65	\$ 16,529.6	\$ 2,058.5	\$ 4,190.3	13,861.1	179,688.9	2,804.5	4,138.8	134
Small C&I Retrofit	1.95	\$ 8,045.5	\$ 2,175.7	\$ 1,955.2	7,296.0	93,074.7	1,291.9	1,524.8	678
C&I RFP Pilot ³	2.66	\$ 2,438.5	\$ 508.7	\$ 408.9	2,188.0	26,776.2	528.2	638.3	3
Other (Education, Partnership)	0.00	\$ -	\$ 118.7	\$ -	-	-	-	-	-
Subtotal C&I	2.80	\$ 39,355.6	\$ 6,836.1	\$ 7,219.4	31,062.5	419,893.6	5,829.3	9,748.6	944
Total		\$ 70,640.0	\$ 12,696.7	\$ 12,736.0	51,417.2	616,634.0	10,854.0	11,546.6	325,709
Smart Start		-	\$ 10.8	\$ -	-	-	-	-	32
HES Fuel Neutral Pilot (Additional Benefit) ^{1,2}	3.77	\$ 4,146.8	\$ 881.88	\$ 218.2	-	-	-	-	299
TOTAL		\$ 74,786.8	\$ 13,589.5	\$ 12,954.2	51,417.2	616,634.0	10,854.0	11,546.6	326,040

Revisions per NHPUC audit findings, dated November 22, 2011.

1. Transferred \$7,500 out of total HPwES budget and assigned it to the RGGI revolving loan fund.
2. Revised and re-allocated split between HPwES (40.33%) and the Fuel Neutral pilot (59.67%).
3. Corrected a rebate calculation and applied an additional rebate of \$3,954 in the C&I RFP Program.

Program Cost-Effectiveness - 2010 PLAN

	Present Value								
	Total Resource Benefit/Cost Ratio	Benefit (\$000)	Utility Costs (\$000)	Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served
Residential Programs									
ENERGY STAR Homes	2.65	\$ 3,174.0	\$ 945.0	\$ 252.6	297.5	4,101.6	66.2	24.0	350
NH Home Performance with Energy Star	0.40	\$ 501.4	\$ 823.8	\$ 425.2	561.7	4,712.8	140.7	66.2	685
ENERGY STAR Lighting	3.29	\$ 4,076.0	\$ 859.6	\$ 377.5	10,402.1	56,437.0	2,438.3	647.9	244,483
ENERGY STAR Appliances	1.63	\$ 2,049.2	\$ 630.0	\$ 625.8	1,139.6	14,577.4	164.5	316.5	10,190
Home Energy Assistance	1.26	\$ 5,111.1	\$ 2,001.2	\$ 2,040.5	879.4	11,432.7	95.0	131.9	816
EnergyStar Homes (Geothermal)	2.08	\$ 1,384.4	\$ 360.0	\$ 306.9	823.6	20,590.6	493.4	-	48
Other	0.00	\$ -	\$ -	\$ -	-	-	-	-	-
Subtotal Residential	1.69	\$ 16,296.1	\$ 5,619.7	\$ 4,028.5	14,104.0	111,852.0	3,398.0	1,186.6	256,572
Commercial/Industrial Programs									
New Construction / Major Renovation	2.96	\$ 7,097.7	\$ 1,933.5	\$ 460.7	5,539.7	73,725.5	1,076.3	1,961.2	173
Large C&I Retrofit	1.75	\$ 13,238.5	\$ 2,366.7	\$ 5,217.7	11,823.0	146,871.9	2,234.3	3,139.1	212
Small C&I Retrofit	1.77	\$ 7,323.5	\$ 2,313.6	\$ 1,820.7	6,284.7	84,843.5	1,112.4	1,313.5	465
C&I RFP Pilot	2.83	\$ 2,503.9	\$ 507.9	\$ 377.7	2,263.8	27,144.0	513.8	703.3	3
Other (Education, Partnership)	0.00	\$ -	\$ 157.5	\$ -	-	-	-	-	-
Subtotal C&I	1.99	30,163.7	7,279.2	7,876.8	25,911.1	332,584.8	4,936.8	7,117.1	853
Total		\$ 46,459.7	\$ 12,898.9	\$ 11,905.2	40,015.1	444,436.8	8,334.8	8,303.7	257,425
Smart Start		\$ -	\$ 53.9						
HES Fuel Neutral Pilot (Additional Benefits)	1.47	\$ 1,467.2	\$ 796.3	\$ 200.7	104.1	1,425.6	35.1	35.1	-
TOTAL		\$ 47,927.0	\$ 13,749.0	\$ 12,105.9	40,119.2	445,862.4	8,369.9	8,338.8	257,425.0

Present Value Benefits - 2010 ACTUAL

	CAPACITY						ENERGY			
	Total Benefits	Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	Non Electric Resource
Residential Programs										
ENERGY STAR Homes	\$8,800,581	\$468,413	\$0	\$107,065	\$328,836	\$769,676	\$937,206	\$391,177	\$470,815	\$5,327,393
NH Home Performance with Energy Sta	\$910,937	\$19,951	\$0	\$599	\$91	\$239,688	\$292,904	\$119,426	\$140,573	\$66,268
ENERGY STAR Lighting	\$4,739,320	\$156,025	\$0	\$48,579	\$149,204	\$1,358,406	\$1,598,476	\$663,945	\$764,683	\$0
ENERGY STAR Appliances	\$4,584,509	\$123,275	\$0	\$48,256	\$148,211	\$677,310	\$830,563	\$372,880	\$410,529	\$1,973,484
Home Energy Assistance	\$9,945,723	\$67,095	\$0	\$26,334	\$80,883	\$300,442	\$368,448	\$150,080	\$177,259	\$8,775,182
EnergyStar Homes (Geothermal)	\$2,303,313	\$0	\$0	\$0	\$0	\$789,380	\$1,513,932	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Residential	\$31,284,383	\$834,759	\$0	\$230,833	\$707,226	\$4,134,903	\$5,541,530	\$1,697,508	\$1,963,858	\$16,142,328
Commercial/Industrial Programs										
New Construction / Major Renovation	\$12,341,973	\$1,533,147	\$0	\$596,788	\$1,832,957	\$1,240,033	\$1,656,091	\$3,008,730	\$2,474,227	\$0
Large C&I Retrofit	\$16,529,628	\$1,516,416	\$0	\$603,816	\$1,854,542	\$3,457,760	\$3,373,627	\$3,290,876	\$2,432,590	\$0
Small C&I Retrofit	\$8,045,497	\$549,593	\$0	\$218,606	\$671,420	\$2,640,682	\$1,711,357	\$1,404,221	\$849,618	\$0
C&I RFP Pilot	\$2,438,490	\$220,868	\$0	\$87,326	\$268,211	\$494,951	\$551,207	\$466,725	\$349,201	\$0
Other (Education, Partnership)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
#REF!	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal C&I	\$39,355,588	\$3,820,024	\$0	\$1,506,536	\$4,627,130	\$7,833,427	\$7,292,282	\$8,170,553	\$6,105,636	\$0
HES Fuel Neutral Pilot (Additional Benefi	\$4,146,784	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,146,784
Total	\$74,786,755	\$4,654,783	\$0	\$886	\$243	\$11,968,330	\$12,833,812	\$9,868,061	\$8,069,494	\$20,289,112

Present Value Benefits - 2010 PLAN

	CAPACITY					ENERGY				
	Total Benefits	Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	Non Electric Resource
Residential Programs										
ENERGY STAR Homes	\$3,174,013	\$13,769	\$0	\$4,011	\$12,321	\$84,926	\$103,296	\$42,631	\$50,535	\$2,862,525
NH Home Performance with Energy Sta	\$1,914,029	\$34,833	\$0	\$599	\$91	\$126,915	\$153,537	\$62,921	\$73,504	\$1,461,629
ENERGY STAR Lighting	\$4,075,969	\$134,954	\$0	\$42,789	\$131,421	\$1,164,458	\$1,374,211	\$570,205	\$657,931	\$0
ENERGY STAR Appliances	\$2,049,229	\$97,678	\$0	\$37,515	\$115,223	\$273,858	\$335,750	\$210,148	\$185,209	\$793,849
Home Energy Assistance	\$5,111,102	\$48,289	\$0	\$19,241	\$59,097	\$236,578	\$290,019	\$118,003	\$139,208	\$4,200,666
EnergyStar Homes (Geothermal)	\$1,384,359	\$0	\$0	\$0	\$0	\$474,441	\$909,918	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Residential	\$17,708,701	\$329,522	\$0	\$104,156	\$318,153	\$2,361,175	\$3,166,731	\$1,003,908	\$1,106,387	\$9,318,669
Commercial/Industrial Programs										
New Construction / Major Renovation	\$7,097,702	\$749,184	\$0	\$298,430	\$916,588	\$1,115,477	\$1,258,050	\$1,552,635	\$1,207,338	\$0
Large C&I Retrofit	\$13,238,503	\$1,109,712	\$0	\$441,037	\$1,354,587	\$3,353,168	\$2,703,709	\$2,529,271	\$1,747,018	\$0
Small C&I Retrofit	\$7,323,526	\$496,980	\$0	\$198,141	\$608,565	\$2,404,050	\$1,560,191	\$1,280,185	\$775,414	\$0
C&I RFP Pilot	\$2,503,943	\$237,121	\$0	\$93,683	\$287,736	\$462,861	\$546,971	\$496,747	\$378,823	\$0
Other (Education, Partnership)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Education, Partnership)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal C&I	\$30,163,674	\$2,592,997	\$0	\$1,031,291	\$3,167,476	\$7,335,556	\$6,068,921	\$5,858,838	\$4,108,594	\$0
HES Fuel Neutral Pilot (Additional Benefits)										
Total	\$47,872,375	\$2,922,520	\$0	\$886	\$243	\$9,696,731	\$9,235,652	\$6,862,745	\$5,214,981	\$9,318,669

Shareholder Incentive Calculation 2010

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	1.92	2.65
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	332,584,818	419,893,607
4. Threshold Lifetime kWh Savings (65%) ²	216,180,132	
5. Budget	\$7,279,216	\$6,836,114
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive		
9. Cap (12%) / (8% for 2010)	\$582,337	\$770,870
	\$873,506	\$582,337
Residential Incentive		
10. Benefit / Cost Ratio	1.61	2.60
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	111,852,021	196,740,423
13. Threshold Lifetime kWh Savings (65%) ²	72,703,814	
14. Budget	\$5,619,676	\$5,860,630
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive		
18. Cap (12%) / (8% for 2010)	\$449,574	\$674,361
	\$674,361	\$449,574
19. TOTAL INCENTIVE EARNED		
Total Shareholder Incentive capped at 8% for 2010 ³		\$1,445,231
		\$1,031,911

Notes

1. Actual Benefit / Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime kWh Savings for each sector must be greater than or equal to 65% of projected savings.
3. Shareholder Incentive revised to reflect 8% maximum.

Planned Versus Actual Benefit / Cost Ratio by Sector
2010

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$ 30,163,674	\$ 39,355,588
2. Implementation Expenses	\$ 7,279,216	\$ 6,836,114
3. Customer Contribution	\$ 7,876,771	\$ 7,219,371
4. Estimated Shareholder Incentive	\$ 582,337	\$ 770,870
5. Total Costs	\$ 15,738,325	\$ 14,826,355
6. Benefit/Cost Ratio - C&I Sector	1.92	2.65
Residential:		
7. Benefits (Value) From Eligible Programs	\$ 16,296,076	\$ 31,284,383
8. Implementation Expenses	\$ 5,619,676	\$ 5,860,630
9. Customer Contribution	\$ 4,028,457	\$ 5,516,645
10. Estimated Shareholder Incentive	\$ 449,574	\$ 674,361
11. Total Costs	\$ 10,097,707	\$ 12,019,784
12. Benefit/Cost Ratio - Residential Sector	1.61	2.60

Actual Lifetime Energy Savings by Sector and Program 2010

	Lifetime kWh Savings	
	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
New Equipment & Construction	73,725,472	120,353,850
Large C&I Retrofit	146,871,876	179,688,874
Small Business Energy Solutions	84,843,464	93,074,658
Education	0	0
Utility Specific (Energy Rewards RFP Program)	27,144,006	26,776,225
Other	<u>0</u>	<u>0</u>
Total Commercial & Industrial Included for Incentive Calculation	332,584,818	419,893,607
Residential:		
Home Energy Assistance Program	11,432,655	14,527,950
Home Energy Solutions Program	4,712,844	11,562,202
ENERGY STAR Homes Program	4,101,556	37,128,889
ENERGY STAR Appliance Program	14,577,389	33,404,887
ENERGY STAR Lighting Program	56,436,972	65,857,595
Electro-Thermal Storage Units	0	0
Utility Specific: ENERGY STAR Homes - Geothermal)	<u>20,590,605</u>	<u>34,258,900</u>
Total Residential Included for Incentive Calculation	111,852,021	196,740,423

2010 End of Year Reconciliation

	<u>2009 Revised</u>	<u>2010</u>	<u>2010 Revised on 11/30/2011</u>
Carry Forward Balance	\$ (31,574)	\$ 722,230	\$ 722,230
Funding:			
System Benefit Charge	\$ 13,783,450	\$ 11,916,499	\$ 11,916,499
FCM Payments	1,249,570	1,522,025 *	1,522,025
Smart Start Revolving Loan Fund Transfer to CORE		894,487	894,487
Smart Start Bad Debt Transfer to CORE		100,000	100,000
2% PSNH Facilities Set Aside Transfer to CORE		500,000	500,000
Interest	43,705	136,741	136,741
Total Funding for Energy Efficiency Programs	<u>\$ 15,076,725</u>	<u>\$ 15,069,752</u>	<u>\$ 15,069,752</u>
Expenses:			
Energy Efficiency Expenditures	\$ 12,829,562	\$ 13,629,915	\$ 13,626,369
Shareholder Incentive	1,493,359	1,031,911	1,031,911
2% for PSNH Facilities	0	238,330	238,330
Total Program Expenses	<u>\$ 14,322,921</u>	<u>\$ 14,900,156</u>	<u>\$ 14,896,610</u>
Carry Forward Balance	<u>\$ 722,230</u>	<u>\$ 891,826</u>	<u>\$ 895,372</u>

* FCM Payments net of expenses per the NHPUC Audit of 2009

FCM Payments for 2010 - \$1,588,478

FCM Expenses for 2010 - 66,453

FCM Net Amount \$1,522,025

Reconciliation
2010 General Ledger Transactions vs Energy Efficiency Program Transactions

General Ledger Balance - 01/01/2010	\$ 4,358,618
General Ledger Balance - 12/31/2010	<u>\$ 3,401,279</u>
2009 Net General Ledger Activity	<u><u>\$ (957,339)</u></u>

		Deduct 2009 Transactions	Add 2010 Transactions not Yet Recorded on	
	General Ledger Transactions	Included in 2009 GL	GL	2010 Program Year
BEGINNING BALANCE - CARRYFORWARD				722,230
FUNDING:				
SBC Funding	11,916,499			11,916,499
FCM Payments - Net	1,522,025			1,522,025
SS Bad Debt Transfer	100,000			100,000
2010 Interest: GL Jan-Nov, EE YTD	127,234		9,507	136,741
2009 SI Interest true-up: Jan 10	(10,126)	10,126		-
Dec 2009 Interest: Jan 10	4,452	(4,452)		-
Transfer 2% PSNH et-aside to CORE		-	500,000	500,000
Transfer SS RLF to CORE		-	894,487	894,487
Total Funding	13,660,084	5,674	1,403,994	15,069,752
EXPENSES:				
EE Expenses: Jan-Dec 10	12,222,268			12,222,268
SmartStart EE Expenses: Jan-Dec 10			(107,425)	(107,425)
2% PSNH Facilities set-aside			238,330	238,330
2010 EE Expenses: Jan-Apr 11			1,511,526	1,511,526
2009 EE Expenses: Jan-Mar 10	794,194	(794,194)		-
2010 Shareholder Incentive	826,869		205,042	1,031,911
2009 S. Incentive True-up	744,486	(744,486)		-
2008 SI True-up	50,000	(50,000)		-
2009 Correction of C2 Duplicate Charges	(23,940)	23,940		-
Total Expenses	14,613,877	(1,564,740)	1,847,473	14,896,610
Net: Funding less Expenses	(953,793)	1,570,414	(443,479)	895,372