

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.

d/b/a

LIBERTY UTILITIES

CORE PROGRAMS - 2014 YEAR-END REPORT

N.H. P.U.C. Docket No. DE 12-262

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TABLE OF CONTENTS

| | | |
|--|--|----|
| Summary of 2014 Program Activity..... | | 2 |
| Table 1a - Program Cost Effectiveness - 2014 Plan..... | | 3 |
| Table 1b - Program Cost Effectiveness - 2014 Actual | | 3 |
| Table 1c - Percent of Plan Program Cost Effectiveness Targets Achieved | | 3 |
| Table 2a - Present Value Benefits - 2014 Plan..... | | 4 |
| Table 2b - Present Value Benefits - 2014 Actual..... | | 4 |
| Table 2c - Percent of Plan Present Value Benefits Achieved..... | | 4 |
| Table 3a- Performance Incentive Calculation – 2014 Planned versus Actual..... | | 5 |
| Table 3b - Achieved Benefit / Cost Ratio by Sector - 2014 Planned versus Actual..... | | 6 |
| Table 3c - Actual Lifetime Energy Savings by Sector & Program 2014 Planned versus Actual..... | | 7 |
| Table 4 - Program Expenditures by Category – 2014 Actual..... | | 8 |
| Table 5 - Granite State Electric Company Energy Efficiency Revenue/Expense Balance..... | | 9 |
| Table 6 - Granite State Electric Company Energy Efficiency Revenue/Expense Balance, Residential Fund..... | | 10 |
| Table 7 - Granite State Electric Company Energy Efficiency Revenue/Expense Balance, Commercial & Industrial Fund..... | | 11 |
| Table 8 - Granite State Electric Company Energy Efficiency Variance Analysis, Residential Fund..... | | 12 |
| Table 9 - Granite State Electric Company Energy Efficiency Variance Analysis, Commercial & Industrial Fund..... | | 13 |

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

SUMMARY OF 2014 PROGRAM ACTIVITY

This report presents the results of Liberty Utilities (Granite State Electric) Corp.'s d/b/a Liberty Utilities ("Liberty Utilities" or "Company") residential and commercial and industrial (C&I) energy efficiency programs for calendar year 2014.

Table 1a, Table 1b and Table 1c show the 2014 year-end performance for the C&I and Residential programs and the annual goals and spending targets. Overall, the Company achieved 147% and 159% of its goals for annual and lifetime energy savings respectively. The Company achieved 60% and 129% of its goals for winter and summer demand savings. The Company achieved 208% of its planned participation while spending 99% of its planned budget in 2014. In addition, 80% of the annual, and 73% of the lifetime, total energy savings generated were for electricity.

Table 2a, Table 2b and Table 2c document the value created by the 2014 energy efficiency programs. Overall, efforts in 2014 created over \$9.2 million of value through achieved energy, demand and other resource savings.

Table 3a documents the Company's earned 2014 year-end performance incentive of \$196,915.26. As specified by the Commission, the performance incentive for 2014 has been documented using assumptions that are consistent with assumptions used to develop program-year goals. Table 3a summarizes the performance incentive calculation by component (C&I and Residential). As specified by the Commission, results for all programs have been included in the performance incentive calculation.

Table 3b provides the actual Total Resource Cost (TRC) benefit/cost ratio for each program, by sector (C&I and Residential), and for the entire portfolio of energy efficiency programs implemented in 2014. The overall benefit/cost ratio for energy efficiency efforts in 2014 for Residential was 2.08 and for C&I was 2.30.

Table 3c documents the Company's savings by sector and program. Overall, the Company achieved 71,943 megawatt hours of lifetime energy savings.

Table 4 documents the Company's expenses by Program. Overall, the Company had a total of \$2,144,779 of expenses in 2014, not including \$23,151 in ISO-NE FCM expenses.

Tables 5 through 9 provide the 2014 year-end energy efficiency fund balances. These tables reflect revenues collected in support of energy efficiency efforts, 2014 spending levels, and the 2014 incentive. Table 5 summarizes the 2014 year-end energy efficiency fund balances for both the residential and C&I sectors. Residential and C&I fund balances are shown in Tables 6 and 7, respectively. Tables 8 and 9 provide the residential and C&I fund variance analyses, respectively.

Table 1a. Program Cost-Effectiveness - 2014 PLAN

| | Total Resource Benefit/Cost Ratio | Present Value | | | | Performance Incentive (\$000) | Annual MWh Savings | Lifetime MWh Savings | Winter kW Savings | Summer kW Savings | Number of Customers Served | Annual MMBTU Savings | Lifetime MMBTU Savings |
|---------------------------------------|-----------------------------------|-----------------|-----------------------|------------------------|--------|-------------------------------|--------------------|----------------------|-------------------|-------------------|----------------------------|----------------------|------------------------|
| | | Benefit (\$000) | Utility Costs (\$000) | Customer Costs (\$000) | | | | | | | | | |
| Residential Programs | | | | | | | | | | | | | |
| ENERGY STAR Homes | 6.10 | \$ 680 | \$ 96 | \$ 15 | | 49 | 1,038 | 15 | 14 | 27 | 854 | 21,268 | |
| Home Performance with ENERGY STAR | 2.56 | \$ 711 | \$ 175 | \$ 103 | | 19 | 232 | 538 | 180 | 74 | 983 | 20,571 | |
| ENERGY STAR Lighting | 1.26 | \$ 176 | \$ 108 | \$ 31 | | 419 | 2,615 | 130 | 44 | 6,793 | - | - | |
| ENERGY STAR Appliances | 2.27 | \$ 1,005 | \$ 223 | \$ 220 | | 267 | 2,833 | 40 | 33 | 1,656 | 1,491 | 24,691 | |
| Home Energy Assistance | 1.64 | \$ 533 | \$ 326 | \$ - | | 46 | 719 | 7 | 5 | 40 | 899 | 18,391 | |
| | 2.39 | | | | | | | | | | | | |
| Subtotal Residential | 2.27 | \$ 3,105 | \$ 928 | \$ 369 | \$ 70 | 800 | 7,437 | 730 | 275 | 8,590 | 4,227 | 84,920 | |
| Commercial/Industrial Programs | | | | | | | | | | | | | |
| Large Business | 1.41 | \$ 1,974 | \$ 694 | \$ 703 | | 1,607 | 21,519 | 206 | 297 | 85 | 675 | 9,349 | |
| Small Business | 1.23 | \$ 951 | \$ 367 | \$ 404 | | 869 | 11,462 | 256 | 100 | 166 | 585 | 7,869 | |
| C&I Education | 0.00 | \$ - | \$ 16 | \$ - | | - | - | - | - | 1 | - | - | |
| Municipal | 2.09 | \$ 595 | \$ 167 | \$ 118 | | 357 | 4,826 | 92 | 48 | 24 | 444 | 9,640 | |
| | 1.43 | | | | | | | | | | | | |
| Subtotal C&I | 1.37 | \$ 3,519 | \$ 1,244 | \$ 1,224 | \$ 93 | 2,834 | 37,807 | 554 | 445 | 275 | 1,704 | 26,859 | |
| ISO-NE FCM | | \$ - | \$ 25 | \$ - | \$ - | - | - | - | - | - | - | - | |
| Total | 1.68 | \$ 6,624 | \$ 2,197 | \$ 1,593 | \$ 163 | 3,634 | 45,244 | 1,284 | 720 | 8,866 | 5,931 | 111,779 | |

| | | |
|-------------------------------|-----------|-------------------------|
| Annual kWh Savings | 3,634,436 | 68% kWh > 55% |
| Annual MMBTU Savings (in kWh) | 1,738,214 | 32% |
| | 5,372,650 | 100% |

| | | |
|---------------------------------|------------|-------------------------|
| Lifetime kWh Savings | 45,244,204 | 58% kWh > 55% |
| Lifetime MMBTU Savings (in kWh) | 32,760,473 | 42% |
| | 78,004,677 | 100% |

Table 1b. Program Cost-Effectiveness - 2014 ACTUAL

| | Total Resource Benefit/Cost Ratio | Present Value | | | | Performance Incentive (\$000) | Annual MWh Savings | Lifetime MWh Savings | Winter kW Savings | Summer kW Savings | Number of Customers Served | Annual MMBTU Savings | Lifetime MMBTU Savings |
|---------------------------------------|-----------------------------------|-----------------|-----------------------|------------------------|--------|-------------------------------|--------------------|----------------------|-------------------|-------------------|----------------------------|----------------------|------------------------|
| | | Benefit (\$000) | Utility Costs (\$000) | Customer Costs (\$000) | | | | | | | | | |
| Residential Programs | | | | | | | | | | | | | |
| ENERGY STAR Homes | 0.94 | \$ 15 | \$ 16 | \$ - | | 0 | 4 | 0 | 0 | 1 | 85 | 2,118 | |
| Home Performance with ENERGY STAR | 2.37 | \$ 878 | \$ 214 | \$ 156 | | 63 | 1,226 | 17 | 1 | 61 | 1,625 | 34,185 | |
| ENERGY STAR Lighting | 1.73 | \$ 440 | \$ 135 | \$ 119 | | 364 | 5,659 | 113 | 38 | 16,849 | - | - | |
| ENERGY STAR Appliances | 2.21 | \$ 809 | \$ 194 | \$ 173 | | 251 | 2,527 | 47 | 33 | 1,263 | 1,231 | 21,327 | |
| Home Energy Assistance | 2.43 | \$ 679 | \$ 279 | \$ - | | 58 | 945 | 14 | 4 | 27 | 1,186 | 25,659 | |
| | 2.19 | | | | | | | | | | | | |
| Subtotal Residential | 2.08 | \$ 2,822 | \$ 838 | \$ 448 | \$ 72 | 736 | 10,361 | 192 | 77 | 18,201 | 4,127 | 83,289 | |
| Commercial/Industrial Programs | | | | | | | | | | | | | |
| Large Business | 2.04 | \$ 3,568 | \$ 733 | \$ 1,013 | | 2,912 | 39,668 | 334 | 465 | 85 | - | - | |
| Small Business | 2.71 | \$ 1,609 | \$ 391 | \$ 202 | | 1,349 | 17,271 | 164 | 254 | 166 | 195 | 2,357 | |
| C&I Education | 0.00 | \$ - | \$ 14 | \$ - | | - | - | - | - | - | - | - | |
| Municipal | 3.91 | \$ 1,287 | \$ 169 | \$ 160 | | 350 | 4,642 | 79 | 136 | 24 | 291 | 4,530 | |
| | 2.41 | | | | | | | | | | | | |
| Subtotal C&I | 2.30 | \$ 6,463 | \$ 1,307 | \$ 1,375 | \$ 124 | 4,611 | 61,582 | 577 | 855 | 275 | 485 | 6,888 | |
| ISO-NE FCM | | \$ - | \$ 23 | \$ - | \$ - | - | - | - | - | - | - | - | |
| Total | 2.22 | \$ 9,285 | \$ 2,168 | \$ 1,823 | \$ 197 | 5,347 | 71,943 | 769 | 932 | 18,476 | 4,612 | 90,177 | |

| | | |
|-------------------------------|-----------|-------------------------|
| Annual kWh Savings | 5,347,271 | 80% kWh > 55% |
| Annual MMBTU Savings (in kWh) | 1,351,632 | 20% |
| Total Energy Savings | 6,698,903 | 100% |

| | | |
|---------------------------------|------------|-------------------------|
| Lifetime kWh Savings | 71,943,030 | 73% kWh > 55% |
| Lifetime MMBTU Savings (in kWh) | 26,429,266 | 27% |
| Total Energy Savings | 98,372,295 | 100% |

Table 1c. Percent of Plan Program Cost-Effectiveness Targets Achieved

| | Total Resource Benefit/Cost Ratio | Present Value | | | | Performance Incentive (\$000) | Annual MWh Savings | Lifetime MWh Savings | Winter kW Savings | Summer kW Savings | Number of Customers Served | Annual MMBTU Savings | Lifetime MMBTU Savings |
|---------------------------------------|-----------------------------------|-----------------|-----------------------|------------------------|------|-------------------------------|--------------------|----------------------|-------------------|-------------------|----------------------------|----------------------|------------------------|
| | | Benefit (\$000) | Utility Costs (\$000) | Customer Costs (\$000) | | | | | | | | | |
| Residential Programs | 91% | 91% | 90% | 121% | 104% | 92% | 139% | 26% | 28% | 212% | 98% | 98% | |
| Commercial/Industrial Programs | 168% | 184% | 105% | 112% | 133% | 163% | 163% | 104% | 192% | 100% | 28% | 26% | |
| Total | 132% | 140% | 99% | 114% | 121% | 147% | 159% | 60% | 129% | 208% | 78% | 81% | |

Table 2a. Present Value Benefits - 2014 PLAN

| | Total Benefits (\$000) | CAPACITY | | | | ENERGY | | | | Non Electric Resource |
|---------------------------------------|------------------------|-------------------|-------------------|--------------|--------------|--------------|-----------------|--------------|-----------------|-----------------------|
| | | Summer Generation | Winter Generation | Transmission | Distribution | Winter Peak | Winter Off Peak | Summer Peak | Summer Off Peak | |
| Residential Programs | | | | | | | | | | |
| ENERGY STAR Homes | \$680 | \$33 | \$0 | \$5 | \$17 | \$19 | \$26 | \$9 | \$12 | \$559 |
| Home Performance w/Energy Star | \$711 | \$76 | \$0 | \$22 | \$72 | \$4 | \$8 | \$1 | \$1 | \$528 |
| ENERGY STAR Lighting | \$176 | \$17 | \$0 | \$5 | \$15 | \$41 | \$55 | \$18 | \$24 | \$0 |
| ENERGY STAR Appliances | \$1,005 | \$28 | \$0 | \$6 | \$19 | \$45 | \$64 | \$21 | \$25 | \$796 |
| Home Energy Assistance | \$533 | \$8 | \$0 | \$1 | \$4 | \$12 | \$19 | \$5 | \$6 | \$477 |
| Subtotal Residential | \$3,105 | \$162 | \$0 | \$38 | \$128 | \$122 | \$172 | \$55 | \$68 | \$2,360 |
| Commercial/Industrial Programs | | | | | | | | | | |
| Large Business | \$1,974 | \$366 | \$0 | \$66 | \$218 | \$417 | \$407 | \$216 | \$196 | \$87 |
| Small Business | \$951 | \$123 | \$0 | \$22 | \$73 | \$195 | \$248 | \$95 | \$114 | \$81 |
| C&I Education | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Municipal | \$595 | \$61 | \$0 | \$11 | \$36 | \$84 | \$101 | \$43 | \$48 | \$211 |
| Subtotal C&I | \$3,519 | \$550 | \$0 | \$99 | \$327 | \$696 | \$756 | \$355 | \$358 | \$379 |
| Total | \$6,624 | \$713 | \$0 | \$137 | \$455 | \$818 | \$928 | \$409 | \$426 | \$2,739 |

Table 2b. Present Value Benefits - 2014 ACTUAL

| | Total Benefits (\$000) | CAPACITY | | | | ENERGY | | | | Non Electric Resource |
|---------------------------------------|------------------------|-------------------|-------------------|--------------|--------------|----------------|-----------------|--------------|-----------------|-----------------------|
| | | Summer Generation | Winter Generation | Transmission | Distribution | Winter Peak | Winter Off Peak | Summer Peak | Summer Off Peak | |
| Residential Programs | | | | | | | | | | |
| ENERGY STAR Homes | \$15 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$15 |
| Home Performance w/Energy Star | \$878 | \$2 | \$0 | \$0 | \$0 | \$23 | \$44 | \$2 | \$3 | \$803 |
| ENERGY STAR Lighting | \$440 | \$56 | \$0 | \$9 | \$31 | \$100 | \$134 | \$48 | \$61 | \$0 |
| ENERGY STAR Appliances | \$809 | \$27 | \$0 | \$6 | \$19 | \$40 | \$58 | \$18 | \$21 | \$620 |
| Home Energy Assistance | \$679 | \$5 | \$0 | \$1 | \$2 | \$25 | \$43 | \$6 | \$7 | \$590 |
| Subtotal Residential | \$2,822 | \$91 | \$0 | \$16 | \$53 | \$187 | \$279 | \$74 | \$93 | \$2,028 |
| Commercial/Industrial Programs | | | | | | | | | | |
| Large Business | \$3,568 | \$736 | \$0 | \$129 | \$427 | \$650 | \$705 | \$467 | \$455 | \$0 |
| Small Business | \$1,609 | \$332 | \$0 | \$60 | \$200 | \$327 | \$276 | \$213 | \$174 | \$26 |
| C&I Education | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Municipal | \$1,287 | \$386 | \$0 | \$69 | \$229 | \$207 | \$154 | \$104 | \$72 | \$65 |
| Subtotal C&I | \$6,463 | \$1,453 | \$0 | \$258 | \$857 | \$1,183 | \$1,135 | \$784 | \$701 | \$92 |
| Total | \$9,285 | \$1,544 | \$0 | \$274 | \$910 | \$1,371 | \$1,414 | \$858 | \$794 | \$2,119 |

Table 2c. Percent of Plan Present Value Benefits Achieved

| | Total Benefits (\$000) | CAPACITY | | | | ENERGY | | | | Non Electric Resource |
|---------------------------------------|------------------------|-------------------|-------------------|--------------|--------------|-------------|-----------------|-------------|-----------------|-----------------------|
| | | Summer Generation | Winter Generation | Transmission | Distribution | Winter Peak | Winter Off Peak | Summer Peak | Summer Off Peak | |
| Residential Programs | 91% | 56% | 0% | 41% | 41% | 154% | 162% | 136% | 137% | 86% |
| Commercial/Industrial Programs | 184% | 264% | 0% | 262% | 262% | 170% | 150% | 221% | 196% | 24% |
| Total | 140% | 217% | 0% | 200% | 200% | 168% | 152% | 210% | 186% | 77% |

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
CORE Energy Efficiency Programs 2014 Year End Report
NHPUC Docket No. DE 12-262

Table 3a. Performance Incentive Calculation - 2014

| | <u>Planned</u> | <u>Actual</u> |
|---|----------------------|----------------------|
| Commercial/Industrial Incentive | | |
| 1. Benefit/Cost Ratio | 1.37 | 2.30 |
| 2. Threshold Benefit / Cost Ratio ¹ | 1.00 | 1.00 |
| 3. Lifetime kWh Savings | 37,807,486 | 61,581,760 |
| 4. Threshold Lifetime kWh Savings (65%) ² | 24,574,866 | 24,574,866 |
| 5. Budget | \$ 1,244,186.72 | \$ 1,306,948.76 |
| 6. Benefit / Cost Percentage of Budget | 3.75% | |
| 7. Lifetime kWh Percentage of Budget | 3.75% | |
| 8. C/I Incentive | \$ 93,314.00 | \$ 124,418.67 |
| 9. Cap (10%) | \$ 124,418.67 | \$ 124,418.67 |
| Residential Incentive | | |
| 10. Benefit / Cost Ratio | 2.27 | 2.08 |
| 11. Threshold Benefit / Cost Ratio ¹ | 1.00 | 1.00 |
| 12. Lifetime kWh Savings | 7,436,718 | 10,361,270 |
| 13. Threshold Lifetime kWh Savings (65%) ² | 4,833,867 | 4,833,867 |
| 14. Budget ³ | \$ 927,794.53 | \$ 837,830.62 |
| 15. Benefit / Cost Percentage of Budget | 3.75% | |
| 16. Lifetime kWh Percentage of Budget | 3.75% | |
| 17. Residential Incentive | \$ 69,584.59 | \$ 72,496.58 |
| 18. Cap (10%) | \$ 92,779.45 | \$ 92,779.45 |
| 19. TOTAL INCENTIVE EARNED | \$ 162,898.59 | \$ 196,915.26 |

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.

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CORE Energy Efficiency Programs 2014 Year End Report
NHPUC Docket No. DE 12-262

Table 3b. Planned Versus Actual Benefit / Cost Ratio by Sector - 2014

| | <u>Planned</u> | <u>Actual</u> |
|--|----------------|---------------|
| Commercial & Industrial: | | |
| 1. Benefits (Value) From Eligible Programs | \$ 3,519 | \$ 6,463 |
| 2. Implementation Expenses | \$ 1,244 | \$ 1,307 |
| 3. Customer Contribution | \$ 1,224 | \$ 1,375 |
| 4. Performance Incentive | \$ 93 | \$ 124 |
| 5. Total Costs Including Performance Incentive | \$ 2,562 | \$ 2,806 |
| 6. Benefit/Cost Ratio - C&I Sector | 1.43 | 2.41 |
| 7. Benefit/Cost Ratio - C&I Sector including PI | 1.37 | 2.30 |
| Residential: | | |
| 8. Benefits (Value) From Eligible Programs | \$ 3,105 | \$ 2,822 |
| 9. Implementation Expenses | \$ 928 | \$ 838 |
| 10. Customer Contribution | \$ 369 | \$ 448 |
| 11. Performance Incentive | \$ 70 | \$ 72 |
| 12. Total Costs Including Performance Incentive | \$ 1,366 | \$ 1,359 |
| 13. Benefit/Cost Ratio - Residential Sector | 2.39 | 2.19 |
| 14. Benefit/Cost Ratio - Residential Sector including PI | 2.27 | 2.08 |

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CORE Energy Efficiency Programs 2014 Year End Report
NHPUC Docket No. DE 12-262

Table 3c. Actual Lifetime Energy Savings by Sector and Program - 2014

| | Lifetime kWh Savings | |
|---|-----------------------------|----------------------|
| | <u>Planned</u> | <u>Actual</u> |
| Commercial & Industrial: | | |
| Large Business | 21,519,008 | 39,668,340 |
| Small Business | 11,462,209 | 17,271,480 |
| C&I Education | 0 | 0 |
| Municipal | 4,826,269 | 4,641,940 |
| Total Commercial & Industrial Included for Incentive Calculation | 37,807,486 | 61,581,760 |
| Residential: | | |
| ENERGY STAR Homes | 1,038,066 | 3,570 |
| NH Home Performance with ENERGY STAR | 231,888 | 1,226,340 |
| ENERGY STAR Lighting | 2,615,391 | 5,659,061 |
| ENERGY STAR Appliances | 2,832,541 | 2,527,043 |
| Home Energy Assistance | 718,833 | 945,256 |
| Total Residential Included for Incentive Calculation | 7,436,718 | 10,361,270 |
| Total | 45,244,204 | 71,943,030 |

Table 4. Program Expenditures by Category - 2014 ACTUAL*

| | Evaluation | External Administration | Internal Administration | Internal Implementation | Marketing | Rebates-Services | Total |
|---------------------------------------|-------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|-------------------------|---------------------|
| Residential Programs | | | | | | | |
| ENERGY STAR Homes | \$ 1,552 | | \$ 1,962 | \$ 3,646 | \$ 2,099 | \$ 6,831 | \$ 16,090 |
| Home Performance with ENERGY STAR | \$ 7,313 | | \$ 1,233 | \$ 23,631 | \$ 5,298 | \$ 176,209 | \$ 213,684 |
| ENERGY STAR Lighting | \$ 4,344 | | \$ 1,076 | \$ 7,569 | \$ 18,946 | \$ 102,836 | \$ 134,772 |
| ENERGY STAR Appliances | \$ 10,334 | | \$ 2,991 | \$ 16,939 | \$ 13,090 | \$ 150,585 | \$ 193,939 |
| Home Energy Assistance | \$ 7,928 | | \$ 3,085 | \$ 10,692 | \$ 1,790 | \$ 255,849 | \$ 279,346 |
| Subtotal Residential | \$ 31,473 | \$ - | \$ 10,348 | \$ 62,477 | \$ 41,222 | \$ 692,311 | \$ 837,831 |
| Commercial/Industrial Programs | | | | | | | |
| C&I Education | \$ 289 | | \$ - | \$ 630 | \$ 6,744 | \$ 6,182 | \$ 13,845 |
| Large Business Energy Solutions | \$ 94,339 | | \$ 10,058 | \$ 84,203 | \$ 27,076 | \$ 517,352 | \$ 733,029 |
| Small Business Energy Solutions | \$ 35,694 | | \$ 5,717 | \$ 17,425 | \$ 43,368 | \$ 288,940 | \$ 391,144 |
| Municipal | \$ 14,070 | | \$ 363 | \$ 523 | \$ 2,566 | \$ 151,409 | \$ 168,932 |
| Subtotal C&I | \$ 144,391 | \$ - | \$ 16,139 | \$ 102,781 | \$ 79,755 | \$ 963,883 | \$ 1,306,949 |
| Total | \$ 175,864 | \$ - | \$ 26,487 | \$ 165,258 | \$ 120,977 | \$ 1,656,194 | \$ 2,144,779 |

* Please note: ISO-NE FCM expenses are excluded from these totals

TABLE 5

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY UTILITIES
CORE ENERGY EFFICIENCY PROGRAMS ADJUSTMENT AND BALANCE**

12 Months Actual 2014

Total Energy Efficiency Revenue/Expense for Jan-Dec 2014

| | <u>Actual JAN</u> | <u>Actual FEB</u> | <u>Actual MAR</u> | <u>Actual APRIL</u> | <u>Actual MAY</u> | <u>Actual JUNE</u> | 6 MONTH TOTAL |
|--|------------------------|-----------------------|------------------------|-------------------------|-----------------------|------------------------|--------------------------|
| Residential Revenue | \$62,474 | \$54,132 | \$54,276 | \$45,093 | \$36,112 | \$69,476 | \$321,563 |
| C&I Revenue | <u>\$103,174</u> | <u>\$98,897</u> | <u>\$92,054</u> | <u>\$97,680</u> | <u>\$83,968</u> | <u>\$145,876</u> | <u>\$621,648</u> |
| 1. TOTAL REVENUE (A) | \$165,648 | \$153,029 | \$146,331 | \$142,772 | \$120,079 | \$215,352 | \$943,211 |
| Residential Expense | \$16,340 | \$12,369 | \$48,772 | \$40,637 | \$148,510 | \$55,949 | \$322,577 |
| C&I Expense | <u>\$37,105</u> | <u>\$39,442</u> | <u>\$20,819</u> | <u>\$33,891</u> | <u>\$33,838</u> | <u>\$115,283</u> | <u>\$280,377</u> |
| 2. TOTAL EXPENSE (B) | \$53,445 | \$51,811 | \$69,592 | \$74,527 | \$182,348 | \$171,232 | \$602,955 |
| 3. Cash Flow Over/(Under) | \$112,203 | \$101,218 | \$76,739 | \$68,245 | (\$62,269) | \$44,120 | \$340,256 |
| 4. Start of Period Balance (C) | \$318,162 | \$431,398 | \$533,818 | \$612,136 | \$682,108 | \$621,636 | \$318,162 |
| 5. End of Period Balance Before Interest | \$430,365 | \$532,616 | \$610,557 | \$680,381 | \$619,839 | \$665,755 | \$658,418 |
| 6. Residential Interest | (\$657) | (\$485) | (\$474) | (\$446) | (\$611) | (\$725) | (\$3,399) |
| C&I Interest | <u>\$1,690</u> | <u>\$1,687</u> | <u>\$2,053</u> | <u>\$2,173</u> | <u>\$2,408</u> | <u>\$2,445</u> | <u>\$12,456</u> |
| TOTAL INTEREST (D) | \$1,033 | \$1,202 | \$1,579 | \$1,726 | \$1,797 | \$1,719 | \$9,057 |
| 7. End of Period Balance After Interest | \$431,398 | \$533,818 | \$612,136 | \$682,108 | \$621,636 | \$667,475 | \$667,475 |
| | <u>Actual JULY</u> | <u>Actual AUG</u> | <u>Actual SEPT</u> | <u>Actual OCT</u> | <u>Actual NOV</u> | <u>Actual DEC</u> | ANNUAL TOTAL |
| Residential Revenue | \$82,025 | \$51,520 | \$108,904 | \$65,286 | \$46,338 | \$65,052 | \$740,688 |
| C&I Revenue | <u>\$159,596</u> | <u>\$92,145</u> | <u>\$189,964</u> | <u>\$133,862</u> | <u>\$90,667</u> | <u>\$155,870</u> | <u>\$1,443,753</u> |
| 8. TOTAL REVENUE (A) | \$241,622 | \$143,666 | \$298,868 | \$199,148 | \$137,005 | \$220,922 | \$2,184,441 |
| Residential Expense | \$59,798 | \$220,043 | \$85,046 | \$78,799 | \$22,454 | \$62,309 | \$851,027 |
| C&I Expense | <u>\$29,361</u> | <u>\$158,074</u> | <u>\$189,675</u> | <u>\$212,648</u> | <u>\$116,747</u> | <u>\$330,022</u> | <u>\$1,316,904</u> |
| 9. TOTAL EXPENSE (B) | \$89,158 | \$378,117 | \$274,721 | \$291,448 | \$139,201 | \$392,331 | \$2,167,931 |
| 10. Cash Flow Over/(Under) | \$152,463 | (\$234,451) | \$24,147 | (\$92,300) | (\$2,196) | (\$171,409) | \$16,510 |
| 11. Start of Period Balance (C) | \$667,475 | \$821,991 | \$589,485 | \$615,239 | \$524,510 | \$523,712 | \$318,162 |
| 12. End of Period Balance Before Interest | \$819,938 | \$587,540 | \$613,632 | \$522,939 | \$522,314 | \$352,303 | \$334,672 |
| 13. Residential Interest | (\$702) | (\$906) | (\$1,072) | (\$1,097) | (\$1,051) | (\$1,052) | (\$9,278) |
| C&I Interest | <u>\$2,755</u> | <u>\$2,851</u> | <u>\$2,679</u> | <u>\$2,668</u> | <u>\$2,449</u> | <u>\$2,261</u> | <u>\$28,118</u> |
| TOTAL INTEREST (D) | \$2,053 | \$1,945 | \$1,607 | \$1,571 | \$1,398 | \$1,209 | \$18,840 |
| 14. 2012 Residential Incentive (E) | | | | | | \$72,497 | \$72,497 |
| 2012 Commercial & Industrial Incentive (E) | | | | | | \$130,695 | \$130,695 |
| 2012 Total Incentives (E) | | | | | | \$203,191 | \$203,191 |
| 15 End of Period Balance After Interest | \$821,991 | \$589,485 | \$615,239 | \$524,510 | \$523,712 | \$150,321 | \$150,321 |
| 16 End Balance as % of Revenue | | | | | | | 6.88% |

(A) See Tables 6 & 7

(B) See Tables 6 & 7

(C) "End of Period Balance Before Interest" from prior month.

(D) See Tables 6 & 7

(E) This is the amount credited to the Company's General Ledger during this year.

Interest Rates: JAN = 3.25% FEB = 3.25% MAR = 3.25% APR = 3.25%

 MAY = 3.25% JUN = 3.25% JUL = 3.25% AUG = 3.25%

 SEP = 3.25% OCT = 3.25% NOV = 3.25% DEC = 3.25%

TABLE 6

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY UTILITIES
CORE ENERGY EFFICIENCY PROGRAMS REVENUE/EXPENSE BALANCE
RESIDENTIAL FUND
12 Months Actual 2014

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2014

| | <u>Actual</u> <u>JAN</u> | <u>Actual</u> <u>FEB</u> | <u>Actual</u> <u>MAR</u> | <u>Actual</u> <u>APRIL</u> | <u>Actual</u> <u>MAY</u> | <u>Actual</u> <u>JUNE</u> | 6 MONTH TOTAL |
|--|------------------------------|-----------------------------|------------------------------|-------------------------------|-----------------------------|------------------------------|--------------------------------|
| 1. Residential Revenue (A) | \$62,474 | \$54,132 | \$54,276 | \$45,093 | \$36,112 | \$69,476 | \$321,563 |
| 2. Residential Energy Efficiency Expense (B) | \$ 16,340.12 | \$12,369.24 | \$ 48,772.44 | \$40,636.54 | \$148,509.92 | \$55,949.19 | \$322,577 |
| 3. Cash Flow Over/(Under) | \$46,134 | \$41,763 | \$5,504 | \$4,456 | (\$112,398) | \$13,527 | (\$1,015) |
| 4. Start of Period Balance (C) | (\$261,072) | (\$215,595) | (\$174,317) | (\$169,287) | (\$165,277) | (\$278,287) | |
| 5. End of Period Balance Before Interest | (\$214,938) | (\$173,832) | (\$168,813) | (\$164,831) | (\$277,676) | (\$264,760) | |
| 6. Estimated Interest | (\$657) | (\$485) | (\$474) | (\$446) | (\$611) | (\$725) | (\$3,399) |
| 7. End of Period Balance After Interest | (\$215,595) | (\$174,317) | (\$169,287) | (\$165,277) | (\$278,287) | (\$265,486) | |
| | <u>Actual</u> <u>JULY</u> | <u>Actual</u> <u>AUG</u> | <u>Actual</u> <u>SEPT</u> | <u>Actual</u> <u>OCT</u> | <u>Actual</u> <u>NOV</u> | <u>Actual</u> <u>DEC</u> | ANNUAL TOTAL |
| 8. Residential Revenue (A) | \$82,025 | \$51,520 | \$108,904 | \$65,286 | \$46,338 | \$65,052 | \$740,688 |
| 9. Residential Energy Efficiency Expense (B) | \$59,797.54 | \$220,043.47 | \$85,045.56 | \$78,799.38 | \$22,454.49 | \$62,308.93 | \$851,027 |
| 10. Cash Flow Over/(Under) | \$22,228 | (\$168,523) | \$23,859 | (\$13,514) | \$23,884 | \$2,743 | (\$110,339) |
| 11. Start of Period Balance (C) | (\$265,486) | (\$243,960) | (\$413,389) | (\$390,603) | (\$405,213) | (\$382,380) | (\$261,072) |
| 12. End of Period Balance Before Interest | (\$243,258) | (\$412,483) | (\$389,530) | (\$404,116) | (\$381,330) | (\$379,638) | (\$371,411) |
| 13. Estimated Interest | (\$702) | (\$906) | (\$1,072) | (\$1,097) | (\$1,051) | (\$1,052) | (\$9,278) |
| 14. 2013 Residential Incentive (D) | | | | | | \$72,497 | \$72,497 |
| 15 End of Period Balance After Interest | (\$243,960) | (\$413,389) | (\$390,603) | (\$405,213) | (\$382,380) | (\$453,186) | (\$453,186) |
| 16 End Balance as % of Revenue | | | | | | | -61.18% |

FOOTNOTES:

(A) Revenue Report

(B) Source: Great Plains query (Liberty Utilities) - includes ISO NE - FCM Expenses

(C) "End of Period Balance Before Interest" from prior month.

Estimated DSM incentive is included in Dec expense estimate.

(D) This is the amount credited to the Company's General Ledger during this year.

Interest Rates: JAN = 3.25% FEB = 3.25% MAR = 3.25% APR = 3.25%

 MAY = 3.25% JUN = 3.25% JUL = 3.25% AUG = 3.25%

 SEP = 3.25% OCT = 3.25% NOV = 3.25% DEC = 3.25%

Note: The Residential Factor is applied to the D-0, D-10, & T-0 rates.

TABLE 7

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY UTILITIES
 CORE ENERGY EFFICIENCY PROGRAMS REVENUE/EXPENSE BALANCE
 COMMERCIAL & INDUSTRIAL FUND
 12 Months Actual 2014

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2014

| | | <u>Actual JAN</u> | <u>Actual FEB</u> | <u>Actual MAR</u> | <u>Actual APRIL</u> | <u>Actual MAY</u> | <u>Actual JUNE</u> | <u>6 MONTH TOTAL</u> |
|-----|--|------------------------|-----------------------|------------------------|-------------------------|-----------------------|------------------------|--------------------------|
| 1. | C&I Revenue (A) | \$103,174 | \$98,897 | \$92,054 | \$97,680 | \$83,968 | \$145,876 | \$621,648 |
| 2. | C&I Energy Efficiency Expense (B) | <u>\$37,104.60</u> | <u>\$39,441.63</u> | <u>\$20,819.22</u> | <u>\$33,890.66</u> | <u>\$33,838.29</u> | <u>\$115,282.79</u> | \$280,377 |
| 3. | Cash Flow Over/(Under) | \$66,069 | \$59,455 | \$71,235 | \$63,789 | \$50,129 | \$30,593 | \$341,271 |
| 4. | Start of Period Balance (C) | \$579,234 | \$646,993 | \$708,135 | \$781,423 | \$847,385 | \$899,922 | \$579,234 |
| 5. | End of Period Balance Before Interest | \$645,303 | \$706,448 | \$779,370 | \$845,212 | \$897,514 | \$930,515 | |
| 6. | Estimated Interest | \$1,690 | \$1,687 | \$2,053 | \$2,173 | \$2,408 | \$2,445 | \$12,456 |
| 7. | End of Period Balance After Interest | \$646,993 | \$708,135 | \$781,423 | \$847,385 | \$899,922 | \$932,960 | |
| | | <u>Actual JULY</u> | <u>Actual AUG</u> | <u>Actual SEPT</u> | <u>Actual OCT</u> | <u>Actual NOV</u> | <u>Actual DEC</u> | <u>ANNUAL TOTAL</u> |
| 8. | C&I Revenue (A) | \$159,596 | \$92,145 | \$189,964 | \$133,862 | \$90,667 | \$155,870 | \$1,443,753 |
| 9. | C&I Energy Efficiency Expense (B) | <u>\$29,360.54</u> | <u>\$158,073.76</u> | <u>\$189,675.35</u> | <u>\$212,648.46</u> | <u>\$116,746.54</u> | <u>\$330,021.93</u> | <u>\$1,316,904</u> |
| 10. | Cash Flow Over/(Under) | \$130,236 | (\$65,928) | \$288 | (\$78,786) | (\$26,079) | (\$174,151) | \$126,849 |
| 11. | Start of Period Balance (C) | \$932,960 | \$1,065,951 | \$1,002,874 | \$1,005,842 | \$929,723 | \$906,092 | \$579,234 |
| 12. | End of Period Balance Before Interest | \$1,063,196 | \$1,000,023 | \$1,003,163 | \$927,055 | \$903,644 | \$731,941 | \$706,083 |
| 13. | Estimated Interest | \$2,755 | \$2,851 | \$2,679 | \$2,668 | \$2,449 | \$2,261 | \$28,118 |
| 14. | 2013 Commercial & Industrial Incentive (D) | | | | | | \$130,695 | \$130,695 |
| 15. | End of Period Balance After Interest | \$1,065,951 | \$1,002,874 | \$1,005,842 | \$929,723 | \$906,092 | \$603,507 | \$603,507 |
| 16. | End Balance as % of Revenue | | | | | | | 41.80% |

FOOTNOTES:

(A) Revenue Report

(B) Source: Great Plains query (Liberty Utilities) - includes ISO NE - FCM Expenses

(C) "End of Period Balance Before Interest" from prior month.

Estimated DSM incentive is included in Dec expense estimate.

(D) This is the amount credited to the Company's General Ledger during this year.

Interest Rates: JAN = 3.25% FEB = 3.25% MAR = 3.25% APR = 3.25%
 MAY = 3.25% JUN = 3.25% JUL = 3.25% AUG = 3.25%
 SEP = 3.25% OCT = 3.25% NOV = 3.25% DEC = 3.25%

Note: The C&I Factor is applied to the G-1, G-2, G-3, M,& V rates.

TABLE 8

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY UTILITIES
 CORE ENERGY EFFICIENCY PROGRAMS VARIANCE ANALYSIS
 RESIDENTIAL FUND
 12 Months Actual 2014

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2014

| | <u>JAN</u> | <u>FEB</u> | <u>MARCH</u> | <u>APRIL</u> | <u>MAY</u> | <u>JUNE</u> | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--|
| 1. Residential Energy Efficiency Revenue (A) | \$62,474 | \$54,132 | \$54,276 | \$45,093 | \$36,112 | \$69,476 | | |
| 2. Estimated Residential Energy Efficiency Revenue (B) | <u>\$55,016</u> | <u>\$50,315</u> | <u>\$47,253</u> | <u>\$43,350</u> | <u>\$35,089</u> | <u>\$39,493</u> | | |
| 3. Difference (1)-(2) | \$7,459 | \$3,818 | \$7,023 | \$1,742 | \$1,022 | \$29,982 | | |
| 4. Residential Energy Efficiency Expense (A) | \$16,340 | \$12,369 | \$48,772 | \$40,637 | \$148,510 | \$55,949 | | |
| 5. Estimated Residential Energy Efficiency Expense (C) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | | |
| 6. Difference Residential Energy Efficiency Expense (4) - (5) | \$16,340 | \$12,369 | \$48,772 | \$40,637 | \$148,510 | \$55,949 | | |
| | <u>JULY</u> | <u>AUG</u> | <u>SEPT</u> | <u>OCT</u> | <u>NOV</u> | <u>DEC</u> | <u>TOTAL</u> | |
| 7. Residential Energy Efficiency Revenue (A) | \$82,025 | \$51,520 | \$108,904 | \$65,286 | \$46,338 | \$65,052 | \$740,688 | |
| 8. Estimated Residential Energy Efficiency Revenue (B) | <u>\$51,110</u> | <u>\$49,150</u> | <u>\$44,766</u> | <u>\$37,687</u> | <u>\$39,239</u> | <u>\$49,472</u> | <u>\$541,941</u> | |
| 9. Difference (7)-(8) | \$30,915 | \$2,370 | \$64,138 | \$27,598 | \$7,099 | \$15,580 | \$198,747 | |
| 10. Residential Energy Efficiency Expense | \$59,798 | \$220,043 | \$85,046 | \$78,799 | \$22,454 | \$62,309 | \$851,027 | |
| 11. Estimated Residential Energy Efficiency Expense (C) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | |
| 12. Difference Residential Energy Efficiency Expense (10) - (11) | \$59,798 | \$220,043 | \$85,046 | \$78,799 | \$22,454 | \$62,309 | \$851,027 | |

FOOTNOTES:

(A) See Table 6

(B) Calculation based on estimated monthly Residential kWh from Company's 2012-2018 forecast multiplied by a factor of \$0.00180

(C) No estimate provided.

Incentives are included in Dec exp est.

Note: The Residential Factor is applied to the D-0, D-10, & T-0 rates.

TABLE 9

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. D/B/A LIBERTY UTILITIES
CORE ENERGY EFFICIENCY PROGRAMS VARIANCE ANALYSIS
COMMERCIAL & INDUSTRIAL FUND
12 Months Actual 2014**

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2014

| | <u>JAN</u> | <u>FEB</u> | <u>MARCH</u> | <u>APRIL</u> | <u>MAY</u> | <u>JUNE</u> | | |
|--|-----------------|------------------|------------------|-----------------|-----------------|-----------------|--------------------|--|
| 1. C&I Energy Efficiency Revenue (A) | \$103,174 | \$98,897 | \$92,054 | \$97,680 | \$83,968 | \$145,876 | | |
| 2. Estimated C&I Energy Efficiency Revenue (B) | <u>\$91,329</u> | <u>\$87,562</u> | <u>\$93,527</u> | <u>\$82,067</u> | <u>\$90,071</u> | <u>\$98,415</u> | | |
| 3. Difference (1)-(2) | \$11,845 | \$11,334 | (\$1,473) | \$15,612 | (\$6,103) | \$47,461 | | |
| 4. C&I Energy Efficiency Expense (A) | \$37,105 | \$39,442 | \$20,819 | \$33,891 | \$33,838 | \$115,283 | | |
| 5. Estimated C&I Energy Efficiency Expense (C) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | | |
| 6. Difference C&I Energy Efficiency Expense (4) - (5) | \$37,105 | \$39,442 | \$20,819 | \$33,891 | \$33,838 | \$115,283 | | |
| | <u>JULY</u> | <u>AUG</u> | <u>SEPT</u> | <u>OCT</u> | <u>NOV</u> | <u>DEC</u> | <u>TOTAL</u> | |
| 7. C&I Energy Efficiency Revenue (A) | \$159,596 | \$92,145 | \$189,964 | \$133,862 | \$90,667 | \$155,870 | \$1,443,753 | |
| 8. Estimated C&I Energy Efficiency Revenue (B) | <u>\$95,722</u> | <u>\$117,738</u> | <u>\$107,008</u> | <u>\$82,669</u> | <u>\$84,632</u> | <u>\$91,652</u> | <u>\$1,122,392</u> | |
| 9. Difference (7)-(8) | \$63,875 | (\$25,592) | \$82,956 | \$51,194 | \$6,035 | \$64,219 | \$321,362 | |
| 10. C&I Energy Efficiency Expense (A) | \$29,361 | \$158,074 | \$189,675 | \$212,648 | \$116,747 | \$330,022 | \$1,316,904 | |
| 11. Estimated C&I Energy Efficiency Expense (C) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | |
| 12. Difference C&I Energy Efficiency Expense (10) - (11) | \$29,361 | \$158,074 | \$189,675 | \$212,648 | \$116,747 | \$330,022 | \$1,316,904 | |

FOOTNOTES:

(A) See Table 7

(B) Calculation based on estimated monthly C&I kWh from Company's 2012-2018 forecast multiplied by a factor of \$0.00180.

(C) No estimate provided.

Note: The C&I Factor is applied to the G-1, G-2, G-3, M,& V rates.