

**The New Hampshire Electric Utilities’
recommended budget adjustments
due to the passage of Senate Bill 300 on January 14, 2010
(Revised February 19, 2010)**

Consistent with the Commission’s Supplemental Order of Notice issued on January 22, 2010 in DE 09-170, Granite State Electric Company d/b/a National Grid, New Hampshire Electric Cooperative Inc., Public Service Company of New Hampshire and Unitil Energy Systems, Inc. submit the following recommendations and proposed budget revisions to the 2010 CORE NH Energy Efficiency Programs due to the passage of Senate Bill 300 which shifted a portion of the System Benefits Charge (SBC) funds from Energy Efficiency to the Electric Assistance Program.

In its Supplemental Order of Notice, the Commission identified options to be considered, including:

- implementing a pro-rata reduction across the board for all Core programs,
- reducing funding on a program-by-program basis, and
- allocating funds from the Greenhouse Gas Emissions Reduction Fund to support the planned 2010 Core programs

In Order No. 25,062, approving the 2010 Core Programs, the Commission directed interested parties and Staff to immediately reconvene to determine how to address the reduction in Core program funding should SB 300 be enacted. As a result, at the monthly CORE Energy Efficiency meeting held on January 25, 2010, the parties discussed a number of options to address the reduction in available funds caused by the passage of SB 300. These options were incorporated into the following recommendations

1. Quantify the shortfall.
2. Allocate 14.5% of the budget to the Home Energy Assistance Program as agreed to in the Settlement Agreement and NHPUC Order No. 25,062.
3. Review the 2009 results and estimate any carry forward amount that could be used to make up the shortfall.
4. Propose any other opportunities to fill the shortfall.

In revising the 2010 budgets, the electric utilities used a combination of the Commission’s three identified options based on each utility’s unique circumstances. Cutting the 2010 budget by 0.3 mills/kWh as required by SB 300 results in a shortfall of \$3.2 million. As detailed in the revised budgets, the Electric Utilities have proposed steps that will reduce this shortfall to approximately \$500,000; however, these cuts will still have significant consequences. Specifically, the additional funds reallocated by the utilities could have been used to serve more customers and get more energy savings. The negative consequence of SB 300 will continue into 2011 with reduced funding. In its Supplemental Order of Notice, January 22, 2010, the Commission indicated that in addition to cutting budgets, consideration should also be given to allocating funds from RGGI. The Electric Utilities believe that this is an option that should be pursued and recommend that RGGI funds be allocated to make up the NHEC shortfall of \$148,534. PSNH is not seeking RGGI funds and instead has reallocated some of the funds from Marketing and Monitoring & Evaluation to Customer Rebates to reduce the impact to the programs and to customers.

First, the electric utilities addressed Senate Bill 300 by changing the allocation of SBC funds such that 1.8 mills per kWh of the SBC be used to support the EAP and 1.5 mills per kWh be used to support the Core energy efficiency programs, effective January 14th, 2010.

Second, the utilities looked for other ways to offset this reduction, including estimating any carry over/under from 2009 into 2010 based on 2009 preliminary results. Other adjustments were made based on a review of other revenue sources. These carryovers and adjustments are shown in the following table:

	NGRID	NHEC	PSNH	Unitil	Total
1. 2010 Forecasted Sales	850,613,514	713,446,427	7,828,388,828	1,219,513,167	10,611,961,936
\$0.0018	\$1,531,104	\$1,284,204	\$14,091,100	\$2,195,124	\$19,101,531
\$0.0015	<u>\$1,275,920</u>	<u>\$1,070,170</u>	<u>\$11,742,583</u>	<u>\$1,829,270</u>	<u>\$15,917,943</u>
SB 300 Reduction Results	-\$255,184	-\$214,034	-\$2,348,517	-\$365,854	-\$3,183,589
Recommended Total Budget/Funding Adjustments					
2. Estimated 2009 Carryover	\$210,605	\$65,500	\$500,000	\$150,201	\$926,306
3. FCM Adjustments	\$0	\$0	\$0	\$254,245	\$254,245
4. PSNH "2% Funds"	\$0	\$0	\$500,000	\$0	\$500,000
5. SmartStart Revolving Loan Fund	\$0	\$0	\$894,487	\$0	\$894,487
6. Transfer from SmartStart Bad Debt Fund	\$0	\$0	\$100,000	\$0	\$0
7. Other Adjustments	<u>\$65,964</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Adjustments	\$276,569	\$65,500	\$1,994,487	\$404,446	\$2,575,038
2010 Budget Change	\$21,385	-\$148,534	-\$354,030	\$38,592	-\$608,551
2010 Budget Shortfall (excluding NGRID/Unitil)		-\$502,564			

Table 1 – Summary of SB 300 Reduction and Recommended Budget Adjustments

1. **2010 Forecasted Sales**

National Grid revised its 2010 forecasted sales with more current numbers. This new forecast is lower than what was used in the original budget by 36,869 MWHs. NHEC, PSNH and Unitil had no changes to their forecast.

2. **Estimated 2009 Carryover (All utilities)**

Based on preliminary results, the utilities made their best effort to estimate their year-end results, reviewing over/under collections, over/under spending by program, estimated performance incentive, etc.

3. **FCM Adjustment (Unitil only)**

The FCM adjustment reflects the addition of ISO’s Forward Capacity Market (FCM) proceeds to the Core Energy Efficiency programs’ reconciliation mechanism pursuant to Staff’s recommendation resulting from the 2008 Core Program Audit.

4. **PSNH “2% Funds” (PSNH only)**

The enabling language contained in New Hampshire statute RSA 125-O: 5 authorizes PSNH to utilize a portion of the funds collected from the System Benefits Charge (SBC) to fund energy efficiency projects and energy saving measures at Company facilities. PSNH is proposing to take \$500,000 of this fund and reallocate it to the CORE Energy Efficiency Programs for 2010.

5. **SmartStart Revolving Loan Fund (PSNH only)**

PSNH has a revolving loan fund of \$2,894,487. Current obligations total \$1.8 million and annual re-payments on outstanding loans is approximately \$600,000. Because of the extenuating circumstances associated with SB 300, PSNH is recommending that \$894,487 be transferred from the SmartStart revolving loan fund to the CORE Energy Efficiency Programs to help address the SB 300 shortfall. Based on historical usage of the fund, PSNH believes it is unlikely that municipal customers will be impacted by this change.

6. **Transfer from SmartStart Bad Debt Fund (PSNH only)**

PSNH Smart Start Revolving Loan Fund has a Bad Debt reserve of \$139,000. Since this fund has not been used yet, PSNH recommends taking \$100,000 from this fund and applying it to the budget shortfall.

7. **Other Adjustments (NGRID only)**

Upon review of original budget calculation, it was determined that \$65,964 was inadvertently subtracted from the total budget. This amount has been re-added in this line item and helps address the SB 300 shortfall.

Based on these budget changes, NHEC, and PSNH will still have budget shortfalls. The following is a description of how each utility proposes to adjust their budgets.

National Grid

Program Expenses (\$)	2010 Plan		
	As filed	Revised	Variance
Energy Star Homes	\$200,777	\$162,345	(\$38,432)
Home Performance w/Energy Star	\$62,296	\$50,371	(\$11,925)
Home Energy Assistance	\$190,939	\$191,294	\$355
Energy Star Lighting	\$59,459	\$48,078	(\$11,381)
Energy Star Appliances	\$64,528	\$52,177	(\$12,351)
Small Business Energy Solutions	\$286,419	\$297,046	\$10,627
Large C&I Retrofit	\$229,114	\$237,615	\$8,501
New Equipment & Construction	\$270,317	\$280,347	\$10,029
Educational Programs	\$0	\$0	\$0
Total	\$1,363,849	\$1,319,272	(\$44,577)

Table 2 - National Grid Budget Adjustments

The impact of SB 300 on National Grid's Energy Efficiency programs will result in a reduction in funding of \$255,184. An update to the sales forecast yields an additional decrease of \$66,365. These reductions, however, are offset by several factors detailed and explained in greater detail below. National Grid estimates that it will have a carryover balance of \$210,605 that can be incorporated into the 2010 budget to make up some of the shortfall. Also, an inadvertent omission from the original budget resulted in an additional \$65,964 being included to offset the SB300 shortfall. The net result of all the changes is an increase in 2010 program budgets of \$21,385. In addition to seeking authority to spend these additional funds, the Company is reallocating funds within its program budgets set forth above.

This proposal updates the original budget submission on February 5, 2010 and National Grid's supplemental information provided on February 10, 2010. The result of having actual 2010 program information, combined with a second look at funding assumptions and information garnered from the technical session, allows the Company to present a comprehensive budget that equitably addresses the conditions in the market while maximizing the benefit to customers.

1. The reductions mandated by SB 300, combined with a reduction in forecasted electric sales, result in an overall reduction of \$321,549 to National Grid's 2010 Core Programs. The Company's first response to the funding reduction was to reduce all program budgets proportionally and see the impact to each individual program. At the lower funding level, the Company found the Residential sector was better able to continue program operations. The Commercial and Industrial Sector had substantial demand that could potentially exceed approved 2010 program budgets. The largest demand came from the large C&I Retrofit program. National Grid's response to this customer demand was to reallocate funds in the C&I sector, see #3.

2. One substantial change to sector allocations resulted from the updated sales forecast and revenue forecast from the FCM. The Company had previously allocated funding solely on projected kWh sales forecasts. To be consistent with the other Utilities, National Grid included FCM revenue funding to electricity sales funding as well as revenue returning to the Company from the Small Business Energy Solutions program and updated new sector allocations. Previously the Company had a 33% residential versus 67% C&I sector funding allocation. The updated information resulted in 30% residential and 70% C&I funding levels.

3. Funding within the C&I sector was also adjusted to best meet market demand. First, incentives for the New Equipment & Construction and Small Business Energy Solutions programs were reduced to fund the Large C&I Retrofit program which is experiencing the greatest demand. Next, internal administration, external administration, and marketing expenses were kept at the 1.5 mills level to maximize customer rebates and services. Finally, Small Business Energy Solutions incentives were reduced from 70% of 50% so that more customers could be served.

NHSaves energy efficiency programs	2010	2010	Variance
	Approved	Revised	
	Original	Revised	
Program Expenses (\$)			
Energy Star Homes	\$200,777	\$184,309	(\$16,468)
Home Performance w/Energy Star	\$62,296	\$57,186	(\$5,110)
Home Energy Assistance	\$190,939	\$200,859	\$9,920
Energy Star Lighting	\$59,459	\$54,582	(\$4,877)
Energy Star Appliances	\$64,528	\$59,236	(\$5,292)
Small Business Energy Solutions	\$286,419	\$228,653	(\$57,766)
Large C&I Retrofit	\$229,114	\$458,910	\$229,796
New Equipment & Construction	\$270,317	\$141,500	(\$128,817)
Total	\$1,363,849	\$1,385,235	\$21,386
Program Participation			
Energy Star Homes	75	69	(6)
Home Performance w/Energy Star	72	66	(6)
Home Energy Assistance	45	45	0
Energy Star Lighting	9,710	8,933	(777)
Energy Star Appliances	680	626	(54)
Small Business Energy Solutions	46	27	(19)
Large C&I Retrofit	12	27	15
New Equipment & Construction	13	6	(7)
Total	10,653	9,799	854
Program Savings (Lifetime kWh)			
Energy Star Homes	886,409	816,237	(70,172)
Home Performance w/Energy Star	1,276,803	1,196,738	(80,065)
Home Energy Assistance	1,130,822	1,010,312	(120,510)
Energy Star Lighting	3,014,554	2,773,390	(241,164)
Energy Star Appliances	1,379,308	1,268,963	(110,345)
Small Business Energy Solutions	7,059,993	5,136,410	(1,923,584)
Large C&I Retrofit	16,977,238	50,325,274	33,348,036
New Equipment & Construction	11,835,770	4,587,025	(7,248,745)
Total	43,560,897	67,114,349	(23,553,452)
Notes			
1. Education budgets included in the Large C&I Retrofit and New Equipment & Construction program budgets.			

Table 3 - National Grid NH CORE Energy Efficiency Program - 2010 Goal Details

National Grid 2010 Approved Budget							
	Internal Adm	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
	\$38,108	\$66,273	\$417,737	\$4,573	\$24,471	\$26,836	\$577,999
Energy Star Homes	\$9,020	\$12,379	\$168,872	\$0	\$947	\$9,560	\$200,777
Home Performance w/Energy Star	\$3,189	\$7,282	\$47,329	\$0	\$1,529	\$2,967	\$62,296
Energy Star Lighting	\$4,000	\$18,331	\$17,975	\$2,550	\$14,100	\$2,503	\$59,459
Energy Star Appliances	\$3,800	\$18,190	\$31,000	\$2,023	\$6,800	\$2,715	\$64,528
Home Energy Assistance	\$18,099	\$10,091	\$152,561	\$0	\$1,096	\$9,092	\$190,939
	\$60,467	\$95,781	\$582,940	\$0	\$9,241	\$37,422	\$785,850
New Equipment & Construction	\$27,017	\$44,720	\$180,648	\$0	\$5,059	\$12,873	\$270,317
Large C&I Retrofit	\$25,415	\$43,169	\$146,922	\$0	\$2,698	\$10,910	\$229,114
Small Business Energy Solutions	\$8,035	\$7,892	\$255,370	\$0	\$1,484	\$13,639	\$286,419
					\$0		
	\$98,575	\$162,054	\$1,000,677	\$4,573	\$33,712	\$64,258	\$1,363,849
National Grid Revised 2010 Budget							
	Internal Adm combined	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
	\$48,750	\$55,209	\$403,913	\$0	\$22,440	\$25,860	\$556,172
Energy Star Homes	\$8,280	\$11,364	\$155,020	\$0	\$869	\$8,776	\$184,309
Home Performance w/Energy Star	\$2,927	\$6,685	\$43,447	\$0	\$1,404	\$2,723	\$57,186
Energy Star Lighting	\$10,848	\$12,156	\$16,501	\$0	\$12,772	\$2,305	\$54,582
Energy Star Appliances	\$7,655	\$14,389	\$28,458	\$0	\$6,242	\$2,492	\$59,236
Home Energy Assistance	\$19,040	\$10,615	\$160,487	\$0	\$1,153	\$9,564	\$200,859
	\$49,541	\$58,473	\$673,999	\$0	\$7,571	\$39,480	\$829,063
New Equipment & Construction	\$22,135	\$26,639	\$75,000	\$0	\$4,145	\$13,581	\$141,500
Large C&I Retrofit	\$20,822	\$25,368	\$398,999	\$0	\$2,211	\$11,510	\$458,910
Small Business Energy Solutions	\$6,583	\$6,466	\$200,000	\$0	\$1,216	\$14,389	\$228,653
	\$98,290	\$113,682	\$1,077,911	\$0	\$30,011	\$65,340	\$1,385,235

Table 4 - National Grid NH CORE Energy Efficiency Program - 2010 Budget Details

New Hampshire Electric Cooperative

NHSaves	2010	2010	Variance
energy efficiency programs	Approved	Revised	
	Original	Revised	
Program Expenses (\$)			
Energy Star Homes	\$116,499	\$103,415	(\$13,084)
Home Performance w/Energy Star	\$143,030	\$129,100	(\$13,930)
Home Energy Assistance	\$171,354	\$158,236	(\$13,118)
Energy Star Lighting	\$93,810	\$80,443	(\$13,367)
Energy Star Appliances	\$96,810	\$80,443	(\$16,367)
Small Business Energy Solutions	\$95,872	\$85,098	(\$10,774)
Large C&I Retrofit	\$131,127	\$115,850	(\$15,277)
New Equipment & Construction	\$133,332	\$117,774	(\$15,558)
Educational Programs	\$35,566	\$31,257	(\$4,309)
Load Management	\$100,707	\$97,320	(\$3,387)
Smart Start Program	\$8,372	\$8,371	(\$1)
High Efficiency Heat Pump Pgm	\$97,482	\$83,974	(\$13,508)
Member Incentive Change due to budget reduction			(\$15,854)
Total	\$1,126,479	\$1,091,281	(\$148,534)

Table 5 – NHEC Budget Adjustments

NHEC Budget Narrative

The impact of SB 300 on NHEC's Energy Efficiency programs will result in an overall reduction in funding of \$214,034. NHEC estimated a carryover balance of \$65,500 that has been added into the 2010 budget to offset this loss. This still leaves a shortfall of 148,534.

In order to avoid substantial program funding reductions which would negatively impact the effectiveness of NHEC's 2010 CORE programs, NHEC requests that the remaining \$148,534 shortfall be filled by a transfer in that amount from the Greenhouse Gas Emissions Reduction Fund.

In the absence of this requested supplemental funding, NHEC proposes to address the funding shortfall by reducing the funding level for marketing, shifting those budget dollars into rebates, and then reducing the rebate budgets proportionally across all programs. The revised budget shown above reflects these budget adjustments and does not include the requested supplemental funding. These cuts would result in a 17% reduction in participation and a 14% reduction in savings in 2010. In addition to these negative impacts on CORE programs, NHEC is concerned that these reductions could adversely affect its ability to meet its commitments for demand reduction in the Forward Capacity Market. Furthermore, given rising demand, it is unclear if NHEC will be able to fully meet program demand in 2010 even with supplemental funding to offset the SB300 impacts. Several of NHEC's programs are nearly fully subscribed for 2010. Without supplemental funding, NHEC will need to close the Energy Star Homes, Home Performance with Energy Star and Large C&I Retrofit programs immediately and will most likely need to close the Small C&I Retrofit program by the end of the first quarter.

The following summarizes NHEC's budget adjustments which will be necessary to address the \$148,534 shortfall in the absence of supplemental funding:

1. Estimated carryover of \$65,500 added to offset the budget shortfall (will be done regardless of supplemental funding request outcome).
2. Recalculated the Home Energy Assistance Program funding at 14.5% of available funding. In spite of this, rebates to this program are reduced by \$13,118.
3. Remainder of funding available was allocated 62% residential, 38% commercial.
4. The marketing budget allocation was reduced and \$44,829 was shifted into program rebate budgets (will be done regardless of supplemental funding request outcome).
5. Monitoring and evaluation budget remains at 5% of total budget however is reduced by \$6,634 in proportion to budget reduction.
6. Remaining reductions were spread to rebate budgets in all programs in proportion to original budgets for a total of \$73,139 or an overall 15% reduction in rebates.

NHSaves	2010	2010	Variance
energy efficiency programs	Approved	Revised	
	Original	Revised	
Program Expenses (\$)			
Energy Star Homes	\$116,499	\$103,415	(\$13,084)
Home Performance w/Energy Star	\$143,030	\$129,100	(\$13,930)
Home Energy Assistance	\$171,354	\$158,236	(\$13,118)
Energy Star Lighting	\$93,810	\$80,443	(\$13,367)
Energy Star Appliances	\$96,810	\$80,443	(\$16,367)
Small Business Energy Solutions	\$95,872	\$85,098	(\$10,774)
Large C&I Retrofit	\$131,127	\$115,850	(\$15,277)
New Equipment & Construction	\$133,332	\$117,774	(\$15,558)
Educational Programs	\$35,566	\$31,257	(\$4,309)
Load Management	\$100,707	\$97,320	(\$3,387)
Smart Start Program	\$8,372	\$8,371	(\$1)
High Efficiency Heat Pump Pgm	\$97,482	\$83,974	(\$13,508)
Member Incentive Change due to budget reduction			(\$15,854)
Total	\$1,126,479	\$1,091,281	(\$148,534)
Program Participation			
Energy Star Homes	28	23	5
Home Performance w/Energy Star	29	24	5
Home Energy Assistance	72	55	17
Energy Star Lighting	22,020	18,298	3,722
Energy Star Appliances	982	816	166
Small Business Energy Solutions	24	21	3
Large C&I Retrofit	19	17	2
New Equipment & Construction	22	19	3
Educational Programs	0	0	0
Load Management	0	0	0
Smart Start Program	0	0	0
High Efficiency Heat Pump Pgm	13	10	3
Total	23,196	19,273	3,923
Program Savings (Lifetime kWh)			
Energy Star Homes	270,604	224,867	45,737
Home Performance w/Energy Star	2,887,716	2,399,615	488,101
Home Energy Assistance	1,211,703	1,092,184	119,519
Energy Star Lighting	5,263,584	4,373,890	889,694
Energy Star Appliances	1,431,540	1,189,579	241,961
Small Business Energy Solutions	2,688,170	2,344,784	343,386
Large C&I Retrofit	5,879,337	5,128,321	751,016
New Equipment & Construction	15,966,338	13,926,831	2,039,507
Educational Programs	0	0	0
Load Management	0	0	0
Smart Start Program	0	0	0
High Efficiency Heat Pump Pgm	7,279,361	6,048,862	1,230,499
Total	42,878,353	36,728,933	6,149,420

Table 6 – NHEC 2010 Budget Reduction Details

NHEC 2010 Approved Budget							
	Internal Adm	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
	\$69,769	\$7,000	\$352,920	\$304,073	\$45,130	\$40,800	\$819,692
Energy Star Homes	\$9,967	\$1,000	\$47,590	\$45,787	\$5,355	\$6,800	\$116,499
Home Performance w/Energy Star	\$9,967	\$1,000	\$52,599	\$67,309	\$5,355	\$6,800	\$143,030
Energy Star Lighting	\$9,967	\$1,000	\$40,076	\$25,612	\$10,355	\$6,800	\$93,810
Energy Star Appliances	\$9,967	\$1,000	\$40,076	\$25,612	\$13,355	\$6,800	\$96,810
Home Energy Assistance	\$9,967	\$1,000	\$102,446	\$45,786	\$5,355	\$6,800	\$171,354
Load Management	\$9,967	\$1,000	\$20,038	\$69,702			\$100,707
High Efficiency Heat Pump	\$9,967	\$1,000	\$50,095	\$24,265	\$5,355	\$6,800	\$97,482
	\$29,901	\$3,000	\$237,877	\$97,026	\$16,065	\$20,400	\$404,269
New Equipment & Construction	\$9,967	\$1,000	\$82,353	\$27,857	\$5,355	\$6,800	\$133,332
Large C&I Retrofit	\$9,967	\$1,000	\$80,148	\$27,857	\$5,355	\$6,800	\$131,127
Small Business Energy Solutions	\$9,967	\$1,000	\$44,892	\$27,858	\$5,355	\$6,800	\$95,872
Educational Programs			\$30,484	\$5,082			\$35,566
Smart Start				\$8,372			\$8,372
	\$99,670	\$10,000	\$590,797	\$401,099	\$61,195	\$61,200	\$1,223,961
NHEC Proposed Revised 2010 Budget							
	Internal Adm combined	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
	\$69,769	\$7,000	\$302,503	\$304,069	\$13,212	\$36,378	\$791,555
Energy Star Homes	\$9,967	\$1,000	\$39,546	\$45,786	\$1,053	\$6,063	\$103,415
Home Performance w/Energy Star	\$9,967	\$1,000	\$43,708	\$67,309	\$1,053	\$6,063	\$129,100
Energy Star Lighting	\$9,967	\$1,000	\$33,302	\$25,611	\$4,500	\$6,063	\$80,443
Energy Star Appliances	\$9,967	\$1,000	\$33,302	\$25,611	\$4,500	\$6,063	\$80,443
Home Energy Assistance	\$9,967	\$1,000	\$94,367	\$45,786	\$1,053	\$6,063	\$158,236
Load Management	\$9,967	\$1,000	\$16,651	\$69,702	\$0		\$97,320
High Efficiency Heat Pump	\$9,967	\$1,000	\$41,627	\$24,264	\$1,053	\$6,063	\$83,974
Residential Incentive							\$58,624
	\$29,901	\$3,000	\$207,076	\$97,025	\$3,159	\$18,189	\$387,028
New Equipment & Construction	\$9,967	\$1,000	\$71,834	\$27,857	\$1,053	\$6,063	\$117,774
Large C&I Retrofit	\$9,967	\$1,000	\$69,910	\$27,857	\$1,053	\$6,063	\$115,850
Small Business Energy Solutions	\$9,967	\$1,000	\$39,158	\$27,857	\$1,053	\$6,063	\$85,098
Educational Programs			\$26,174	\$5,083			\$31,257
Smart Start				\$8,371			\$8,371
C&I Incentive							\$28,678
	\$99,670	\$10,000	\$509,579	\$401,094	\$16,371	\$54,567	\$1,178,583

Table 7 – NHEC NH CORE Energy Efficiency Program - 2010 Budget Details

Public Service Company of New Hampshire

NHSaves energy efficiency programs	2010 Approved	2010 Revised	Variance
Program Expenses (\$)			
Energy Star Homes	\$945,047	\$945,047	\$0
Home Performance w/Energy Star	\$1,620,080	\$1,620,080	(\$0)
Home Energy Assistance	\$2,136,334	\$2,001,201	(\$135,133)
Energy Star Lighting	\$945,047	\$859,568	(\$85,479)
Energy Star Appliances	\$630,031	\$630,031	(\$0)
Small Business Energy Solutions	\$2,321,641	\$2,313,641	(\$8,000)
Large C&I Retrofit	\$2,466,743	\$2,366,743	(\$100,000)
New Equipment & Construction	\$1,958,884	\$1,933,466	(\$25,418)
Educational Programs	\$157,507	\$157,507	\$0
Smart Start Program	\$50,000	\$50,000	\$0
ES Homes - Geothermal	\$360,018	\$360,018	\$0
HEA - HEATSMART	\$0	\$0	\$0
C&I Customer Partnerships	\$30,000	\$30,000	\$0
C&I RFP Pilot Program	\$507,859	\$507,859	\$0
?			\$0
?	\$0	\$0	\$0
Total	\$14,129,191	\$13,775,161	(\$354,030)

Table 8 – PSNH Budget Adjustments

The negative impact of SB 300 on PSNH's energy efficiency programs produced an overall reduction in funding of \$2.3M. PSNH recommends covering this shortfall by other means, which resulted in a smaller budget reduction of \$354,030. PSNH also recommends reducing one program in each sector rather than an across the board reduction. The following summarizes the Company's proposed budget adjustments.

1. Home Energy Assistance Program budget revised from 14% to 14.5% per Settlement Agreement and NHPUC Order¹. This revision decreases the budget by \$135,133 from \$2,136,334 to \$2,001,201.
2. The remaining shortfall of \$218,897 (\$354,030-\$135,133) was split 39% to Residential and 61% to Commercial, Industrial and Municipal.
Residential: \$85,479 C&I: \$133,418
3. For the residential sector, PSNH recommends only reducing the Energy Star Lighting Program by the \$85,479. The majority of this shortfall will come from Marketing (\$75,479) where we plan to reduce the number of NHSaves lighting catalogs that are printed and mailed, and reducing the Customer Rebates by \$10,000.

¹ "HEA Program shall comprise 14.5% of the total funds available for the 2010 Core Programs"

4. For the Commercial, Industrial and Municipal sector, PSNH recommends reducing the C&I Programs as follows:
 - a. Small Business Energy Solutions Program: Reduce Marketing by \$8,000
 - b. Large C&I Retrofit Program: Reduce M&E by \$100,000
 - c. C&I New Equipment & Construction Program: Reduce Rebates by \$25,418

5. In an attempt to get more funds for Weatherization in the HEA Program, PSNH recommends moving funds within the HEA Program as follows:
 - a. Move \$30,000 from Marketing into Rebates (we have sufficient brochures and Energy Savers Guides for 2010)
 - b. Move \$16,000 from Internal Implementation to Rebates
 - c. Move \$15,009 from M&E into Rebates.

NHSaves	2010	2010	
energy efficiency programs	Approved	Revised	Variance
Program Expenses (\$)			
Energy Star Homes	\$945,047	\$945,047	\$0
Home Performance w/Energy Star	\$1,620,080	\$1,620,080	(\$0)
Home Energy Assistance	\$2,136,334	\$2,001,201	(\$135,133)
Energy Star Lighting	\$945,047	\$859,568	(\$85,479)
Energy Star Appliances	\$630,031	\$630,031	(\$0)
Small Business Energy Solutions	\$2,321,641	\$2,313,641	(\$8,000)
Large C&I Retrofit	\$2,466,743	\$2,366,743	(\$100,000)
New Equipment & Construction	\$1,958,884	\$1,933,466	(\$25,418)
Educational Programs	\$157,507	\$157,507	\$0
Smart Start Program	\$50,000	\$50,000	\$0
ES Homes - Geothermal	\$360,018	\$360,018	\$0
HEA - HEATSMART	\$0	\$0	\$0
C&I Customer Partnerships	\$30,000	\$30,000	\$0
C&I RFP Pilot Program	\$507,859	\$507,859	\$0
	\$0	\$0	\$0
Total	\$14,129,191	\$13,775,161	(\$354,030)
Program Participation			
Energy Star Homes	350	350	0
Home Performance w/Energy Star	685	685	0
Home Energy Assistance	853	816	-37
Energy Star Lighting	276,154	244,483	-31,671
Energy Star Appliances	10,190	10,190	0
Small Business Energy Solutions	465	465	0
Large C&I Retrofit	212	212	0
New Equipment & Construction	177	173	-4
Educational Programs		-	0
Smart Start Program		-	0
ES Homes - Geothermal	48	48	0
HEA - HEATSMART		-	0
C&I Customer Partnerships	3	3	0
C&I RFP Pilot Program		-	0
Total	289,137	257,425	-31,712
Program Savings (Lifetime kWh)			
Energy Star Homes	4,101,556	4,101,556	0
Home Performance w/Energy Star	3,298,735	3,298,735	0
Home Energy Assistance	11,951,799	11,432,655	-519,144
Energy Star Lighting	63,748,090	56,436,972	-7,311,118
Energy Star Appliances	14,577,389	14,577,389	0
Small Business Energy Solutions	84,843,464	84,843,464	0
Large C&I Retrofit	146,871,876	146,871,876	0
New Equipment & Construction	75,081,482	73,725,472	-1,356,010
Educational Programs			0
Smart Start Program			0
ES Homes - Geothermal	20,590,605	20,590,605	0
HEA - HEATSMART			0
C&I Customer Partnerships			0
C&I RFP Pilot Program	27,144,006	27,144,006	0
Total	452,209,002	443,022,730	-9,186,272

Table 9 – PSNH 2010 Budget Reduction Details

2010 Approved Budget							
	Internal Adm	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
Energy Star Homes	\$19,335	\$10,000	\$774,780	\$80,400	\$15,000	\$45,532	\$945,047
Home Performance w/Energy Star	\$33,146	\$40,000	\$1,294,880	\$164,000	\$10,000	\$78,055	\$1,620,080
Energy Star Lighting	\$19,335	\$0	\$549,430	\$85,750	\$245,000	\$45,532	\$945,047
Energy Star Appliances	\$12,890	\$0	\$507,786	\$54,000	\$25,000	\$30,355	\$630,031
Home Energy Assistance	\$48,839	\$50,000	\$1,716,486	\$176,000	\$30,000	\$115,009	\$2,136,334
ESHomes - Geo/Air Heat Pumps	\$7,366	\$0	\$284,882	\$44,625	\$5,800	\$17,346	\$360,018
Planned Residential Shareholder Incentive							\$530,925
Total Residential	\$140,912	\$100,000	\$5,128,243	\$604,775	\$330,800	\$331,828	\$7,167,483
New Equipment & Construction	\$42,954	\$0	\$1,582,380	\$229,400	\$3,000	\$101,151	\$1,958,884
Large C&I Retrofit	\$54,090	\$0	\$1,940,678	\$341,600	\$3,000	\$127,375	\$2,466,743
Small Business Energy Solutions	\$50,908	\$20,000	\$1,717,081	\$385,770	\$28,000	\$119,882	\$2,321,641
Educational Programs			\$157,507				\$157,507
Smart Start			\$50,000				\$50,000
CI Partnerships			\$30,000				\$30,000
C&I RFP Pilot Program	\$11,136	\$0	\$379,162	\$88,336	\$3,000	\$26,224	\$507,859
Planned C&I Shareholder Incentive							\$599,411
Total C&I	\$159,088	\$20,000	\$5,856,808	\$1,045,106	\$37,000	\$374,632	\$8,092,045
Total 2010	\$300,000	\$120,000	\$10,985,051	\$1,649,881	\$367,800	\$706,460	\$15,259,528
Proposed Revised 2010 Budget							
	Internal Adm combined	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
Program							
Energy Star Homes	\$19,335	\$10,000	\$774,780	\$80,400	\$15,000	\$45,532	\$945,047
Home Performance w/Energy Star	\$33,146	\$40,000	\$1,294,880	\$164,000	\$10,000	\$78,055	\$1,620,080
Energy Star Lighting	\$19,335	\$0	\$539,430	\$85,750	\$169,521	\$45,532	\$859,568
Energy Star Appliances	\$12,890	\$0	\$507,786	\$54,000	\$25,000	\$30,355	\$630,031
Home Energy Assistance	\$48,839	\$50,000	\$1,642,362	\$160,000	\$0	\$100,000	\$2,001,201
ESHomes - Geo/Air Heat Pumps	\$7,366	\$0	\$284,882	\$44,625	\$5,800	\$17,346	\$360,018
Planned Residential Shareholder Incentive							\$513,276
Total Residential	\$140,912	\$100,000	\$5,044,119	\$588,775	\$225,321	\$316,819	\$6,929,222
New Equipment & Construction	\$42,954	\$0	\$1,556,962	\$229,400	\$3,000	\$101,151	\$1,933,466
Large C&I Retrofit	\$54,090	\$0	\$1,940,678	\$341,600	\$3,000	\$27,375	\$2,366,743
Small Business Energy Solutions	\$50,908	\$20,000	\$1,717,081	\$385,770	\$20,000	\$119,882	\$2,313,641
Educational Programs	\$0	\$0	\$157,507	\$0	\$0	\$0	\$157,507
Smart Start	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000
CI Partnerships	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000
C&I RFP Pilot Program	\$11,136	\$0	\$379,162	\$88,336	\$3,000	\$26,224	\$507,859
Planned C&I Shareholder Incentive							\$588,737
Total C&I	\$159,088	\$20,000	\$5,831,390	\$1,045,106	\$29,000	\$274,632	\$7,947,953
Total 2010	\$300,000	\$120,000	\$10,875,509	\$1,633,881	\$254,321	\$591,451	\$14,877,175

Table 10 – PSNH 2010 Budget Details by Activity

Unitil Energy Systems, Inc.

Program Expenses (\$)	2010 Plan		
	As filed 9/30/09	Revised 2/2010	Variance
Energy Star Homes	\$223,000	\$223,000	-
Home Performance w/Energy Star	\$234,270	\$234,270	-
Home Energy Assistance	\$371,514	\$371,514	-
Energy Star Lighting	\$220,000	\$220,000	-
Energy Star Appliances	\$223,003	\$223,003	-
Small Business Energy Solutions	\$442,374	\$442,374	-
Large C&I Retrofit	\$464,987	\$464,987	-
New Equipment & Construction	\$294,545	\$294,545	-
Educational Programs	\$40,000	\$40,000	-
EE Website & Home Energy Audit	\$44,500	\$44,500	-
ISO-Related Expenses	\$14,000	\$14,000	-
Total	\$2,572,194	\$2,572,194	\$-

Table 11 – Unitil’s Budget Adjustments

The negative impact of SB300 on Unitil’s energy efficiency programs produced an overall reduction in funding of \$366,000. Fortunately, the Company was able to cover the shortfall by other means, therefore, reducing program spending will not be necessary. See Table 12. While the following funds could have been used to provide more efficiency services absent SB300, the Company will not need to cut program budget and services.

1. Net SBC carry-forward from 2009: \$150,201. See Table 14.
2. The FCM Adjustment reflects the addition of \$254,245 from ISO’s Forward Capacity Market to the Company’s Core Energy Efficiency programs’ reconciliation mechanism pursuant to Staff’s recommendation resulting from the 2008 Core Program Audit. See Table 14.

In addition, the Company took this opportunity to review its budget in light of the recent settlement in the 2010 Core Energy Efficiency Program, Docket DE 09-170. Specifically, the Company reviewed the following:

3. Low-Income Funding: The Settlement Agreement in DE 09-170 allocated 14.5% of total program funding to low-income programs. However, in the Company’s original filing, it had allocated only 14% to low-income. In addition, the Company noted a carry-forward balance for the low income program. The 0.5% increase in the low income budget, together with the additional sector carry-forward is offset by the amount of the reduction in SBC revenue due to SB300. As a result, the Company did not change the low income sector’s program budget.
4. Shift program dollars from the Marketing to Rebate Budgets: The marketing budgets were reduced and approximately \$75,000 shifted into program rebate budgets. Table 13 provides a summary of the changes.

UNITIL ENERGY SYSTEMS, INC.		2010 Budget		
energy efficiency programs	Original	Revised	Difference	
Program Expenses (\$)				
Energy Star Homes	\$ 223,000	\$ 223,000	\$	-
Home Performance w/Energy Star	\$ 234,270	\$ 234,270	\$	-
Home Energy Assistance	\$ 371,514	\$ 371,514	\$	-
Energy Star Lighting	\$ 220,000	\$ 220,000	\$	-
Energy Star Appliances	\$ 223,003	\$ 223,003	\$	-
Small Business Energy Solutions	\$ 442,374	\$ 442,374	\$	-
Large C&I Retrofit	\$ 464,987	\$ 464,987	\$	-
New Equipment & Construction	\$ 294,545	\$ 294,545	\$	-
Educational Programs	\$ 40,000	\$ 40,000	\$	-
EE Website & Home Energy Audit	\$ 44,500	\$ 44,500	\$	-
ISO-Related Expenses	\$ 14,000	\$ 14,000	\$	-
Total	\$ 2,572,194	\$ 2,572,194	\$	-
Program Savings (Lifetime kWh)				
Energy Star Homes	67	67		-
Home Performance w/Energy Star	97	97		-
Home Energy Assistance(Note 1)	83	83		-
Energy Star Lighting	62,498	62,498		-
Energy Star Appliances	2,511	2,511		-
Small Business Energy Solutions	63	63		-
Large C&I Retrofit	19	19		-
New Equipment & Construction	13	13		-
Educational Programs	-	-		-
EE Website & Home Energy Audit	-	-		-
ISO-Related Expenses	-	-		-
Total	65,351	65,351		-
Program Savings (Lifetime kWh)				
Energy Star Homes	460,744	460,744		-
Home Performance w/Energy Star	870,035	870,035		-
Home Energy Assistance	10,762,879	10,762,879		-
Energy Star Lighting	18,938,241	18,938,241		-
Energy Star Appliances	4,249,139	4,249,139		-
Small Business Energy Solutions	19,633,065	19,633,065		-
Large C&I Retrofit	22,473,855	22,473,855		-
New Equipment & Construction	10,214,550	10,214,550		-
Educational Programs	-	-		-
EE Website & Home Energy Audit	-	-		-
ISO-Related Expenses	-	-		-
Total	87,602,507	87,602,507		-

Table 12 - Unitil's 2010 Budget Details

Table 13 – Unifil CORE Energy Efficiency Program - 2010 Budget Details

UNITIL ENERGY SYSTEMS, INC.								
REVISED 2010 CORE EFFICIENCY PROGRAM BUDGETS BY ACTIVITY								
Sector	Program	Int Admin	Ext Admin	Rebates/Svcs	Int Imp Svcs	Mkting	Evaluation	Total
Residential	ENERGY STAR Homes	\$18,238	\$182	\$125,135	\$51,231	\$14,000	\$14,214	\$223,000
	Home Energy Solutions	\$12,305	\$1,368	\$152,377	\$35,965	\$15,000	\$17,256	\$234,270
	ENERGY STAR Lighting	\$11,366	\$1,414	\$126,852	\$32,378	\$35,000	\$12,990	\$220,000
	ENERGY STAR Appl	\$17,076	\$1,995	\$119,100	\$46,809	\$20,000	\$18,022	\$223,003
	Home Energy Assistance	\$26,274	\$2,503	\$229,982	\$73,170	\$19,000	\$20,584	\$371,514
Commercial & Industrial	C&I New Construction	\$19,551	\$0	\$189,142	\$52,263	\$12,000	\$21,589	\$294,545
	Large C&I Retrofit	\$31,682	\$0	\$299,509	\$87,376	\$12,000	\$34,420	\$464,987
	Small C&I Retrofit	\$29,689	\$2,837	\$290,805	\$85,208	\$13,000	\$20,835	\$442,374
Miscellaneous	EnergySuite, Educat, etc.	\$2,100	\$8,450	\$76,050	\$11,900	\$0	\$0	\$98,500
	Estimated Perf. Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$205,776
Total		\$168,282	\$18,749	\$1,608,953	\$476,301	\$140,000	\$159,910	\$2,777,970
ORIGINAL 2010 CORE EFFICIENCY PROGRAM BUDGETS BY ACTIVITY								
Sector	Program	Int Admin	Ext Admin	Rebates/Svcs	Int Imp Svcs	Mkting	Evaluation	Total
Residential	ENERGY STAR Homes	\$18,238	\$182	\$120,217	\$51,231	\$18,918	\$14,214	\$223,000
	Home Energy Solutions	\$12,305	\$1,368	\$150,913	\$35,965	\$16,464	\$17,256	\$234,270
	ENERGY STAR Lighting	\$11,366	\$1,414	\$118,710	\$32,378	\$43,142	\$12,990	\$220,000
	ENERGY STAR Appl	\$17,076	\$1,995	\$108,391	\$46,809	\$30,710	\$18,022	\$223,003
	Home Energy Assistance	\$26,274	\$2,503	\$221,849	\$73,170	\$27,134	\$20,584	\$371,514
Commercial & Industrial	C&I New Construction	\$19,551	\$0	\$177,052	\$52,263	\$24,090	\$21,589	\$294,545
	Large C&I Retrofit	\$31,682	\$0	\$282,817	\$87,376	\$28,692	\$34,420	\$464,987
	Small C&I Retrofit	\$29,689	\$2,837	\$277,775	\$85,208	\$26,030	\$20,835	\$442,374
Miscellaneous	EnergySuite, Educat, etc.	\$2,100	\$8,450	\$76,050	\$11,900	\$0	\$0	\$98,500
	Estimated Perf. Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$205,776
Total		\$168,282	\$18,749	\$1,533,774	\$476,301	\$215,179	\$159,910	\$2,777,970
VARIANCE								
Sector	Program	Int Admin	Ext Admin	Rebates/Svcs	Int Imp Svcs	Mkting	Evaluation	Total
Residential	ENERGY STAR Homes	\$0	\$0	\$4,918	\$0	(\$4,918)	\$0	\$0
	Home Energy Solutions	\$0	\$0	\$1,464	\$0	(\$1,464)	\$0	\$0
	ENERGY STAR Lighting	\$0	\$0	\$8,142	\$0	(\$8,142)	\$0	\$0
	ENERGY STAR Appl	\$0	\$0	\$10,710	\$0	(\$10,710)	\$0	\$0
	Home Energy Assistance	\$0	\$0	\$8,134	\$0	(\$8,134)	\$0	\$0
Commercial & Industrial	C&I New Construction	\$0	\$0	\$12,090	\$0	(\$12,090)	\$0	\$0
	Large C&I Retrofit	\$0	\$0	\$16,692	\$0	(\$16,692)	\$0	\$0
	Small C&I Retrofit	\$0	\$0	\$13,030	\$0	(\$13,030)	\$0	\$0
Miscellaneous	EnergySuite, Educat, etc.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Estimated Perf. Incentive	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$75,179	\$0	(\$75,179)	\$0	\$0

Unitil Energy Systems, Inc.			
	9/09 Filing (5 Act / 7 Bud) (Col. 1)	2/10 Revision (12 Act / 0 Bud) (Col. 2)	Variance Revised - Original
1. 2009 SBC Fund Balance - Over/(Under) (Excluding Prior-Period Interest)	\$159,969	\$159,969	\$0
2. Revenue:			
3. SBC Revenue @ \$0.0018/kWh	\$2,173,075	\$2,119,601	(\$53,474)
4. ISO FCM Proceeds	\$0	\$254,245	\$254,245
5. Subtotal - Revenue	<u>\$2,173,075</u>	<u>\$2,373,846</u>	<u>\$200,771</u>
6. Total Funding - (Line 1 + Line 5)	\$2,333,044	\$2,533,815	\$200,771
7. Expenses:			
8. Program Costs	\$1,817,825	\$1,571,435	(\$246,390)
9. Performance Incentive @ 8% of Budget	\$145,794	a) \$188,489	\$42,695
10. Subtotal - Expenses	<u>\$1,963,619</u>	<u>\$1,759,924</u>	<u>(\$203,695)</u>
11. Over/(Under)-Collection	\$369,425	\$773,891	\$404,466
12. Prior-Period Interest	(\$159,218)	(\$159,238)	(\$20)
13. 2009 SBC Fund Ending Balance - Over/(Under) (Excluding Prior-Period Interest)	<u>\$210,207</u>	<u>\$614,653</u>	<u>\$404,446</u>
14. Additional 2009 Carryover (Included on Table 1)		Variance - SBC Revenue (+ Line 3) Variance - Expenses (- Line 10) Variance - Cumulative Interest (+ Line 12) Sum	(\$53,474) \$203,695 (\$20) \$150,201
15. FCM Proceeds - Accounting Reclassification (Included on Table 1)		Residential Commercial & Industrial ISO FCM Proceeds (+ Line 4)	\$76,274 \$177,972 \$254,245
Notes			
Col. 1: Estimated January 2010 beginning SBC fund balance included in the calculation of the Company's energy efficiency budgets filed on Sept. 30, 2009. The calculation included actual data through May 2009 and estimates June through December 2009.			
Col. 2: Actual January 2010 beginning SBC fund balance included in the calculation of the Company's energy efficiency budgets filed on February 2010. The calculation includes 12 months actual data - January through December 2009.			
a) Col. 2, line 9 -- The SHI includes the 2009 design-level SHI of \$145,794 plus a true-up of \$42,695 for 2007 and 2008 earned SHI.			

Table 14 -- Unitil - Calculation of SBC Fund Balance and Carry-forward

Program Cost-Effectiveness - 2010 PLAN

	Total Resource Benefit/Cost Ratio	Present Value				Sharehold er Incentive (\$000)	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	6.41	\$ 1,501.5	\$ 184.3	\$ 49.8		57.4	816.2	489.4	421.1	69	
NH Home Performance with ENERGY STA	1.52	\$ 93.5	\$ 57.2	\$ 4.5		94.1	1,196.7	19.8	6.3	66	
ENERGY STAR Lighting *1	2.60	\$ 201.0	\$ 54.6	\$ 22.7		418.6	2,773.4	96.2	25.6	8,933	
ENERGY STAR Appliances	3.20	\$ 447.7	\$ 59.2	\$ 80.7		94.6	1,269.0	22.4	19.3	626	
Home Energy Assistance	2.27	\$ 455.0	\$ 200.9	\$ -		64.9	1,010.3	11.1	6.6	45	
EnergyStar Homes (Geothermal)	0.00	\$ -									
Electro-Thermal Storage Units (LI)	0.00	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	
Subtotal Residential	3.56	\$ 2,698.7	\$ 556.2	\$ 157.8	\$ 44.5	729.5	7,065.6	638.9	478.8	9,739	
Commercial/Industrial Programs											
New Construction / Major Renovation	2.27	\$ 412.7	\$ 141.5	\$ 40.4		296.2	4,587.0	50.6	68.1	6	
Large C&I Retrofit	3.75	\$ 4,241.2	\$ 458.9	\$ 672.1		3,871.2	50,325.3	492.8	659.6	27	
Small C&I Retrofit	1.62	\$ 470.4	\$ 228.7	\$ 61.4		428.0	5,136.4	54.3	99.2	27	
C&I RFP Pilot	0.00	\$ -									
Other (Education)	0.00	\$ -		\$ -		-	-	-	-	-	
Smart Start	0.00	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	
Subtotal C&I	3.07	5,124.3	829.1	773.9	66.3	4,595.4	60,048.7	597.7	826.9	60	
Total	3.22	\$ 7,823.1	\$ 1,385.2	\$ 931.7	\$ 110.8	5,324.9	67,114.3	1,236.6	1,305.7	9,799	

Note 1: National Grid plan estimates number of products rebated.

2010 TRC BENEFIT COST TEST
 National Grid

BCR Activity	Total Benefits									
	Total Benefits	Capacity				Energy				Non Electric
		Generation		Trans	MDC	Winter		Summer		Resource
		Summer	Winter			Peak	Off Peak	Peak	Off Peak	
Residential										
ENERGY STAR Homes	\$1,501,526	\$180,958	\$0	\$70,377	\$216,154	\$16,277	\$20,564	\$9,150	\$10,088	\$977,958
Home Performance w/ENERGY STAR	\$93,532	\$1,977	\$0	\$748	\$2,298	\$24,818	\$30,190	\$12,414	\$14,655	\$6,433
ENERGY STAR Lighting *1	\$200,953	\$6,374	\$0	\$1,952	\$5,994	\$57,264	\$68,153	\$28,269	\$32,947	\$0
ENERGY STAR Appliances	\$447,690	\$7,352	\$0	\$2,920	\$8,967	\$25,897	\$31,753	\$13,799	\$15,550	\$341,452
Home Energy Assistance	\$455,047	\$3,448	\$0	\$1,147	\$3,523	\$20,909	\$25,516	\$10,507	\$12,479	\$377,518
Subtotal Residential	\$2,698,748	\$200,109	\$0	\$77,143	\$236,936	\$145,165	\$176,176	\$74,138	\$85,719	\$1,703,361
New Construction / Major Renovation										
New Construction / Major Renovation	\$412,690	\$29,172	\$0	\$11,469	\$35,226	\$168,636	\$54,211	\$87,748	\$26,229	\$0
Large C&I Retrofit	\$4,241,212	\$241,460	\$0	\$96,212	\$295,502	\$1,564,956	\$832,752	\$810,612	\$399,718	\$0
Small C&I Retrofit	\$470,410	\$33,965	\$0	\$13,466	\$41,358	\$203,660	\$49,116	\$105,291	\$23,553	\$0
Subtotal C&I	\$5,124,313	\$304,597	\$0	\$121,147	\$372,086	\$1,937,252	\$936,079	\$1,003,652	\$449,500	\$0
Grand Total	\$7,823,061	\$504,706	\$0	\$198,290	\$609,022	\$2,082,418	\$1,112,254	#####	\$535,220	\$1,703,361

Present Value Benefits - 2010 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	\$1,501,526	\$180,958	\$0	\$70,377	\$216,154	\$16,277	\$20,564	\$9,150	\$10,088	\$977,958
Home Performance w/Energy Star	\$93,532	\$1,977	\$0	\$748	\$2,298	\$24,818	\$30,190	\$12,414	\$14,655	\$6,433
ENERGY STAR Lighting *1	\$200,953	\$6,374	\$0	\$1,952	\$5,994	\$57,264	\$68,153	\$28,269	\$32,947	\$0
ENERGY STAR Appliances	\$447,690	\$7,352	\$0	\$2,920	\$8,967	\$25,897	\$31,753	\$13,799	\$15,550	\$341,452
Home Energy Assistance	\$455,047	\$3,448	\$0	\$1,147	\$3,523	\$20,909	\$25,516	\$10,507	\$12,479	\$377,518
EnergyStar Homes (Geothermal)	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Electro-Thermal Storage Units (LI)	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Residential	\$2,698,748	\$200,109	\$0	\$77,143	\$236,936	\$145,165	\$176,176	\$74,138	\$85,719	\$1,703,361
Commercial/Industrial Programs										
New Construction / Major Renovation	\$412,690	\$29,172	\$0	\$11,469	\$35,226	\$168,636	\$54,211	\$87,748	\$26,229	\$0
Large C&I Retrofit	\$4,241,212	\$241,460	\$0	\$96,212	\$295,502	\$1,564,956	\$832,752	\$810,612	\$399,718	\$0
Small C&I Retrofit	\$470,410	\$33,965	\$0	\$13,466	\$41,358	\$203,660	\$49,116	\$105,291	\$23,553	\$0
C&I RFP Pilot	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Other (Education)	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Smart Start	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Subtotal C&I	\$5,124,313	\$304,597	\$0	\$121,147	\$372,086	\$1,937,252	\$936,079	\$1,003,652	\$449,500	\$0
Total	\$7,823,061	\$504,706	\$0	\$198,290	\$609,022	\$2,082,418	\$1,112,254	\$1,077,790	\$535,220	\$1,703,361

Shareholder Incentive Calculation
 2010

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	3.07	0.00
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	60,048,709	0
4. Threshold Lifetime kWh Savings (65%) ²	39,031,661	
5. Budget	\$829,063	\$0
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive	\$66,325	<input type="text"/>
9. Cap (12%)	\$99,488	
Residential Incentive		
10. Benefit / Cost Ratio	3.56	0.00
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	7,065,640	0
13. Threshold Lifetime kWh Savings (65%) ²	4,592,666	
14. Budget	\$556,172	
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive	\$44,494	<input type="text"/>
18. Cap (12%)	\$66,741	
19. TOTAL INCENTIVE EARNED		<input type="text"/>

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.

Planned Versus Actual Benefit / Cost Ratio by Sector
 2010

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$ 5,124,313	\$ -
2. Implementation Expenses	\$ 829,063	\$ -
3. Customer Contribution	<u>\$ 773,894</u>	<u>\$ -</u>
4. Total Costs Excluding Shareholder Incentive	\$ 1,602,957	\$ -
5. Benefit/Cost Ratio - C&I Sector	3.20	0.00
6. Benefit/Cost Ratio - C&I Sector including SI	3.07	
Residential:		
6. Benefits (Value) From Eligible Programs	\$ 2,698,748	\$ -
7. Implementation Expenses	\$ 556,172	\$ -
8. Customer Contribution	<u>\$ 157,791</u>	<u>\$ -</u>
9. Total Costs Excluding Shareholder Incentive	\$ 713,963	\$ -
10. Benefit/Cost Ratio - Residential Sector	3.78	0.00

Actual Lifetime Energy Savings by Sector and Program
 2010

	Lifetime kWh Savings	
	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
New Equipment & Construction	4,587,025	0
Large C&I Retrofit	50,325,274	0
Small Business Energy Solutions	5,136,410	0
Education	0	0
Utility Specific (Energy Rewards RFP Program)	0	0
Other	<u>0</u>	<u>0</u>
Total Commercial & Industrial Included for Incentive Calculation	60,048,709	0
Residential:		
Home Energy Assistance Program	1,010,312	0
Home Energy Solutions Program	1,196,738	0
ENERGY STAR Homes Program	816,237	0
ENERGY STAR Appliance Program	1,268,963	0
ENERGY STAR Lighting Program	2,773,390	0
Electro-Thermal Storage Units	0	0
Utility Specific: ENERGY STAR Homes - Geothermal)	<u>0</u>	<u>0</u>
Total Residential Included for Incentive Calculation	7,065,640	0

Program Cost-Effectiveness - 2010 PLAN

	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							Customer Costs (\$000)
			(\$000)							
Residential Programs										
ENERGY STAR Homes	5.0	\$ 853.3	\$ 103.4	\$ 68.7	18.0	224.9	5.2	5.9	23	
Home Energy Solutions	2.1	\$ 295.6	\$ 129.1	\$ 11.4	137.0	2,399.6	45.6	35.4	24	
ENERGY STAR Lighting *1	3.0	\$ 361.1	\$ 80.4	\$ 38.6	792.5	4,373.9	345.5	67.4	18,298	
ENERGY STAR Appliances	1.3	\$ 197.7	\$ 80.4	\$ 66.7	100.6	1,189.6	18.6	19.0	816	
Home Energy Assistance	1.9	\$ 303.7	\$ 158.2	\$ -	73.5	1,092.2	21.3	14.4	55	
EnergyStar Homes (Geothermal)	2.8	\$ 494.6	\$ 84.0	\$ 94.1	242.0	6,048.9	131.7	10.4	10	
Electro-Thermal Storage Units (LI)	0.0	\$ -	\$ 97.3	\$ -	-	-	-	-	-	
Subtotal Residential	2.5	\$ 2,506.0	\$ 732.8	\$ 279.5	1,363.6	15,329.0	567.8	152.4	19,226	
Commercial/Industrial Programs										
New Construction / Major Renovation	2.9	\$ 1,151.3	\$ 117.8	\$ 279.2	928.5	13,926.8	493.6	46.4	19	
Large C&I Retrofit	1.5	\$ 435.8	\$ 115.9	\$ 180.4	394.5	5,128.3	71.8	83.0	17	
Small C&I Retrofit	1.5	\$ 188.8	\$ 85.1	\$ 36.8	180.4	2,344.8	23.0	28.6	21	
C&I RFP Pilot	0.0	\$ -	\$ -	\$ -	-	-	-	-	-	
Other (Education)	0.0	\$ -	\$ 31.3	\$ -	-	-	-	-	-	
Smart Start	0.0	\$ -	\$ 8.4	\$ -	-	-	-	-	-	
Subtotal C&I	2.1	1,775.9	358.5	496.4	1,503.3	21,399.9	588.4	158.0	57	
Total		\$ 4,281.9	\$ 1,091.3	\$ 775.9	2,866.9	36,728.9	1,156.1	310.4	19,283	

Note 1: Plan included 56,002 customers purchasing a total of 224,009 lighting products (4 per customer)

Present Value Benefits - 2010 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	\$853	\$2,307	\$0	\$766	\$2,353	\$4,038	\$4,913	\$3,682	\$2,932	\$832,295
Home Performance w/Energy Star	\$296	\$29,457	\$0	\$8,070	\$24,785	\$49,993	\$62,721	\$23,954	\$28,702	\$67,929
ENERGY STAR Lighting ^{*1}	\$361	\$13,781	\$0	\$13,521	\$41,527	\$90,256	\$106,635	\$44,216	\$51,035	\$0
ENERGY STAR Appliances	\$198	\$5,921	\$0	\$2,226	\$6,837	\$23,589	\$28,836	\$14,411	\$14,718	\$101,195
Home Energy Assistance	\$304	\$10,282	\$0	\$2,992	\$9,189	\$22,622	\$27,504	\$11,391	\$13,556	\$206,185
EnergyStar Homes (Geothermal)	\$495	\$11,766	\$0	\$18,134	\$55,695	\$135,287	\$251,008	\$12,945	\$9,723	\$0
Electro-Thermal Storage Units (LI)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Residential	\$2,506	\$73,514	\$0	\$45,709	\$140,386	\$325,785	\$481,617	\$110,599	\$120,666	\$1,207,604
Commercial/Industrial Programs										
New Construction / Major Renovation	\$1,151	\$19,299	\$0	\$44,723	\$137,360	\$337,671	\$531,379	\$50,338	\$30,570	\$0
Large C&I Retrofit	\$436	\$30,384	\$0	\$11,289	\$34,671	\$130,647	\$107,172	\$69,099	\$52,569	\$0
Small C&I Retrofit	\$189	\$10,486	\$0	\$3,766	\$11,567	\$55,205	\$52,923	\$29,078	\$25,799	\$0
C&I RFP Pilot	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other (Education)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Smart Start	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal C&I	\$1,776	\$60,169	\$0	\$59,778	\$183,598	\$523,523	\$691,474	\$148,515	\$108,938	\$0
Total	\$4,282	\$133,683	\$0	\$105,487	\$323,984	\$849,308	\$1,173,091	\$259,114	\$229,604	\$1,207,604

Shareholder Incentive Calculation 2010

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	2.08	0.00
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	21,399,936	0
4. Threshold Lifetime kWh Savings (65%) ²	13,909,958	
5. Budget	\$358,472	\$0
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive	\$28,678	<input type="text"/>
9. Cap (12%)	\$43,017	
Residential Incentive		
10. Benefit / Cost Ratio	2.48	0.00
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	15,328,997	0
13. Threshold Lifetime kWh Savings (65%) ²	9,963,848	
14. Budget	\$732,800	
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive	\$58,624	<input type="text"/>
18. Cap (12%)	\$87,936	
19. TOTAL INCENTIVE EARNED		<input type="text"/>

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.

Planned Versus Actual Benefit / Cost Ratio by Sector
2010

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$ 1,775,900	\$ -
2. Implementation Expenses	\$ 358,472	\$ -
3. Customer Contribution	\$ 496,400	\$ -
4. Total Costs Excluding Shareholder Incentive	\$ 854,872	\$ -
5. Benefit/Cost Ratio - C&I Sector	2.08	0.00
Residential:		
6. Benefits (Value) From Eligible Programs	\$ 2,506,000	\$ -
7. Implementation Expenses	\$ 732,800	\$ -
8. Customer Contribution	\$ 279,500	\$ -
9. Total Costs Excluding Shareholder Incentive	\$ 1,012,300	\$ -
10. Benefit/Cost Ratio - Residential Sector	2.48	0.00

Actual Lifetime Energy Savings by Sector and Program 2010

	Lifetime kWh Savings	
	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
New Equipment & Construction	13,926,831	0
Large C&I Retrofit	5,128,321	0
Small Business Energy Solutions	2,344,784	0
Education	0	0
Utility Specific (Energy Rewards RFP Program)	0	0
Other	<u>0</u>	<u>0</u>
Total Commercial & Industrial Included for Incentive Calculation	21,399,936	0
Residential:		
Home Energy Assistance Program	1,092,184	0
Home Energy Solutions Program	2,399,615	0
ENERGY STAR Homes Program	224,867	0
ENERGY STAR Appliance Program	1,189,579	0
ENERGY STAR Lighting Program	4,373,890	0
Electro-Thermal Storage Units	0	0
Utility Specific: ENERGY STAR Homes - Geothermal)	<u>6,048,862</u>	<u>0</u>
Total Residential Included for Incentive Calculation	15,328,997	0

Program Cost-Effectiveness - 2010 PLAN

	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	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	1.40	\$ 2,860.0	\$ 1,620.1	\$ 422.4	254.9	3,298.7	82.7	77.9	685
ENERGY STAR Lighting ^{*1}	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	1.79	\$ 18,654.6	\$ 6,415.9	\$ 4,025.7	13,797.2	110,437.9	3,340.1	1,198.3	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	\$ -	\$ 187.5	\$ -	-	-	-	-	-
Smart Start	0.00	\$ -	\$ 50.0	\$ -	-	-	-	-	-
Subtotal C&I	1.98	30,163.7	7,359.2	7,876.8	25,911.1	332,584.8	4,936.8	7,117.1	853
Total		\$ 48,818.3	\$ 13,775.2	\$ 11,902.4	39,708.3	443,022.7	8,276.9	8,315.4	257,425

Note 1: Plan included 69,039 customers purchasing a total of 276,154 lighting products (Estimated at 4 per customer)

Present Value Benefits - 2010 PLAN

	Total Benefits	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	\$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	\$2,859,954	\$29,607	\$0	\$11,787	\$36,202	\$68,189	\$83,526	\$34,029	\$40,124	\$2,556,489
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	\$18,654,626	\$324,297	\$0	\$115,343	\$354,263	\$2,302,450	\$3,096,720	\$975,016	\$1,073,007	\$10,413,529
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
Smart Start	\$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
Total	\$48,818,300	\$2,917,294	\$0	\$1,146,635	\$3,521,739	\$9,638,006	\$9,165,641	\$6,833,854	\$5,181,601	\$10,413,529

Shareholder Incentive Calculation
 2010

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	1.91	0.00
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	332,584,818	0
4. Threshold Lifetime kWh Savings (65%) ²	216,180,132	
5. Budget	\$7,359,216	\$0
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive	\$588,737	<input type="text"/>
9. Cap (12%)	\$883,106	
Residential Incentive		
10. Benefit / Cost Ratio	1.70	0.00
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	110,437,913	0
13. Threshold Lifetime kWh Savings (65%) ²	71,784,643	
14. Budget	\$6,415,946	
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive	\$513,276	<input type="text"/>
18. Cap (12%)	\$769,913	
19. TOTAL INCENTIVE EARNED		<input type="text"/>

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.

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	\$ -
2. Implementation Expenses	\$ 7,359,216	\$ -
3. Customer Contribution	\$ 7,876,771	\$ -
4. Estimated Shareholder Incentive	<u>\$ 588,737</u>	-
5. Total Costs	\$ 15,824,725	\$ -
6. Benefit/Cost Ratio - C&I Sector	1.91	0.00
 Residential:		
7. Benefits (Value) From Eligible Programs	\$ 18,654,626	\$ -
8. Implementation Expenses	\$ 6,415,946	\$ -
9. Customer Contribution	\$ 4,025,673	\$ -
10. Estimated Shareholder Incentive	<u>\$ 513,276</u>	-
11. Total Costs	\$ 10,954,894	\$ -
12. Benefit/Cost Ratio - Residential Sector	1.70	0.00

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	0
Large C&I Retrofit	146,871,876	0
Small Business Energy Solutions	84,843,464	0
Education	0	0
Utility Specific (Energy Rewards RFP Program)	27,144,006	0
Other	<u>0</u>	<u>0</u>
Total Commercial & Industrial Included for Incentive Calculation	332,584,818	0
Residential:		
Home Energy Assistance Program	11,432,655	0
Home Energy Solutions Program	3,298,735	0
ENERGY STAR Homes Program	4,101,556	0
ENERGY STAR Appliance Program	14,577,389	0
ENERGY STAR Lighting Program	56,436,972	0
Electro-Thermal Storage Units	0	0
Utility Specific: ENERGY STAR Homes - Geothermal)	<u>20,590,605</u>	<u>0</u>
Total Residential Included for Incentive Calculation	110,437,913	0

Program Cost-Effectiveness - 2010 PLAN

	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 ⁽¹⁾ (\$000)	Customer Costs (\$000)					
Residential Programs									
ENERGY STAR Homes	2.2	\$ 767	\$ 241.8	\$ 114.7	55.6	460.7	12.3	3.7	67
Home Performance with Energy Star	2.1	\$ 617.3	\$ 261.1	\$ 36.0	64.1	870.0	4.6	9.5	97
ENERGY STAR Lighting ⁽²⁾	4.0	\$ 1,455.2	\$ 245.4	\$ 115.3	3,251.5	18,938.2	800.4	212.7	62,498
ENERGY STAR Appliances ⁽²⁾	1.2	\$ 672.8	\$ 249.3	\$ 299.4	322.1	4,249.1	59.1	77.0	2,511
Home Energy Assistance ⁽³⁾	1.6	\$ 647.9	\$ 401.4	\$ -	80.4	1,476.8	41.2	2.0	107
Res/K-12 Education	0.0	\$ -	\$ 15.0	\$ -	-	-	-	-	-
ISO-Related Expenses Res	0.0	\$ -	\$ 6.5	\$ -	-	-	-	-	-
Subtotal Residential	2.1	\$ 4,160.3	\$ 1,420.5	\$ 565.4	3,773.8	25,994.9	917.5	304.9	65,280
Commercial/Industrial Programs									
New Construction / Major Renovation	2.6	\$ 1,007.7	\$ 326.1	\$ 59.0	681.0	10,214.6	241.1	294.0	13
Large C&I Retrofit	1.8	\$ 1,843.2	\$ 511.6	\$ 525.2	1,728.8	22,473.9	265.9	324.3	19
Small C&I Retrofit	2.2	\$ 1,702.9	\$ 487.2	\$ 277.8	1,510.2	19,633.1	262.7	358.3	63
C&I Education	0.0	\$ -	\$ 25.0	\$ -	-	-	-	-	-
ISO-Related Expenses C&I	0.0	\$ -	\$ 7.5	\$ -	-	-	-	-	-
Subtotal C&I	2.1	4,553.9	1,357.5	862.0	3,920.0	52,321.5	769.7	976.6	95
Total		\$ 8,714.2	\$ 2,778.0	\$ 1,427.5	7,693.7	78,316.4	1,687.2	1,281.5	65,375

(1) Utility Costs include direct program costs plus projected Shareholder Incentive.

(2) Target number of products purchased.

(3) The Home Energy Assistance (HEA) Program is offered as fuel-blind. Estimated lifetime non-electric savings have been converted into kWh as follows to establish UES' HEA program savings goal: $[\text{Lifetime MMBtu} \div 0.003413] \div 1,000 = \text{Lifetime MWh}$.

Present Value Benefits - 2010 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	\$767	\$984	\$0	\$768	\$2,359	\$9,545	\$11,486	\$4,724	\$5,487	\$731,695
Home Performance w/Energy Star	\$617	\$8,732	\$0	\$1,552	\$4,767	\$18,171	\$23,038	\$8,437	\$10,031	\$542,565
ENERGY STAR Lighting *1	\$1,455	\$45,775	\$0	\$34,570	\$106,176	\$391,260	\$463,271	\$192,068	\$222,096	\$0
ENERGY STAR Appliances	\$673	\$27,837	\$0	\$9,706	\$29,810	\$85,873	\$105,277	\$48,037	\$52,283	\$314,014
Home Energy Assistance	\$648	\$523	\$0	\$4,747	\$14,580	\$33,267	\$59,011	\$3,351	\$3,916	\$528,474
Res/K-12 Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ISO-Related Expenses Res	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Residential	\$4,160	\$83,851	\$0	\$51,342	\$157,691	\$538,116	\$662,083	\$256,617	\$293,813	\$2,116,747
Commercial/Industrial Programs										
New Construction / Major Renovation	\$1,008	\$122,335	\$0	\$44,320	\$136,124	\$179,845	\$233,065	\$154,464	\$137,582	\$0
Large C&I Retrofit	\$1,843	\$118,706	\$0	\$43,042	\$132,199	\$396,158	\$513,097	\$339,028	\$301,014	\$0
Small C&I Retrofit	\$1,703	\$131,168	\$0	\$45,289	\$139,101	\$538,684	\$378,513	\$283,703	\$186,466	\$0
C&I Education	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ISO-Related Expenses C&I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal C&I	\$4,554	\$372,210	\$0	\$132,652	\$407,424	\$1,114,686	\$1,124,675	\$777,194	\$625,062	\$0
Total	\$8,714	\$456,060	\$0	\$183,995	\$565,115	\$1,652,803	\$1,786,758	\$1,033,811	\$918,876	\$2,116,747

Shareholder Incentive Calculation 2010

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	2.1	0.00
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	52,321,469	0
4. Threshold Lifetime kWh Savings (65%) ²	34,008,955	
5. Budget	\$1,256,907	\$0
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive	\$100,553	<input type="text"/>
9. Cap (12%)	\$150,829	
Residential Incentive		
10. Benefit / Cost Ratio	2.1	0.00
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	35,281,038	0
13. Threshold Lifetime kWh Savings (65%) ²	22,932,675	
14. Budget	\$1,315,287	
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive	\$105,223	<input type="text"/>
18. Cap (12%)	\$157,834	
19. TOTAL INCENTIVE EARNED	\$ 205,776	<input type="text"/>

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.

Planned Versus Actual Benefit / Cost Ratio by Sector
2010

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$ 4,553,904	\$ -
2. Implementation Expenses	\$ 1,256,907	\$ -
3. Customer Contribution	\$ 862,025	\$ -
4. Shareholder Incentive	<u>\$ 100,553</u>	<u>\$ -</u>
5. Total Costs	\$ 2,219,484	\$ -
6. Benefit/Cost Ratio - C&I Sector	2.1	0.00
Residential:		
7. Benefits (Value) From Eligible Programs	\$ 4,160,260	\$ -
8. Implementation Expenses	\$ 1,315,287	\$ -
9. Customer Contribution	\$ 565,436	\$ -
10. Shareholder Incentive	<u>\$ 105,223</u>	<u>\$ -</u>
11. Total Costs	\$ 1,985,947	\$ -
12. Benefit/Cost Ratio - Residential Sector	2.1	0.00

Actual Lifetime Energy Savings by Sector and Program
2010

	Lifetime kWh Savings	
	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
New Equipment & Construction	10,214,550	0
Large C&I Retrofit	22,473,855	0
Small Business Energy Solutions	19,633,065	0
Total Commercial & Industrial Included for Incentive Calculation	52,321,469	0
Residential:		
Home Energy Assistance Program	10,762,879	0
Home Energy Solutions Program	870,035	0
ENERGY STAR Homes Program	460,744	0
ENERGY STAR Appliance Program	4,249,139	0
ENERGY STAR Lighting Program	18,938,241	0
Total Residential Included for Incentive Calculation	35,281,038	0

NH CORE Energy Efficiency Program - 2010 Budget Details

		(see Note 1)						
RESIDENTIAL PROGRAMS		Internal Adm	External Adm	Cust Rebts/Services	Internal Impl.	Marketing	Evaluation	Total
	National Grid	\$8,280	\$11,364	\$155,020	\$0	\$869	\$8,776	\$184,309
	NHEC	\$9,967	\$1,000	\$39,546	\$45,786	\$1,053	\$6,063	\$103,415
	PSNH	\$19,335	\$10,000	\$774,780	\$80,400	\$15,000	\$45,532	\$945,047
	Unitil	\$18,238	\$182	\$125,135	\$51,231	\$14,000	\$14,214	\$223,000
ENERGY STAR Homes		\$55,820	\$22,546	\$1,094,481	\$177,417	\$30,922	\$74,585	\$1,455,771
	National Grid	\$2,927	\$6,685	\$43,447	\$0	\$1,404	\$2,723	\$57,186
	NHEC	\$9,967	\$1,000	\$43,708	\$67,309	\$1,053	\$6,063	\$129,100
	PSNH	\$33,146	\$40,000	\$1,294,880	\$164,000	\$10,000	\$78,055	\$1,620,080
	Unitil	\$12,305	\$1,368	\$152,377	\$35,965	\$15,000	\$17,256	\$234,270
Home Performance w/ Energy Star		\$58,345	\$49,052	\$1,534,412	\$267,274	\$27,457	\$104,097	\$2,040,637
	National Grid	\$7,655	\$14,389	\$28,458	\$0	\$6,242	\$2,492	\$59,236
	NHEC	\$9,967	\$1,000	\$33,302	\$25,611	\$4,500	\$6,063	\$80,443
	PSNH	\$12,890	\$0	\$507,786	\$54,000	\$25,000	\$30,355	\$630,031
	Unitil	\$17,076	\$1,995	\$119,100	\$46,809	\$20,000	\$18,022	\$223,003
Energy Star Appliances		\$47,589	\$17,384	\$688,647	\$126,420	\$55,742	\$56,932	\$992,713
	National Grid	\$19,040	\$10,615	\$160,487	\$0	\$1,153	\$9,564	\$200,859
	NHEC	\$9,967	\$1,000	\$94,367	\$45,786	\$1,053	\$6,063	\$158,236
	PSNH	\$48,839	\$50,000	\$1,642,362	\$160,000	\$0	\$100,000	\$2,001,201
	Unitil	\$26,274	\$2,503	\$229,982	\$73,170	\$19,000	\$20,584	\$371,514
Home Energy Assistance		\$104,120	\$64,119	\$2,127,199	\$278,956	\$21,206	\$136,211	\$2,731,810
	National Grid	\$10,848	\$12,156	\$16,501	\$0	\$12,772	\$2,305	\$54,582
	NHEC	\$9,967	\$1,000	\$33,302	\$25,611	\$4,500	\$6,063	\$80,443
	PSNH	\$19,335	\$0	\$539,430	\$85,750	\$169,521	\$45,532	\$859,568
	Unitil	\$11,366	\$1,414	\$126,852	\$32,378	\$35,000	\$12,990	\$220,000
ENERGY STAR Lighting		\$51,516	\$14,570	\$716,084	\$143,739	\$221,793	\$66,890	\$1,214,593
	National Grid	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NHEC	\$19,934	\$2,000	\$58,278	\$93,966	\$1,053	\$6,063	\$181,294
	PSNH	\$7,366	\$0	\$284,882	\$44,625	\$5,800	\$17,346	\$360,018
	Unitil (Res. Website, ISO Expenses)	\$975	\$3,700	\$33,300	\$5,525	\$0	\$0	\$43,500
Other Residential Programs		\$28,275	\$5,700	\$376,460	\$144,116	\$6,853	\$23,409	\$584,812
Total Residential Programs		\$345,665	\$173,371	\$6,537,282	\$1,137,922	\$363,973	\$462,123	\$9,020,336
COMMERCIAL, INDUSTRIAL AND MUNICIPAL PROGRAMS								
	National Grid	\$22,135	\$26,639	\$75,000	\$0	\$4,145	\$13,581	\$141,500
	NHEC	\$9,967	\$1,000	\$71,834	\$27,857	\$1,053	\$6,063	\$117,774
	PSNH	\$42,954	\$0	\$1,556,962	\$229,400	\$3,000	\$101,151	\$1,933,466
	Unitil	\$19,551	\$0	\$189,142	\$52,263	\$12,000	\$21,589	\$294,545
New Equipment & Construction		\$94,608	\$27,639	\$1,892,938	\$309,520	\$20,198	\$142,384	\$2,487,286
	National Grid	\$20,822	\$25,368	\$398,999	\$0	\$2,211	\$11,510	\$458,910
	NHEC	\$9,967	\$1,000	\$69,910	\$27,857	\$1,053	\$6,063	\$115,850
	PSNH	\$54,090	\$0	\$1,940,678	\$341,600	\$3,000	\$27,375	\$2,366,743
	Unitil	\$31,682	\$0	\$299,509	\$87,376	\$12,000	\$34,420	\$464,987
Large C&I Retrofit		\$116,562	\$26,368	\$2,709,096	\$456,833	\$18,264	\$79,367	\$3,406,490
	National Grid	\$6,583	\$6,466	\$200,000	\$0	\$1,216	\$14,389	\$228,653
	NHEC	\$9,967	\$1,000	\$39,158	\$27,857	\$1,053	\$6,063	\$85,098
	PSNH	\$50,908	\$20,000	\$1,717,081	\$385,770	\$20,000	\$119,882	\$2,313,641
	Unitil	\$29,689	\$2,837	\$290,805	\$85,208	\$13,000	\$20,835	\$442,374
Small Business Energy Solutions		\$97,147	\$30,303	\$2,247,044	\$498,835	\$35,269	\$161,169	\$3,069,766
	National Grid	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NHEC	\$0	\$0	\$26,174	\$13,454	\$0	\$0	\$39,628
	PSNH (Education, RFP, Smart Start)	\$11,136	\$0	\$616,669	\$88,336	\$3,000	\$26,224	\$745,366
	Unitil (Education, C&I Web, ISO Expenses)	\$1,125	\$4,750	\$42,750	\$6,375	\$0	\$0	\$55,000
Other C&I Programs		\$12,261	\$4,750	\$685,593	\$108,165	\$3,000	\$26,224	\$839,994
Total Non-Residential Programs		\$320,578	\$89,060	\$7,534,671	\$1,373,353	\$76,730	\$409,144	\$9,803,536
TOTAL (Both Sectors)		\$666,242	\$262,431	\$14,071,953	\$2,511,276	\$440,703	\$871,267	\$18,823,872

Note 1: Evaluation amounts are based on 5% of total budgets. Actual program expenses will vary from numbers shown.

New Hampshire CORE Energy Efficiency Goals - 2010

PROGRAMS	National Grid		NHEC		PSNH		UNITIL		TOTALS	
Energy Star Homes										
Number of Homes / Lifetime kWh Savings	69	816,237	23	224,867	350	4,101,556	67	460,744	509	5,603,403
B/C Ratio / Planned Budget	6.41	\$184,309	5.00	\$103,415	2.65	\$945,047	2.20	\$223,000		\$1,455,771
NH Home Performance with Energy Star										
Number of Units / Lifetime kWh Savings	66	1,196,738	24	2,399,615	685	3,298,735	97	870,035	872	7,765,123
B/C Ratio / Planned Budget	1.52	\$57,186	2.10	\$129,100	1.40	\$1,620,080	2.10	\$234,270		\$2,040,637
Energy Star Appliances										
Number of Rebates / Lifetime kWh Savings	626	1,268,963	816	1,189,579	10,190	14,577,389	2,511	4,249,139	14,143	21,285,070
B/C Ratio / Planned Budget	3.20	\$59,236	1.30	\$80,443	1.63	\$630,031	1.20	\$223,003		\$992,713
Home Energy Assistance (see Note 1)										
Number of Units / Lifetime kWh Savings	45	1,010,312	55	1,092,184	816	11,432,655	83	10,762,879	999	24,298,030
B/C Ratio / Planned Budget	2.27	\$200,859	1.90	\$158,236	1.26	\$2,001,201	1.70	\$371,514		\$2,731,810
Energy Star Lighting										
Number of Rebates / Lifetime kWh Savings	8,933	2,773,390	18,298	4,373,890	244,483	56,436,972	62,498	18,938,241	334,212	82,522,493
B/C Ratio / Planned Budget	2.60	\$54,582	3.00	\$80,443	3.29	\$859,568	4.00	\$220,000		\$1,214,593
C&I New Equipment & Construction										
Number of Participants / Lifetime kWh Savings	6	4,587,025	19	13,926,831	173	73,725,472	13	10,214,550	211	102,453,878
B/C Ratio / Planned Budget	2.27	\$141,500	2.90	\$117,774	2.96	\$1,933,466	2.60	\$294,545		\$2,487,286
Large C&I Retrofit										
Number of Participants / Lifetime kWh Savings	27	50,325,274	17	5,128,321	212	146,871,876	19	22,473,855	275	224,799,326
B/C Ratio / Planned Budget	3.75	\$458,910	1.50	\$115,850	1.75	\$2,366,743	1.80	\$464,987		\$3,406,490
Small Business Energy Solutions										
Number of Participants / Lifetime kWh Savings	27	5,136,410	21	2,344,784	465	84,843,464	63	19,633,065	576	111,957,722
B/C Ratio / Planned Budget	1.62	\$228,653	1.50	\$85,098	1.77	\$2,313,641	2.20	\$442,374		\$3,069,766
Educational Programs (see Note 2)										
B/C Ratio / Planned Budget		\$9,496		\$31,257		\$157,507		\$40,000		\$228,764
Company Specific Programs										
Number of Participants / Lifetime kWh Savings			10	6,048,862	51	47,734,611				53,783,473
B/C Ratio / Planned Budget		\$0	2.80	\$181,293		\$897,877		\$58,500		\$1,137,670
Smart Start Program										
Number of Participants / Planned Budget		\$0		\$8,372		\$50,000		\$0		\$58,372
Utility Incentive										
B/C Ratio / Planned Budget		<u>\$110,819</u>		<u>\$97,917</u>		<u>\$1,102,013</u>		<u>\$205,776</u>		<u>\$1,516,525</u>
TOTAL PLANNED BUDGET		\$1,496,054		\$1,189,198		\$14,877,175		\$2,777,970		\$20,340,396

NOTES:

(1) Unitil's HEA savings target equals 1,476,774 lifetime kWh + (31,693 lifetime MMBtu ÷ 0.003413) = 10,762,879 lifetime kWh

(2) National Grid's Educational Program budget is included within other program budgets and therefore is not included in the total to avoid double counting.

NH CORE Energy Efficiency Program Goals
 (January 1 - December 31, 2010)

NH CORE ENERGY EFFICIENCY PROGRAMS	EXPENSES (\$)	SAVINGS (Lifetime kWh)	NUMBER OF CUSTOMERS
RESIDENTIAL (nhsaves@home)			
ENERGY STAR Homes	\$1,455,771	5,603,403	509
NH Home Performance w/Energy Star	\$2,040,636	7,765,123	872
Home Energy Assistance	\$2,731,810	24,298,030	999
ENERGY STAR Lighting ¹	\$1,214,593	82,522,493	334,212
ENERGY STAR Appliances	<u>\$992,713</u>	<u>21,285,070</u>	<u>14,143</u>
TOTAL RESIDENTIAL	\$8,435,523	141,474,120	350,735
COMMERCIAL & INDUSTRIAL (nhsaves@work)			
Educational Programs	\$228,764		
Small Business Energy Solutions	\$3,069,766	111,957,722	576
Large Business Energy Solutions	\$3,406,490	224,799,326	275
New Equipment & Construction	<u>\$2,487,286</u>	<u>102,453,878</u>	<u>211</u>
TOTAL COMMERCIAL & INDUSTRIAL	\$9,192,306	439,210,926	1,062
TOTAL	\$17,627,829	580,685,047	351,797

¹ "Number of customers" is actually number of lighting products purchased.