

**Program Cost-Effectiveness - 2011 ACTUAL**

	Total Resource Benefit/Cos t Ratio	Present Value							Number of Customers Served
		Benefit (\$000)	Utility Costs (\$000)	Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	
<b>Residential Programs</b>									
Home Energy Assistance	1.18	\$ 2,094.7	\$ 1,780.4	\$ -	800.0	10,223.4	29.5	75.8	786
Home Performance w/ES (Electric)	1.34	\$ 561.0	\$ 305.4	\$ 112.3	562.6	8,407.5	207.1	21.2	499
ENERGY STAR Homes	4.94	\$ 11,711.2	\$ 1,268.2	\$ 1,101.6	1,897.9	39,595.3	235.8	128.1	652
ENERGY STAR Appliances	1.58	\$ 3,275.7	\$ 726.6	\$ 1,347.3	2,407.3	26,716.5	336.2	285.0	15,691
ENERGY STAR Lighting	3.26	\$ 3,788.1	\$ 915.9	\$ 247.6	10,185.2	52,735.2	2,354.0	625.5	244,534
EnergyStar Homes (Geothermal)	1.28	\$ 1,018.6	\$ 333.0	\$ 462.5	663.6	16,588.9	389.7	9.3	37
Other		\$ -	\$ -	\$ -	-	-	-	-	-
<b>Subtotal Residential</b>	<b>2.61</b>	<b>\$ 22,449.4</b>	<b>\$ 5,329.637</b>	<b>\$ 3,271.3</b>	<b>16,516.5</b>	<b>154,266.8</b>	<b>3,552.3</b>	<b>1,145.0</b>	<b>262,199</b>
<b>Commercial/Industrial Programs</b>									
New Construction / Major Renovation	3.62	\$ 8,076.3	\$ 1,731.3	\$ 499.3	5,975.9	85,783.4	842.3	2,513.7	126
Large C&I Retrofit	2.06	\$ 13,067.4	\$ 2,172.1	\$ 4,183.9	12,048.4	148,368.0	2,275.9	3,736.0	183
Small Business Energy Solutions	1.71	\$ 9,748.7	\$ 2,748.0	\$ 2,947.1	9,076.8	119,159.6	1,606.6	1,897.1	550
C&I RFP Pilot	3.53	\$ 3,734.0	\$ 437.5	\$ 621.1	3,406.2	42,257.5	842.6	1,108.4	3
Other (Education)		\$ -	\$ 121.3	\$ -	-	-	-	-	-
CI Partnerships			\$ 2.4						-
<b>Subtotal C&amp;I</b>	<b>2.24</b>	<b>\$ 34,626.4</b>	<b>\$ 7,212.6</b>	<b>\$ 8,251.5</b>	<b>30,507.4</b>	<b>395,568.6</b>	<b>5,567.5</b>	<b>9,255.1</b>	<b>862</b>
Smart Start		\$ -	\$ 14.9	\$ -	-	-	-	-	-
HES Fuel Neutral Pilot (Fossil)	<b>2.85</b>	<b>\$ 6,022.6</b>	<b>\$ 1,315.7</b>	<b>\$ 797.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395</b>
		<b>\$ 6,022.6</b>	<b>\$ 1,330.5</b>	<b>\$ 797.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>395</b>
<b>Total</b>	<b>2.41</b>	<b>\$ 63,098.4</b>	<b>\$ 13,872.8</b>	<b>\$12,320.7</b>	<b>47,023.9</b>	<b>549,835.4</b>	<b>9,119.7</b>	<b>10,400.0</b>	<b>263,456</b>

**Program Cost-Effectiveness - 2011 PLAN**

	Total Resource Benefit/Co st 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)					
<b>Residential Programs</b>									
Home Energy Assistance	1.70	\$ 6,053.6	\$ 1,917.4	\$ 1,652.3	643.7	8,946.9	80.3	21.3	679
Home Performance w/ES (Electric)	0.84	\$ 402.9	\$ 402.9	\$ 74.1	609.6	5,860.1	180.5	30.1	485
ENERGY STAR Homes	4.76	\$ 6,031.3	\$ 948.7	\$ 317.4	561.1	9,644.8	128.5	83.1	378
ENERGY STAR Appliances	1.42	\$ 2,057.8	\$ 721.1	\$ 730.2	1,780.1	18,253.1	252.2	238.1	12,170
ENERGY STAR Lighting	2.38	\$ 2,389.1	\$ 774.3	\$ 231.0	6,366.3	33,222.0	1,492.3	396.6	149,628
EnergyStar Homes (Geothermal)	2.62	\$ 1,677.2	\$ 361.4	\$ 279.9	1,088.2	27,205.1	734.2	19.8	54
Other		\$ -	\$ -	\$ -	0.0	-	-	-	-
<b>Subtotal Residential</b>	<b>2.21</b>	<b>\$ 18,612.0</b>	<b>\$ 5,125.8</b>	<b>\$ 3,285.0</b>	<b>11,048.9</b>	<b>103,131.9</b>	<b>2,867.9</b>	<b>788.9</b>	<b>163,393</b>
<b>Commercial/Industrial Programs</b>									
New Construction / Major Renovation	3.13	\$ 6,962.3	\$ 1,605.1	\$ 618.5	5,254.8	73,895.9	1,053.1	2,078.6	144
Large C&I Retrofit	1.93	\$ 10,458.6	\$ 2,113.5	\$ 3,302.4	9,543.2	119,762.0	1,736.0	2,796.2	136
Small Business Energy Solutions	1.67	\$ 7,356.4	\$ 2,508.6	\$ 1,900.4	7,164.1	89,551.1	1,268.0	1,497.3	573
C&I RFP Pilot	3.16	\$ 2,658.8	\$ 475.5	\$ 367.1	2,451.4	29,295.5	451.3	874.9	6
Other (Education)	0.00	\$ -	\$ 113.3	\$ -	0.0	-	-	-	-
CI Partnerships		\$ -	\$ 28.1	\$ -	0.0	-	-	-	-
<b>Subtotal C&amp;I</b>	<b>2.11</b>	<b>27,436.0</b>	<b>\$ 6,844.1</b>	<b>\$ 6,188.3</b>	<b>24,413.5</b>	<b>312,504.4</b>	<b>4,508.5</b>	<b>7,247.0</b>	<b>859</b>
Smart Start		\$ -	\$ 30.0	\$ -	0.0	-	-	0	-
HES Fuel Neutral Pilot (Fossil)	2.72	\$ 5,922.5	\$ 1,223.5	\$ 953.7	-	-	-	-	680
		\$ 5,922.5	\$ 1,253.5	\$ 953.7	0.0	-	-	0	680
<b>Total</b>	<b>2.20</b>	<b>51,970.5</b>	<b>\$ 13,223.4</b>	<b>\$ 10,427.0</b>	<b>35,462.5</b>	<b>415,636.3</b>	<b>7,376.4</b>	<b>8,036.0</b>	<b>164,932</b>

Note: Energy Star Lighting Program plan included 37,407 customers purchasing a total of 149,628 lighting products (4 per customer)

Present Value Benefits - 2011 ACTUAL

	CAPACITY						ENERGY			
	Total Benefits	Summer Generation	Winter Generation	Transmission	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	Non Electric Resource
<b>Residential Programs</b>										
Home Energy Assistance	\$2,094,728	\$21,627	\$0	\$9,691	\$31,463	\$201,309	\$247,849	\$100,487	\$119,007	\$1,363,295
Home Performance w/ES (Electric)	\$561,013	\$8,487	\$0	\$3,338	\$10,837	\$169,534	\$253,314	\$52,728	\$62,775	\$0
ENERGY STAR Homes	\$11,711,230	\$95,626	\$0	\$24,523	\$79,617	\$741,327	\$904,819	\$376,579	\$454,193	\$9,034,546
ENERGY STAR Appliances	\$3,275,691	\$74,854	\$0	\$33,569	\$108,989	\$525,362	\$644,700	\$281,403	\$315,105	\$1,291,710
ENERGY STAR Lighting	\$3,788,138	\$94,216	\$0	\$37,696	\$122,387	\$1,087,765	\$1,298,227	\$530,670	\$617,175	\$0
EnergyStar Homes (Geothermal)	\$1,018,639	\$9,210	\$0	\$2,122	\$6,889	\$338,024	\$634,923	\$18,124	\$9,348	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal Residential</b>	<b>\$22,449,439</b>	<b>\$304,020</b>	<b>\$0</b>	<b>\$110,939</b>	<b>\$360,183</b>	<b>\$3,063,322</b>	<b>\$3,983,831</b>	<b>\$1,359,991</b>	<b>\$1,577,602</b>	<b>\$11,689,551</b>
<b>Commercial/Industrial Programs</b>										
New Construction / Major Renovation	\$8,076,345	\$843,366	\$0	\$369,961	\$1,201,139	\$1,082,464	\$1,132,551	\$1,912,050	\$1,534,815	\$0
Large C&I Retrofit	\$13,067,427	\$1,088,003	\$0	\$486,321	\$1,578,922	\$2,693,610	\$2,558,202	\$2,671,654	\$1,990,714	\$0
Small Business Energy Solutions	\$9,748,654	\$589,761	\$0	\$262,283	\$851,546	\$3,207,436	\$2,090,339	\$1,708,692	\$1,038,598	\$0
C&I RFP Pilot	\$3,734,005	\$330,177	\$0	\$147,432	\$478,664	\$506,327	\$871,079	\$769,421	\$630,904	\$0
Other (Education)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CI Partnerships	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal C&amp;I</b>	<b>\$34,626,431</b>	<b>\$2,851,307</b>	<b>\$0</b>	<b>\$1,265,997</b>	<b>\$4,110,270</b>	<b>\$7,489,837</b>	<b>\$6,652,171</b>	<b>\$7,061,816</b>	<b>\$5,195,033</b>	<b>\$0</b>
HES Fuel Neutral Pilot (Fossil)	\$6,022,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,022,571
<b>Total</b>	<b>\$63,098,441</b>	<b>\$3,155,327</b>	<b>\$0</b>	<b>\$1,376,936</b>	<b>\$4,470,454</b>	<b>\$10,553,159</b>	<b>\$10,636,002</b>	<b>\$8,421,808</b>	<b>\$6,772,635</b>	<b>\$17,712,122</b>

**Shareholder Incentive Calculation**  
2011

	<u>Planned</u>	<u>Actual</u>
<b>Commercial/Industrial Incentive</b>		
1. Benefit/Cost Ratio	2.02	2.15
2. Threshold Benefit / Cost Ratio <sup>1</sup>	1.00	
3. Lifetime kWh Savings	312,504,380	395,568,565
4. Threshold Lifetime kWh Savings (65%) <sup>2</sup>	203,127,847	
5. Budget <sup>3</sup>	\$6,844,100	\$6,769,488
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
<b>8. C/I Shareholder Incentive</b>	\$547,528	<b>\$631,092</b>
<b>9. Cap (12%)</b>	\$821,292	
<b>Residential Incentive</b>		
10. Benefit / Cost Ratio	2.11	2.61
11. Threshold Benefit / Cost Ratio <sup>1</sup>	1.00	
12. Lifetime kWh Savings	103,131,947	154,266,831
13. Threshold Lifetime kWh Savings (65%) <sup>2</sup>	67,035,765	
14. Budget <sup>4</sup>	\$5,125,814	\$5,570,591
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
<b>17. Residential Incentive</b>	\$410,065	<b>\$608,942</b>
<b>18. Cap (12%)</b>	\$615,098	
<b>19. TOTAL INCENTIVE EARNED</b>		<b>\$1,240,034</b>

**Notes**

1. Actual Benefit / Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime kWh Savings for each sector must be greater than or equal to 65% of projected savings.
3. Actual \$ Spent of \$7,212,590 was decreased by \$443,102 as this amount earned an incentive in 2010.
4. Actual \$ Spent of \$5,329,637 was increased by \$240,954 as this amount had not earned an incentive in 2010.
4. Did not include HPWES Fuel Neutral portion of the budget (\$1,315,668) per NHPUC Order No. 24,974.

**Planned Versus Actual Benefit / Cost Ratio by Sector**  
2011

	<u>Planned</u>	<u>Actual</u>
<b>Commercial &amp; Industrial:</b>		
1. Benefits (Value) From Eligible Programs	\$ 27,436,028	\$ 34,626,431
2. Implementation Expenses	\$ 6,844,100	\$ 7,212,590
3. Customer Contribution	\$ 6,188,313	\$ 8,251,525
4. Estimated Shareholder Incentive	<u>\$ 547,528</u>	<u>\$ 631,092</u>
5. Total Costs (including shareholder incentive)	\$ 13,579,941	\$ 16,095,208
6. Benefit/Cost Ratio - C&I Sector	<b>2.02</b>	<b>2.15</b>
<b>Residential:</b>		
7. Benefits (Value) From Eligible Programs	\$ 18,611,961	\$ 22,449,439
8. Implementation Expenses	\$ 5,125,814	\$ 5,329,637
9. Customer Contribution	\$ 3,284,991	\$ 3,271,335
10. Estimated Shareholder Incentive	<u>\$ 410,065</u>	<u>\$ 608,942</u>
11. Total Costs (including shareholder incentive)	\$ 8,820,869	\$ 8,600,972
12. Benefit/Cost Ratio - Residential Sector	<b>2.11</b>	<b>2.61</b>

**Actual Lifetime Energy Savings by Sector and Program**  
2011

	<b>Lifetime kWh Savings</b>	
	<b><u>Planned</u></b>	<b><u>Actual</u></b>
<b>Commercial &amp; Industrial:</b>		
New Construction / Major Renovation	73,895,868	85,783,390
Large C&I Retrofit	119,761,974	148,368,050
Small Business Energy Solutions	89,551,078	119,159,612
C&I RFP Pilot	29,295,460	42,257,513
Other (Education)	0	0
CI Partnerships	<u>0</u>	<u>0</u>
 Total Commercial & Industrial Included for Incentive Calculation	 <b>312,504,380</b>	 <b>395,568,565</b>
<b>Residential:</b>		
Home Energy Assistance	8,946,884	10,223,431
Home Performance w/ES (Electric)	5,860,084	8,407,501
ENERGY STAR Homes	9,644,760	39,595,344
ENERGY STAR Appliances	18,253,113	26,716,522
ENERGY STAR Lighting	33,221,995	52,735,184
EnergyStar Homes (Geothermal)	27,205,110	16,588,850
Other	<u>0</u>	<u>0</u>
 Total Residential Included for Incentive Calculation	 <b>103,131,947</b>	 <b>154,266,831</b>

**2011 End of Year Reconciliation**

	<u>2011</u>
<b>Carry Forward Balance</b>	<b>\$ 895,372</b>
<b>Funding:</b>	
System Benefit Charge	\$ 12,816,877
FCM Payments <sup>1</sup>	1,583,822
Interest	102,159
<b>Total Funding for Energy Efficiency Programs</b>	<b><u>\$ 14,502,858</u></b>
<b>Expenses:</b>	
Energy Efficiency Expenditures	\$ 13,909,019
Shareholder Incentive - Preliminary Estimate	1,240,034
2% for PSNH Facilities <sup>2</sup>	230,791
<b>Total Program Expenses</b>	<b><u>\$ 15,379,844</u></b>
<b>Carry Forward Balance</b>	<b><u><u>\$ 18,386</u></u></b>

Notes

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

FCM Payments for 2011 -	\$1,671,546
FCM Expenses for 2011 -	<u>87,724</u>
FCM Net Amount	\$1,583,822
- This amount will bring the balance at 12/31/2011 to \$600,000, PSNH's balance cap on total accumulation of RSA 125-0 funds, per Commission Letter dated November 4, 2010 (Docket 09-170)

Reconciliation  
2011 General Ledger Transactions vs Energy Efficiency Program Transactions

General Ledger Balance - 01/01/2011	\$3,401,279
General Ledger Balance - 12/31/2011	<u>3,231,357</u>
2011 Net General Ledger Activity	<u><u>(\$169,922)</u></u>

	General Ledger Transactions	Deduct Impact of Prior Year GL Transactions	Deduct 2010 Transactions Included in 2011 GL	Add 2011 Transactions not Yet Recorded on GL	2011 Program Year
<b>BEGINNING BALANCE - CARRYFORWARD</b>					\$895,372
<b>FUNDING:</b>					
SBC Funding	\$12,816,877				12,816,877
FCM Payments - Net	1,583,822				1,583,822
2011 Interest: GL Jan-Nov, EE YTD	91,019			11,140	102,159
Dec 2010 Interest: Jan 11	9,506		(9,506)		-
<b>Total Funding</b>	<b>\$14,501,224</b>		<b>(\$9,506)</b>	<b>11,140</b>	<b>14,502,858</b>
<b>EXPENSES:</b>					
EE Expenses: Jan-Dec 11	\$11,923,217				\$11,923,217
SmartStart EE Expenses: Jan-Dec 11			(153)	(87,276)	(87,429)
Usage of 2% PSNH Facilities Set-aside	134,060	(134,060)		-	-
2% PSNH Facilities Set-aside				230,791	230,791
2011 EE Expenses: Jan-Apr 12				2,073,232	2,073,232
2010 EE Expenses: Jan-Apr 11 (Note 1)	1,507,827		(1,507,827)		-
2011 Shareholder Incentive	901,000			339,034	1,240,034
2010 SI Incentive True-up	205,042		(205,042)		-
<b>Total Expenses</b>	<b>\$14,671,146</b>	<b>(\$134,060)</b>	<b>(1,713,022)</b>	<b>2,555,780</b>	<b>\$15,379,844</b>
<b>Net: Funding less Expenses</b>	<b>(\$169,922)</b>	<b>\$134,060</b>	<b>\$1,703,516</b>	<b>(2,544,640)</b>	<b>\$18,386</b>

**Notes:**

(1) Reflects Adjustments due to NHPUC audit of 2010 Program Year.