

NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

ENERGYNORTH NATURAL GAS, INC.

d/b/a

LIBERTY UTILITIES

CORE PROGRAMS - 2013 YEAR-END REPORT

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

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EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities

SUMMARY OF 2013 PROGRAM ACTIVITY

The following report presents the results of EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities (“Liberty Utilities” or “Company”) residential and commercial and industrial (C&I) energy efficiency programs for calendar year 2013.

Table 1 shows a summary of overall program savings results. In total, the Company served 2,765 participants and saved 1,647,299 Lifetime MMBTUs. Annual MMBTU savings were 115,341 with an average savings per participant per year of 41.71.

Table 2 documents the quantified benefits and costs achieved by program for the residential market. In total, the residential programs generated \$7,528,707 in customer benefits and incurred costs of \$3,617,503, for an overall program benefit cost ratio of 2.08.

Table 3 documents the quantified benefits and costs achieved by program for the commercial and industrial market. In total, the commercial and industrial programs generated \$9,368,911 in customer benefits and incurred costs of \$5,386,927, for an overall program benefit cost ratio of 1.74.

Table 4 documents the MMBTU savings achieved by program for the individual residential and commercial and industrial programs. In summary, the residential program activities resulted in 715,801 in total lifetime MMBTU savings. The commercial and industrial program activities resulted in 931,499 in total lifetime MMBTU savings.

Table 5 documents footnotes for the residential and commercial and industrial program benefit cost ratios and the rate of savings per MMBTU based on the Avoided Energy Supply Costs in New England 2013 report.

Table 6 documents the Company’s earned 2013 year-end performance incentive of \$457,341. As specified by the Commission, the performance incentive for 2013 has been documented using assumptions that are consistent with assumptions used to develop program-year goals. Table 6 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 7 documents the planned versus actual benefit cost ratio by sector (Residential and Commercial and Industrial), and for the entire portfolio of energy efficiency programs implemented in 2013.

Table 8 documents the Company’s expenses by Program and budget category. Overall, the Company incurred a total of \$4,624,463 of expenses in 2013.

Table 1. Program Savings Summary

Gas Savings in MMBTU's resulting from Energy Efficiency Measures Installed in the Program Year	
Number of Participants served in the annual program year time period	2,765
MMBTU Savings per Participant Per Year	41.71
Total MMBTU Savings Per Year	115,341
Measure Life of Measures Installed in the annual program year time period	14.28
Grand Total MMBTU Savings Benchmark for Performance Incentive	1,647,299
Electric Savings in kWh's resulting from Energy Efficiency Measures Installed in the Program Year	
Number of Participants served in the annual program year time period	-
kWh Savings per Participant Per Year	-
Total kWh Savings Per Year	-
Measure Life of Measures Installed in the annual program year time period	-
Grand Total kWh Savings Benchmark for Performance Incentive	-

Table 2. Benefit Cost (B/C) Benchmark for Computing Performance Incentive - Residential Programs

Residential Programs	Home Energy Assistance	ENERGY STAR Appliances	Home Performance w/ENERGY STAR	ENERGY STAR Homes	Residential Building Practices & Demo	Total
Benefits:						
Avoided Generation, Transmission & Distribution Costs for:						
Program Participants	\$ 2,577,584	\$ 1,276,209	\$ 3,653,095	\$ 21,818	\$ -	\$ 7,528,707
Market effects (e.g., spillover, post-program adoptions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Benefits (including O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quantifiable avoided resource costs (e.g., water, electricity)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adder for other non-quantifiable benefits (e.g., environmental and other)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Benefits	\$ 2,577,584	\$ 1,276,209	\$ 3,653,095	\$ 21,818	\$ -	\$ 7,528,707
Costs:						
Program costs (e.g. incentives, admin, monitoring, evaluation for:						
Utility Costs (e.g., for admin, monitoring, evaluation, markeing)	\$ 1,040,337	\$ 677,975	\$ 638,910	\$ 32,491	\$ 47,531	\$ 2,437,244
Program participants (e.g., incremental costs not reimbursed)	\$ -	\$ 676,878	\$ 274,549	\$ -	\$ -	\$ 951,427
Market effects (e.g., spillover, post-program adoptions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Costs (including O&M)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quantifiable additional resource costs (e.g. water, electricity)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Costs	\$ 1,040,337	\$ 1,354,853	\$ 913,459	\$ 32,491	\$ 47,531	\$ 3,388,672
Utility Performance Incentive at the Sector Level	n/a	n/a	n/a	n/a	n/a	\$ 228,831
Total Costs Including Utility Performance Incentives at Sector Level						\$ 3,617,503
Benefit Cost Ratio by Sector (i.e., B/C Benchmark for PI Calc.)	2.48	0.94	4.00	0.67	-	2.08

Table 3. Benefit Cost (B/C) Benchmark for Computing Performance Incentive - Commercial & Industrial Programs

C&I Programs	Small Business	Large Business	C&I Education	Total
Benefits:				
Avoided Generation, Transmission & Distribution Costs for:				
Program Participants	\$ 4,132,581	\$ 5,236,331	\$ -	\$ 9,368,911
Market effects (e.g., spillover, post-program adoptions)	\$ -	\$ -	\$ -	\$ -
Customer Benefits (including O&M)	\$ -	\$ -	\$ -	\$ -
Quantifiable avoided resource costs (e.g., water, electricity)	\$ -	\$ -	\$ -	\$ -
Adder for other non-quantifiable benefits (e.g., environmental and other)	\$ -	\$ -	\$ -	\$ -
Total Benefits	\$ 4,132,581	\$ 5,236,331	\$ -	\$ 9,368,911
Costs:				
Program costs (e.g. incentives, admin, monitoring, evaluation for:				
Utility Costs (e.g., for admin, monitoring, evaluation, marketing)	\$ 722,254	\$ 1,420,239	\$ 44,726	\$ 2,187,219
Program participants (e.g., incremental costs not reimbursed)	\$ 1,038,211	\$ 1,932,987	\$ -	\$ 2,971,198
Market effects (e.g., spillover, post-program adoptions)	\$ -	\$ -	\$ -	\$ -
Customer Costs (including O&M)	\$ -	\$ -	\$ -	\$ -
Quantifiable additional resource costs (e.g. water, electricity)	\$ -	\$ -	\$ -	\$ -
Total Costs	\$ 1,760,465	\$ 3,353,226	\$ 44,726	\$ 5,158,417
Utility Performance Incentive at the Sector Level	n/a	n/a	n/a	\$ 228,510
Total Costs Including Utility Performance Incentives at Sector Level				\$ 5,386,927
Benefit Cost Ratio by Sector (i.e., B/C Benchmark for PI Calc.)	2.35	1.56	-	1.74

Table 4. MMBTU Savings Benchmark for Computing Performance Incentive

Residential Programs	Home Energy Assistance	ENERGY STAR Appliances	Home Performance w/ENERGY STAR	ENERGY STAR Homes	Residential Building Practices & Demo	Total
Gas Savings in MMBTU's from Measures Installed in the Program Year						
Number of Participants	330	1,070	671	2	-	2,073
MMBTU Savings per Participant Per Year	26	8	35	65	-	20
Total MMBTU Savings Per Year	8,636	8,339	23,405	129	-	40,509
Measure Life of Measures Installed During the Program Year	19	19	17	21	-	18
Grand Total MMBTU Savings Benchmark for Performance Incentive	165,141	159,198	388,817	2,645	-	715,801
Electric Savings in kWh's from Measures Installed in the Program Year						
Number of Participants						
kWh Savings per Participant						
Total kWh Savings Per Participant Per Year			-			
Measure Life of Measures Installed in the annual program year time period			-			
Grand Total kWh Savings Benchmark for Performance Incentive			-			
C&I Programs						
	Small Business	Large Business	C&I Education	Total		
Number of Participants	453	239	-	692		
MMBTU Savings per Participant Per Year	52	215	-	108		
Total MMBTU Savings Per Year	23,365	51,466	-	74,831		
Measure Life of Measures Installed During the Program Year	16	11	-	12		
Grand Total MMBTU Savings Benchmark for Performance Incentive	374,206	557,293	-	931,499		

Table 5. Footnotes for Benefit Cost Ratio

Residential Programs	Home Energy Assistance	ENERGY STAR Appliances	Home Performance w/ENERGY STAR	ENERGY STAR Homes	Residential Building Practices & Demo	Total
Number of Participants*	330	1,070	671	2	-	2,073
MMBTU Savings per Participant Per Year**	26	8	35	65	-	20
Total MMBTU Savings Per Year	8,636	8,339	23,405	129	-	40,509
Number of Years in the Measure Life**	19	19	17	21	-	18
Grand Total MMBTU Savings Benchmark for Performance Incentive	165,141	159,198	388,817	2,645	-	715,801
Lifetime Therm Savings	1,651,410	1,591,980	3,888,170	26,450	-	7,158,010
Rate of Savings per MMBTU ***	\$ 8.91	\$ 8.91	\$ 8.91	\$ 8.91	\$ -	\$ 8.91
Grand Total Dollar Savings	\$ 1,471,406	\$ 1,418,454	\$ 3,464,359	\$ 23,567	\$ -	\$ 6,377,787

C&I Programs	Small Business	Large Business	C&I Education	Total
Number of Participants*	453	239	-	692
MMBTU Savings per Participant Per Year**	52	215	-	108
Total MMBTU Savings Per Year	23,365	51,466	-	74,831
Number of Years in the Measure Life**	16	11	-	12
Grand Total MMBTU Savings Benchmark for Performance Incentive	374,206	557,293	-	931,499
Lifetime Therm Savings	3,742,060	5,572,930	-	9,314,990
Rate of Savings per MMBTU ***	\$ 7.17	\$ 7.17	\$ -	\$ 7.17
Grand Total Dollar Savings	\$ 2,683,057	\$ 3,995,791	\$ -	\$ 6,678,848

* eTrack (Liberty Utilities Energy Efficiency Program Tracking System)

** The values are variable for program year measurement purposes and based upon the B/C model assumptions.

*** Source: Avoided Energy Supply Costs in New England: 2013 Report, *Synapse Energy Economics, Inc.* (Cambridge, MA). pp. 1-17

Residential Programs	Home Energy Assistance	ENERGY STAR Appliances	Home Performance w/ENERGY STAR	ENERGY STAR Homes	Residential Building Practices & Demo	Total
Number of Participants*	330	1,070	671	2	-	2,073
Participant Incremental Cost	\$ -	\$ 676,878	\$ 274,549	\$ -	\$ -	\$ 951,427
Program Participant Cost	\$ -	\$ 633	\$ 409	\$ -	\$ -	\$ 459

C&I Programs	Small Business	Large Business	C&I Education	Total
Number of Participants*	453	239	-	692
Participant Incremental Cost	\$ 1,038,211	\$ 1,932,987	\$ -	\$ 2,971,198
Program Participant Cost	\$ 2,292	\$ 8,088	\$ -	\$ 4,294

Table 6. Performance Incentive Calculation - 2013

Commercial/Industrial Incentive	<u>Planned</u>	<u>Actual</u>
1. Benefit/Cost Ratio	1.44	1.74
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime MMBTU Savings	661,662	931,499
4. Threshold Lifetime MMBTU Savings (65%) ²	430,080	
5. Budget / Actual Spend	\$2,310,000	\$2,187,219
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime MMBTU Percentage of Budget	4.00%	
8. C/I Incentive	\$184,800	\$228,510
9. Cap	\$277,200	\$277,200
Residential Incentive		
10. Benefit / Cost Ratio	1.53	2.08
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime MMBTU Savings	724,654	715,800
13. Threshold Lifetime MMBTU Savings (65%) ²	471,025	
14. Budget / Actual Spend	\$2,559,576	\$2,437,244
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime MMBTU Percentage of Budget	4.00%	
17. Residential Incentive	\$204,766	\$228,831
18. Cap	\$307,149	\$307,149
19. TOTAL INCENTIVE	\$389,566	\$457,341

Notes

1. Actual Benefit / Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime MMBTU Savings for each sector must be greater than or equal to 65% of projected savings.

Table 7. Planned Versus Actual Benefit / Cost Ratio by Sector - 2013

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$5,455,428	\$9,368,911
2. Implementation Expenses	\$2,310,000	\$2,187,219
3. Customer Contribution	\$1,282,033	\$2,971,198
4. Performance Incentive	\$184,800	\$228,510
5. Total Costs Including Performance Incentive	\$3,776,833	\$5,386,927
6. Benefit/Cost Ratio - C&I Sector	1.52	1.82
7. Benefit/Cost Ratio including PI in cost	1.44	1.74
Residential:		
8. Benefits (Value) From Eligible Programs	\$6,205,623	\$7,528,707
9. Implementation Expenses	\$2,559,576	\$2,437,244
10. Customer Contribution	\$1,289,227	\$951,427
11. Performance Incentive	\$204,766	\$228,831
12. Total Costs Including Performance Incentive	\$4,053,569	\$3,617,503
13. Benefit/Cost Ratio - Residential Sector	1.61	2.22
14. Benefit/Cost Ratio including PI in cost	1.53	2.08

Table 8. Program Expenditures by Category - 2013 Actual

Program	Evaluation	External Administration	Internal Administration	Internal Implementation	Marketing	Rebates- Services	Total
Residential Programs							
ENERGY STAR Appliances	\$ 22,459	\$ -	\$ 31,908	\$ 18,582	\$ 5,058	\$ 599,969	\$ 677,975
ENERGY STAR Homes	\$ 2,650	\$ -	\$ 7,333	\$ 11,236	\$ 5,953	\$ 5,319	\$ 32,491
Home Energy Assistance	\$ 21,359	\$ -	\$ 28,928	\$ 38,484	\$ 1,960	\$ 949,605	\$ 1,040,337
Home Performance with ENERGY STAR	\$ 22,828	\$ -	\$ 70,799	\$ 32,179	\$ 25,929	\$ 487,175	\$ 638,910
Residential Building Practices & Demonstration	\$ 15,416	\$ -	\$ 333	\$ -	\$ 30	\$ 31,753	\$ 47,531
Subtotal - Residential	\$ 84,712	\$ -	\$ 139,301	\$ 100,481	\$ 38,929	\$ 2,073,821	\$ 2,437,244
Commercial/Industrial Programs							
C&I Education	\$ 682	\$ -	\$ 615	\$ 3,069	\$ 24,295	\$ 16,065	\$ 44,726
Large Business Energy Solutions	\$ 48,936	\$ -	\$ 65,345	\$ 45,308	\$ 78,481	\$ 1,182,170	\$ 1,420,239
Small Business Energy Solutions	\$ 34,031	\$ -	\$ 60,432	\$ 50,639	\$ 35,264	\$ 541,887	\$ 722,254
Subtotal - C&I	\$ 83,649	\$ -	\$ 126,391	\$ 99,016	\$ 138,041	\$ 1,740,122	\$ 2,187,219
Total - All	\$ 168,361	\$ -	\$ 265,692	\$ 199,497	\$ 176,970	\$ 3,813,943	\$ 4,624,463