

1	2	3	4	5	6	7	8	9	10
Program	Budget	Design Goal	Projected Lifetime Therms Savings	Actual Lifetime Therms Savings	Actual LTT/Projected LTT ratio	Projected TRC	Actual TRC	Actual TRC/Projected TRC ratio	Estimated Before-Tax Design Incentive
Residential									
Residential Conservation Services (RCS)	\$84,000	N/A (therms) ¹ 180 participants	N/A	0		0.00	0.00		
Residential Custom Measures	\$37,785	12,500 therms 180 participants	167,500	289,955		2.59	3.43		
Residential Low Income Custom Measures	\$48,500	4,810 therms 17-20 participants	72,150	144,275		1.07	1.74		
Residential High Efficiency (HE) Heating Equipment	\$34,740	17,000 therms 85 participants	340,000	371,440		4.78	5.18		
High Efficiency (HE) Water Heating	\$3,800	790 therms 10 participants	15,800	20,145		3.17	2.03		
ENERGY STAR® Homes	\$5,715	2,880 therms 9 participants	72,000	88,650		4.90	8.69		
ENERGY STAR® Programmable Thermostats	\$8,500	4,400 therms 100 participants	44,000	14,970		3.53	7.75		
ENERGY STAR® Windows	\$7,000	1,785 therms 50 participants	61,775	8,438		1.33	3.01		
Total	\$227,820		783,225	937,873	1.18	1.84	2.93	1.59	\$25,288
Multifamily and C&I									
Multifamily Custom Measures	\$118,837	36,660 therms 12 participants	660,240	185,025		2.45	2.01		
Small Commercial and Industrial Custom Measures Program	\$110,489	37,500 therms 13 participants	588,750	323,110		2.42	2.20		
Medium and Large Commercial and Industrial Custom Measures Program	\$152,805	70,000 therms 2-3 participants	910,000	0		2.87	0.00		
Commercial High Efficiency (HE) Heating Program	\$12,920	4,924 therms 27 participants	98,480	0		4.17	0.00		
Infrared (IR) Heating Program	\$5,512	4,725 therms 7 participants	94,500	29,920		7.57	10.42		
Commercial ENERGY STAR® Thermostats	\$6,500	4,400 therms 100 participants	44,000	880		3.53	0.95		
Commercial Food Service Program	\$4,500	3,850 therms 10 participants	64,750	23,745		4.65	8.29		
Total	\$411,357		2,450,720	582,680	0.23	2.82	1.98	0.79	\$12,435
Total	\$639,177		3,243,945	1,500,553					\$37,723

Notes:

- The Residential Conservation Services Program is educational program open to all residential customers, and although all customers can benefit from the program, the total benefits are not readily quantifiable.
- Calculation based on NH PUC order 23,850 and 23,574 (for TRC ratios, program year 2004 planned activities and actuals were modeled separately) \$5.24/MM.BTU avoided cost value per PUC 9/9/05 instruction
- Threshold: The Gas Utilities must achieve a minimum "threshold" performance before being eligible to earn an incentive.
For the cost-effectiveness component, the Gas Utilities must achieve an actual year-end TRC of 1.0 before any incentive can be earned.
For the energy savings component, the Gas Utilities must achieve a minimum of 65% of projected lifetime therm savings before any incentive can be earned.
- The earned incentive is based on a sliding scale from 0% to 12% by Sector.
- The performance incentive for the Residential Portfolio of programs of the Year 2 Residential budget is: 11.10%
The performance incentives for the C&I portfolio of programs of the Year 2 C&I budget is: 0.51%
The total performance incentives for both portfolios combined of the total Year 2 budget is: 1.18%
The full design level incentive for both the residential and C&I portfolio of programs combined would have been: \$51,134
- Discrepancy exists on the shareholder incentive computation between this document and PUC Staff Exhibit G

Assumptions:

- Design Target Incentive = 8%
- Incentive Calculation Formula:

$$\text{Incentive}_{\text{RES}} = \text{Budget}_{\text{RES}} \times \{ [4\% \times (\text{TRC}_{\text{Actual}} / \text{TRC}_{\text{Projected}})] + [4\% \times \text{Lifetime Therm Savings}_{\text{Actual}} / \text{Lifetime Therm Savings}_{\text{Projected}}] \}$$

Plus

$$\text{Incentive}_{\text{C&I}} = \text{Budget}_{\text{C&I}} \times \{ [4\% \times (\text{TRC}_{\text{Actual}} / \text{TRC}_{\text{Projected}})] + [4\% \times \text{Lifetime Therm Savings}_{\text{Actual}} / \text{Lifetime Therm Savings}_{\text{Projected}}] \}$$