

Exhibit E: Program Year-3 Summary - May 1, 2005 - April 30, 2006

1	2	3	4	5	6	7	8	9	10
Program	Budget	Therms	Actual Lifetime Therm Savings	Actual Lifetime Therm Savings	Actual Lifetime Therm Savings	Projected TRC	Actual TRC	TRC Ratio	Actual TRC Ratio
Residential									
Residential Conservation Services (RCS)	\$42,000	N/A (therms) ¹ 180 participants	N/A	0		0.00	0.00		
Residential Custom Measures	\$37,765	12,500 therms 180 participants	292,348	149,929		3.31	2.38		
Residential Low Income Custom Measures	\$48,500	4,810 therms 17-20 participants	79,593	103,390		1.19	1.40		
Residential High Efficiency (HE) Heating Equipment	\$39,740	17,000 therms 95 participants	340,000	404,060		4.34	4.03		
High Efficiency (HE) Water Heating	\$7,200	1,580 therms 20 participants	23,700	79,780		2.38	3.72		
ENERGY STAR® Homes	\$6,350	3,220 therms 10 participants	80,500	137,900		4.93	8.66		
ENERGY STAR® Programmable Thermostats	\$8,500	4,400 therms 100 participants	44,000	77,000		3.53	5.71		
Weatherization Program	\$0	0 therms 0 participants	0	0		n/a	n/a		
ENERGY STAR® Windows	\$14,000	3,530 therms 100 participants	123,650	4,865		6.76	1.12		
Total	\$202,055		983,689	956,924	0.97	2.83	2.71	1.03	\$16,192
Multifamily and C&I									
Multifamily Custom Measures	\$171,455	36,680 therms 12 participants	678,129	1,124,871		3.66	2.77		
Small Commercial and Industrial Custom Measures Program	\$88,386	37,500 therms 13 participants	715,394	642,835		3.81	2.57		
Medium and Large Commercial and Industrial Custom Measures Program	\$122,084	70,000 therms 2-3 participants	910,000	394,830		4.10	1.96		
Commercial High Efficiency (HE) Heating Program	\$12,920	4,924 therms 27 participants	98,480	9,340		4.17	1.47		
Infrared (IR) Heating Program	\$5,512	4,725 therms 7 participants	94,500	0		7.57	0.00		
Commercial ENERGY STAR® Thermostats	\$6,500	4,400 therms 100 participants	44,000	5,720		3.53	6.81		
Commercial Food Service Program	\$1,800	1,848 therms 4 participants	27,720	6,350		5.89	9.28		
Total	\$408,657		2,568,223	2,185,946	0.85	3.65	2.43	0.67	\$24,796
Total	\$610,712		3,551,912	3,142,870					\$40,987

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 2005 planned activities and actuals were modeled separately) \$8.28/MMBTU avoided cost value per PUC 9/8/05 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 incentives 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. \$40,987
- The performance incentives for the Residential Portfolio of programs of the Year 3 Residential budget is: 8.01%
The performance incentives for the C&I portfolio of programs of the Year 3 C/I budget is: 6.07%
The total performance incentives for both portfolios combined of the total Year 3 budget is: 6.71%
The full design level incentive for both the residential and C&I portfolio of programs combined would have been: \$48,857

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

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