NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

GRANITE STATE ELECTRIC COMPANY

d/b/a

NATIONAL GRID

ENERGY EFFICIENCY

2008 YEAR-END REPORT

June 17, 2008

N.H.P.U.C. Docket No. DE 08-120

nationalgrid

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NATIONAL GRID

SUMMARY OF 2008 PROGRAM ACTIVITY

This report presents the results of Granite State Electric Company's d/b/a National Grid ("National Grid" or "Company") residential and commercial and industrial (C&I) energy efficiency programs for calendar year 2008.

Table 1 shows the 2008 year-end performance for the C&I and residential programs compared to annual goals and spending targets. Overall, the Company achieved 123% and 140% of its goals for annual demand savings and annual energy savings respectively. The Company achieved 227% of its planned participation while spending 87% of its planned budget in 2008.

Table 2 documents the value created by the 2008 energy efficiency programs. This table shows that efforts in 2008 created almost $7.9 million of value through achieved energy, demand and other resource savings. The Company achieved 74,640 megawatt hours of lifetime energy savings.

Table 3 provides the actual Total Resource Cost (TRC) benefit/cost ratio for each program, by sector (C&I and Residential), and for the entire portfolio of energy efficiency programs implemented in 2008. The overall benefit/cost ratio for energy efficiency efforts in 2008 was 3.41.

Table 4 documents the Company's earned 2008 year-end incentive of $209,226. As specified by the Commission, the incentive for 2008 has been documented using assumptions that are consistent with assumptions used to develop program-year goals. The incentive is calculated in accordance with the mechanism described by the New Hampshire Energy Efficiency Working Group and approved by the Commission in Order No. 23,574 (2000). Table 4 is presented on four pages. Page one summarizes the incentive calculation by component (C&I and Residential). Page two provides explanatory notes for the information provided on page one. Page three provides additional supporting information used in the incentive calculation. Page four provides explanatory notes for the information provided on page three. As specified by the Commission, results for all programs have been included in the incentive calculation.

Tables 5 through 9 provide the 2008 year-end energy efficiency fund balances. These tables reflect revenues collected in support of energy efficiency efforts, 2008 spending levels, and the 2008 incentive. Table 5 summarizes the 2008 year-end energy efficiency fund balances for both the residential and C&I sectors. Residential and C&I fund balances are shown in Tables 6 and 7, respectively. Tables 8 and 9 provide the residential and C&I fund variance analyses, respectively.

NATIONAL GRID
Table 1 - Summary of 2008 Planned and Year-End Results

	Annual kW			Annual MWh			Participation (2)			Implementation Expense ($ 000's)		
Commercial and Industrial	Filed Target	Year-End	% Achieved	Filed Target	Year-End	% Achieved	Filed Target	Year-End	% Achieved	Filed Target	Year-End	% Achieved
New Construction	313	154	49%	1,529	1,059	69%	34	26	76%	$390	$242	62%
Large Business Energy Solutions	178	494	277%	1,306	2,791	214%	23	19	83%	$331	$307	93%
Small Business Energy Solutions (1)	209	187	90%	784	896	114%	72	67	93%	$305	$217	71%
SUBTOTAL	**700**	**835**	**119%**	**3,619**	**4,746**	**131%**	**129**	**112**	**87%**	**$1,026**	**$765.079**	**75%**
Residential Programs												
ENERGY STAR® Homes	2	25	1082%	32	172	540%	89	159	179%	$251	$314	125%
Home Energy Solutions	10	8	77%	112	93	83%	87	114	131%	$41	$57	138%
ENERGY STAR® Appliances	27	19	72%	106	96	91%	710	785	111%	$59	$62	105%
Home Energy Assistance	10	7	74%	80	59	74%	48	36	75%	$165	$122	74%
ENERGY STAR® Lighting	26	58	227%	419	955	228%	8,920	21,443	240%	$47	$59	125%
SUBTOTAL	**74**	**118**	**158%**	**748**	**1,374**	**184%**	**9,854**	**22,537**	**229%**	**$564**	**$614**	**109%**
TOTAL	**774**	**952**	**123%**	**4,367**	**6,120**	**140%**	**9,983**	**22,649**	**227%**	**$1,590**	**$1,379**	**87%**

NOTE:
(1) The spending reported for Small Business Energy Solutions is net of actual customer copays in 2008 of $66,171.
(2) Participation for C&I programs refers to total number of applications.
Participation in the ENERGY STAR® Lighting Program refers to total number of rebates.

NATIONAL GRID
Table 2 - Summary of Year-End Value, kW, and MWh Savings by Program
2008 Program Year

	Value (000's)											Load Reduction in kW				MWh Saved	
		Capacity				Energy				Non-Electric Resource Benefits							
		Generation				Winter		Summer									
Commercial and Industrial	Total	Summer	Winter	Trans	MDC	Peak	Off Peak	Peak	Off Peak		Maximum Annual	Summer	Winter	Lifetime	Maximum Annual	Lifetime
New Construction	$1,373	$170	$0	$17	$69	$525	$217	$270	$105	N/A	154	154	125	2,331	1,059	16,216
Large Business Energy Solutions	$3,335	$472	$0	$48	$198	$1,264	$478	$645	$230	N/A	494	494	354	6,358	2,791	35,718
Small Business Energy Solutions	$1,048	$156	$0	$17	$68	$445	$93	$226	$45	N/A	187	187	95	2,130	896	10,469
SUBTOTAL	**$5,756**	**$798**	**$0**	**$82**	**$335**	**$2,233**	**$788**	**$1,141**	**$380**	**$0**	**835**	**835**	**574**	**10,820**	**4,746**	**62,403**
Residential Programs																
ENERGY STAR Homes	$961	$34	$0	$3	$13	$52	$57	$26	$27	$749	25	25	41	517	172	2,616
Home Energy Solutions	93	5	0	1	3	21	24	11	12	16	8	8	26	75	93	977
ENERGY STAR Appliances	254	19	0	2	8	26	30	17	15	137	19	19	15	257	96	1,337
Home Energy Assistance	291	7	0	1	3	17	19	9	9	225	7	7	20	104	59	877
ENERGY STAR Lighting	538	24	0	3	14	154	176	82	83	N/A	58	58	219	393	955	6,431
SUBTOTAL	**$2,137**	**$90**	**$0**	**$10**	**$41**	**$271**	**$307**	**$146**	**$147**	**$1,127**	**118**	**118**	**320**	**1,345**	**1,374**	**12,238**
TOTAL	**$7,894**	**$889**	**$0**	**$91**	**$376**	**$2,504**	**$1,094**	**$1,286**	**$526**	**$1,127**	**952**	**952**	**894**	**12,165**	**6,120**	**74,640**

NATIONAL GRID
Table 3 - Summary of Achieved Cost-Effectiveness
2008 Program Year

Commercial and Industrial	TRC Benefit/Cost (3)	Total Value TRC Benefits ($000)	Implementation Expenses ($000)	Evaluation Costs ($000)	Customer Costs ($000)	Customer Costs from Spillover ($000)	Company Incentive ($000)	Total TRC Costs ($000)
New Construction	4.16	$1,373	$242	$15	53	$20	N/A	$330
Large Business Energy Solutions (1)	4.52	3,335	307	12	393	26	N/A	738
Small Business Energy Solutions (2)	3.62	1,048	217	2	66	5	N/A	290
SUBTOTAL (including Company Incentive)	**3.85**	**$5,756**	**$765**	**$29**	**$513**	**$51**	**$138**	**$1,496**
SUBTOTAL (excluding Company Incentive)	**4.24**	**$5,756**	**$765**	**$29**	**$513**	**$51**	***N/A***	**$1,358**
Residential Programs								
ENERGY STAR Homes	3.06	$961	$314	$0	N/A	N/A	N/A	$314
Home Energy Solutions	1.51	93	57	0	4	N/A	N/A	61
ENERGY STAR Appliances	1.62	254	62	0	95	N/A	N/A	157
Home Energy Assistance	2.39	291	122	0	N/A	N/A	N/A	122
ENERGY STAR Lighting	5.66	538	59	3	30	$3	N/A	95
SUBTOTAL (including Company Incentive)	**2.61**	**$2,137**	**$614**	**$3**	**$129**	**$3**	**$71**	**$820**
SUBTOTAL (excluding Company Incentive)	**2.85**	**$2,137**	**$614**	**$3**	**$129**	**$3**	N/A	**$749**
GRAND TOTAL (including Company Incentive)	**3.41**	**$7,894**	**$1,379**	**$32**	**$642**	**$54**	**$209**	**$2,316**

NOTES:

(1) The customer costs for Small Business Energy Solutions is net of actual customer copays in 2008 of $66,171.

(2) TRC Benefit/Cost = (Total Value)/(Total Costs), where
Total Costs = (Implementation Expenses + Evaluation Costs + Customer Costs + Customer Costs from Spillover + Company Incentive).

Table 4

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National Grid
Year-End 2008 Incentive Calculation

Commercial/Industrial Incentive

1. Target Benefit/Cost Ratio	2.51
2. Actual Benefit/Cost Ratio	4.24
3. Threshold Benefit/Cost Ratio	1.00
4. Target lifetime MWh	50,585
5. Actual lifetime MWh	62,403
6. Threshold MWh	32,880
7. Budget	$1,182,346
8. CE Percentage	4.0%
9. Lifetime kWh Percentage	4.0%
10. Target C/I Incentive	**$94,588**
11. Actual C/I Incentive	**$138,214**
12. Cap	**$141,882**

Residential Incentive

13. Target Benefit/Cost Ratio	1.70
14. Actual Benefit/Cost Ratio	2.85
15. Threshold Benefit/Cost Ratio	1.00
16. Target lifetime MWh	7,587
17. Actual lifetime MWh	12,238
18. Threshold MWh	4,932
19. Budget	$591,774
20. CE Percentage	4.0%
21. Lifetime kWh Percentage	4.0%
22. Target Residential Incentive	**$47,342**
23. Actual Residential Incentive	**$71,013**
24. Cap	**$71,013**
25. TOTAL INCENTIVE EARNED	**$209,226**

Table 4 (continued)

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Notes to Year-End 2008 Incentive Calculation

Line No. Notes:

1. See Table 4, page 3 of 4, line 6.
2. See Table 4, page 3 of 4, line 6.
3. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150 (July 6, 1999), page 21.
4. Target lifetime energy savings for commercial & industrial programs from 2008 Core New Hampshire En Efficiency Programs filing, NHPUC Docket No. DE 07-106, revised filing date: 02/29/08.
5. Source: Program tracking systems
6. 65% of line 4.
7. Budget for commercial & industrial programs from 2008 Core New Hampshire Energy Efficiency Programs filing, NHPUC Docket No. DE 07-106, revised filing date: 02/29/08.
8. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150, page 21.
9. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150, page 21.
10. 8% of line 7.
11. There are two elements of this calculation. Line 11 is the sum of Element 1 and Element 2, described below. This sum cannot exceed Line 12.
    Element 1 - Incentive related to cost-effectiveness:
    a. Line 2 must be greater than or equal to Line 3.
    b. (Line 2/Line 1) x .04 x Line 7
    Element 2 - Incentive related to Lifetime kWh:
    a. Line 5 must be greater than or equal to Line 6.
    b. (Line 5/Line 4) x .04 x Line 7
12. 12% of Line 7.
13. See Table 4, page 3 of 4, line 13.
14. See Table 4, page 3 of 4, line 13.
15. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150, page 21.
16. Target lifetime savings for eligible residential programs from 2008 Core New Hampshire Energy Efficiency Programs filing, NHPUC Docket No. DE 07-106, revised filing date: 02/29/08.
17. Source: Program tracking systems.
18. 65% of line 16.
19. See Table 4, page 3 of 4, line 14.
20. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150, page 21.
21. Report to the New Hampshire Public Utilities Commission on Ratepayer-Funded Energy Efficiency Issues in New Hampshire, Docket No. DR 96-150, page 21.
22. 8% of line 19.
23. There are two elements of this calculation. Line 23 is the sum of Element 1 and Element 2, described below. This sum cannot exceed Line 24.
    Element 1 - Incentive related to cost-effectiveness:
    a. Line 14 must be greater than or equal to Line 15.
    b. (Line 14/Line 13) x .04 x Line 19
    Element 2 - Incentive related to Lifetime kWh:
    a. Line 17 must be greater than or equal to Line 18.
    b. (Line 17/Line 16) x .04 x Line 19
24. 12% of Line 19.
25. Line 11 + Line 23

Table 4 (continued)

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Planned Versus Actual Benefit-Cost Ratio by Sector

National Grid - 2008

	Planned	Actual
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	$4,155,872	$5,756,363
2. Implementation Expenses	$1,026,261	$765,079
3. Customer Contribution	$571,616	$563,778
4. Evaluation Expense	$56,327	$29,114
5. Total Costs Excluding Shareholder Incentive	$1,654,204	$1,357,971
6. Benefit/Cost Ratio - C&I Sector	2.51	4.24
7. Implementation Plus Evaluation Expense - C&I Sector	$1,082,588	$794,193
Residential:		
8. Benefits (Value) From Eligible Programs	$1,197,889	$2,137,288
9. Implementation Expenses	$563,619	$613,867
10. Customer Contribution	$113,603	$131,879
11. Evaluation Expense	$28,155	$3,210
12. Total Costs Excluding Shareholder Incentive	$705,377	$748,956
13. Benefit/Cost Ratio - Residential Sector	1.70	2.85
14. Implementation Plus Evaluation Expense - Residential Sector	$591,774	$617,077

Table 4 (continued)
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Planned Versus Actual Benefit-Cost Ratio by Sector
National Grid - 2008

Line No. Notes:

1. Planned Commercial & Industrial benefits (value) from eligible programs from 2008 Core New Hampshire Energy Efficiency Programs, NHPUC Docket No. DE 07-106, revised filing date: 02/29/08, Attachment D, page 4 of 5.
   Actual benefits (value) from eligible programs: Program tracking systems.
2. Planned implementation expenses for C&I programs from eligible programs from 2008 Core New Hampshire Energy Efficiency Programs, NHPUC Docket No. DE 07-106, revised filing date: 02/29/08, Attachment D, page 4 of 5.
   Actual implementation expenses: Company accounting system net of customer co-pays.
3. Planned C&I customer contribution from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08, Attachment D, page 4 of 5. Actual customer contribution: Program tracking systems plus estimated customer costs related to spillover plus customer co-pays that were netted out of reported implementation expenses.
4. Planned C&I evaluation expenses from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08, Attachment D, page 4 of 5. Actual evaluation expenses: Company accounting system.
5. Sum of lines 2-4.
6. Line 1 divided by line 5. The shareholder incentive mechanism described by the New Hampshire Energy Efficiency Working Group and approved by the Commission in Order No. 23,574 (reaffirmed in Order No. 23,982 (2002)) includes a circular calculation. A portion of the earned shareholder incentive is related to the benefit/cost ratio. However, the shareholder incentive is supposed to be included as an energy efficiency cost in determining the benefit/cost ratio. For the purpose of calculating the shareholder incentive, the Company has recalculated the planned benefit/cost ratio excluding the shareholder incentive and is comparing the actual benefit/cost ratio excluding the shareholder incentive to the planned benefit/cost ratio excluding shareholder incentives.
7. Sum of lines 2 and 4. The dollars in the planned column are the C&I sector funds on which the Company may calculate its earned shareholder incentive.
8. Planned Residential benefits (value) from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08, Attachment D, page 4 of 5.
   Actual benefits (value) from eligible programs: Program tracking systems.
9. Planned implementation expenses for residential programs from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08. Attachment D, page 4 of 5. Actual implementation expenses: Company accounting system.
10. Planned Residential customer contribution from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08. Attachment D, page 4 of 5. Actual customer contribution: Program vendors plus estimated customer costs associated with spillover.
11. Planned residential evaluation expenses from 2008 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/29/08, Attachment D, page 4 of 5. Actual evaluation expense: Company accounting system.
12. Sum of lines 9-11.
13. Line 8 divided by line 12. The shareholder incentive mechanism described by the New Hampshire Energy Efficiency Working Group and approved by the Commission in Order No. 23,574 (reaffirmed in Order No. 23,982 (2002) includes a circular calculation. A portion of the earned shareholder incentive is related to the benefit/cost ratio. However, the shareholder incentive is supposed to be included as an energy efficiency cost in determining the benefit/cost ratio. For the purpose of calculating the shareholder incentive, the Company has recalculated the planned benefit/cost ratio excluding the shareholder incentive and is comparing the actual benefit/cost ratio excluding the shareholder incentive to the planned benefit/cost ratio excluding shareholder incentives.
14. Sum of lines 9 and 11. The dollars in the planned column are the Residential sector funds on which the Company may calculate its earned shareholder incentive.

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Date: 17-Jun-09
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TABLE 5

NATIONAL GRID
Energy Efficiency 2008 Year-End Report
N.H.P.U.C. Docket No. DE 08-120

NATIONAL GRID
ENERGY EFFICIENCY ADJUSTMENT AND BALANCE

12 Months Actual 2008

Total Energy Efficiency Revenue/Expense for Jan-Dec 2008

		Actual JAN	Actual FEB	Actual MAR	Actual APRIL	Actual MAY	Actual JUNE	6 MONTH TOTAL
	Residential Revenue	$55,695	$47,376	$44,008	$42,366	$34,396	$42,273	$266,115
	C&I. Revenue	$87,663	$92,124	$56,898	$116,326	$78,248	$92,429	$523,688
1.	TOTAL REVENUE (A)	$143,359	$139,501	$100,906	$158,692	$112,644	$134,702	$789,802
	Residential Expense	$9,314	$38,873	$32,755	$53,469	$43,702	$18,637	$196,750
	C&I. Expense	$15,880	$38,908	$27,901	$136,741	$127,336	$95,047	$441,813
2.	TOTAL EXPENSE (B)	$25,194	$77,781	$60,656	$190,210	$171,038	$113,684	$638,563
3.	Cash Flow Over/(Under)	$118,165	$61,720	$40,250	($31,518)	($58,394)	$21,018	$151,239
4.	Start of Period Balance (C)	$90,556	$209,591	$272,513	$314,143	$283,928	$226,595	$90,556
5.	End of Period Balance Before Interest	$208,721	$271,311	$312,763	$282,625	$225,534	$247,613	$241,795
6.	Residential Interest	($2,180)	($1,748)	($1,610)	($1,498)	($1,478)	($1,454)	($9,968)
	C&I Interest	$3,051	$2,950	$2,991	$2,801	$2,539	$2,442	$16,773
	TOTAL INTEREST (D)	$870	$1,202	$1,380	$1,303	$1,061	$988	$6,805
7.	End of Period Balance After Interest	$209,591	$272,513	$314,143	$283,928	$226,595	$248,601	$248,601

		Actual JULY	Actual AUG	Actual SEPT	Actual OCT	Actual NOV	Actual DEC	ANNUAL TOTAL
	Residential Revenue	$43,877	$47,743	$41,343	$35,426	$40,137	$44,348	$518,987
	C&I. Revenue	$128,024	$120,289	$104,393	$107,395	$83,018	$94,284	$1,161,090
8.	TOTAL REVENUE (A)	$171,901	$168,031	$145,736	$142,820	$123,155	$138,631	$1,680,077
	Residential Expense	$21,693	$64,498	$42,202	$105,720	$89,361	$96,888	$617,112
	C&I. Expense	$22,457	$46,844	$81,919	$36,348	$106,260	$124,721	$860,362
9.	TOTAL EXPENSE (B)	$44,150	$111,342	$124,121	$142,068	$195,621	$221,609	$1,477,474
10.	Cash Flow Over/(Under)	$127,751	$56,689	$21,615	$752	($72,466)	($82,978)	$202,603
11.	Start of Period Balance (C)	$248,601	$377,654	$436,035	$459,512	$462,011	$390,964	$90,556
12.	End of Period Balance Before Interest	$376,352	$434,343	$457,650	$460,264	$389,545	$307,986	$293,159
13.	Residential Interest	($1,365)	($1,359)	($1,401)	($1,419)	($1,448)	($1,465)	($18,425)
	C&I Interest	$2,667	$3,051	$3,263	$3,166	$2,868	$2,516	$34,304
	TOTAL INTEREST (D)	$1,302	$1,692	$1,862	$1,748	$1,419	$1,051	$15,879
14.	Residential Incentive						$71,013	$71,013
	C&I Incentive						$138,214	$138,214
	Total Incentive						$209,227	$209,227
15	End of Period Balance After Interest	$377,654	$436,035	$459,512	$462,011	$390,964	$99,811	**$99,811**
16	End Balance as % of Revenue							5.94%

(A) See Tables 2 & 3
(B) See Tables 2 & 3
(C) "End of Period Balance Before Interest" from prior month.
(D) See Tables 2 & 3

Interest Rates:								
	JAN =	6.98%	FEB =	6.00%	MAR =	5.66%	APR =	5.24%
	MAY =	5.00%	JUN =	5.00%	JUL =	5.00%	AUG =	5.00%
	SEP =	5.00%	OCT =	4.56%	NOV =	4.00%	DEC =	3.61%

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TABLE 6

NATIONAL GRID
ENERGY EFFICIENCY REVENUE/EXPENSE BALANCE
RESIDENTIAL FUND
12 Months Actual 2008

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2008

		Actual JAN	Actual FEB	Actual MAR	Actual APRIL	Actual MAY	Actual JUNE	6 MONTH TOTAL
1.	Residential Revenue (A)	$55,695	$47,376	$44,008	$42,366	$34,396	$42,273	$266,115
2.	Residential Energy Efficiency Expense (B)	$9,314	$38,873	$32,755	$53,469	$43,702	$18,637	$196,750
3.	Cash Flow Over/(Under)	$46,381	$8,503	$11,253	($11,103)	($9,306)	$23,636	$69,365
4.	Start of Period Balance (C)	($398,019)	($353,818)	($347,062)	($337,420)	($350,020)	($360,804)	
5.	End of Period Balance Before Interest	($351,638)	($345,315)	($335,809)	($348,523)	($359,326)	($337,168)	
6.	Estimated Interest	($2,180)	($1,748)	($1,610)	($1,498)	($1,478)	($1,454)	($9,968)
7.	End of Period Balance After Interest	($353,818)	($347,062)	($337,420)	($350,020)	($360,804)	($338,622)	

		Actual JULY	Actual AUG	Actual SEPT	Actual OCT	Actual NOV	Actual DEC	ANNUAL TOTAL
8.	Residential Revenue (A)	$43,877	$47,743	$41,343	$35,426	$40,137	$44,348	$518,987
9.	Residential Energy Efficiency Expense (B)	$21,693	$64,498	$42,202	$105,720	$89,361	$96,888	$617,112
10.	Cash Flow Over/(Under)	$22,184	($16,755)	($859)	($70,294)	($49,224)	($52,540)	($98,125)
11.	Start of Period Balance (C)	($338,622)	($317,803)	($335,918)	($338,178)	($409,891)	($460,564)	($398,019)
12.	End of Period Balance Before Interest	($316,438)	($334,559)	($336,777)	($408,472)	($459,115)	($513,104)	($496,144)
13.	Estimated Interest	($1,365)	($1,359)	($1,401)	($1,419)	($1,448)	($1,465)	($18,425)
14.	Residential Incentive						$71,013	$71,013
15	End of Period Balance After Interest	($317,803)	($335,918)	($338,178)	($409,891)	($460,564)	($585,582)	($585,582)
16	End Balance as % of Revenue							-112.83%

FOOTNOTES:
(A) Revenue Report
(B) Source: PeopleSoft query
(C) "End of Period Balance Before Interest" from prior month.
Estimated EE incentive is included in Dec expense estimate.

Interest Rates:								
	JAN =	6.98%	FEB =	6.00%	MAR =	5.66%	APR =	5.24%
	MAY =	5.00%	JUN =	5.00%	JUL =	5.00%	AUG =	5.00%
	SEP =	5.00%	OCT =	4.56%	NOV =	4.00%	DEC =	3.61%

Note: The Residential Factor is applied to the D-0, D-10, & T-0 rates.

PREPARED BY: R. Bowcock
Date: 17-Jun-09
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TABLE 7

NATIONAL GRID
ENERGY EFFICIENCY REVENUE/EXPENSE BALANCE
COMMERCIAL & INDUSTRIAL FUND
12 Months Actual 2008

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2008

		Actual JAN	Actual FEB	Actual MAR	Actual APRIL	Actual MAY	Actual JUNE	6 MONTH TOTAL
1.	C&I Revenue (A)	$87,663	$92,124	$56,898	$116,326	$78,248	$92,429	$523,688
2.	C&I Energy Efficiency Expense (B)	$15,880	$38,908	$27,901	$136,741	$127,336	$95,047	$441,813
3.	Cash Flow Over/(Under)	$71,783	$53,216	$28,997	($20,415)	($49,088)	($2,618)	$81,875
4.	Start of Period Balance (C)	$488,575	$563,409	$619,575	$651,563	$633,948	$587,399	$488,575
5.	End of Period Balance Before Interest	$560,358	$616,625	$648,572	$631,147	$584,860	$584,781	
6.	Estimated Interest	$3,051	$2,950	$2,991	$2,801	$2,539	$2,442	$16,773
7.	End of Period Balance After Interest	$563,409	$619,575	$651,563	$633,948	$587,399	$587,223	

		Actual JULY	Actual AUG	Actual SEPT	Actual OCT	Actual NOV	Actual DEC	ANNUAL TOTAL
8.	C&I Revenue (A)	$128,024	$120,289	$104,393	$107,395	$83,018	$94,284	$1,161,090
9.	C&I Energy Efficiency Expense (B)	$22,457	$46,844	$81,919	$36,348	$106,260	$124,721	$860,362
10.	Cash Flow Over/(Under)	$105,567	$73,445	$22,474	$71,047	($23,242)	($30,437)	$300,728
11.	Start of Period Balance (C)	$587,223	$695,457	$771,952	$797,690	$871,902	$851,528	$488,575
12.	End of Period Balance Before Interest	$692,790	$768,902	$794,426	$868,736	$848,660	$821,091	$789,303
13.	Estimated Interest	$2,667	$3,051	$3,263	$3,166	$2,868	$2,516	$34,304
14.	C&I Incentive						$138,214	$138,214
15	End of Period Balance After Interest	$695,457	$771,952	$797,690	$871,902	$851,528	$685,393	$685,393
16	End Balance as % of Revenue							59.03%

FOOTNOTES:
(A) Revenue Report
(B) Source: PeopleSoft query
(C) "End of Period Balance Before Interest" from prior month.
Estimated EE incentive is included in Dec expense estimate.

Interest Rates:								
	JAN =	6.98%	FEB =	6.00%	MAR =	5.66%	APR =	5.24%
	MAY =	5.00%	JUN =	5.00%	JUL =	5.00%	AUG =	5.00%
	SEP =	5.00%	OCT =	4.56%	NOV =	4.00%	DEC =	3.61%

Note: The C&I Factor is applied to the G-1, G-2, G-3, M,& V rates.

PREPARED BY: R. Bowcock
Date: 17-Jun-09

TABLE 8

NATIONAL GRID
ENERGY EFFICIENCY VARIANCE ANALYSIS
RESIDENTIAL FUND
12 Months Actual 2008

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2008

		JAN	FEB	MARCH	APRIL	MAY	JUNE
1.	Residential Energy Efficiency Revenue (A)	$55,695	$47,376	$44,008	$42,366	$34,396	$42,273
2.	Estimated Residential Energy Efficiency Revenue (B)	$59,618	$43,061	$50,996	$42,245	$36,849	$40,343
3.	Difference (1)-(2)	($3,923)	$4,316	($6,988)	$121	($2,453)	$1,930
4.	Residential Energy Efficiency Expense (A)	$9,314	$38,873	$32,755	$53,469	$43,702	$18,637
5.	Estimated Residential Energy Efficiency Expense (C)	$0	$0	$0	$0	$0	$0
6.	Difference Residential Energy Efficiency Expense (4) - (5)	$9,314	$38,873	$32,755	$53,469	$43,702	$18,637

		JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
7.	Residential Energy Efficiency Revenue (A)	$43,877	$47,743	$41,343	$35,426	$40,137	$44,348	$518,987
8.	Estimated Residential Energy Efficiency Revenue (B)	$48,683	$49,316	$45,479	$39,622	$41,553	$54,040	$551,805
9.	Difference (7)-(8)	($4,807)	($1,573)	($4,136)	($4,197)	($1,417)	($9,692)	($32,817)
10.	Residential Energy Efficiency Expense (A)	$21,693	$64,498	$42,202	$105,720	$89,361	$96,888	$617,112
11.	Estimated Residential Energy Efficiency Expense (C)	$0	$0	$0	$0	$0	$71,013	$71,013
12.	Difference Residential Energy Efficiency Expense (10) - (11)	$21,693	$64,498	$42,202	$105,720	$89,361	$25,875	$546,099

FOOTNOTES:

(A) See Table 2
(B) Calculation based on estimated monthly Residential kWh from Company's Winter 2004 forecast multiplied by a factor of $0.00180
(C) Source: Retail Support & Services Dept. No estimates for 1st Q.
Incentives are included in Dec exp est.
Note: The Residential Factor is applied to the D-0, D-10, & T-0 rates.

PREPARED BY: R. Bowcock

TABLE 9

NATIONAL GRID
COMMERCIAL & INDUSTRIAL FUND
12 Months Actual 2008

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2008

		JAN	FEB	MARCH	APRIL	MAY	JUNE	
1.	C&I Energy Efficiency Revenue (A)	$87,663	$92,124	$56,898	$116,326	$78,248	$92,429	
2.	Estimated C&I Energy Efficiency Revenue (B)	$97,248	$101,018	$100,550	$93,818	$95,233	$100,507	
3.	Difference (1)-(2)	($9,585)	($8,894)	($43,653)	$22,508	($16,985)	($8,078)	
4.	C&I Energy Efficiency Expense (A)	$15,880	$38,908	$27,901	$136,741	$127,336	$95,047	
5.	Estimated C&I Energy Efficiency Expense (C)	$0	$0	$0	$0	$0	$0	
6.	Difference C&I Energy Efficiency Expense (4) - (5)	$15,880	$38,908	$27,901	$136,741	$127,336	$95,047	
		JULY	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**TOTAL**
7.	C&I Energy Efficiency Revenue (A)	$128,024	$120,289	$104,393	$107,395	$83,018	$94,284	$1,161,090
8.	Estimated C&I Energy Efficiency Revenue (B)	$114,119	$110,866	$111,088	$99,058	$94,774	$105,322	$1,223,600
9.	Difference (7)-(8)	$13,906	$9,423	($6,695)	$8,337	($11,756)	($11,038)	($62,511)
10.	C&I Energy Efficiency Expense (A)	$22,457	$46,844	$81,919	$36,348	$106,260	$124,721	$860,362
11.	Estimated C&I Energy Efficiency Expense (C)	$0	$0	$0	$0	$0	$141,812	$141,812
12.	Difference C&I Energy Efficiency Expense (10) - (11)	$22,457	$46,844	$81,919	$36,348	$106,260	($17,091)	$718,550

FOOTNOTES:

(A) See Table 3
(B) Calculation based on estimated monthly Residential kWh from Company's Winter 2004 forecast multiplied by a factor of $0.00180.
(C) Source: Retail Support & Services. No estimates for 1st Q.

Note: The C&I Factor is applied to the G-1, G-2, G-3, M,& V rates.