# NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

## GRANITE STATE ELECTRIC COMPANY

## d/b/a

## NATIONAL GRID

## ENERGY EFFICIENCY

## 2010 YEAR-END REPORT

**June 15, 2011**

**N.H.P.U.C. Docket No. DE 09-170**

nationalgrid

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# NATIONAL GRID

## SUMMARY OF 2010 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 2010.

Table 1 shows the 2010 year-end performance for the C&I and residential programs compared to annual goals and spending targets. Overall, the Company achieved 77% and 108% of its goals for annual demand savings and annual energy savings respectively. The Company achieved 179% of its planned participation while spending 107% of its planned budget in 2010.

Table 2 documents the value created by the 2010 energy efficiency programs. This table shows that efforts in 2010 created over $8.8 million of value through achieved energy, demand and other resource savings. The Company achieved 72,485 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 2010. The overall benefit/cost ratio for energy efficiency efforts in 2010 was 3.59.

Table 4 documents the Company's earned 2010 year-end incentive of $130,858. As specified by the Commission, the incentive for 2010 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 2010 year-end energy efficiency fund balances. These tables reflect revenues collected in support of energy efficiency efforts, 2010 spending levels, and the 2010 incentive. Table 5 summarizes the 2010 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 2010 Planned and Year-End Results**
**2010 Program Year**

| | 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 | 68 | 226 | 332% | 296 | 1,101 | 372% | 6 | 21 | 350% | $128 | $277 | 217% |
| Large Business Energy Solutions | 660 | 619 | 94% | 3,871 | 3,375 | 87% | 27 | 43 | 159% | $447 | $427 | 95% |
| Small Business Energy Solutions (1) | 116 | 53 | 46% | 499 | 247 | 49% | 31 | 21 | 68% | $214 | $155 | 72% |
| **SUBTOTAL** | **843** | **898** | **106%** | **4,667** | **4,722** | **101%** | **64** | **85** | **133%** | **$790** | **$859** | **109%** |
| **Residential Programs** | | | | | | | | | | | | |
| ENERGY STAR® Homes (3) | 421 | 40 | 10% | 57 | 126 | 220% | 69 | 107 | 155% | $176 | $189 | 108% |
| Home Energy Solutions | 6 | 6 | 94% | 94 | 94 | 100% | 66 | 39 | 59% | $54 | $49 | 90% |
| ENERGY STAR® Appliances | 19 | 19 | 98% | 95 | 107 | 113% | 626 | 973 | 155% | $56 | $58 | 103% |
| Home Energy Assistance | 7 | 9 | 134% | 65 | 90 | 139% | 45 | 50 | 111% | $191 | $214 | 112% |
| ENERGY STAR® Lighting | 26 | 43 | 169% | 419 | 708 | 169% | 8,933 | 16,296 | 182% | $52 | $38 | 74% |
| **SUBTOTAL** | **479** | **117** | **24%** | **730** | **1,126** | **154%** | **9,739** | **17,465** | **179%** | **$530** | **$548** | **104%** |
| | | | | | | | | | | | | |
| **TOTAL** | **1,322** | **1,015** | **77%** | **5,396** | **5,847** | **108%** | **9,803** | **17,550** | **179%** | **$1,319** | **$1,408** | **107%** |

NOTE:

(1) The spending reported for Small Business Energy Solutions is net of actual customer copays in 2010 of $50,312.

(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.

(3) The ENERGY STAR Homes planned Annual kW was overstated due to incorrect domestic hot water demand savings being entered.

**NATIONAL GRID**
**Table 2 - Summary of Year-End Value, kW, and MWh Savings by Program**
**2010 Program Year**

| | Value (000's) | | | | | | | | | | Load Reduction in kW | | | | MWh Saved | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Capacity | | | | Energy | | | | Non-Electric | | | | | | |
| | | Generation | | | | Winter | | Summer | | Resource | Maximum | | | | Maximum | |
| **Commercial and Industrial** | Total | Summer | Winter | Trans | MDC | Peak | Off Peak | Peak | Off Peak | Benefits | Annual | Summer | Winter | Lifetime | Annual | Lifetime |
| New Construction | $1,249 | $93 | $0 | $37 | $113 | $485 | $262 | $252 | $127 | -$120 | 226 | 226 | 178 | 3,336 | 1,101 | 16,040 |
| Large Business Energy Solutions | $3,167 | $218 | $0 | $88 | $270 | $1,438 | $582 | $745 | $279 | -$452 | 619 | 619 | 421 | 7,804 | 3,375 | 42,832 |
| Small Business Energy Solutions | $263 | $18 | $0 | $7 | $23 | $110 | $32 | $57 | $15 | N/A | 53 | 53 | 33 | 654 | 247 | 2,983 |
| **SUBTOTAL** | **$4,679** | **$329** | **$0** | **$132** | **$406** | **$2,033** | **$877** | **$1,054** | **$421** | **($572)** | **898** | **898** | **632** | **11,794** | **4,722** | **61,855** |
| | | | | | | | | | | | | | | | | |
| **Residential Programs** | | | | | | | | | | | | | | | | |
| ENERGY STAR Homes | $2,299 | $42 | $0 | $10 | $30 | $50 | $61 | $25 | $30 | $2,050 | 40 | 40 | 28 | 958 | 126 | 2,482 |
| Home Energy Solutions | 118 | 4 | 0 | 1 | 3 | 33 | 40 | 17 | 20 | 0 | 6 | 6 | 22 | 103 | 94 | 1,632 |
| ENERGY STAR Appliances | 577 | 7 | 0 | 3 | 8 | 27 | 34 | 16 | 17 | 466 | 19 | 19 | 19 | 247 | 107 | 1,393 s |
| Home Energy Assistance | 906 | 4 | 0 | 1 | 4 | 26 | 33 | 15 | 16 | 806 | 9 | 9 | 15 | 133 | 90 | 1,334 |
| ENERGY STAR Lighting | 267 | 9 | 0 | 3 | 8 | 76 | 90 | 37 | 43 | N/A | 43 | 43 | 163 | 231 | 708 | 3,788 |
| **SUBTOTAL** | **$4,168** | **$65** | **$0** | **$18** | **$55** | **$213** | **$258** | **$110** | **$126** | **$3,322** | **117** | **117** | **247** | **1,673** | **1,126** | **10,630** |
| | | | | | | | | | | | | | | | | |
| **TOTAL** | **$8,847** | **$394** | **$0** | **$150** | **$461** | **$2,246** | **$1,135** | **$1,164** | **$548** | **$2,750** | **1,015** | **1,015** | **879** | **13,467** | **5,847** | **72,485** |

**NATIONAL GRID**
**Table 3 - Summary of Achieved Cost-Effectiveness**
**2010 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 | 3.43 | $1,249 | $277 | $8 | $55 | $23 | N/A | $364 |
| Large Business Energy Solutions (1) | 3.03 | $3,167 | $427 | $2 | $570 | $44 | N/A | $1,044 |
| Small Business Energy Solutions (2) | 1.22 | $263 | $155 | $7 | $50 | $4 | N/A | $216 |
| **SUBTOTAL (including Company Incentive)** | **2.77** | **$4,679** | **$859** | **$18** | **$676** | **$71** | **$64** | **$1,688** |
| | | | | | | | | |
| **SUBTOTAL (excluding Company Incentive)** | **2.88** | **$4,679** | **$859** | **$18** | **$676** | **$71** | ***N/A*** | **$1,624** |
| | | | | | | | | |
| **Residential Programs** | | | | | | | | |
| ENERGY STAR Homes | 12.06 | $2,299 | $189 | $2 | N/A | N/A | N/A | $191 |
| Home Energy Solutions | 1.93 | $118 | $49 | $10 | $2 | N/A | N/A | $61 |
| ENERGY STAR Appliances | 3.68 | $577 | $58 | $0 | $99 | N/A | N/A | $157 |
| Home Energy Assistance | 4.23 | $906 | $214 | $0 | N/A | N/A | N/A | $214 |
| ENERGY STAR Lighting | 2.99 | $267 | $38 | $5 | $45 | $2 | N/A | $89 |
| **SUBTOTAL (including Company Incentive)** | **5.35** | **$4,168** | **$548** | **$17** | **$146** | **$2** | **$67** | **$779** |
| | | | | | | | | |
| **SUBTOTAL (excluding Company Incentive)** | **5.85** | **$4,168** | **$548** | **$17** | **$146** | **$2** | **N/A** | **$713** |
| | | | | | | | | |
| **GRAND TOTAL (including Company Incentive)** | **3.59** | **$8,847** | **$1,408** | **$34** | **$821** | **$73** | **$131** | **$2,468** |

NOTES:

(1) The spending reported for Small Business Energy Solutions is net of actual customer copays in 2010 of $50,312.

(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 2010 Incentive Calculation

**Commercial/Industrial Incentive**

| | |
|---|---|
| 1. Target Benefit/Cost Ratio | 3.02 |
| 2. Actual Benefit/Cost Ratio | 2.77 |
| 3. Threshold Benefit/Cost Ratio | 1.00 |
| 4. Target lifetime MWh | 60,905 |
| 5. Actual lifetime MWh | 61,855 |
| 6. Threshold MWh | 39,588 |
| 7. Budget | $829,063 |
| 8. CE Percentage | 4.0% |
| 9. Lifetime kWh Percentage | 4.0% |
| **10. Target C/I Incentive** | **$66,325** |
| **11. Actual C/I Incentive** | **$64,117** |
| **12. Cap** | **$99,488** |

**Residential Incentive**

| | |
|---|---|
| 13. Target Benefit/Cost Ratio | 3.56 |
| 14. Actual Benefit/Cost Ratio | 5.35 |
| 15. Threshold Benefit/Cost Ratio | 1.00 |
| 16. Target lifetime MWh | 7,066 |
| 17. Actual lifetime MWh | 10,630 |
| 18. Threshold MWh | 4,593 |
| 19. Budget | $556,172 |
| 20. CE Percentage | 4.0% |
| 21. Lifetime kWh Percentage | 4.0% |
| **22. Target Residential Incentive** | **$44,494** |
| **23. Actual Residential Incentive** | **$66,741** |
| **24. Cap** | **$66,741** |
| **25. TOTAL INCENTIVE EARNED** | **$130,858** |

## Table 4 (continued)

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National Grid

Notes to Year-End 2010 Incentive Calculation

**Line No. Notes:**

1. See Table 4, page 3 of 4, line 10.
2. See Table 4, page 3 of 4, line 10.
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 2010 Core New Hampshire En Efficiency Programs filing, NHPUC Docket No. DE 09-170, revised filing date: 02/19/10.
5. Source: Program tracking systems
6. 65% of line 4.
7. Budget for commercial & industrial programs from 2010 Core New Hampshire Energy Efficiency Programs filing, NHPUC Docket No. DE 09-170, revised filing date: 02/19/10.
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 20.
14. See Table 4, page 3 of 4, line 20.
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 2010 Core New Hampshire Energy Efficiency Programs filing, NHPUC Docket No. DE 09-170, revised filing date: 02/19/10.
17. Source: Program tracking systems.
18. 65% of line 16.
19. See Table 4, page 3 of 4, line 19.
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 - 2010

| | Planned | Actual |
|---|---|---|
| **Commercial & Industrial:** | | |
| 1. Benefits (Value) From Eligible Programs | $5,202,715 | $4,679,037 |
| 2. Implementation Expenses | $789,583 | $859,318 |
| 3. Customer Contribution | $825,621 | $747,049 |
| 4. Evaluation Expense | $39,480 | $17,607 |
| 5. Total Costs Excluding Shareholder Incentive | $1,654,684 | $1,623,974 |
| 6. SI | $66,325 | $64,117 |
| 7. Benefit/Cost Ratio - C&I Sector | 3.14 | 2.88 |
| 8. Budget with SI | $1,721,009 | $1,688,091 |
| 9. Implementation Plus Evaluation Expense - C&I Sector | $829,063 | $876,925 |
| 10. Benerfit/Cost Ratio including SI in cost | 3.02 | 2.77 |
| **Residential:** | | |
| 11 Benefits (Value) From Eligible Programs | $2,698,748 | $4,168,040 |
| 12 Implementation Expenses | $529,688 | $548,339 |
| 13. Customer Contribution | $157,791 | $147,795 |
| 14. Evaluation Expense | $26,484 | $16,606 |
| 15. Total Costs Excluding Shareholder Incentive | $713,963 | $712,740 |
| 16. SI | $44,494.00 | $66,740.61 |
| 17. Benefit/Cost Ratio - Residential Sector | 3.78 | 5.85 |
| 18. Budget with SI | $758,457 | $779,481 |
| 19. Implementation Plus Evaluation Expense - Residential Sector | $556,172 | $564,945 |

**Table 4 (continued)**
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Planned Versus Actual Benefit-Cost Ratio by Sector
National Grid - 2010

**Line No. Notes:**

1. Planned Commercial & Industrial benefits (value) from eligible programs from 2010 Core New Hampshire Energy Efficiency Programs, NHPUC Docket No. DE 09-170, revised filing date: 02/19/10.
   Actual benefits (value) from eligible programs: Program tracking systems.
2. Planned implementation expenses for C&I programs from eligible programs from 2010 Core New Hampshire Energy Efficiency Programs, NHPUC Docket No. DE 09-170, revised filing date: 02/19/10.
   Actual implementation expenses: Company accounting system net of customer co-pays.
3. Planned C&I customer contribution from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10,
   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.
3. Planned C&I customer contribution from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10,
   Actual evaluation expenses: Company accounting system.
5. Sum of lines 2-4.
6. Shareholder incentive.
7. 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.
8. Sum of lines 2, 3, 4 and 6. The dollars in the planned column are the C&I sector funds on which the Company may calculate its earned shareholder incentive.
9. Sum of lines 2 and 4.
10. Line 1 divided by line 8.
11. Planned Residential benefits (value) from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10.
    Actual benefits (value) from eligible programs: Program tracking systems.
12. Planned implementation expenses for residential programs from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10. Actual implementation expenses: Company accounting system.
13. Planned Residential customer contribution from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10.
    Actual customer contribution: Program vendors plus estimated customer costs associated with spillover.
14. Planned residential evaluation expenses from 2010 Core New Hampshire Energy Efficiency Programs, revised filing date: 02/19/10.
    Actual evaluation expense: Company accounting system.
15. Sum of lines 12-14.
16. Shareholder incentive.
17. Line 11 divided by line 15. 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.
18. Sum of lines 12-14 and 16.
19. Sum of lines 12 and 14.
19. Line 11 divided by line 18.

PREPARED BY: R. Bowcock
Date: 15-Jun-11
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**TABLE 5**

**NATIONAL GRID**
**ENERGY EFFICIENCY ADJUSTMENT AND BALANCE**

12 Months Actual 2010

Total Energy Efficiency Revenue/Expense for Jan-Dec 2010

| | | Actual JAN | Actual FEB | Actual MAR | Actual APRIL | Actual MAY | Actual JUNE | 6 MONTH TOTAL |
|---|---|---|---|---|---|---|---|---|
| | Residential Revenue | $48,118 | $37,224 | $116,063 | $32,975 | $125,499 | $122,449 | $482,328 |
| | C&I. Revenue | $86,242 | $77,985 | $86,037 | $81,998 | $81,586 | $93,382 | $507,230 |
| 1. | TOTAL REVENUE (A) | $134,360 | $115,209 | $202,100 | $114,972 | $207,085 | $215,831 | $989,558 |
| | Residential Expense | $13,960 | $23,870 | $71,990 | $88,345 | $8,414 | $140,883 | $347,462 |
| | C&I. Expense | $91,363 | $122,744 | $91,696 | $102,049 | $47,441 | $50,870 | $506,162 |
| 2. | TOTAL EXPENSE (B) | $105,323 | $146,613 | $163,686 | $190,394 | $55,854 | $191,754 | $853,625 |
| 3. | Cash Flow Over/(Under) | $29,038 | ($31,404) | $38,414 | ($75,422) | $151,230 | $24,077 | $135,933 |
| 4. | Start of Period Balance (C) | ($43,929) | ($14,971) | ($46,458) | ($8,118) | ($83,664) | $67,544 | ($43,929) |
| 5. | End of Period Balance Before Interest | ($14,891) | ($46,375) | ($8,044) | ($83,540) | $67,566 | $91,622 | $92,004 |
| 6. | Residential Interest | ($2,241) | ($2,183) | ($2,111) | ($2,132) | ($2,054) | ($1,926) | ($12,646) |
| | C&I Interest | $2,161 | $2,100 | $2,037 | $2,008 | $2,032 | $2,142 | $12,479 |
| | TOTAL INTEREST (D) | ($80) | ($83) | ($74) | ($124) | ($22) | $216 | ($167) |
| 7. | End of Period Balance After Interest | ($14,971) | ($46,458) | ($8,118) | ($83,664) | $67,544 | $91,837 | $91,837 |

| | | Actual JULY | Actual AUG | Actual SEPT | Actual OCT | Actual NOV | Actual DEC | ANNUAL TOTAL |
|---|---|---|---|---|---|---|---|---|
| | Residential Revenue | $44,653 | $42,275 | $36,459 | $30,772 | $102,524 | $37,224 | $776,235 |
| | C&I. Revenue | $94,008 | $88,235 | $96,087 | $88,788 | $83,597 | $82,414 | $1,040,360 |
| 8. | TOTAL REVENUE (A) | $138,661 | $130,511 | $132,546 | $119,560 | $186,122 | $119,638 | $1,816,595 |
| | Residential Expense | $119,719 | $98,712 | ($38,188) | $9,043 | $33,463 | ($112) | $570,099 |
| | C&I. Expense | $32,876 | $40,341 | $29,656 | $35,632 | $96,323 | $193,033 | $934,024 |
| 9. | TOTAL EXPENSE (B) | $152,595 | $139,054 | ($8,532) | $44,674 | $129,786 | $192,921 | $1,504,123 |
| 10. | Cash Flow Over/(Under) | ($13,934) | ($8,543) | $141,078 | $74,886 | $56,335 | ($73,283) | $312,472 |
| 11. | Start of Period Balance (C) | $91,837 | $78,133 | $69,791 | $211,249 | $286,808 | $343,996 | ($43,929) |
| 12. | End of Period Balance Before Interest | $77,903 | $69,591 | $210,868 | $286,134 | $343,143 | $270,713 | $268,543 |
| 13. | Residential Interest | ($2,058) | ($2,241) | ($2,223) | ($2,098) | ($1,981) | ($1,842) | ($25,090) |
| | C&I Interest | $2,288 | $2,442 | $2,603 | $2,772 | $2,834 | $2,675 | $28,092 |
| | TOTAL INTEREST (D) | $230 | $200 | $380 | $674 | $853 | $832 | $3,002 |
| 14. | 2010 Residential Incentive (E) | | | | | | $66,741 | $66,741 |
| | 2010 Commercial & Industrial Incentive (E) | | | | | | $64,117 | $64,117 |
| | 2010 Total Incentives (E) | | | | | | $130,858 | $130,858 |
| 15 | End of Period Balance After Interest | $78,133 | $69,791 | $211,249 | $286,808 | $343,996 | $140,687 | **$140,687** |
| 16 | End Balance as % of Revenue | | | | | | | 7.74% |

(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
(E) This is the amount credited to the Company's General Ledger during this year.

| Interest Rates: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | JAN = | 3.25% | FEB = | 3.25% | MAR = | 3.25% | APR = | 3.25% |
| | MAY = | 3.25% | JUN = | 3.25% | JUL = | 3.25% | AUG = | 3.25% |
| | SEP = | 3.25% | OCT = | 3.25% | NOV = | 3.25% | DEC = | 3.25% |

PREPARED BY: R. Bowcock

Date: 15-Jun-11

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**TABLE 6**

**NATIONAL GRID**
**ENERGY EFFICIENCY REVENUE/EXPENSE BALANCE**
**RESIDENTIAL FUND**
12 Months Actual 2010

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2010

| | | Actual JAN | Actual FEB | Actual MAR | Actual APRIL | Actual MAY | Actual JUNE | 6 MONTH TOTAL |
|---|---|---|---|---|---|---|---|---|
| 1. | Residential Revenue (A) | $48,118 | $37,224 | $116,063 | $32,975 | $125,499 | $122,449 | $482,328 |
| 2. | Residential C&LM Expense (B) | $13,960 | $23,870 | $71,990 | $88,345 | $8,414 | $140,883 | $347,462 |
| 3. | Cash Flow Over/(Under) | $34,158 | $13,354 | $44,073 | ($55,371) | $117,085 | ($18,435) | $134,865 |
| 4. | Start of Period Balance (C) | ($844,494) | ($812,577) | ($801,405) | ($759,442) | ($816,945) | ($701,914) | |
| 5. | End of Period Balance Before Interest | ($810,336) | ($799,222) | ($757,332) | ($814,813) | ($699,860) | ($720,349) | |
| 6. | Estimated Interest | ($2,241) | ($2,183) | ($2,111) | ($2,132) | ($2,054) | ($1,926) | ($12,646) |
| 7. | End of Period Balance After Interest | ($812,577) | ($801,405) | ($759,442) | ($816,945) | ($701,914) | ($722,275) | |

| | | Actual JULY | Actual AUG | Actual SEPT | Actual OCT | Actual NOV | Actual DEC | ANNUAL TOTAL |
|---|---|---|---|---|---|---|---|---|
| 8. | Residential Revenue (A) | $44,653 | $42,275 | $36,459 | $30,772 | $102,524 | $37,224 | $776,235 |
| 9. | Residential C&LM Expense (B) | $119,719 | $98,712 | ($38,188) | $9,043 | $33,463 | ($112) | $570,099 |
| 10. | Cash Flow Over/(Under) | ($75,066) | ($56,437) | $74,647 | $21,730 | $69,061 | $37,336 | $206,136 |
| 11. | Start of Period Balance (C) | ($722,275) | ($799,399) | ($858,077) | ($785,653) | ($766,022) | ($698,942) | ($844,494) |
| 12. | End of Period Balance Before Interest | ($797,341) | ($855,836) | ($783,430) | ($763,924) | ($696,961) | ($661,606) | ($638,358) |
| 13. | Estimated Interest | ($2,058) | ($2,241) | ($2,223) | ($2,098) | ($1,981) | ($1,842) | ($25,090) |
| 14. | 2010 Residential Incentive (D) | | | | | | $66,741 | $66,741 |
| 15 | End of Period Balance After Interest | ($799,399) | ($858,077) | ($785,653) | ($766,022) | ($698,942) | ($730,189) | ($730,189) |
| 16 | End Balance as % of Revenue | | | | | | | -94.07% |

FOOTNOTES:
(A) Revenue Report
(B) Source: PeopleSoft query
(C) "End of Period Balance Before Interest" from prior month.
Estimated DSM incentive is included in Dec expense estimate.
(D) This is the amount credited to the Company's General Ledger during this year.

| Interest Rates: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | JAN = | 3.25% | FEB = | 3.25% | MAR = | 3.25% | APR = | 3.25% |
| | MAY = | 3.25% | JUN = | 3.25% | JUL = | 3.25% | AUG = | 3.25% |
| | SEP = | 3.25% | OCT = | 3.25% | NOV = | 3.25% | DEC = | 3.25% |

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

PREPARED BY: R. Bowcock

Date: 15-Jun-11

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**TABLE 7**

**NATIONAL GRID**
**ENERGY EFFICIENCY REVENUE/EXPENSE BALANCE**
**COMMERCIAL & INDUSTRIAL FUND**
12 Months Actual 2010

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2010

| | | Actual JAN | Actual FEB | Actual MAR | Actual APRIL | Actual MAY | Actual JUNE | 6 MONTH TOTAL |
|---|---|---|---|---|---|---|---|---|
| 1. | C&I Revenue (A) | $86,242 | $77,985 | $86,037 | $81,998 | $81,586 | $93,382 | $507,230 |
| 2. | C&I C&LM Expense (B) | $91,363 | $122,744 | $91,696 | $102,049 | $47,441 | $50,870 | $506,162 |
| 3. | Cash Flow Over/(Under) | ($5,121) | ($44,759) | ($5,659) | ($20,051) | $34,145 | $42,512 | $1,068 |
| 4. | Start of Period Balance (C) | $800,565 | $797,605 | $754,946 | $751,325 | $733,281 | $769,458 | $800,565 |
| 5. | End of Period Balance Before Interest | $795,444 | $752,847 | $749,288 | $731,273 | $767,426 | $811,971 | |
| 6. | Estimated Interest | $2,161 | $2,100 | $2,037 | $2,008 | $2,032 | $2,142 | $12,479 |
| 7. | End of Period Balance After Interest | $797,605 | $754,946 | $751,325 | $733,281 | $769,458 | $814,112 | |

| | | Actual JULY | Actual AUG | Actual SEPT | Actual OCT | Actual NOV | Actual DEC | ANNUAL TOTAL |
|---|---|---|---|---|---|---|---|---|
| 8. | C&I Revenue (A) | $94,008 | $88,235 | $96,087 | $88,788 | $83,597 | $82,414 | $1,040,360 |
| 9. | C&I C&LM Expense (B) | $32,876 | $40,341 | $29,656 | $35,632 | $96,323 | $193,033 | $934,024 |
| 10. | Cash Flow Over/(Under) | $61,132 | $47,894 | $66,431 | $53,156 | ($12,726) | ($110,619) | $106,336 |
| 11. | Start of Period Balance (C) | $814,112 | $877,532 | $927,868 | $996,902 | $1,052,830 | $1,042,938 | $800,565 |
| 12. | End of Period Balance Before Interest | $875,244 | $925,426 | $994,299 | $1,050,058 | $1,040,104 | $932,318 | $906,901 |
| 13. | Estimated Interest | $2,288 | $2,442 | $2,603 | $2,772 | $2,834 | $2,675 | $28,092 |
| 14. | 2010 Commercial & Industrial Incentive (D) | | | | | | $64,117 | $64,117 |
| 15 | End of Period Balance After Interest | $877,532 | $927,868 | $996,902 | $1,052,830 | $1,042,938 | $870,876 | $870,876 |
| 16 | End Balance as % of Revenue | | | | | | | 83.71% |

FOOTNOTES:
(A) Revenue Report
(B) Source: PeopleSoft query
(C) "End of Period Balance Before Interest" from prior month.
Estimated DSM incentive is included in Dec expense estimate.
(D) This is the amount credited to the Company's General Ledger during this year.

| Interest Rates: | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | JAN = | 3.25% | FEB = | 3.25% | MAR = | 3.25% | APR = | 3.25% |
| | MAY = | 3.25% | JUN = | 3.25% | JUL = | 3.25% | AUG = | 3.25% |
| | SEP = | 3.25% | OCT = | 3.25% | NOV = | 3.25% | DEC = | 3.25% |

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

PREPARED BY: R. Bowcock
Date: 15-Jun-11

**TABLE 8**

**NATIONAL GRID**
**ENERGY EFFICIENCY VARIANCE ANALYSIS**
**RESIDENTIAL FUND**
12 Months Actual 2010

Energy Efficiency Residential Revenue/Expense for Jan-Dec 2010

| | | JAN | FEB | MARCH | APRIL | MAY | JUNE |
|---|---|---|---|---|---|---|---|
| 1. | Residential C&LM Revenue (A) | $48,118 | $37,224 | $116,063 | $32,975 | $125,499 | $122,449 |
| 2. | Estimated Residential C&LM Revenue (B) | $48,271 | $39,383 | $37,461 | $34,630 | $29,781 | $31,883 |
| 3. | Difference (1)-(2) | ($153) | ($2,159) | $78,603 | ($1,655) | $95,717 | $90,566 |
| 4. | Residential C&LM Expense (A) | $13,960 | $23,870 | $71,990 | $88,345 | $8,414 | $140,883 |
| 5. | Estimated Residential C&LM Expense (C) | $0 | $0 | $0 | $0 | $0 | $0 |
| 6. | Difference Residential C&LM Expense (4) - (5) | $13,960 | $23,870 | $71,990 | $88,345 | $8,414 | $140,883 |

| | | JULY | AUG | SEPT | OCT | NOV | DEC | TOTAL |
|---|---|---|---|---|---|---|---|---|
| 7. | Residential C&LM Revenue (A) | $44,653 | $42,275 | $36,459 | $30,772 | $102,524 | $37,224 | $776,235 |
| 8. | Estimated Residential C&LM Revenue (B) | $39,746 | $39,347 | $35,762 | $29,336 | $31,655 | $36,292 | $433,546 |
| 9. | Difference (7)-(8) | $4,907 | $2,928 | $696 | $1,437 | $70,870 | $932 | $342,690 |
| 10. | Residential C&LM Expense (A) | $119,719 | $98,712 | ($38,188) | $9,043 | $33,463 | ($112) | $570,099 |
| 11. | Estimated Residential C&LM Expense (C) | $0 | $0 | $0 | $0 | $0 | $63,715 | $63,715 |
| 12. | Difference Residential C&LM Expense (10) - (11) | $119,719 | $98,712 | ($38,188) | $9,043 | $33,463 | ($63,827) | $506,384 |

*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 2010

Energy Efficiency C&I Revenue/Expense for Jan-Dec 2010

| | | JAN | FEB | MARCH | APRIL | MAY | JUNE | |
|---|---|---|---|---|---|---|---|---|
| 1. | C&I C&LM Revenue (A) | $86,242 | $77,985 | $86,037 | $81,998 | $81,586 | $93,382 | |
| 2. | Estimated C&I C&LM Revenue (B) | $89,748 | $82,819 | $77,953 | $89,397 | $80,121 | $89,398 | |
| 3. | Difference (1)-(2) | ($3,506) | ($4,834) | $8,084 | ($7,400) | $1,465 | $3,984 | |
| 4. | C&I C&LM Expense (A) | $91,363 | $122,744 | $91,696 | $102,049 | $47,441 | $50,870 | |
| 5. | Estimated C&I C&LM Expense (C) | $0 | $0 | $0 | $0 | $0 | $0 | |
| 6. | Difference C&I C&LM Expense (4) - (5) | $91,363 | $122,744 | $91,696 | $102,049 | $47,441 | $50,870 | |
| | | **JULY** | **AUG** | **SEPT** | **OCT** | **NOV** | **DEC** | **TOTAL** |
| 7. | C&I CLM Revenue (A) | $94,008 | $88,235 | $96,087 | $88,788 | $83,597 | $82,414 | $1,040,360 |
| 8. | Estimated C&I C&LM Revenue (B) | $97,396 | $90,544 | $85,771 | $88,725 | $66,061 | $80,269 | $1,018,202 |
| 9. | Difference (7)-(8) | ($3,387) | ($2,308) | $10,315 | $62 | $17,537 | $2,145 | $22,158 |
| 10. | C&I C&LM Expense (A) | $32,876 | $40,341 | $29,656 | $35,632 | $96,323 | $193,033 | $934,024 |
| 11. | Estimated C&I C&LM Expense (C) | $0 | $0 | $0 | $0 | $0 | $85,110 | $85,110 |
| 12. | Difference C&I C&LM Expense (10) - (11) | $32,876 | $40,341 | $29,656 | $35,632 | $96,323 | $107,923 | $848,914 |

*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.