

DE10-188 National Grid NH  
Program Year 1 (January 1, 2011 - December 31, 2011) Actual Results

Shareholder Incentive Template-National Grid  
Savings Component

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      | 2,050            |
| MMBTU Savings per Participant Per Year                                    | 36.95            |
| Total MMBTU Savings Per Year                                              | <u>75,747</u>    |
| Measure Life of Measures installed in the annual program year time period | 16.60            |
| Grand Total MMBTU Savings Benchmark for Performance Incentive             | <u>1,257,675</u> |

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                                               |          |
| Total kWh Savings Per Participant Per Year                                | <u>-</u> |
| Measure Life of Measures installed in the annual program year time period |          |
| Grand Total kWh Savings Benchmark for Performance Incentive               | <u>-</u> |

Benefit Cost (B/C) Benchmark for Computing Shareholder Incentives - National Grid

|                                                                                   |  | Low Income                                                             |    | High Efficiency Heating, Water Heating, Controls |    | Energy Audit w/Home Performance & Weatherization |    | New Home Construction w/ENERGY STAR |    | Residential Building Practices & Demo |    | Residential |    |           |  |
|-----------------------------------------------------------------------------------|--|------------------------------------------------------------------------|----|--------------------------------------------------|----|--------------------------------------------------|----|-------------------------------------|----|---------------------------------------|----|-------------|----|-----------|--|
| Residential Programs                                                              |  | footnotes                                                              |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    | Sub-Total |  |
| Benefits:                                                                         |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
| Avoided Generation, Transmission & Distributions costs for:                       |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
| Program Participants                                                              |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
|                                                                                   |  | (a)                                                                    | \$ | 560,255                                          | \$ | 1,647,120                                        | \$ | 2,515,160                           | \$ | 189,773                               |    |             | \$ | 4,912,307 |  |
|                                                                                   |  | (b)                                                                    | \$ | -                                                | \$ | -                                                | \$ | -                                   | \$ | -                                     |    |             |    |           |  |
|                                                                                   |  | (c)                                                                    | \$ | -                                                | \$ | -                                                | \$ | -                                   | \$ | -                                     |    |             |    |           |  |
|                                                                                   |  | (d)                                                                    | \$ | -                                                |    |                                                  |    |                                     | \$ | -                                     |    |             |    |           |  |
|                                                                                   |  | (e)                                                                    |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
|                                                                                   |  | Adder for other non-quantified benefits (e.g. environmental and other) |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
| Total Benefits                                                                    |  |                                                                        | \$ | 560,255                                          | \$ | 1,647,120                                        | \$ | 2,515,160                           | \$ | 189,773                               |    |             | \$ | 4,912,307 |  |
| Costs:                                                                            |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
| Program costs (e.g. incentives, admin, monitoring, evaluation for:                |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
|                                                                                   |  | (f)                                                                    | \$ | 780,919                                          | \$ | 684,163                                          | \$ | 715,576                             | \$ | 104,797                               | \$ | 627         | \$ | 2,286,081 |  |
|                                                                                   |  | (g)                                                                    | \$ | -                                                | \$ | 207,075                                          | \$ | 224,400                             | \$ | 51,480                                | \$ | -           | \$ | 482,955   |  |
|                                                                                   |  | (b)                                                                    | \$ | -                                                | \$ | -                                                | \$ | -                                   | \$ | -                                     | \$ | -           | \$ | -         |  |
|                                                                                   |  | (c)                                                                    | \$ | -                                                | \$ | -                                                | \$ | -                                   | \$ | -                                     | \$ | -           | \$ | -         |  |
|                                                                                   |  | (h)                                                                    | \$ | -                                                | \$ | -                                                | \$ | -                                   | \$ | -                                     | \$ | -           | \$ | -         |  |
| Total Costs                                                                       |  |                                                                        | \$ | 780,919                                          | \$ | 891,238                                          | \$ | 939,976                             | \$ | 156,277                               | \$ | -           | \$ | 2,769,036 |  |
| Utility Shareholder Incentive at the Sector Level*                                |  | (i)                                                                    |    | n/a                                              |    | n/a                                              |    | n/a                                 |    | n/a                                   |    | n/a         |    | \$147,743 |  |
| Total Costs Including Utility Shareholder Incentives at Sector Level              |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             | \$ | 2,916,779 |  |
| Benefit Cost Ratio by Sector (i.e. B/C Benchmark for Shareholder Incentive Calc.) |  |                                                                        |    |                                                  |    |                                                  |    |                                     |    |                                       |    |             |    |           |  |
|                                                                                   |  |                                                                        |    | 0.72                                             |    | 1.85                                             |    | 2.68                                |    | 1.21                                  |    |             |    | 1.68      |  |

Benefit Cost (B/C) Benchmark for Computing Shareholder Incentives - National Grid

**C&I Programs**

**Benefits:**

Avoided Generation, Transmission & Distributions costs for:  
Program Participants  
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-quantified benefits (e.g. environmental and other)

Total Benefits

**Costs:**

Program costs (e.g. incentives, admin, monitoring, evaluation for:  
Utility Costs (i.e. for admin, monitoring, evaluation, marketing, rebates)  
Program participants (i.e. incremental costs not reimbursed by rebates)  
Market effects (e.g. spillover, post-program adoptions)

Customer Costs (including O&M)

Quantifiable additional resource costs (e.g. water, electricity)

Total Costs

Utility Shareholder Incentive at the Sector Level\*

Total Costs Including Utility Shareholder Incentives at Sector Level

Benefit Cost Ratio by Sector (i.e. B/C Benchmark for Shareholder Incentive Calc.)

|           | Large C&I<br>Retrofit<br>Program | New Equipment<br>and Construction<br>Program | Small Business<br>Energy Solutions | C&I<br>Sub-Total        |
|-----------|----------------------------------|----------------------------------------------|------------------------------------|-------------------------|
| footnotes |                                  |                                              |                                    |                         |
| (a)       | \$ 3,053,128                     | \$ 2,661,840                                 | \$ 1,278,720                       | \$ 6,993,689            |
| (c)       | 0                                | 0                                            | 0                                  | 0                       |
| (d)       | \$ -                             | 0 \$                                         | - \$                               | -                       |
| (e)       |                                  |                                              |                                    |                         |
|           | \$ 3,053,128                     | \$ 2,661,840                                 | \$ 1,278,720                       | \$ 6,993,689            |
| (f)       | \$ 625,998                       | \$ 412,940                                   | \$ 203,546                         | \$ 1,242,485            |
| (g)       | \$ 724,441                       | \$ 631,597                                   | \$ 303,412                         | \$ 1,659,450            |
| (c)       | \$ -                             | 0 \$                                         | - \$                               | -                       |
| (h)       | \$ -                             | 0 \$                                         | - \$                               | -                       |
|           | \$ 1,350,439                     | \$ 1,044,537                                 | \$ 506,959                         | \$ 2,901,935            |
| (i)       | n/a                              | n/a                                          | n/a                                | \$79,168<br>\$2,981,102 |
|           | 2.26                             | 2.55                                         | 2.52                               | 2.35                    |

## MMBTU Savings Benchmark for Computing Shareholder Incentives - National Grid

**Residential Programs**

|     | Low Income | High Efficiency Heating, Water Controls | Energy Audit w/Home Performance & Weatherization | New Home Construction w/ENERGY STAR | Residential |
|-----|------------|-----------------------------------------|--------------------------------------------------|-------------------------------------|-------------|
|     |            |                                         |                                                  |                                     | Sub-Total   |
| (j) | 271        | 826                                     | 748                                              | 33                                  | 1,878       |
| (k) | 12         | 13                                      | 19                                               | 27                                  | 16          |
|     | 3,182      | 10,914                                  | 14,287                                           | 898                                 | 29,281      |
| (l) | 20         | 17                                      | 20                                               | 25                                  | 19.0        |
|     | 63,648     | 183,743                                 | 285,736                                          | 22,440                              | 555,567     |

footnotes

Gas Savings in MMBTU's from Measures Installed in the Program Year

Number of Participants

MMBTU Savings per Participant Per Year

Total MMBTU Savings Per Year

Measure Life of Measures installed during the program year

Grand Total MMBTU Savings Benchmark for Performance Incentive

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**

|  | Large C&I Retrofit Program | New Equipment and Construction Program | Small Business Energy Solutions | C&I       |
|--|----------------------------|----------------------------------------|---------------------------------|-----------|
|  |                            |                                        |                                 | Sub-Total |
|  | 92                         | 48                                     | 32                              | 172       |
|  | 220                        | 368                                    | 265                             | 270       |
|  | 20,285                     | 17,685                                 | 8,496                           | 46,466    |
|  | 15                         | 15                                     | 15                              | 15        |
|  | 306,509                    | 267,227                                | 128,373                         | 702,108   |

Gas Savings in MMBTU's from Measures Installed in the Program Year

Number of Participants

MMBTU Savings per Participant Per Year

Total MMBTU Savings Per Year

Measure Life of Measures installed during the program year

Grand Total MMBTU Savings Benchmark for Performance Incentive

DE10-188 National Grid NH  
Program Year 1 (January 1, 2011 - December 31, 2011) Actual Results  
Footnotes for Budget Benefit Cost Ratio-National Grid

| Residential Programs:                                                      |  | Low Income | High Efficiency Heating, Water Heating, Controls | Energy Audit w/Home Weatherization | New Home Construction w/ENERGY STAR | Residential Sub-Total |
|----------------------------------------------------------------------------|--|------------|--------------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| Number of Participants*                                                    |  | 271        | 826                                              | 748                                | 33                                  | 1,878                 |
| MMBTU Savings per Participant per year**                                   |  | 12         | 13                                               | 19                                 | 27                                  | 16                    |
| Total MMBTU Savings Per Year                                               |  | 3,182      | 10,914                                           | 14,287                             | 898                                 | 29,281                |
| Number of years in the Measure Life**                                      |  | 20         | 17                                               | 20                                 | 25                                  | 19                    |
| Grand Total MMBTU Lifetime Savings for Benchmark for Performance Incentive |  | 63,648     | 183,743                                          | 285,736                            | 22,440                              | 555,567               |
| Lifetime Therm Savings                                                     |  | 636,480    | 1,837,433                                        | 2,857,360                          | 224,400                             | 5,555,673             |
| Rate of Savings per MMBTU***                                               |  | 14.45      | 14.45                                            | 14.45                              | 14.45                               | 14.45                 |
| Grand Total Dollar Savings                                                 |  | \$ 792,418 | \$ 2,287,604                                     | \$ 3,557,413                       | \$ 279,378                          | \$ 6,916,813          |

| C&I Programs:                                                              |  | Large C&I Retrofit Program | New Equipment and Construction Program | Small Business Energy Solutions | C&I Sub-Total |
|----------------------------------------------------------------------------|--|----------------------------|----------------------------------------|---------------------------------|---------------|
| Number of Participants *                                                   |  | 92                         | 48                                     | 32                              | 172           |
| MMBTU Savings per Participant per year**                                   |  | 220                        | 368                                    | 265                             | 270           |
| Total MMBTU Savings Per Year                                               |  | 20,285                     | 17,685                                 | 8,496                           | 46,466        |
| Number of years in the Measure Life                                        |  | 15                         | 15                                     | 15                              | 15            |
| Grand Total MMBTU Lifetime Savings for Benchmark for Performance Incentive |  | 306,509                    | 267,227                                | 128,373                         | 702,108       |
| Lifetime Therm Savings                                                     |  | 3,065,085                  | 2,672,265                              | 1,283,728                       | 7,021,078     |
| Rate of Savings per MMBTU ***                                              |  | 12.45                      | 12.45                                  | 12.45                           | 12.45         |
| Grand Total Dollar Savings                                                 |  | \$ 3,816,031               | \$ 3,326,970                           | \$ 1,598,241                    | \$ 8,741,242  |

\* In Demand  
\*\* The values are variable for program year measurement purposes and based upon the B/C model assumptions.  
\*\*\* Source: Per email communication with J. Cunningham. Consistent with 2007 Synapse Avoided Cost Study.

| Residential Programs         |  | Low Income | High Efficiency Heating, Water Heating, Controls | Energy Audit w/Home Weatherization | Residential Building Practices & Demo | New Home Construction w/ENERGY STAR | Residential Sub-Total |
|------------------------------|--|------------|--------------------------------------------------|------------------------------------|---------------------------------------|-------------------------------------|-----------------------|
| Number of Participants       |  | 271        | 826                                              | 748                                | 0                                     | 33                                  | 1,878                 |
| Participant Incremental Cost |  | \$ -       | \$ 251                                           | \$ 300                             | \$ -                                  | \$ 1,560                            | \$ 257                |
| Program Participant Cost     |  | \$ -       | \$ 207,075                                       | \$ 224,400                         | \$ -                                  | \$ 51,480                           | \$ 482,955            |

| C&I Programs                 |  | Large C&I Retrofit Program | New Equipment and Construction Program | Small Business Energy Solutions | C&I Sub-Total |
|------------------------------|--|----------------------------|----------------------------------------|---------------------------------|---------------|
| Number of Participants       |  | 92                         | 48                                     | 32                              | 172           |
| Participant Incremental Cost |  | \$ 7,874                   | \$ 13,158                              | \$ 9,482                        | \$ -          |
| Program Participant Cost     |  | \$ 724,441                 | \$ 631,597                             | \$ 303,412                      | \$ 1,659,450  |

## Exhibit B - Shareholder Incentive Page 1 of 2

### National Grid NH Energy Efficiency

Target Shareholder Incentive Year ONE- January 1, 2011 - December 31, 2011

| <b>Commercial/Industrial Incentive</b>                  | <b><u>Planned</u></b> | <b><u>Actual</u></b> |
|---------------------------------------------------------|-----------------------|----------------------|
| 1. Benefit/Cost Ratio                                   | 1.47                  | 2.35                 |
| 2. Threshold Benefit / Cost Ratio <sup>1</sup>          | 1.00                  |                      |
| 3. Lifetime MMBTU Savings                               | 1,091,292             | 702,108              |
| 4. Threshold Lifetime MMBTU Savings (65%) <sup>2</sup>  | 709,340               |                      |
| 5. Budget / Actual Spend                                | \$3,174,772           | \$1,242,485          |
| 6. Benefit / Cost Percentage of Budget                  | 4.00%                 |                      |
| 7. Lifetime MMBTU Percentage of Budget                  | 4.00%                 |                      |
| <b>8. C/I Incentive</b>                                 | <b>\$253,982</b>      | <b>\$79,168</b>      |
| <b>9. Cap</b>                                           | <b>\$380,973</b>      |                      |
| <b>Residential Incentive</b>                            |                       |                      |
| 10. Benefit / Cost Ratio                                | 1.96                  | 1.68                 |
| 11. Threshold Benefit / Cost Ratio <sup>1</sup>         | 1.00                  |                      |
| 12. Lifetime MMBTU Savings                              | 736,594               | 555,567              |
| 13. Threshold Lifetime MMBTU Savings (65%) <sup>2</sup> | 478,786               |                      |
| 14. Budget / Actual Spend                               | \$3,090,674           | \$2,286,081          |
| 15. Benefit / Cost Percentage of Budget                 | 4.00%                 |                      |
| 16. Lifetime MMBTU Percentage of Budget                 | 4.00%                 |                      |
| <b>17. Residential Incentive</b>                        | <b>\$247,254</b>      | <b>\$147,743</b>     |
| <b>18. Cap</b>                                          | <b>\$370,881</b>      |                      |
| <b>19. TOTAL INCENTIVE</b>                              | <b>\$501,236</b>      | <b>\$226,911</b>     |

**Exhibit B - Shareholder Incentive Page 2 of 2**  
**National Grid NH Energy Efficiency**  
**Target Benefit-Cost Ratio by Sector**  
Year ONE- January 1, 2011 - December 31, 2011

| <b>Commercial &amp; Industrial:</b>             | <b><u>Planned</u></b> | <b><u>Actual</u></b> |
|-------------------------------------------------|-----------------------|----------------------|
| 1. Benefits (Value) From Eligible Programs      | \$10,458,821          | \$6,993,689          |
| 2. Implementation Expenses                      | \$3,174,772           | \$1,242,485          |
| 3. Customer Contribution                        | \$3,672,739           | \$1,659,450          |
| 4. Shareholder Incentive                        | \$253,982             | \$79,168             |
| 5. Total Costs Including Shareholder Incentive  | <b>\$7,101,493</b>    | <b>\$2,981,102</b>   |
| 6. Benefit/Cost Ratio - C&I Sector              | <b>1.53</b>           | <b>2.41</b>          |
| 7. Benefit/Cost Ratio including SI in cost      | <b>1.47</b>           | <b>2.35</b>          |
| <br><b>Residential:</b>                         |                       |                      |
| 8. Benefits (Value) From Eligible Programs      | \$7,989,660           | \$4,912,307          |
| 9. Implementation Expenses                      | \$3,090,674           | \$2,286,081          |
| 10. Customer Contribution                       | \$748,779             | \$482,955            |
| 11. Shareholder Incentive                       | \$247,254             | \$147,743            |
| 12. Total Costs Including Shareholder Incentive | <b>\$4,086,707</b>    | <b>\$2,916,779</b>   |
| 13. Benefit/Cost Ratio - Residential Sector     | <b>2.08</b>           | <b>1.77</b>          |
| 14. Benefit/Cost Ratio including SI in cost     | <b>1.96</b>           | <b>1.68</b>          |