

Program Cost-Effectiveness - 2012 ACTUAL

	Total Resource Benefit/Cost Ratio	Present Value							
		Benefit (\$000)	Utility Costs (\$000)	Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served
Residential Programs									
Home Energy Assistance	1.33	\$ 2,787.9	\$ 2,102.6	\$ -	693.1	8,368.3	71.4	79.0	721
Home Performance w/Energy S	1.91	\$ 6,168.0	\$ 1,343.4	\$ 1,880.5	408.7	4,655.2	70.1	12.9	908
ENERGY STAR Homes	6.56	\$ 8,739.8	\$ 927.9	\$ 404.2	777.8	17,368.0	233.7	211.4	405
ENERGY STAR Appliances	1.55	\$ 2,853.3	\$ 722.9	\$ 1,116.9	2,267.0	24,924.1	307.6	276.8	16,044
ENERGY STAR Lighting	1.97	\$ 2,826.4	\$ 776.6	\$ 654.8	7,483.9	46,104.2	1,723.4	458.0	64,913
EnergyStar Homes (Geotherma	2.31	\$ 1,409.9	\$ 327.7	\$ 282.3	892.9	22,322.7	237.8	5.5	59
Behavior Based Software		\$ -	\$ 42.6	\$ -	-	-	-	-	-
Other									
Subtotal Residential	2.34	\$ 24,785.3	\$ 6,243.8	\$ 4,338.7	12,523.4	123,742.5	2,644.0	1,043.5	83,050
Commercial/Industrial Programs									
New Construction / Major Reno	2.71	\$ 8,885.7	\$ 2,051.2	\$ 1,225.7	8,266.1	121,380.0	1,319.7	1,005.7	122
Large C&I Retrofit	1.77	\$ 9,773.8	\$ 2,192.3	\$ 3,321.3	9,992.4	124,996.9	1,420.2	1,751.7	176
Small Business Energy Solution	1.75	\$ 9,846.2	\$ 2,816.5	\$ 2,813.0	9,328.7	122,959.4	1,196.2	1,776.8	709
C&I RFP Pilot	1.64	\$ 1,293.4	\$ 332.1	\$ 458.4	1,436.9	18,650.6	180.1	144.8	10
Other (Education)		\$ -	\$ 102.7	\$ -	-	-	-	-	-
CI Partnerships		\$ -	\$ -	\$ -	-	-	-	-	-
Subtotal C&I	1.95	\$ 29,799.0	\$ 7,494.9	\$ 7,818.5	29,024.0	387,986.9	4,116.3	4,679.0	1,017
Smart Start		\$ -	\$ 14.9		-	-	-	-	
HES Fuel Neutral Pilot (Additior	2.50	\$ 5,889.3	\$ 584.8	\$ 1,773.3	-	-	0	0	439
		\$ 5,889.3	\$ 599.7	\$ 1,773.3	-	-	-	-	-
Total	2.18	\$ 60,473.5	\$ 13,753.6	\$ 13,930.5	41,547.4	511,729.4	6,760.3	5,722.6	84,067

Note 1: Energy Star Lighting Program results include 64,913 customers purchasing a total of 225,652 lighting products (assumes 3.4 products/customer).

Note 2: The \$584,790 in HES Fuel Neutral Rebates are included in Home Performance w/Energy Star Utility Costs.

Program Cost-Effectiveness - 2012 PLAN

	Total Resource Benefit/Cos t Ratio	Present Value							
		Benefit (\$000)	Utility Costs (\$000)	Customer Costs (\$000)	Annual MWh Savings	Lifetime MWh Savings	Winter kW Savings	Summer kW Savings	Number of Customers Served
Residential Programs									
Home Energy Assistance	2.22	\$ 4,838.6	\$ 2,182.3	\$ -	767.4	10,469.5	88.4	81.3	760
Home Performance w/Energy Star	2.10	\$ 5,808.4	\$ 1,660.1	\$ 1,112.0	226.0	1,482.6	65.1	14.6	1,036
ENERGY STAR Homes	5.24	\$ 6,770.1	\$ 1,033.4	\$ 257.7	534.8	9,627.6	142.6	101.1	384
ENERGY STAR Appliances	1.42	\$ 2,280.2	\$ 779.3	\$ 827.7	2,012.7	20,632.0	285.3	269.2	13,783
ENERGY STAR Lighting	2.37	\$ 2,291.1	\$ 762.5	\$ 204.1	7,204.7	38,397.0	1,659.6	441.0	64,826
EnergyStar Homes (Geothermal)	3.09	\$ 2,076.6	\$ 385.6	\$ 285.7	1,317.6	32,939.2	354.4	7.1	66
Behavior Based Software	1.01	\$ 251.4	\$ 250.0	\$ -	4,050.0	4,050.0	425.3	462.3	25,000
Other		\$ -	\$ -	\$ -	0.0	-	-	-	-
Subtotal Residential	2.50	\$ 24,316.4	\$ 7,053.1	\$ 2,687.2	16,113.2	117,598.0	3,020.7	1,376.8	105,856
Commercial/Industrial Programs									
New Construction / Major Renovation	3.39	\$ 7,421.2	\$ 1,704.4	\$ 482.6	5,450.6	85,348.1	778.9	1,230.2	94
Large C&I Retrofit	1.51	\$ 8,197.3	\$ 2,260.1	\$ 3,173.4	7,884.4	101,484.6	1,018.8	1,588.2	101
Small Business Energy Solutions	1.48	\$ 7,803.7	\$ 2,816.6	\$ 2,467.6	7,300.4	94,040.7	906.2	1,570.1	1,047
C&I RFP Pilot	2.49	\$ 2,370.8	\$ 544.8	\$ 407.3	2,538.7	30,184.8	332.2	491.4	10
Other (Education)	0.00	\$ -	\$ 103.8	\$ -	-	-	-	-	-
CI Partnerships		\$ -	\$ 30.7	\$ -	0.0	-	-	-	3
Subtotal C&I	1.84	25,793.0	\$ 7,460.4	\$ 6,530.8	23,174.1	311,058.2	3,036.1	4,880.0	1,255
Smart Start		\$ -	\$ 35.0	\$ -	0.0	-	-	0	-
HES Fuel Neutral Pilot (Additional Benefits)		\$ -	\$ 35.0	\$ -	0.0	-	-	0	-
Total	2.11	50,109.4	\$ 14,548.4	\$ 9,218.0	39,287.2	428,656.2	6,056.8	6,256.8	107,111

Note 1: Energy Star Lighting Program plan includes 64,826 customers purchasing a total 222,352 lighting products (Approximately 3.4 products/customer)

Present Value Benefits - 2012 ACTUAL

	Total Benefits	CAPACITY				ENERGY				Non Electric Resource
		Summer Generation	Winter Generation	Transmissio n	Distribution	Winter Peak	Winter Off Peak	Summer Peak	Summer Off Peak	
Residential Programs										
Home Energy Assistance	\$2,787,852	\$45,317	\$0	\$12,669	\$41,683	\$138,619	\$181,262	\$72,539	\$87,775	\$2,207,987
Home Performance w/Energy Star	\$6,167,955	\$5,308	\$0	\$1,668	\$5,489	\$79,676	\$121,272	\$29,522	\$35,704	\$5,889,316
ENERGY STAR Homes	\$8,739,795	\$384,694	\$0	\$63,399	\$208,595	\$319,648	\$408,521	\$161,643	\$202,207	\$6,991,088
ENERGY STAR Appliances	\$2,853,334	\$128,981	\$0	\$39,830	\$131,049	\$401,342	\$523,757	\$229,998	\$261,348	\$1,137,030
ENERGY STAR Lighting	\$2,826,438	\$127,280	\$0	\$38,339	\$126,142	\$735,801	\$948,771	\$384,912	\$465,194	\$0
EnergyStar Homes (Geothermal)	\$1,409,883	\$10,501	\$0	\$1,710	\$5,628	\$456,359	\$897,546	\$19,485	\$18,655	\$0
Behavior Based Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Residential	\$24,785,257	\$702,080	\$0	\$157,616	\$518,587	\$2,131,444	\$3,081,129	\$898,098	\$1,070,883	\$16,225,421
Commercial/Industrial Programs										
New Construction / Major Renovation	\$8,885,675	\$852,195	\$0	\$193,090	\$635,305	\$1,971,517	\$2,670,562	\$1,406,155	\$1,156,851	\$0
Large C&I Retrofit	\$9,773,785	\$1,142,777	\$0	\$297,088	\$977,479	\$2,340,783	\$2,214,329	\$1,637,050	\$1,164,280	\$0
Small Business Energy Solutions	\$9,846,151	\$1,213,982	\$0	\$308,166	\$1,013,930	\$2,502,116	\$2,016,425	\$1,637,237	\$1,154,295	\$0
C&I RFP Pilot	\$1,293,360	\$96,544	\$0	\$24,840	\$81,730	\$213,568	\$361,897	\$274,644	\$240,137	\$0
Other (Education)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CI Partnerships	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal C&I	\$29,798,971	\$3,305,499	\$0	\$823,185	\$2,708,443	\$7,027,983	\$7,263,213	\$4,955,086	\$3,715,562	\$0
Total	\$54,584,228	\$4,007,579	\$0	\$980,800	\$3,227,031	\$9,159,427	\$10,344,343	\$5,853,183	\$4,786,445	\$16,225,421

Shareholder Incentive Calculation 2012

	<u>Planned</u>	<u>Actual</u>
Commercial/Industrial Incentive		
1. Benefit/Cost Ratio	1.77	1.86
2. Threshold Benefit / Cost Ratio ¹	1.00	
3. Lifetime kWh Savings	311,058,212	387,986,930
4. Threshold Lifetime kWh Savings (65%) ²	202,187,838	
5. Budget	\$7,460,377	\$7,494,879
6. Benefit / Cost Percentage of Budget	4.00%	
7. Lifetime kWh Percentage of Budget	4.00%	
8. C/I Shareholder Incentive	\$596,830	\$689,670
9. Cap (12%)	\$895,245	\$899,385
 Residential Incentive		
10. Benefit / Cost Ratio	2.36	2.25
11. Threshold Benefit / Cost Ratio ¹	1.00	
12. Lifetime kWh Savings	117,597,977	123,742,463
13. Threshold Lifetime kWh Savings (65%) ²	76,438,685	
14. Budget ³	\$7,053,069	\$5,659,005
15. Benefit / Cost Percentage of Budget	4.00%	
16. Lifetime kWh Percentage of Budget	4.00%	
17. Residential Incentive	\$564,246	\$453,616
18. Cap (12%)	\$846,368	\$679,081
 19. TOTAL INCENTIVE EARNED		\$1,143,286

Notes

1. Actual Benefit / Cost Ratio for each sector must be greater than or equal to 1.0.
2. Actual Lifetime kWh Savings for each sector must be greater than or equal to 65% of projected savings.
3. Actual Expenses reduced by \$584,790 (HPwES Rebate Costs associated with fossil energy saving measures, as described in NHPUC Order No. 25,462).

Planned Versus Actual Benefit / Cost Ratio by Sector
2012

	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
1. Benefits (Value) From Eligible Programs	\$ 25,792,984	\$ 29,798,971
2. Implementation Expenses	\$ 7,460,377	\$ 7,494,879
3. Customer Contribution	\$ 6,530,815	\$ 7,818,511
4. Estimated Shareholder Incentive	<u>\$ 596,830</u>	<u>\$ 689,670</u>
5. Total Costs (including shareholder incentive)	\$ 14,588,022	\$ 16,003,060
6. Benefit/Cost Ratio - C&I Sector	1.77	1.86
Residential:		
7. Benefits (Value) From Eligible Programs	\$ 24,316,416	\$ 24,785,257
8. Implementation Expenses	\$ 7,053,069	\$ 6,243,794
9. Customer Contribution	\$ 2,687,188	\$ 4,338,719
10. Estimated Shareholder Incentive	<u>\$ 564,246</u>	<u>\$ 453,616</u>
11. Total Costs (including shareholder incentive)	\$ 10,304,502	\$ 11,036,130
12. Benefit/Cost Ratio - Residential Sector	2.36	2.25

Actual Lifetime Energy Savings by Sector and Program
2012

	Lifetime kWh Savings	
	<u>Planned</u>	<u>Actual</u>
Commercial & Industrial:		
New Construction / Major Renovation	85,348,090	121,379,989
Large C&I Retrofit	101,484,572	124,996,947
Small Business Energy Solutions	94,040,728	122,959,432
C&I RFP Pilot	30,184,822	18,650,562
Other (Education)	0	0
CI Partnerships	<u>0</u>	<u>0</u>
Total Commercial & Industrial Included for Incentive Calculati	311,058,212	387,986,930
Residential:		
Home Energy Assistance	10,469,536	8,368,341
Home Performance w/Energy Star	1,482,626	4,655,204
ENERGY STAR Homes	9,627,607	17,367,989
ENERGY STAR Appliances	20,632,001	24,924,128
ENERGY STAR Lighting	38,397,028	46,104,152
EnergyStar Homes (Geothermal)	32,939,179	22,322,650
Behavior Based Software	4,050,000	0
Other	<u>0</u>	0
Total Residential Included for Incentive Calculation	117,597,977	123,742,463

2012 End of Year Reconciliation

	<u>2012</u>
Carry Forward Balance	\$ 18,386
Funding:	
System Benefit Charge	\$ 14,114,377
FCM Payments ¹	1,816,597
Interest	116,683
Total Funding for Energy Efficiency Programs	<u>\$ 16,047,657</u>
Expenses:	
Energy Efficiency Expenditures	\$ 13,793,508
Shareholder Incentive - Preliminary Estimate	1,143,286
2% for PSNH Facilities ²	37,529
Total Program Expenses	<u>\$ 14,974,323</u>
Carry Forward Balance	<u><u>\$ 1,091,720</u></u>

Notes

- FCM Payments net of expenses per the NHPUC Audit of 2009

FCM Payments for 2012 -	\$1,933,146
FCM Expenses for 2012 -	<u>116,550</u>
FCM Net Amount	\$1,816,597
- This amount will bring the balance at 12/31/2012 to \$600,000, PSNH's balance cap on total accumulation of RSA 125-0 funds, per Commission Letter dated November 4, 2010 (Docket 09-170)

Reconciliation
2012 General Ledger Transactions vs Energy Efficiency Program Transactions

General Ledger Balance - 01/01/2012	\$3,231,357
General Ledger Balance - 12/31/2012	<u>4,467,068</u>
2012 Net General Ledger Activity	<u>\$1,235,711</u>

	General	Deduct	Deduct 2011	Add 2012	
	Ledger	Impact of	Transactions	Transactions	2012
	Transactions	Prior Year GL	Included in	not Yet	Program
		Transactions	2012 GL	Recorded on	Year
				GL	
BEGINNING BALANCE - CARRYFORWARD					\$18,386
FUNDING:					
SBC Funding	\$14,114,377				14,114,377
FCM Payments - Net	1,816,597				1,816,597
SS Bad Debt Transfer	-				-
2012 Interest: GL Jan-Nov, EE YTD	104,112			12,571	116,683
2010 SI Interest true-up: Jan 11			-		-
Dec 2011 Interest: Jan 12 (Note 1)	12,745		(12,745)		-
Total Funding	16,047,831		(12,745)	12,571	16,047,657
EXPENSES:					
EE Expenses: Jan-Dec 12	11,240,226				11,240,226
SmartStart EE Expenses: Jan-Dec 12			-	248,135	248,135
Usage of 2% PSNH Facilities set-aside	37,529	(37,529)		-	-
2% PSNH Facilities set-aside				37,529	37,529
2012 EE Expenses: Jan-Feb 13				2,305,147	2,305,147
2011 EE Expenses: Jan-Apr 11	2,073,232		(2,073,232)		-
2012 Shareholder Incentive TBD	1,122,100			21,186	1,143,286
2011 SI Incentive True-up	339,034		(339,034)		-
Total Expenses	14,812,120	(37,529)	(2,412,266)	2,611,996	14,974,323
Net: Funding less Expenses	1,235,711	37,529	2,399,521	(2,599,425)	1,091,720

Notes:

(1) Reflects Adjustments due to NHPUC audit of 2011 Program Year.