

Northern Utilities Energy Efficiency
 Program Year 2013 - Proposed Increase of \$70,000 in Residential Program Funding for
 ENERGY STAR Appliances

Summary of Key Changes		
Category	As Filed 12/17/12	As Requested 10/11/13
Page 129: Attachment G-G: Total Resource Benefit Cost Analysis (ENERGY STAR Appliances)		
TRC B/C	1.08	1.16
TRC Net Benefit	\$ 44,643	\$ 134,980
Total Benefit	\$ 639,626	\$ 987,887
Total Costs (Including PI)	\$ 594,981	\$ 852,906
PA Costs (Including PI)	\$ 300,094	\$ 397,458
Annual MMBtu Savings	2,402	3,711
Lifetime MMBtu Savings	49,208	71,506
Participant Goal	288	446
Page 130: Attachment G-G: Shareholder Incentive, Page 1 of 4 (Residential Sector)		
Target Benefit/Cost Ratio	1.44	1.41
Target lifetime MMBTU	111,123	181,209
Implementation Expenses	\$ 716,862	\$ 724,362
Target Residential PI ¹	\$ 57,315	\$ 57,949
PI Cap	\$ 86,023	\$ 86,923
Total Target Incentive (Portfolio) ²	\$ 100,388	\$ 97,600
Page 131: Attachment G-G: Shareholder Incentive, Page 2 of 4 (Residential Sector)		
Benefits (Value) From Eligible Programs	\$ 1,629,425	\$ 1,901,630
Implementation Expenses	\$ 669,648	\$ 724,362
Customer Contribution	\$ 412,709	\$ 583,894
Target Residential PI ¹	\$ 57,315	\$ 57,949
Total Costs (Including PI)	\$ 1,129,670	\$ 1,346,206
Page 131: Attachment H-G: Projected Program Expenses		
ENERGY STAR Appliances ³		
Internal Administration	\$ 21,692	\$ 22,729
External Administration	\$ 1,925	\$ 1,925
Customer Rebates	\$ 166,725	\$ 242,068
Internal Implementation	\$ 74,283	\$ 79,727
Marketing	\$ 2,800	\$ 2,500
Evaluation	\$ 17,875	\$ 17,875
Total	\$ 275,000	\$ 366,816
Home Performance w/ ENERGY STAR ²		
Internal Administration	\$ 10,098	\$ 8,078
External Administration	\$ 1,261	\$ 1,009
Customer Rebates	\$ 64,419	\$ 49,685
Internal Implementation	\$ 39,050	\$ 31,240
Marketing	\$ 9,240	\$ 9,240
Evaluation	\$ 10,935	\$ 8,748
Total	\$ 135,000	\$ 108,000

Notes:

1 - In calculating the planned performance incentive for 2013 in its initial 12/17/13 filing, Northern used the residential sector "Budget" from Attachment GG Page 1 of 4 (\$716,862), as the basis on which to calculate "Target Residential Incentive" (\$57,315). However, this "Budget" total already incorporated estimated performance incentive expenditures. The "Implementation Expenses" total, as presented on Attachment GG Page 2 of 4 (\$669,648) is the more appropriate basis on which to calculate the 8% target residential incentive. The "Target Residential Incentive" included on Schedule GG Page 1 of 4 was therefore overstated by \$4,561 (\$57,315 - \$52,754). In the column labeled "As Requested", only implementation expenses (i.e., not including estimated PI, but including those program implementation funds requested in this filing) have been used as the basis for calculating the target residential incentive.

2 - A similar calculation was made in the original filing for the C&I Sector as was made for the Residential Sector as described in Note 1. The C&I Sector had planned implementation expenses (not including PI) of \$495,639, as reflected on Attachment GG page 2 of 4. Recalculating the target performance incentive on the basis of these expenses results in a figure of \$39,661 rather than the \$43,071 displayed on line 8 of Attachment GG Page 1 of 4, a difference of \$3,410. As a result, the C&I target incentive was overstated by \$3,420 (\$43,071 - \$39,651) and the total portfolio incentive was overstated by \$7,071.

3 - Revised per August 21, 2013 transfer of \$27,000 from HPWES to ENERGY STAR Appliances.

Attachment H-G Page 1 of 2: 2013 Budget Details
 (reference page 138 of December 2012 filing)

REVISED October 9, 2013

Until Gas Energy Efficiency

New Hampshire Program Year ONE (January 1, 2013 - December 31, 2013)

BCR Activity	Internal Admin	External Admin	Rebate/ Services	Internal Impl	Marketing	Evaluation	Budget Total
Residential							
ENERGY STAR Homes	\$5,001	\$1,004	\$36,000	\$30,115	\$0	\$6,480	\$80,000
ENERGY STAR Appliances ^{1,2}	\$22,720	\$1,928	\$242,058	\$79,727	\$2,500	\$17,875	\$386,815
Home Performance w/ENERGY STAR ¹	\$8,078	\$1,009	\$49,695	\$31,240	\$9,240	\$6,748	\$108,000
Home Energy Assistance (Low Income)	\$11,264	\$1,738	\$74,185	\$44,956	\$1,260	\$11,600	\$146,000
Res Energy Code Training & Education	\$180	\$592	\$0	\$8,275	\$0	\$0	\$7,048
Res Building Practices & Demo	\$1,120	\$1,050	\$0	\$15,330	\$0	\$0	\$17,500
Residential Total	\$48,272	\$7,815	\$401,938	\$207,644	\$12,990	\$44,703	\$724,322
Commercial & Industrial							
Large Business	\$21,078	\$640	\$169,800	\$63,002	\$3,000	\$22,400	\$280,000
Small Business	\$16,397	\$1,270	\$116,000	\$54,043	\$5,480	\$16,800	\$210,000
C&I Codes, Energy Audits & Education	\$180	\$451	\$0	\$5,007	\$0	\$0	\$5,639
Commercial & Industrial Total	\$37,655	\$2,361	\$285,800	\$122,132	\$8,480	\$39,200	\$486,639
Grand Total	\$86,928	\$10,178	\$687,738	\$329,776	\$21,480	\$83,903	\$1,220,001

Notes:

- 1 - Revised per August 21, 2013 transfer of \$27,000 from HIPWES to ENERGY STAR Appliances
- 2 - As proposed in this filing, including \$64,815 in additional program expenses

Attachment G-G: Total Resource Benefit Cost Analysis
 (reference page 129 of December 2012 filing)

REVISED October 9, 2013

January 1, 2013 - December 31, 2013 TRC BENEFIT COST TEST
 Utility Gas Energy Efficiency -- Summary of Benefit, Costs

Program Year 2013 (January 1, 2013 - December 31, 2013)
 New Hampshire Program Year ONE

Total Resource Cost Test

BCR Activity	TRC Benefit/ Cost	TRC Net Benefits	Total Benefits ¹ (\$000)	Total Costs (\$000)	PA Costs (\$000)	Participant Costs (\$000)	Annual MMBTU Savings	Lifetime MMBTU Savings	Participant Goal
	<i>Revised for PI (2)</i>	<i>Revised for PI (2)</i>		<i>Revised for PI (2)</i>	<i>Revised for PI (2)</i>				
Residential									
Home Energy Assistance (Low Income)	1.95	\$149	\$306	\$167	\$167	\$0	1,056	20,710	30
Home Performance w/ENERGY STAR ³	2.27	\$206	\$968	\$162	\$117	\$45	1,096	24,791	20
ENERGY STAR Appliances ^{3,4}	1.16	\$185	\$988	\$853	\$387	\$466	3,711	71,600	445
ENERGY STAR Homes	1.60	\$90	\$240	\$160	\$87	\$63	582	14,202	16
Res Building Practices and Demo	n/a	(\$18)	\$0	\$18	\$18	\$0	-	-	-
Res Energy Code Training & Education	n/a	(\$7)	\$0	\$7	\$7	\$0	-	-	-
Subtotal: Residential	1.41	\$655	\$1,902	\$1,346	\$782	\$564	6,465	131,209	511
Commercial & Industrial									
Large Business	4.73	\$2,328	\$2,962	\$624	\$303	\$321	12,178	231,888	58
Small Business	2.06	\$547	\$1,062	\$515	\$227	\$288	3,965	80,979	104
C&I Codes, Energy Audits & Education	n/a	(\$6)	\$0	\$6	\$6	\$0	-	-	-
Subtotal: Commercial & Industrial	3.51	\$2,870	\$4,014	\$1,144	\$536	\$609	16,143	312,867	163
Grand Total	2.38	\$3,425	\$5,916	\$2,491	\$1,318	\$1,173	22,698	444,076	673

Notes:

- 1 - All benefits were calculated using the 2009 Avoided Energy Supply Costs, dated August 2009 to remain consistent with the values used in the original filing
- 2 - "PA Costs" are inclusive of updated PI costs; see Notes 1 and 2 on the Summary Page.
- 3 - Revised per August 21, 2013 transfer of \$27,000 from HPwES to ENERGY STAR Appliances
- 4 - As proposed in this filing, reflecting \$70,000 in additional funding

Attachment G-G: Shareholder Incentive Page 1 of 4
 (reference page 130 of December 2012 filing)

**Utilit Gas Energy Efficiency
 Target Shareholder Incentive**

Year ONE- January 1, 2013 - December 31, 2013
 REVISED - October 9, 2013

Commercial/Industrial Incentive

1. Target Benefit/Cost Ratio	<i>Revised</i>	3.51
2. Threshold Benefit/Cost Ratio		1.00
3. Target Lifetime MMBTU		312,867
4. Threshold MMBTU		203,363
5. Budget (excluding Performance Incentive)	<i>Revised</i>	\$495,639
6. CE Percentage		4.00%
7. Lifetime MMBTU Percentage		4.00%
8. Target C&I Performance Incentive	<i>Revised</i>	\$39,651
9. Cap	<i>Revised</i>	\$59,477

Residential Incentive

10. Target Benefit/Cost Ratio	<i>Revised</i>	1.41
11. Threshold Benefit/Cost Ratio		1.00
12. Target Lifetime MMBTU	<i>Revised</i>	131,209
13. Threshold MMBTU		85,286
14. Budget (excluding Performance Incentive)	<i>Revised</i>	\$724,362
15. CE Percentage		4.00%
16. Lifetime MMBTU Percentage		4.00%
17. Target Residential Performance Incentive	<i>Revised</i>	\$57,949
18. Cap	<i>Revised</i>	\$86,923
19. TOTAL TARGET INCENTIVE	<i>Revised</i>	\$97,600

Line No. Notes:

-
- 4. 65% of line 3.
 - 8. 8% of line 5.
 - 9. 12% of line 5.
 - 13. 65% of line 12.
 - 17. 8% of line 14.
 - 18. 12% of line 14.
 - 19. Line 8 plus line 17.

Attachment G-G: Shareholder Incentive Page 2 of 4
 (reference page 131 of December 2012 filing)

**Utiliti Gas Energy Efficiency
 Target Benefit-Cost Ratio by Sector**

Year ONE- January 1, 2013 - December 31, 2013
REVISED - October 9, 2013

Commercial & Industrial:		<u>Planned</u>
1. Benefits (Value) From Eligible Programs		\$4,014,227
2. Implementation Expenses		\$498,639
3. Customer Contribution		\$609,075
4. Target Performance Incentive	<i>Revised</i>	\$39,651
5. Total Costs Including Performance Incentive		\$1,144,365
6. Benefit/Cost Ratio - C&I Sector	<i>Revised</i>	3.51
Residential:		
7. Benefits (Value) From Eligible Programs	<i>Revised</i>	\$1,901,630
8. Implementation Expenses	<i>Revised</i>	\$724,362
9. Customer Contribution	<i>Revised</i>	\$563,894
10. Target Performance Incentive	<i>Revised</i>	\$57,949
11. Total Costs Including Performance Incentive	<i>Revised</i>	\$1,346,205
12. Benefit/Cost Ratio - Residential Sector	<i>Revised</i>	1.41

Line No. Notes:

5. Sum of lines 2 through 4.

6. Line 1 divided by line 5.

11. Sum of lines 8 through 10.

12. Line 7 divided by line 11. The revised Benefit/Cost Ratio for the Residential Sector is lower than originally planned due to the fact that as a program, the ENERGY STAR Appliance Program has a lower Benefit/Cost ratio than other residential programs, and the addition of funds to this program brings down the Benefit/Cost ratio for the sector as a whole.