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October 28, 2011

**BY HAND DELIVERY AND E-FILING**

Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station – 5<sup>th</sup> Floor  
Boston, MA 02110

Re: NSTAR Gas Company, D.P.U. 11-107;  
Proposed 2012 Mid-Term Modifications

Dear Secretary Marini:

On behalf of NSTAR Gas Company (the “Company”), please find the Company’s mid-term modification (“MTM”) filing for effect in calendar year 2012 (“2012 MTMs”), which is submitted pursuant to the Company’s Three-Year Energy Efficiency Plan; § 3.8 of the Department of Public Utilities’ (the “Department”) Revised Energy Efficiency Guidelines (“Guidelines”); the rulemaking Orders of the Department in D.P.U. 08-50-A and in D.P.U. 08-50-B; and the Department’s Order on Gas Three-Year Energy Efficiency Plans-2010-2012, D.P.U. 09-121 through D.P.U. 09-128 (2010) (“Gas Order”). Included with today’s filing are the following materials:

- (1) The Company’s Petition for Approval of Mid-Term Modifications, with supporting exhibits:
  - ▶ Exhibit A: Executive Summary
  - ▶ Exhibit B: NSTAR Gas-Specific Significant Mid-Term Modifications  
Attachment 1: Trigger and Annual Variance Table
  - ▶ Exhibit C: Evaluation, Monitoring, and Verification (“EM&V”)
  - ▶ Exhibit D: Performance Incentives, including:  
Attachment 1: Metrics

Attachment 2: Model

- ▶ Exhibit E: Pilots
- ▶ Exhibit F: Cost-Effectiveness

Attachment 1: BCR Screening Models (*see* CD-ROM)

- ▶ Exhibit G: Updated 08-50 Tables
- ▶ Exhibit H: Technical Reference Manual
- ▶ Exhibit I: Appendices, including:

Appendix 1: NSTAR Gas-Specific Notification of Annual Variance

Appendix 2: Benefits Summary Table

Appendix 3: MTM Materials Provided to Council in advance of October 11, 2011 Meeting

Appendix 4: Traditional Bill Impact Analyses

Appendix 5: Evaluation Studies

- (2) Pre-Filed Affidavits of Tilak Subrahmanian, Lisa M. Shea, Charles A. Olsson, Frank Gundal, and Christine L. Vaughan.

The Company has worked diligently and collaboratively with its fellow Program Administrators, the Energy Efficiency Advisory Council (“Council”), the Council’s consultants, the Attorney General, and other interested stakeholders in the preparation of this filing, which is the Company’s second MTM filing. Before seeking Department approval of this filing, pursuant to §§ 3.8.3 and 3.8.4 of the Guidelines, the Program Administrators, including the Company, provided information about their proposed 2012 MTMs to the Council for its review in advance of the Council’s October 11, 2011 meeting. Since the Council’s October meeting, the Program Administrators have obtained informal feedback from the Council and have been working with the Council to respond to that feedback and make any adjustments necessary to their MTM proposals. The Council is continuing to review the MTMs presented by the Company and its fellow Program Administrators, but has not yet taken any definitive action with respect thereto.

The Company notes that the filing is limited in scope to significant modifications, as required by Section 3.8 of the Guidelines, as well as those materials specifically required in the Gas Order. Any other change in budgets, savings goals, or incentives that is noted in the enclosed filing, but which does not meet the modification criteria set forth in Section 3.8.2 of the

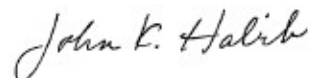
Mark D. Marini, Secretary  
D.P.U. 11-107  
October 28, 2011  
Page 3

Guidelines, is included solely for informational purposes, and does not constitute a request for approval from the Department. For the Department's convenience, the Program Administrators will submit to the Department a statewide roll-up of the 08-50 tables of all Program Administrators for informational purposes in early November.

In developing their 2012 MTM filings, the Program Administrators, including the Company, worked proactively and collaboratively with the Low-Income Weatherization and Fuel Assistance Network, Massachusetts Energy Directors Association, the Low-Income Energy Affordability Network (prior three entities, "LEAN"). LEAN, which is charged with implementing residential energy efficiency and related education programs to low-income customers under the Act, has stated that it is generally supportive of the 2012 MTM filings. Nevertheless, it is the understanding of the Program Administrators that LEAN is reserving its right to raise concerns about the Residential and Low-Income Non-Energy Impacts (NEI) Evaluation and Avoided Energy Supply Costs in New England: 2011 Report as necessary.

The \$100 filing fee is enclosed. Should you have any questions with respect to today's filing, please do not hesitate to contact me.

Very truly yours,



John K. Habib

Enclosures

cc: Benjamin N. Spruill, Esq., Hearing Officer  
Steven Venezia, Esq., Department of Energy Resources  
Danielle Rathbun, Esq., Office of the Attorney General  
Jerold Oppenheim, Esq., Low-Income Energy Affordability Network  
Services Lists (D.P.U. 09-126 and 10-141)  
Energy Efficiency Advisory Council (by email only)

KEEGAN WERLIN LLP

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October 28, 2011

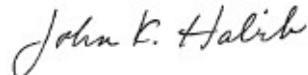
Mark D. Marini, Secretary  
Department of Public Utilities  
One South Station, 5<sup>th</sup> Floor  
Boston, MA 02110

Re: Notice of Appearance of Counsel; D.P.U. 11-107

Dear Mr. Marini:

On behalf of NSTAR Gas Company, enclosed is a Notice of Appearance relating to the above-referenced docket. Thank you for your attention to this matter.

Very truly yours,



John K. Habib

Enclosures

cc: Benjamin N. Spruill, Hearing Officer  
Danielle Rathbun, Office of the Attorney General  
Steven Venezia, Department of Energy Resources  
Jerrold Oppenheim, Low-Income Energy Affordability Network

**THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

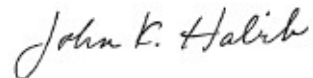
D.P.U. 11-107

**ON BEHALF OF NSTAR GAS COMPANY**

**APPEARANCE OF COUNSEL**

In the above referenced proceeding, we the undersigned hereby appear for and on behalf of NSTAR Gas Company.

Respectfully Submitted,



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John K. Habib, Esq.  
Keegan Werlin LLP  
265 Franklin Street  
Boston, MA 02110  
TEL: (617) 951-1400  
FAX: (617) 951-1400

Dated: October 28, 2011

**THE COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF PUBLIC UTILITIES**

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NSTAR Gas Company )  
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 ) D.P.U. 11-107  
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**PETITION FOR APPROVAL OF MID-TERM MODIFICATIONS TO THREE-YEAR ENERGY EFFICIENCY PLAN FOR THE 2012 PLAN YEAR**

NSTAR Gas Company (the “Company”) respectfully requests approval from the Department of Public Utilities (the “Department”) pursuant to § 3.8 of the Department’s Revised Energy Efficiency Guidelines (“Guidelines”) and the Department’s Order on Gas Three-Year Energy Efficiency Plans-2010-2012, D.P.U. 09-121 through D.P.U. 09-128 (2010) (“Gas Order”), of certain mid-term modifications (“MTMs”) to the Company’s Three-Year Energy Efficiency Plan (“Plan”) for effect in calendar year 2012 (“2012 MTMs”). In support of this Petition, the Company states the following:

1. The Company is a gas distribution company, pursuant to G.L. c. 164, § 1, with a principal place of business at 800 Boylston Street, Boston, MA.
2. The Company is organized under the laws of the Commonwealth of Massachusetts, and is engaged in the business of selling and distributing natural gas at retail in Massachusetts.
3. The design, implementation, and cost recovery of the Company’s energy efficiency programs are subject to the jurisdiction of the Department under the provisions of G.L. c. 164 and G.L. c. 25, §§ 21 and 22.

4. The Guidelines, as well as the Department's Orders in Investigation into Updating Energy Efficiency Guidelines Consistent with an Act Relative to Green Communities, D.P.U. 08-50-A (2009), and Energy Efficiency Guidelines, D.P.U. 08-50-B (2009), allow the Commonwealth's electric and gas distribution companies and municipal aggregators (together, "Program Administrators") to propose, for review and approval by the Department, "significant" MTMs to approved energy-efficiency plans. Guidelines at § 3.8.1.<sup>1</sup> Any such request must be accompanied by "(a) sufficient justification for why the proposed modification is appropriate; and (b) the results of the [Energy Efficiency Advisory] Council's review of the proposed modification." Guidelines at § 3.8.4.

5. In seeking MTMs, the Department has stated that a proposed change must exceed an applicable 20 percent threshold at the program level over the full three-year term of the Plan in order to require an MTM. In Cape Light Compact, D.P.U. 10-106, at 8-9 (2011), the Department clarified § 3.8 of its Guidelines with respect to whether the 20 percent threshold that triggers an MTM filing applies to a program's annual or three-year budget. Noting that the Green Communities Act established a three-year cycle for budgeting, planning, and regulatory review of energy-efficiency programs, the Department found that, pursuant to § 3.8.2 of the Guidelines, "Program Administrators are required to seek Department approval for a program budget modification that is *20 percent greater than the program's three-year budget.*" D.P.U. 10-106, at 8-9 (emphasis added).

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<sup>1</sup>

The Guidelines state that "[a] modification is deemed to be significant if it would result in (a) the addition of a new Energy Efficiency Program or the termination of an existing Energy Efficiency Program; (b) a change in an Energy Efficiency Program budget of greater than 20 percent; (c) an Energy Efficiency Program modification that leads to an adjustment in savings goals that is greater than 20 percent; or (d) an Energy Efficiency Program modification that leads to a change in performance incentives of greater than 20 percent." Guidelines at § 3.8.2.

6. In addition, consistent with the procedure for filing an MTM proposal, the Department has directed the Program Administrators to provide updates for review and approval with respect to: (1) evaluation, measurement and verification (“EM&V”) studies; (2) performance incentives; (3) pilot program budgets (2011 and 2012 for electric; 2012 only for gas); and (4) if necessary, savings goals and budget modifications reflecting actual outside funding levels obtained. Gas Order at 134-135; Electric Three-Year Energy Efficiency Plans-2010-2012, D.P.U. 09-116 through D.P.U. 09-120, at 142 (2010) (“Electric Order”).

7. Under the Guidelines and Orders, the Program Administrators retain discretion to make changes to their programs, including budgetary adjustments, provided that such changes do not trigger an MTM pursuant to the requirements in § 3.8.2 of the Guidelines. See D.P.U. 08-50-A at 64.<sup>2</sup> Notwithstanding this discretion, the Program Administrators have been providing notice to the Energy Efficiency Advisory Council (“Council”) and the Department in their MTM filings of discretionary adjustments to certain aspects of the approved Three-Year Energy Efficiency Plans in order to make them as transparent as possible to key stakeholders. Notice of these adjustments is for informational purposes only. These adjustments do not require any action on the part of the Department.

8. The Company filed its first request for MTMs on October 29, 2010, in D.P.U. 10-141. As requested by the Department, on the same date, all of the Program Administrators also filed updates to their EM&V plans and performance incentives, and the electric Program Administrators filed pilot program budgets, all as part of the Program Administrators’

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<sup>2</sup> The Department recently reiterated this discretion, in D.P.U. 10-106, at 7-8, when it stated that “the Three-Year Plan review process should move away from routine mid-term and mid-year program modifications.”



proposed MTM filings. The Company also provided, for informational purposes only, notice of certain adjustments to the goals for 2011.

9. On April 15, 2011, following comprehensive negotiations, the Program Administrators, and the Department of Energy Resources, Environment Northeast and the Low-Income Weatherization and Fuel Assistance Network, Massachusetts Energy Directors Association, and the Low-Income Energy Affordability Network jointly filed for approval with the Department a Memorandum of Agreement intended to resolve all issues among the signatories related to the respective requests for MTMs to each Program Administrator's Three-Year Energy Efficiency Plan for the calendar year 2011.

10. In this 2012 MTM filing, the Company asks the Department to review and approve those revisions and enhancements to the Plan that are "significant" as contemplated by the Department in § 3.8.2 of the Guidelines and its orders interpreting the Guidelines. The Company also provides sufficient justification herein and in the supporting materials showing that its proposal is appropriate. In addition, as part of this filing and consistent with the Department's Gas Order at 134-135, the Company provides updates for Department review and approval with respect to: (1) EM&V studies; (2) performance incentives; and (3) pilot program budgets. Finally, as referenced above, the Company is providing notice, for informational purposes only, of certain Plan changes that do not rise to the level of MTMs and that do not require any Department action.

11. Before seeking Department approval of this filing, pursuant to §§ 3.8.3 and 3.8.4 of the Guidelines, the Company and the other Program Administrators provided information about their proposed 2012 MTMs to the Council for its review. Following a series of informal meetings and discussions with the Council, the Program Administrators provided 2012 MTM information to

the Council in advance of the Council's October 11, 2011 meeting.<sup>3</sup> At that Council meeting, the Program Administrators made written and oral presentations with respect to their 2012 MTMs and responded to questions from individual Councilors. While the Council did not take definitive action on the MTM proposals as presented, the Program Administrators anticipate that the Council will act on the MTM proposals at its next meeting, which is currently scheduled to be held on November 8, 2011. The Company will keep the Department fully apprised of any definitive Council actions or resolutions with respect to its 2012 MTM proposals. Since the Council's October meeting, the Program Administrators have obtained informal feedback from the Council and have been working diligently and collaboratively with the Council to respond to that feedback and make any adjustments necessary to their MTM proposals.

12. In accordance with the Guidelines and the Gas Order, the Company submits this Petition requesting approval of its proposed 2012 MTMs and in support of its request provides the following:

- A. An Executive Summary, as set forth in Exhibit A;
- B. The Company's proposed MTMs to its budgets and savings goals for the 2012 energy efficiency efforts, as modified from those originally set forth in the Plan as approved in the Gas Order, as set forth in Exhibit B;
- C. The statewide EM&V Plan for calendar year 2012, as set forth in Exhibit C;
- D. The 2012 Performance Incentives proposal, as set forth in Exhibit D, including the allocation of funds to the three core components of the performance incentive mechanism (savings, value and performance metrics), as well as the specific performance metrics proposed for effect in 2012. As detailed in

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<sup>3</sup> Individual MTM materials submitted to the Council are included as Exhibit I, Appendix 3 to this filing.

Exhibit D, the Company proposes performance incentives levels and a mechanism for earning performance incentives during the 2012 program year based on the three core components of savings, value, and metrics, as set forth in the Company's Plan. The Company proposes that the incentive pool would equate to the ability to earn a pre-tax amount of \$1,177,456 for achieving target goals. The Company proposes a threshold performance of 75 percent of target, with a cap of 125 percent, as described further in the Plan and Exhibit D. Pursuant to the Gas Order at 105, the Program Administrators, including the Company, have worked with the Council as directed and have proposed the updated allocation of the statewide incentive pool to the Program Administrators based on net benefits, as set forth in Exhibit D;

- E. The Company's 2012 pilot program efforts, as detailed in Exhibit E;
- F. A narrative discussion demonstrating the cost-effectiveness of the Company's proposal, including the related benefit-cost ratio screening models, all as set forth in Exhibit F;
- G. The Company's Updated 08-50 Tables, as set forth in Exhibit G; and
- H. The Technical Reference Manual, as set forth in Exhibit H.

13. If approved, the Company's proposed 2012 MTMs would provide for an increase to the total Plan budgets of approximately \$627,449 and a total savings increase of 22,993 therms for the 2012 calendar year.

14. The Company's programs, with such modifications as described herein, would continue to be cost-effective if all modifications were approved. See Exhs. F and G.

15. As approved in the Gas Order, the Company proposes to continue to recover its costs, including the recovery of performance incentives and of lost base revenue ("LBR"), related to the modifications proposed herein through its energy efficiency surcharge ("EES") component of its local distribution adjustment factor ("LDAF") and, where applicable, through implementation of a Department-approved decoupled rate structure.

16. Consistent with the Department's request last year, the Company provides traditional bill impacts resulting from the total proposed budget change in Exhibit I, Appendix 4. These bill impacts for residential and low-income heating customers indicate the monthly change in dollars and percentage the customers could experience when compared to the amounts originally approved for 2012 in connection with the Department's approval of the Plan.

17. In further support of the requests made in this filing, the Company is submitting Appendices, attached as Exhibit I, containing detailed supporting information, including:

Appendix 1: Program Administrator-Specific Notifications of Annual Variance

Appendix 2: Benefits Summary Table

Appendix 3: MTM Materials Submitted to the Council Prior to October 11, 2011 Meeting

Appendix 4: Traditional Bill Impact Analyses

Appendix 5: Evaluation Studies Finalized Following Submission of the Company's 2010 Energy Efficiency Annual Report

18. This Petition is consistent with the statutory mandate that the Program Administrators pursue "the acquisition of all available energy efficiency." G.L. c. 25, § 21(b).

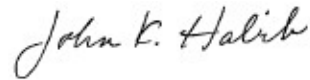
**WHEREFORE**, NSTAR Gas Company, respectfully requests that the Department:

- a) approve the Company's proposed modifications to its budget and savings goals as set forth in Exhibit B;
- b) approve the Company's recovery of the costs of such energy efficiency programs through its currently reviewed and approved EES component of its LDAF;
- c) approve the Company's filing for future recovery of the additional performance incentive and LBR associated with the proposed modifications as allowed in the Gas Order;
- d) approve the Company's 2012 EM&V efforts as set forth in Exhibit C;
- e) approve the Company's proposed performance incentives mechanism, including the values and performance metrics set forth in Exhibit D;
- f) approve the Company's 2012 pilot program efforts as set forth in Exhibit E;
- g) determine that the Company's proposed 2012 energy efficiency effort is cost-effective as set forth in Exhibits F and G; and
- h) provide such other and further relief as may be necessary or appropriate.

Respectfully submitted by,

**NSTAR Gas Company**

By its attorney,



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John K. Habib, Esq.  
Keegan Werlin LLP  
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Boston, Massachusetts 02110  
Telephone: (617) 951-1400  
Facsimile: (617) 951-1354

Dated: October 28, 2011

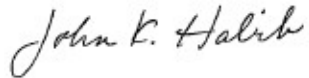
**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

D.P.U. 11-107

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 220 CMR 1.05(1) (Department's Rules of Practice and Procedure).

Dated at Boston, Massachusetts this 28<sup>th</sup> day of October, 2011.



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**EXHIBIT A**  
**Executive Summary**

## **EXECUTIVE SUMMARY**

### A. Overview

The gas and electric distribution companies and municipal aggregators (together “Program Administrators”) are seeking approval from the Department of Public Utilities (“Department”) of certain MTMs (“MTMs”) to each of their Three-Year Energy Efficiency Plans (“Plans”) for effect in the calendar year 2012 (“2012 MTMs”). The 2012 MTMs are the Program Administrators’ second request for MTMs pursuant to § 3.8 of the Department’s Energy Efficiency Guidelines (“Guidelines”), as revised in Energy Efficiency Guidelines, D.P.U. 08-50-B (2009), and the Department’s Orders on Gas Three-Year Energy Efficiency Plans-2010-2012, D.P.U. 09-121 through D.P.U. 09-128 (2010) (“Gas Order”) and Electric Three-Year Energy Efficiency Plans-2010-2012, D.P.U. 09-116 through D.P.U. 09-120, at 142 (2010) (“Electric Order”).<sup>1</sup> On October 29, 2010, the Program Administrators filed their first proposed MTMs to their individual Plans for effect in the calendar year 2011 (“2011 MTMs”). Subsequently, the Program Administrators and key stakeholders negotiated a Memorandum of Agreement (“MOA”) resolving all issues among the signatories related to the MTMs for calendar year 2011, which was filed for approval with the Department on April 15, 2011.

In their 2012 MTM filings, the Program Administrators seek Department approval of those revisions and enhancements to the Plan that are “significant” as contemplated by the Department in § 3.8.2 of the Guidelines and its Orders interpreting the Guidelines. In addition, as part of the 2012 MTM filings, the Program Administrators provide updates for Department review and approval with respect to: (1) EM&V studies; (2) performance incentives; and (3) pilot program budgets, consistent with the Department’s Gas Order at 134-135 and Electric

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<sup>1</sup> The Gas Order and Electric Order were approved by the Department on January 28, 2010.



Order at 142-143 (together, “Orders”). Finally, as part of the 2012 MTM filings, the Program Administrators provide notice, for informational purposes only, of certain changes to the Plans that do not rise to the level of a MTM and thus do not require any Department action.

B. Approval of Three-Year Plans

The Program Administrators have been statutorily charged with developing Plans that “provide for the acquisition of all available energy efficiency and demand reduction resources that are cost effective or less expensive than supply.” G.L. c. 25, § 21(b)(1). In developing the Plans for 2010-2012, the Program Administrators engaged in a collaborative, iterative process, producing multiple draft versions of the Plans and considering the comments of the Energy Efficiency Advisory Council (“Council”) and other interested stakeholders. On October 30, 2009, the Program Administrators filed their individual Plans with the Department. Following a discovery period and hearings, the Program Administrators and interested parties submitted briefs to the Department.

On January 28, 2010, the Department issued Orders on the Plans, approving them subject to limited specified exceptions and directives. Electric Order; Gas Order. The Department is required to determine the cost-effectiveness of the individual Plans on an annual basis. Id. § 21(d)(2). To fulfill this oversight requirement, the Department requires the Program Administrators to file Annual Reports on their energy efficiency activities. D.P.U. 08-50, at 38 (2008); D.P.U. 08-50-C, at 4 (2011).<sup>2</sup> The Program Administrators are also statutorily required to provide quarterly reports to the Council and the Council is charged with providing an annual report to the Department. G.L. c. 25, § 22(d).<sup>3,4</sup>

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<sup>2</sup> The Program Administrators filed their 2010 Annual Report with the Department on August 15, 2011.

<sup>3</sup> Pursuant to the Orders, the Program Administrators are also required to provide a copy of their quarterly reports to the Department for informational purposes.

C. MTM Requirements from Guidelines

In Investigation into Updating its Energy Efficiency Guidelines Consistent with An Act Relative to Green Communities, D.P.U. 08-50-A (2009) and Energy Efficiency Guidelines, D.P.U. 08-50-B (2009), the Department directed the Program Administrators to seek Department approval for the following MTMs: “(1) the addition of a new program or the termination of an existing program; (2) a change in a program budget of greater than 20 percent; (3) a program modification that leads to an adjustment in savings goals that is greater than 20 percent; or (4) a program modification that leads to a change in performance incentives of greater than 20 percent.” D.P.U. 08-50-A at 64; Guidelines at § 3.8.2. Under the Guidelines, these are considered “significant” MTMs that trigger Department review and approval. Guidelines at § 3.8.1, § 3.8.2. Any such request must be accompanied by “(a) sufficient justification for why the proposed modification is appropriate; and (b) the results of the Council’s review of the proposed modification.” Guidelines at § 3.8.4; see also D.P.U. 08-50-A at 64. In establishing these standards, the Department “sought to balance the need for Program Administrators to make improvements to energy efficiency programs during the course of the Three-Year Plans, with the need for adequate regulatory review and stakeholder input of significant changes to the Program Administrators’ planning assumptions and parameters.” Electric Order at 134; Gas Order at 125.

In their 2012 MTMs filings, the Program Administrators have proposed MTMs based on 20 percent variances for review and approval only when there is a change in budget, savings goals, or performance incentives of greater than 20 percent at the program level over the full three-year term of the Plans. In Cape Light Compact, D.P.U. 10-106, at 8-9 (2011), the

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<sup>4</sup> The Program Administrators’ third quarter Quarterly Report includes current updates on program implementation and enhancements, such as program design enhancements, new delivery strategies/initiatives, and community mobilization initiatives in the field. The Program Administrators filed Part 1 of the Quarterly Report on October 6, 2011 and will file Part 2 on November 2, 2011.

Department clarified that Program Administrators are required to seek Department approval only for a program budget modification that is 20 percent greater than the program's three-year budget. D.P.U. 10-106, at 8-9. In addition, in their 2012 MTMs filings, the Program Administrators have proposed MTMs for any instance where a program is being added or subtracted, pursuant to § 3.8.2 of the Guidelines.

D. Supplemental Filing Requirements from Orders

The Department has directed the Program Administrators to file, consistent with the procedure for filing a MTM proposal, updates for review and approval with respect to: (1) EM&V studies; (2) performance incentives; and (3) pilot program budgets (2011 and 2012 for electric; 2012 only for gas). See Electric Order at 142; Gas Order at 134-135. Accordingly, as part of the 2012 MTM filing, the Program Administrators provide for Department review and approval updates for those three categories, consistent with the Department's Gas Order at 134-135; Electric Order at 142-143.

E. Notice of Discretionary Program Changes

Under the Guidelines and Orders, the Program Administrators retain discretion to make changes to their programs, including budgetary adjustments, provided that such changes do not trigger an MTM pursuant to the requirements in § 3.8.2 of the Guidelines. See D.P.U. 08-50-A at 64.<sup>5</sup> Notwithstanding this discretion, the Program Administrators have been providing notice to the Council and the Department in their MTM filings of discretionary adjustments to certain aspects of the approved Plans in order to make them as transparent as possible to key stakeholders. Notice of these adjustments is for informational purposes only. These adjustments do not require any action on the part of the Department.

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<sup>5</sup> The Department recently reiterated this discretion, in D.P.U. 10-106, at 7-8, when it stated that "the Three-Year Plan review process should move away from routine mid-term and mid-year program modifications."

F. Description of 2012 MTM Filing

1. 2012 Modifications- Budget, Savings, Performance Incentives

The Company's 2012 MTMs, which are proposed pursuant to § 3.8.2 of the Guidelines, are set forth in Exhibit B. In order to achieve the greatest level of accuracy possible, the Program Administrators determined whether a particular change triggered the 20 percent threshold necessary for a proposed MTM based upon the best available data as to actual performance. Specifically, the Program Administrators used the following data to compute the 20 percent variances: (a) 2010 evaluated results as submitted to the Department in each Program Administrator's 2010 Annual Report; (b) 2011 values as set forth in each Program Administrator's 2011 MTMs; (c) and the 2012 values as proposed herein. The Program Administrators have used the following data as the planned values in their calculations: (a) 2010 values set forth in the Plan (or as approved in a 2010 mid-year modification, if applicable); (b) 2011 values as set forth in each Program Administrator's 2011 MTMs; and (c) the 2012 values set forth in the Plan. These values used to calculate the 20 percent variances represent the most accurate analysis to date, including evaluation results that have had a significant effect on claimed savings, particularly for gas Program Administrators.

Applying the principles set forth herein, in this filing, the Company proposes certain limited MTMs to its budgets, savings goals, and/or performance incentives for 2012, which require Department approval. Exhibit B, Attachment 1 describes these "triggering" modifications for which the Company seeks Department approval, as well as a brief narrative of the factors driving those changes.

As set forth in Exhibit B, the Company proposes adjustments to the following programs:

- Commercial & Industrial ("C&I") New Construction & Major Renovation – Budget increase (approximately 38%).

- Residential Heating and Water Heating – Savings decrease (approximately 36%).
- C&I New Construction & Major Renovation – Savings increase (approximately 45%).
- Performance Incentive Change – Due to a combination of more total incentive dollars, as well as a change in methodology between the original Three Year Plan and the 2012 MTM with regard to allocation of incentives to programs, there are two programs that fall into this category: C&I New Construction & Major Renovation and C&I Direct Install.

2. Program Consolidation and Addition/Subtraction of Programs

The Program Administrators have proposed a consolidation of the low-income single family retrofit and low-income multi-family retrofit programs in order to form one low-income retrofit program. This combined program has been proposed in order to provide greater flexibility to address market circumstances and demands for program services in the field by low-income customers, to help ensure robust overall program cost-effectiveness, and to potentially provide opportunities for administrative efficiencies over time. Additionally, this consolidation is expected to provide in-the-field experience with programs that have separate initiatives operating within a single program, which is an approach the Program Administrators are exploring in advance of the next three-year plan.

In addition to the low-income retrofit consolidation, the Company proposes to add a Residential Community-Based Pilot and terminate its C&I Deep Energy Retrofit Pilot as set forth in Exhibit B.

### 3. Outside Funding

The Plans approved by the Department included savings goals and budgets that were contingently predicated on certain planning assumptions with respect to the acquisition of outside funding. Specifically, the electric Program Administrators projected that they would secure \$100 million and \$200 million for 2011 and 2012, respectively, on a statewide basis; the gas Program Administrators projected that they would secure \$20 million and \$40 million for 2011 and 2012, respectively, on a statewide basis. The Program Administrators, however, recognized that the scope of available funding for those years could not be ascertained until they had explored potential funding sources fully. For planning purposes, the Program Administrators assumed that sixty percent (60%) of these dollars would be available in the form of funds/grants that would directly off-set program costs, similar to Forward Capacity Market (“FCM”) and Regional Greenhouse Gas Initiative (“RGGI”) funds, with the other forty percent (40%) of these dollars forming a loan or similar pool that would provide capital to customers, which would be repaid through on-bill or other mechanisms. Outside funding at the levels set forth in the original assumptions in the Plans has not materialized (largely due to the lack of any new Federal energy efficiency funding or greenhouse gas/cap and trade legislation).

Despite outside funding levels not reaching the very ambitious levels set forth in the Plans, the Program Administrators have not proposed to reduce portfolio savings goals for 2012 based on outside funding levels. In addition, the Company has not increased its 2012 portfolio budget in any material manner. At a portfolio level, the Company’s planned 2012 savings and budgets approved in the Plan were 5,081,855 therms and \$25,579,130 respectively; in today’s MTM filings, these values are 5,104,848 therms and \$26,206,579. The Company’s updated

savings goals and budgets are reflected in the updated D.P.U. 08-50 tables included in Exhibit G.<sup>6</sup>

4. EM&V

Working collaboratively and with the Council, the Program Administrators are continuing to undertake extensive EM&V efforts designed to ensure accuracy and accountability in program planning and implementation. In accordance with the Department's directive (see Electric Order at 132, Gas Order at 122), Exhibit C sets forth a statewide update on EM&V efforts for 2012, including new initiatives planned for 2012 that have been collaboratively developed by the Program Administrators. The Program Administrators will continue to review the EM&V plan throughout the program year, adding additional studies when and if deemed necessary by the Program Administrators, working with the Council.

5. Performance Incentives

Pursuant to the Orders, the Department approved the proposed incentive pool allocation for 2010 but directed the Program Administrators to develop a revised method of allocating the statewide performance incentive pool among the various Program Administrators for the 2011 and 2012 program years. See Electric Order at 115, Gas Order at 114. In Exhibit D, the Program Administrators propose such a revised allocation model, which was developed collaboratively by the Program Administrators and the Council for 2011 and updated for 2012. The proposed model has been structured to improve the distribution of incentives among the three components - savings, value, and performance metrics - so that the Program

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<sup>6</sup> In its Orders, the Department approved the Company's bill impacts analysis for both of the budget scenarios presented, with full outside funding and without such funding. For informational purposes, the Company provides traditional bill impacts resulting from the total proposed budget change in Appendix 4. These bill impacts for residential and low-income heating customers indicate the monthly change in dollars and percentage the customers could experience when compared to the amounts originally approved for 2012 in connection with the Department's approval of the Plan.

Administrators' incentives are aligned more closely and so that the Program Administrators' individual target component ratios are closer to the statewide average. This model eliminates the potential for anomalies in the performance metric component, while retaining the common payout rates for the savings and value mechanism that were approved by the Department.

Additionally, the Program Administrators have developed revised performance metrics in collaboration with the Council. These metrics are based on certain 2010 performance metrics, as well as metrics submitted to the Department in conjunction with the MOA proposed to resolve the 2011 MTMs.

#### 6. Pilot Program Budgets

Pursuant to the Department's directive, the Company is requesting approval of two pilot programs and associated budgets for 2012. See Electric Order at 142/Gas Order at 134-135. Exhibit E describes the Company's pilot programs and related budgets for 2012.

#### 7. Cost-Effectiveness

Consistent with the statutory mandate that the Plans "provide for the acquisition all available energy efficiency and demand reduction resources that are cost-effective or less expensive than supply" see G.L. c. 25, § 21(b)(1), the Council and the Department are each tasked with periodically reviewing and ensuring the continuing cost-effectiveness of programs. See G.L. c. 25, § 21(b)(3). In connection with the 2012 MTM filings, the Program Administrators provide updated benefit-cost ratios ("BCR") through program screening analysis that reflect the continuing cost-effectiveness of each Program Administrator's programs. See Exhibit F, Att. 1. BCR screening was conducted in accordance with the Total Resource Cost test, which has been reviewed and approved by the Department. Electric Order at 48; Gas Order at 47; D.P.U. 08-50-A at 14. Information regarding program cost-effectiveness is set forth in Exhibit F.



8. D.P.U. 08-50 Tables

In Exhibit G, the Program Administrators provide updated D.P.U. 08-50 Tables reflecting updated savings goals and budgets for 2012 incorporating the results of the Program Administrators' extensive EM&V efforts, the assumptions of the Technical Reference Manual-2012 Plan Version ("TRM"), anticipated program enhancements, and in-the-field experience, as well as actual levels of outside funding. Discount and inflation rates have been updated in compliance with the Department's Order in D.P.U. 08-50-A and the Guidelines at § 3.4.6. Evaluation studies reflected in the D.P.U. 08-50 Tables that were finalized following the 2010 Annual Reports are provided in Exhibit I, Appendix 5.

9. Technical Reference Manual

Today's filing includes a complete version of the statewide TRM updated for 2012. See Exhibit H. This collaboratively developed document provides detailed information, at a measure level, for all prescriptive measures installed by the Program Administrators, and the savings assumptions the Program Administrators plan to use when reporting savings as a result of the implementation of energy efficiency programs. The TRM will be updated and refined over time to reflect new EM&V results, the addition of new measures, and the best data available.

10. Notice of Discretionary Program Changes

In Exhibit I, Appendix 1, in the spirit of cooperation and transparency, the Program Administrators provide notice for informational purposes of certain discretionary adjustments to the Plans that do not meet the Guidelines threshold for MTMs. These notices include any program-level budget, savings, or performance incentives variances that exceed 20 percent on an annual basis. In addition, the Program Administrators provide notice of any change involving an annual budget increase at the sector level of 15 percent for C&I programs or 20 percent for Residential and Low-Income programs. While not required, this sector-level notification is

being provided in order to address any bill impact concerns, due to the fact that cost recovery mechanisms operate at the sector level. Lastly, the Program Administrators provide information regarding material program design changes that involve certain initiatives within programs, but do not fundamentally change the program. None of these adjustments rise to the level of MTMs, and therefore no Department action is required with respect to the materials provided in Exhibit 1, Appendix 1.

11. Meeting with Council

Following a series of informal meetings and discussions with the Council, the Program Administrators, pursuant to §§ 3.8.3 and 3.8.4 of the Guidelines, provided information relating to their proposed 2012 MTMs to the Council for review in advance of the Council's October 11, 2011 meeting. Company-specific MTM materials submitted to the Council are included as Exhibit I, Appendix 3 to this filing. At that Council meeting, the Program Administrators made written and oral presentations with respect to their 2012 MTMs and responded to questions from individual Councilors. While the Council did not take definitive action on the MTM proposals as presented, the Program Administrators anticipate that the Council will act on the MTM proposals at its next meeting, which is currently scheduled to be held on November 8, 2011. The Program Administrators will keep the Department fully apprised of any definitive Council actions or resolutions with respect to their 2012 MTM proposals. Since the Council's October meeting, the Program Administrators have obtained informal feedback from the Council and have been working diligently and collaboratively with the Council to respond to that feedback and make any adjustments necessary to their MTM proposals.

12. Conclusion

The Program Administrators are successfully delivering energy savings efficiently and effectively at a scale that is unprecedented. In contemplating adjustments to their Plans for 2012,

the Program Administrators sought to identify program improvements that will help to achieve the ambitious savings goals for 2012, that are based upon compelling in-the-field experience and that consider the very difficult economic climate in the Commonwealth, particularly in certain service territories. The proposed 2012 MTMs are consistent with the Guidelines and Department precedent, and will enable significant enhancements and adjustments to the Program Administrators' existing energy efficiency efforts, which have been cited as national models of excellence. Allowing the Program Administrators' proposed 2012 MTMs will permit the Program Administrators to continue providing results that benefit the environment, the economy and end-use customers.

**EXHIBIT B**

**Significant Mid-Term Modifications**

**NSTAR GAS  
2012 Mid-Term Modifications<sup>1</sup>**

<b>A. ADDED OR TERMINATED PROGRAMS</b>	
1.	Add: Residential Community-Based Pilot, consistent with 2011 MTM filing.
2.	The Company is proposing to consolidate its low-income single-family and low-income multi-family retrofit programs into one low-income retrofit program; all Program Administrators (“PAs”) are proposing this 2012 Mid-Term Modification (“MTM”) on a common basis. This consolidation has a number of benefits including: 1) providing greater flexibility to address market circumstances and demands for program services in the field by low-income customers; 2) helping ensure robust overall program cost-effectiveness; 3) providing in-the-field experience with operating a consolidated program in the low-income sector (similar to the C&I model where separate initiatives are grouped under a single program) which is an approach that will be explored for the next three year plan; and 4) potentially providing opportunities for administrative efficiencies over time. The Company notes that it would continue to track expenses and participation for both its single-family and multi-family low income initiatives in order to maintain transparent reporting and would not change contractual arrangements with service providers for these initiatives as a result of this consolidation. The PAs have had initial discussions with LEAN with respect to this consolidation and LEAN has indicated that such an approach could yield benefits.
3.	Terminate: C&I Deep Energy Retrofit – there has been no activity to date. Deep energy measures are currently addressed within the C&I programs.

<b>B. BUDGET CHANGE OF 20% OR MORE OVER THREE YEAR PERIOD AT PROGRAM LEVEL</b>	
1.	C&I New Construction & Major Renovation - The budget increase (approximately 38%) is due to the difficulty the Company had predicting the split between this program and the C&I Retrofit program. 2010 was the first year NSTAR Gas began offering energy efficiency programs to T-1 and G-53 customers since the mid-1990s. The customers on these rates are predominately large C&I customers. Given the Company did not have the historical spending trends to split these customers between the two large C&I program budgets, the original C&I New Construction budget for the three-year period was significantly under-projected.

<sup>1</sup> Twenty percent variations are calculated as 2010 Annual Report values + 2011 Plan Values (or 2011 MTM, if approved) + 2012 modified values divided by 2010 Plan (or MYM, if approved) + 2011 Plan (or 2011 MTM, if approved) + 2012 Plan

<b>C. SAVINGS GOAL ADJUSTMENT OF 20% OR MORE OVER THREE-YEAR PERIOD AT PROGRAM LEVEL</b>	
1.	Residential Heating and Water Heating – The savings decrease (approximately 36%) is due to the application of net-to-gross results from the HEHE impact study, as well as the estimated net-to-gross applied to thermostats based on the net-to-gross memo filed in the Company’s 2010 Annual Report.
2.	C&I New Construction & Major Renovation – The savings increase (approximately 45%) is due to the same reasons as described above in the budget section.

<b>D. PERFORMANCE INCENTIVE CHANGE OF 20% OR MORE OVER THREE-YEAR PERIOD BASED ON PROGRAM MODIFICATION</b>	
1.	<p>Due to a combination of more total incentive dollars, as well as a change in methodology between the original Three Year Plan and the 2012 MTM with regard to allocation of incentives to programs, there are two programs that fall into this category: C&amp;I New Construction &amp; Major Renovation and C&amp;I Direct Install.</p> <p>The allocation to programs previously was based on total budget. This was adjusted in the 2011 and 2012 MTMs to be more consistent among PAs. For this submittal, the savings portion of the incentives was allocated to programs based on benefits, and the value portion was allocated based on net benefits, and the performance metric incentives were allocated based on the methodology set forth in Exhibit D. This caused these two program-level performance incentives to increase.</p>

**Attachment 1**  
to

**Exhibit B**

**Trigger Table**

**SAVINGS (Annual therms)**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Goal <sup>6</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Savings
<b>Residential</b>	<b>1,055,388</b>	<b>1,287,303</b>	<b>1,347,608</b>	<b>3,690,299</b>	<b>1,321,467</b>	<b>1,287,303</b>	<b>1,622,235</b>	<b>4,231,005</b>	<b>-16.9%</b>	<b>-12.8%</b>	
Residential New Construction & Major Renovations	76,011	76,073	155,818	307,902	89,320	76,073	167,794	333,187	-7.1%	-7.6%	
Residential Heating and Water Heating	297,873	429,290	406,960	1,134,123	538,319	429,290	797,930	1,765,539	-49.0%	-35.8%	MTM TRIGGER
MassSAVE	-	-	-	-	-	-	-	-	0.0%	0.0%	
Weatherization Program	209,421	358,270	635,804	1,203,495	217,804	358,270	472,007	1,048,081	34.7%	14.8%	
Multifamily Retrofit	116,150	150,670	149,026	415,846	109,174	150,670	184,504	444,348	-19.2%	-6.4%	
Behavior/Feedback Program	355,934	273,000	-	628,934	366,850	273,000	-	639,850	0.0%	-1.7%	
<b>Low Income</b>	<b>157,294</b>	<b>299,670</b>	<b>269,970</b>	<b>726,934</b>	<b>209,984</b>	<b>299,670</b>	<b>356,164</b>	<b>865,818</b>	<b>-24.2%</b>	<b>-16.0%</b>	
Low-Income Retrofit <sup>5</sup>	157,294	299,670	269,970	726,934	209,984	299,670	356,164	865,818	-24.2%	-16.0%	
<b>C&amp;I</b>	<b>1,074,401</b>	<b>1,737,740</b>	<b>3,487,270</b>	<b>6,299,411</b>	<b>1,071,401</b>	<b>1,737,740</b>	<b>3,103,456</b>	<b>5,912,597</b>	<b>12.4%</b>	<b>6.5%</b>	
C&I New Construction & Major Renovation	350,434	785,450	949,545	2,085,429	201,116	785,450	453,446	1,440,012	109.4%	44.8%	MTM TRIGGER
C&I Retrofit	685,235	895,930	2,486,540	4,067,705	835,025	895,930	2,599,236	4,330,191	-4.3%	-6.1%	
C&I Direct Install	38,732	56,360	51,185	146,277	35,260	56,360	50,774	142,394	0.8%	2.7%	
<b>Total Portfolio</b>	<b>2,287,083</b>	<b>3,324,713</b>	<b>5,104,848</b>	<b>10,716,645</b>	<b>2,602,852</b>	<b>3,324,713</b>	<b>5,081,855</b>	<b>11,009,420</b>	<b>0.5%</b>	<b>-2.7%</b>	

Notes:

1. As filed in the Company's 2011 MTM, D.P.U. 10-141
2. Proposed 2012 changes presented in this filing.
3. As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-64
4. Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals
5. Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger
6. As filed in the Company's 2010 Three Year Plan, D.P.U. 09-126



**BUDGET (PA Costs \$)**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Filed Goal <sup>6</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Budgets
<b>Residential (total)</b>	<b>\$ 7,188,898</b>	<b>\$ 10,580,856</b>	<b>\$ 13,234,051</b>	<b>\$ 31,003,805</b>	<b>\$ 7,688,352</b>	<b>\$ 10,580,856</b>	<b>\$ 12,694,195</b>	<b>\$ 30,963,403</b>	4.3%	0.1%	
Residential New Construction & Major Renovations	\$ 904,823	\$ 1,785,536	\$ 1,623,402	\$ 4,313,760	\$ 835,202	\$ 1,785,536	\$ 1,530,561	\$ 4,151,299	6.1%	3.9%	
Residential Heating and Water Heating	\$ 2,279,238	\$ 2,196,311	\$ 3,157,587	\$ 7,633,136	\$ 2,028,461	\$ 2,196,311	\$ 2,710,033	\$ 6,934,805	16.5%	10.1%	
MassSAVE	\$ 833,854	\$ 1,296,324	\$ 1,729,406	\$ 3,859,584	\$ 796,794	\$ 1,296,324	\$ 1,799,193	\$ 3,892,311	-3.9%	-0.8%	
Weatherization Program	\$ 1,931,922	\$ 3,355,815	\$ 4,899,121	\$ 10,186,858	\$ 2,482,072	\$ 3,355,815	\$ 4,925,197	\$ 10,763,084	-0.5%	-5.4%	
Multifamily Retrofit	\$ 538,850	\$ 1,087,013	\$ 1,295,411	\$ 2,921,274	\$ 773,746	\$ 1,087,013	\$ 1,208,587	\$ 3,069,346	7.2%	-4.8%	
Behavior/Feedback Program	\$ 416,185	\$ 352,606	\$ -	\$ 768,791	\$ 402,843	\$ 352,606	\$ -	\$ 755,449	0.0%	1.8%	
Deep Energy Retrofit	\$ 28,183	\$ 96,514	\$ 31,032	\$ 155,729	\$ 50,000	\$ 96,514	\$ 106,389	\$ 252,903	-70.8%	-38.4%	
Residential Building Practices and Demonstration Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Energy Analysis: Internet Audit Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Community Based Pilots	\$ -	\$ 59,502	\$ 57,000	\$ 116,502	\$ -	\$ 59,502	\$ -	\$ 59,502	0.0%	95.8%	
Workforce Development	\$ 48,125	\$ 50,000	\$ 50,000	\$ 148,125	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	0.0%	-1.3%	
Statewide Marketing & Education	\$ 76,950	\$ 110,000	\$ 110,000	\$ 296,950	\$ 90,000	\$ 110,000	\$ 110,000	\$ 310,000	0.0%	-4.2%	
EEAC Consultants	\$ 74,534	\$ 135,000	\$ 198,000	\$ 407,534	\$ 123,000	\$ 135,000	\$ 198,000	\$ 456,000	0.0%	-10.6%	
DOER Assessment	\$ 56,235	\$ 56,235	\$ 83,092	\$ 195,562	\$ 56,235	\$ 56,235	\$ 56,235	\$ 168,705	47.8%	15.9%	
Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
<b>Low Income (total)</b>	<b>\$ 2,868,265</b>	<b>\$ 5,116,662</b>	<b>\$ 5,556,026</b>	<b>\$ 13,540,953</b>	<b>\$ 3,026,796</b>	<b>\$ 5,116,662</b>	<b>\$ 5,210,005</b>	<b>\$ 13,353,464</b>	6.6%	1.4%	
Low-Income Retrofit <sup>5</sup>	\$ 2,776,109	\$ 5,006,042	\$ 5,392,558	\$ 13,174,709	\$ 2,931,176	\$ 5,006,042	\$ 5,056,385	\$ 12,993,604	6.6%	1.4%	
Statewide Marketing & Education	\$ 11,536	\$ 15,000	\$ 15,000	\$ 41,536	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000	0.0%	-7.7%	
Low Income Energy Affordability Network Funding	\$ 60,000	\$ 75,000	\$ 118,000	\$ 253,000	\$ 60,000	\$ 75,000	\$ 118,000	\$ 253,000	0.0%	0.0%	
Low Income DOER Assessment	\$ 20,620	\$ 20,620	\$ 30,468	\$ 71,708	\$ 20,620	\$ 20,620	\$ 20,620	\$ 61,860	47.8%	15.9%	
<b>Commercial &amp; Industrial (total)</b>	<b>\$ 2,569,549</b>	<b>\$ 3,491,859</b>	<b>\$ 7,416,502</b>	<b>\$ 13,477,910</b>	<b>\$ 2,929,126</b>	<b>\$ 3,491,859</b>	<b>\$ 7,674,929</b>	<b>\$ 14,095,914</b>	-3.4%	-4.4%	
C&I New Construction & Major Renovation	\$ 1,072,514	\$ 1,646,107	\$ 2,336,336	\$ 5,054,957	\$ 679,384	\$ 1,646,107	\$ 1,333,568	\$ 3,659,059	75.2%	38.1%	MTM TRIGGER
C&I Retrofit	\$ 1,375,501	\$ 1,579,184	\$ 4,844,352	\$ 7,799,037	\$ 1,991,173	\$ 1,579,184	\$ 6,032,074	\$ 9,602,431	-19.7%	-18.8%	
C&I Direct Install	\$ 56,422	\$ 77,698	\$ 76,887	\$ 211,007	\$ 70,700	\$ 77,698	\$ 76,125	\$ 224,523	1.0%	-6.0%	
Workforce Development	\$ -	\$ 50,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	0.0%	-33.3%	
Business Energy Analyzer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Deep Energy Retrofit	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 82,292	\$ 182,292	-100.0%	-72.6%	
Statewide Marketing & Education	\$ 24,727	\$ 32,000	\$ 32,000	\$ 88,727	\$ 32,000	\$ 32,000	\$ 32,000	\$ 96,000	0.0%	-7.6%	
EEAC Consultants	\$ 23,515	\$ 40,000	\$ 52,000	\$ 115,515	\$ 39,000	\$ 40,000	\$ 52,000	\$ 131,000	0.0%	-11.8%	
DOER Assessment	\$ 16,870	\$ 16,870	\$ 24,927	\$ 58,667	\$ 16,870	\$ 16,870	\$ 16,870	\$ 50,610	47.8%	15.9%	
Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
<b>Portfolio (total)</b>	<b>\$ 12,626,713</b>	<b>\$ 19,189,377</b>	<b>\$ 26,206,579</b>	<b>\$ 58,022,668</b>	<b>\$ 13,644,275</b>	<b>\$ 19,189,377</b>	<b>\$ 25,579,130</b>	<b>\$ 58,412,781</b>	2.5%	-0.7%	

Notes:

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- Proposed 2012 changes presented in this filing.
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- Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals
- Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger
- As filed in the Company's 2010 Three Year Plan, D.P.U. 09-126

**PERFORMANCE INCENTIVES**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Filed Goal <sup>5</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Budgets
<b>Residential</b>	<b>\$ 352,694</b>	<b>\$ 309,458</b>	<b>\$ 461,603</b>	<b>\$ 1,123,755</b>	<b>\$ 320,716</b>	<b>\$ 309,458</b>	<b>\$ 344,208</b>	<b>\$ 974,382</b>	<b>34.1%</b>	<b>15.3%</b>	
Residential New Construction & Major Renovations	\$ 45,163	\$ 21,388	\$ 57,771	\$ 124,322	\$ 40,611	\$ 21,388	\$ 42,804	\$ 104,803	35.0%	18.6%	
Residential Heating and Water Heating	\$ 109,689	\$ 114,438	\$ 132,028	\$ 356,155	\$ 100,023	\$ 114,438	\$ 94,585	\$ 309,046	39.6%	15.2%	
MassSAVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Weatherization Program	\$ 134,218	\$ 144,250	\$ 244,745	\$ 523,213	\$ 122,065	\$ 144,250	\$ 173,235	\$ 439,550	41.3%	19.0%	
Multifamily Retrofit	\$ 41,840	\$ 27,364	\$ 27,059	\$ 96,263	\$ 38,153	\$ 27,364	\$ 33,584	\$ 99,101	-19.4%	-2.9%	
Behavior/Feedback Program	\$ 21,784	\$ 2,018	\$ -	\$ 23,802	\$ 19,864	\$ 2,018	\$ -	\$ 21,882	0.0%	8.8%	
<b>Low Income</b>	<b>\$ 102,780</b>	<b>\$ 147,892</b>	<b>\$ 139,288</b>	<b>\$ 389,960</b>	<b>\$ 135,248</b>	<b>\$ 147,892</b>	<b>\$ 82,735</b>	<b>\$ 365,875</b>	<b>68.4%</b>	<b>6.6%</b>	
Low-Income Retrofit <sup>5</sup>	\$ 102,780	\$ 147,892	\$ 139,288	\$ 389,960	\$ 135,248	\$ 147,892	\$ 82,735	\$ 365,875	68.4%	6.6%	
<b>C&amp;I</b>	<b>\$ 446,891</b>	<b>\$ 511,895</b>	<b>\$ 576,565</b>	<b>\$ 1,535,351</b>	<b>\$ 376,281</b>	<b>\$ 511,895</b>	<b>\$ 672,598</b>	<b>\$ 1,560,774</b>	<b>-14.3%</b>	<b>-1.6%</b>	
C&I New Construction & Major Renovation	\$ 110,756	\$ 248,879	\$ 248,418	\$ 608,053	\$ 93,462	\$ 248,879	\$ 123,143	\$ 465,484	101.7%	30.6%	MTM TRIGGER
C&I Retrofit	\$ 324,609	\$ 236,152	\$ 306,843	\$ 867,604	\$ 273,078	\$ 236,152	\$ 542,543	\$ 1,051,773	-43.4%	-17.5%	
C&I Direct Install	\$ 11,526	\$ 26,864	\$ 21,304	\$ 59,694	\$ 9,741	\$ 26,864	\$ 6,912	\$ 43,517	208.2%	37.2%	MTM TRIGGER
<b>Total Portfolio</b>	<b>\$ 902,365</b>	<b>\$ 969,245</b>	<b>\$ 1,177,456</b>	<b>\$ 3,049,066</b>	<b>\$ 832,245</b>	<b>\$ 969,245</b>	<b>\$ 1,099,541</b>	<b>\$ 2,901,031</b>	<b>7.1%</b>	<b>5.1%</b>	

Notes:

1. As filed in the Company's 2011 MTM, D.P.U. 10-141
2. Proposed 2012 changes presented in this filing.
3. As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-64
4. Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals
5. Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger
6. As filed in the Company's 2010 Three Year Plan, D.P.U. 09-126

**EXHIBIT C**

**Evaluation, Measurement, and Verification**

**Introduction**

In accordance with the EM&V resolution agreed to on September 8, 2009, statewide evaluation efforts have been divided into multiple research areas. As presented in Table 1, each research area has contracted with an independent evaluation team that is responsible for the completion of all agreed upon evaluation efforts within its research area.

**Table 1: Statewide Research Area & Evaluation Contractor**

<b>RESEARCH AREA</b>	<b>LEAD EVALUATION CONTRACTOR</b>
Residential Lighting & Appliances	Nexus Market Research
Residential Retrofit & Low Income	Cadmus
Residential New Construction	Nexus Market Research
Non-Residential Small Business	Cadmus
Large Commercial & Industrial	KEMA
Special & Cross-Cutting	Tetra Tech & Opinion Dynamics (2 contracts)

**Current and Planned Research**

Table 2 details the studies in each of the six research areas that (1) have been completed since the filing of the 2010 Annual Reports on August 15, 2011, (2) are underway but not yet complete, or (3) are expected to commence in 2011 or early 2012. Using this numbering system, the status of each study is noted in the last column. Some of the descriptions have expected completion dates, and some of the studies that recently kicked off currently do not have expected completion dates listed in this draft.

This table includes only those studies that have been already been planned; additional evaluation may be planned throughout 2012. In addition, these studies and schedules are tentative and subject to change based, among other things, on the results of in-progress evaluation studies.

**Table 2: Current and Planned EM&V Research**

<b>STUDY</b>	<b>DESCRIPTION</b>	<b>EXPECTED START DATE/STATUS</b>
<b>Residential New Construction</b>		
Phase II: Baseline Study/Code Compliance Assessment	Underway, three quarters of the way through the field work, draft report due December 31, 2011	Currently ongoing Status: (2)
Major Renovation Pilot	Waiting for more completions, draft report due January 31, 2012.	Currently ongoing Status: (2)
Homebuyer Survey	Surveys complete, analysis underway, final report due December 31, 2011	Currently ongoing Status: (2)
Assessment of New Technologies	Initial memo completed August 29, 2011. Subsequent research will be performed on a quarterly basis if Program Managers identify additional technologies of interest.	Currently ongoing Status: (2)
Builder Focus Groups	Complete, final report due September 30, 2011.	Final stages Status: (1)
<b>Residential Retrofit &amp; Low Income</b>		
Impact Evaluation of the Home Energy Services program	The goal of this study is to review and quantify savings assumptions used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide. This program includes Mass Save and the gas weatherization program.	March 2011 Status: (2)
Market Research of the Home Energy Services program (to support the Residential Performance Metric #2 – Threshold)	Scope to be discussed. A market research plan will be developed and conducted to explore the potential of leveraging existing market opportunities within this program.	Late fall 2011 Status: (3)
Potential Study of the Multifamily Program	The goal of the evaluation is to provide a descriptive, cross-sectional assessment of the market size and characteristics of multi-family buildings within the state. Site visits to support the effort were completed in late August 2011.	August 2010 Status: (2)

<b>STUDY</b>	<b>DESCRIPTION</b>	<b>EXPECTED START DATE/STATUS</b>
Process and Impact evaluation of Multifamily Program	The goal of this research is to assess program processes and identify similarities and differences between the perspectives and assumptions of program staff, trade allies, and customers regarding the goals, design, and implementation of the program. Additionally, an impact evaluation will be performed to review and quantify savings assumptions and impact factors used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide.	March 2011 Status: (2)
Net-to-Gross study on Residential Cooling & Heating Equipment (Cool Smart)	The goal of this study is to perform a free ridership and spillover study to assess the true impacts to this program.	Fall 2011 Status: (3)
Process and Impact evaluation of Low Income program	The goal of this research is to do some follow up analysis from the process work already completed, and to assess program processes and identify similarities and differences between the perspectives and assumptions of program staff, trade allies, and customers regarding the goals, design, and implementation of the program. Additionally, an impact evaluation will be performed to review and quantify savings assumptions used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide.	March 2011 Status: (2)
Process and Impact Evaluation of Home Energy Services Bundled Measure Pilot	The goal is to assess customers' perceptions of packaged measures and their effect on decision making process and an analysis of the acceptance rate for packaged measures. In addition we want to estimate aggregated savings; compare with non- bundled participants for estimate of interactive effects by PA and statewide. This analysis will assist PAs in determining whether this pilot could potentially be a program offering.	September 2011 Status: (2)

<b>STUDY</b>	<b>DESCRIPTION</b>	<b>EXPECTED START DATE/STATUS</b>
Coincident Factor Study	The goal of this study is update the Quantec model currently used to calculate coincident factors utilized in the cost effectiveness model. This study will provide 8760 load shapes and will include a variety of measures; all PAs will be able to utilize this study for determining accurate coincident factors.	September 2011 Status: (2)
NTG study of the High Efficiency Heating Equipment (HEHE) program.	This goal of this NTG study is to obtain spillover for this program.	August 2011 Status: (2)
Process and Impact Evaluation of the Solar Thermal Domestic Hot Water Pilot	The goal of this evaluation is to obtain customer/contractor perceptions of the pilot in addition to obtaining actual savings associated with this measure and to recommend whether the pilot could potentially be offered as a program measure.	June 2011 Status: (2)
Process and Impact Evaluation of the WI FI Thermostat Pilot	The goal of this evaluation will assist in understanding the energy impacts attributable to the pilot, as well as to determine potential ways to improve the program offering should it expand beyond the pilot phase.	June 2011 Status: (2)
Electronically Commutated Motor (ECM) Circulator Pump pilot program.	The goal of this evaluation is to determine the energy savings potential of replacing split phase motors in residential boiler pumps with high-efficiency ECMs. In addition to assessing energy savings, the study aims to test the reliability of single and multiple pump installations.	June 2011 Status: (2)
Impact Evaluation of the Brushless Fan Motor (BFM)	This study seeks to identify savings associated with the BFM retrofits in residential HVAC applications. Anticipated completion of this study is October 2011.	August 2010 Status: (2)
Impact of Gas Training	Scope has not yet been determined.	TBD Status: (3)
<b>Residential Lighting &amp; Appliances</b>		
Market assessment on lighting measures	Assess the changing and evolving lighting marketplace	Fall/winter 2011 Status: (3)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
Shelf stocking survey of MA retailers	Understanding retailers stocking of efficient lighting equipment	Fall 2011 Status: (3)
Lighting on-site saturation study	Understanding lighting and products market	Fall/winter 2011 Status: (3)
Baseline study for lighting based on EISA	Guiding principles and measurement of baseline based on new CFL efficiency standards	October 2011 Status: (3)
Consumer electronic exploratory evaluation	Still under discussion	TBD Status: (3)
<b>Non-Residential Small Business</b>		
Integrated Program Process Evaluations	<ol style="list-style-type: none"> <li>1. Effectiveness of DI program in serving 200-300kW customers</li> <li>2. Focused study of incentive and financing options to motivate program participation</li> </ol> Scope currently under discussion.	Fall 2011 Status: (3)
Lighting Fixture Summer Metering Impact Evaluation	Additional metering for a subset of Non-Controls Lighting Fixture Impact study sites with uncertain seasonal operating hours	July 2011 Status: (2)
Lighting Controls Impact Evaluation	Pre/Post metering impact evaluation of 2011 program participant sites with lighting control measures	January 2011 Status: (2)
<b>Large Commercial &amp; Industrial</b>		
Process Evaluation of the Large Commercial and Industrial Energy Efficiency Programs	Examination of efficiency of current practices. Suggested topics for study span gas and electric integration to similarities and differences of PA tracking systems.	September 2011 Status: (2)
New Construction Baseline Code Compliance Study	On-site interviewing of EE customers, property owners, etc to gauge program effects on adoption. Also on-site interviewing of non-EE customers to determine actual baseline efficiencies.	September 2011 Status: (2)
Custom Electric Measures Impact Evaluations (Lighting, Process, Compressed Air)	Determination of PA specific and statewide realization rates. Lighting involves a 12 month logger study and lighting is the first stage of a two year custom electric evaluation to be followed by refrigeration and motors.	September 2011 Status: (2)



STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
Prescriptive Gas Measures Impact Evaluation	On-site monitoring of furnaces, conventional boilers, and infrared heaters. Possible inclusion of condensing boilers.	September 2011 Status: (2)
Custom Gas Measures Impact Evaluation	Continuation of 2010 study examining custom measures. Determination of PA specific and statewide realization rates.	September 2011 Status: (2)
Prescriptive Measure Impact Evaluation (VSDs)	Determination of PA specific and statewide realization rates. VSD involves pre and post VSD installation metering.	Ongoing Status: (2)
Prescriptive Measure Impact Evaluation (Lighting)	Determination of PA specific and statewide realization rates. Lighting involves a 12 month logger study.	September 2011 Status: (2)
CHP Impact Evaluation	Determination of PA specific and statewide realization rates. All CHP installations currently being metered and evaluated for therms and kWh.	Ongoing Status: (2)
Potential Study to assess the mid-sized C&I customers	Scope not yet determined but this study would focus on understanding mid-sized non-residential customers (300-750 kW, including both electric and gas potential), without duplicating ongoing assessment work.	TBD Status: (3)
<b>Special &amp; Cross Cutting</b>		
Phase II: Behavioral Pilots	Tasks include impact analysis of NSTAR's OPower program, impact analysis of the WMECO Efficiency 2.0 program, Effective Useful Life of National Grid's impact findings, and initiating a baseline survey for CLC Tendril pilot.	June 2011 Status: (2)
Phase II: Community Based Pilots	Phase II of 2011 research includes participant interviews, participation analysis and a possible costs/savings assessment. The form and extent of the cost/savings assessment is currently under discussion.	September 2011 Status: (2)
Phase II: Umbrella Marketing	Evaluate the framework, reach and effectiveness of the statewide marketing campaign, and provide actionable recommendations to inform ongoing program design and implementation.	February 2011 Status: (2)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
C&I Gas Net-to-Gross Study 2010 Projects	Quantify the Net-to-Gross impact factors for 2010 C&I projects. Study was completed in late August 2011.	April 2011 Status: (1)
C&I Gas Net-to-Gross Study 2011 Projects	Quantify the Net-to-Gross impact factors for 2011 C&I projects.	TBD – Early 2012 Status: (3)
Non-Energy Impacts 2011 – Residential & Low Income	Quantify the Non-Energy Impacts of the Residential & Low-Income programs. Study was completed in late August 2011.	June 2010 Status: (1)
Non-Energy Impacts 2011 - C&I: non-Custom	Quantify the Non-Energy Impacts of prescriptive C&I measures.	Fall 2011 Status: (3)
Non-Energy Impacts 2011 – Deep Energy Retrofit	This study is TBD based on planned pilot redesign	TBD Status: (3)
<b>Additional study conducted by New England Clean Energy Council</b>		
Job Creation Study	Study to quantify job creation by sector, resulting from the implementation of the Three Year Plans. Build on previous work conducted.	Winter 2011 Status: (3)

**EXHIBIT D**  
**Performance Incentives**

## **Exhibit D**

### **Performance Incentives**

On January 28, 2010, the Department of Public Utilities (the “Department”) issued Orders on the three-year energy efficiency plans (the “Plans”) in dockets D.P.U. 09-116 – D.P.U. 09-120 (“Electric Order”) and D.P.U. 09-121 – D.P.U. 09-128 (“Gas Order”) (together, the “Orders”). The Orders approved most aspects of the performance incentive mechanism proposed by the Program Administrators in their 2010-2012 Plans<sup>1</sup>. However, for certain aspects of the proposal regarding the allocation method of the statewide pool and performance metrics, the Department ordered the Program Administrators to work further with the Council and re-file these components with the Department for its review and approval. The Program Administrators worked closely with the Council in 2011 in order to update the allocation method in compliance with the Orders, as well as to propose updated performance metrics. As a result of this effort, a comprehensive settlement was achieved on this and other matters, filed on April 15, 2011, which is currently pending before the Department (See D.P.U. 10-141 – 10-150). For 2012, the Program Administrators have used the extensively reviewed 2011 method and performance incentive model as a basis for 2012 performance incentive allocations and updated performance metrics. In this discussion, the Program Administrators also summarize the 2012 performance incentive amounts in the following manners: statewide; by component; and by Program Administrator.

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<sup>1</sup>See Electric Order, at 93-125, 165, and 168-169; Gas Order at 79-115, 168-169, and 172-173.

## **I. Summary of the Orders on the Three Year Energy Efficiency Plans**

In the Electric and Gas Orders, the Department noted its support of the following elements of the proposed incentive design:

1. The proposed statewide incentive pool.
  - a. The electric statewide incentive pool goals equal \$22 million in 2011 and \$25.5 million in 2012, assuming that goals on a statewide basis are equal to the goals established by the Council. Electric Order at 93. The actual incentive pool can be adjusted up or down according to actual goals. Id. at 111. The Department approved the statewide goals. Id. at 112.
  - b. The gas statewide incentive pool goals equal \$4.5 million in 2011 and \$5.5 million in 2012, assuming that goals on a statewide basis are equal to the goals established by the Council. The actual incentive pool can be adjusted up or down according to actual goals. Gas Order at 100. The Department approved the statewide goals. Id. at 101.
2. The structure of the proposed incentive mechanism including three components: the Savings Mechanism (focusing on the dollar value of benefits); the Value Mechanism (focusing on the dollar value of net benefits); and Other Performance Metrics.
  - a. The three-pronged structure of the incentive mechanism was approved in the electric plans (Electric Order at 113, 124) and the gas plans (Gas Order at 101-102, 114). The Department noted that similar mechanisms have been approved in the past.
3. Common payout amounts under both the Savings and Value Mechanisms.

- a. The approval for common payout rates in the Electric Order is noted at pages 113-114 with reference to Table D at 96.
  - b. The approval for common payout rates in the Gas Order is noted at pages 102-103 with reference to Table C at 83.
4. The proposed allocation of the statewide incentive pool to each Program Administrator (excluding Cape Light Compact (“CLC”)) for 2010 but not for 2011 or 2012.
- a. The allocation of the statewide electric incentive pool to each Program Administrator was based on that Program Administrator’s contribution to the statewide savings goals as expressed in MWh. However, the allocation to the component section for each Program Administrator was different.; the savings incentive amount was allocated on the basis of the dollar value of savings, the value incentive amount was allocated on the basis of the dollar value of net benefits, and the performance metrics were derived to total the overall allocation method based on savings goals. Although the Department approved the allocation for 2010, the Program Administrators were directed to revise the allocation method for 2011 and 2012 so that, to the extent possible, the revised allocation method would result in (1) uniform statewide payout rates for the savings and value components, and (2) an allocation of incentive dollars across the three components for each Program Administrator that, on a percentage basis, approximates the statewide allocation across the three components, as endorsed by the Council and approved by the Department. See Electric Order at 114-116.
  - b. The allocation of the gas incentive pool to each Program Administrator was based on a similar methodology. This methodology produced some anomalous results

for certain Program Administrators that required special adjustments. As on the electric side, the Department approved the gas Program Administrators' allocation for 2010 and the Program Administrators were ordered to revise the allocation methodology in 2011 and 2012. See Gas Order at 103-105.

- c. A revised allocation methodology was proposed in the 2011 mid-term modification filings settlement proposal. The revised methodology was created following extensive discussions with the Council, and addresses the concerns of the Department, as noted in the Orders.
5. Specific limitations on how EM&V results would be used to determine performance for both the electric and gas Program Administrators. See Electric Order at 124; Gas Order at 114.

However, the Department did not accept: (1) the proposed allocation method for 2011 and 2012 as mentioned above; or (2) the proposed performance metrics for 2010, stating that it did not accept an EM&V "Omnibus Metric", and directing the Program Administrators to include a financing and funding metric<sup>2</sup>. The Department further ordered that a cap on the earned incentive mechanism apply both in total and by component. The cap by component and overall has been set at 125% of Design level performance.<sup>3</sup>

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<sup>2</sup> In response to the Electric and Gas Orders, the Program Administrators filed a revised performance metric proposal on March 12, 2010. The Department subsequently approved the revised performance metrics on August 10, 2010 with the exception of the Deeper Savings metric. On September 14, 2010 the Program Administrators filed a compliance filing in regard to changing the baseline year of that metric.

<sup>3</sup> The Program Administrator proposals had thresholds for the savings and value incentive mechanisms of 75% of design or target level performance.

## **II. Allocation Proposal for 2012**

The Program Administrators propose the following allocation method, based directly on the method set forth in each Program Administrator's 2011 mid-term modification with one key change. The key change is that due to the new Avoided Cost study, and the subsequent effects in the projected value of benefits, the payout rates were reset statewide based on 2012 forecasted information. Similar to the 2011 methodology, the statewide incentives for the "savings" component of the incentive pool are to be allocated on the basis of the dollar value of benefits using common payout rates as approved by the Department. The statewide incentives for the "value" component of the incentive pool are to be allocated on the basis of the dollar value of net benefits using common payout rates as approved by the Department. The statewide incentives for the "performance metric" component of the incentive pool are to be allocated on the basis of the forecasted<sup>4</sup> amount of net benefits. The total incentives are the sum of each of these components. This methodology was followed for allocating the incentive dollars among Program Administrators, as well as to each sector and to each program<sup>5</sup>.

This proposed allocation model improves the distribution of the incentives among the three components so that there are more similarities among the Program Administrators, and the Program Administrators' individual target component ratios are closer to the statewide average. This change also eliminates the potential for anomalies since there is no longer a "plugged" allocation amount for the performance metric component that has the potential to go negative,

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<sup>4</sup> Once approved, these target amounts are to remain constant regardless of the actual net benefits achieved. In other words the performance metric target doesn't change once the program year has started. This allows for certainty in planning and forecasting for the Program Administrators as they are aware of the value of the metrics and the work involved.

<sup>5</sup> With the minor exception of residential gas, where the incentive dollars were allocated to programs excluding Mass Save (RCS).



and thus, require special adjustments. Although the payout rates changed for 2012, they remain constant for all Program Administrators<sup>6</sup>.

Revised Allocation Methodology - Electric

<b>2012</b>	<b>State</b>	<b>National Grid</b>	<b>NSTAR</b>	<b>WMECO</b>	<b>Unitil</b>
Savings	52.0%	52.1%	52.1%	50.6%	54.1%
Value	35.0%	34.9%	34.9%	36.1%	33.5%
Performance Metrics	<u>13.0%</u>	<u>13.0%</u>	<u>13.0%</u>	<u>13.4%</u>	<u>12.4%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revised Allocation Methodology - Gas

<b>2012</b>	<b>State</b>	<b>National Grid</b>	<b>NSTAR</b>	<b>Columbia</b>	<b>Unitil</b>	<b>Berkshire</b>	<b>New England Gas</b>
Savings	55.0%	57.5%	53.1%	51.8%	51.8%	46.4%	56.2%
Value	30.0%	28.3%	31.2%	32.1%	32.1%	35.7%	29.2%
Performance Metrics	<u>15.0%</u>	<u>14.2%</u>	<u>15.6%</u>	<u>16.1%</u>	<u>16.1%</u>	<u>17.9%</u>	<u>14.6%</u>
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

### III. Revised 2012 Performance Metrics

For 2010, the Program Administrators, in consultation with the Council’s Consultants and with the Low Income Energy Affordability Network (“LEAN”), developed performance metrics that focused on key aspects of the statewide energy efficiency program efforts beyond savings and cost-effectiveness. The Department ruled that those performance metrics were consistent with the objectives for performance metrics as articulated by the Department. The Program Administrators filed metrics in the 2011 mid-term modifications that stemmed from the 2010 metrics, and then, following comprehensive discussions with the Council, filed revised metrics with Memorandum of Agreement (“MOA”), jointly prepared and supported by the Program Administrators, Department of Energy Resources, LEAN, and Environment Northeast, and filed on April 15, 2011. The metrics currently proposed by the Program Administrators, set

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<sup>6</sup> Except CLC, who does not participate in performance incentives.

forth as Attachment 1 hereto, build upon the 2011 mid-term modification metrics, as revised in the MOA. For the 2012 metrics provided herein, the baselines and performance objectives have been updated as necessary to take into account the most recent period's efforts, with the following additions and deletions:

Residential – A slight modification in the Deeper Savings metric that did not change the overall goal and intent of the metric. Replacement of the Community Outreach Statewide metric with a new MassSAVE/Weatherization Statewide metric, which represents a potential high value lost opportunity.

Low-Income: The deletion of the Hard to Reach Landlords Statewide metric and a continued emphasis on Best Practices Programs Strategies and Multifamily Building Inventory..

The portfolio of Residential, Low Income and C&I metrics results in the Program Administrators having aggressive, challenging, and high value performance based metrics for 2012.

#### **IV. Statewide Incentive Pool for 2012, Adjusted for 2012 Actual Savings Goals**

The statewide incentive pool related to electric energy efficiency program efforts is directly related to the sum of the savings goals adopted by each electric Program Administrator (excluding Cape Light Compact) compared to the Council-recommended savings goals for the year. Likewise, the statewide incentive pool related to gas energy efficiency program efforts is directly related to the sum of the savings goals adopted by each gas Program Administrator compared to the Council-recommended savings goals for the year.

##### **A. Electric**

The following table summarizes the Council-recommended electric savings goals (excluding Cape Light Compact) compared to the statewide electric savings goals embodied in

the electric Plan for 2012 assuming that the Department approves proposed mid-term modifications for 2012. This table shows that Program Administrator goals are 101% of the Council-recommended savings goal for the year.

Electric Program Administrator Savings Goal Compared to Council-recommended Savings Goal – 2012

Council Recommendation (Annual GWh)	PA Proposed (Annual GWh)	PA Proposed as Percent of Council Recommended	2012 Incentives at Statewide Goals	2012 Incentives adjusted for 2012 actual Goals
1109 with CLC 1064 without CLC	1073	101%	\$25,500,000	\$25,697,960

The statewide electric incentive pool is determined by multiplying the statewide electric incentive pool associated with the Council-recommended electric statewide savings goal by the “PA Proposed as Percent of Council Recommended” percentage noted above.

**B. Gas**

The following table summarizes the Council-recommended gas savings goals compared to the statewide gas savings goals embodied in the Gas Plan for 2012 assuming that the Department approves proposed mid-term modifications for the year. This table shows that Program Administrator goals are 96% of the Council-recommended savings goal for the year.

Gas PA Savings Goal Compared to Council-Recommended Savings Goal – 2012

Council Recommendation (Annual therms)	PA Proposed (Annual therms)	PA Proposed as Percent of Council Recommended	2012 Incentives at Statewide Goals	2012 Incentives adjusted for 2012 actual Goals
24,500,000	23,586,965	96%	\$5,500,000	\$5,295,033

The statewide gas incentive pool is determined by multiplying the statewide gas incentive pool associated with the Council-recommended gas statewide savings goal by the “PA Proposed as Percent of Council Recommended” percentage noted above.

#### **V. Payout Rate Adjustment for 2012**

One key change in the development of the 2012 incentives is a restatement of the payout rates based on the latest projected benefit and cost information. The Avoided Cost Study for 2011 calculated significantly lower avoided gas costs due to the increased supply of shale gas. For the gas Program Administrators, this had a major effect on the dollar value of the projected benefits, lowering them by approximately 30%. This and other programmatic updates related to increased experience in the programs caused the incentive component allocation amounts to deviate significantly from the original intent. The Program Administrators could either keep the fixed payout rates already approved by the Department and let the allocation to savings, value and metrics vary compared to the anticipated emphasis on each component of the incentive mechanism, or they could retain the original intended allocation and update the payout rates. Using the fixed payout rates already approved by the Department resulted in a very small amount of incentive funds being allocated to performance metrics in the electric performance incentive model. Conversely, using the fixed payout rates already approved by the Department resulted in a very large amount of incentive funds being allocated to performance metrics in the gas performance incentive model. In response to those findings, the Program Administrators have reset the payout rates for both electric and gas by refocusing on the original allocation percentages in the three year plans. Those allocation percentages for gas are 55% for the savings mechanism, 30% for the value mechanism, and 15% for performance metrics. The allocation

percentages for electric are 52% for the savings mechanism, 35% for the value mechanism, and 13% for performance metrics.

## **VI. Summary of 2012 Incentives**

The model set forth as Attachment 2 hereto provides calculations of the 2012 incentives based on the mid-term modification proposals of each of the Program Administrators for electric and gas, respectively. For the electric Program Administrators this is a 10 page exhibit and for the gas Program Administrators this is a 12 page exhibit. The calculations are described briefly below. Additionally, a summary of the 2012 incentives is provided below.

### **A. Calculation Exhibits**

Attachment 2 provides the derivation of the 2012 electric incentives at the Design level of performance.

Pages 1 and 2 of Attachment 2 are input pages that summarize each Program Administrator's 2012 goals, benefits and costs (excluding performance incentives). The common payout rates and allocation of performance metrics by sector are also noted on this page.

Page 3 derives the value of the performance metric pool. As described above in Section VI, the 2012 statewide performance incentives are adjusted by the percentage of the actual 2012 targets to the 2012 state targets. To determine the statewide performance incentives allocated to the savings mechanism, the expected 2012 dollar value of benefits is multiplied by the savings payout rate. Similarly, to determine the statewide performance incentives allocated to the value mechanism, the expected 2012 dollar value of net benefits (excluding performance incentives as a cost) is multiplied by the value mechanism payout rate. Statewide funding for performance metrics at the Design level of performance is derived by subtracting these two amounts from the

total statewide incentive pool. The derivation of the updated payout rates is shown on the last page of this attachment.

Similar to 2011, the Program Administrators are proposing to allocate the statewide funding for performance metrics to each Program Administrator on the basis of forecasted net benefits. Through negotiations in 2011, the Program Administrators further allocated the performance metrics to each sector as follows: 36% to residential, 28% to low-income and 36% to C&I. These are maintained in 2012.

Pages 4 to 8 on the electric side and Pages 4 to 10 on the gas side provide the calculation of potential Design level incentives under the savings mechanism, the value mechanism, and performance metrics on a statewide basis (excluding CLC) and for each individual Program Administrator. Lines 1 through 3 determine the savings amount by multiplying the dollar value of benefits by the 2012 savings mechanism payout rate. Lines 4 through 6 determine potential Design level incentives under the value mechanism by multiplying the dollar value of net benefits by the 2012 value mechanism payout rate. Lines 7 through 9 provide the derivation of potential Design level incentives for the performance metrics by using the forecasted amount of net benefits multiplied by the factor derived on page 2. Line 10 provides the total performance incentive.

Lines 11 through 25 provide information about the Design level incentives associated with each proposed performance metric. The all sector metrics are worth 20% of the funding available for all of the performance metrics at the Design level of performance and are calculated on lines 11 through 15. The all sector metrics are allocated 75% to the “Cost Efficiency of Program Expenditures” metric, and 25% to the financing metric. The remaining performance metrics funding for each segment at the Design level of performance is shown on line 15.

Funding for these other performance metrics is allocated to each segment according to the column titled “Segment %”. The total of all the performance metrics on line 26 should match the total on line 9. Note that the segment percentages for the C&I performance metrics are slightly different for the smaller Program Administrators, namely Unitil (Gas & Electric) and The Berkshire Gas Company.

Attachment 2 does not show how the performance incentives are further allocated to specific programs for BCR purposes. The allocation assumptions are summarized below:

- Savings are allocated to programs on the basis of program dollar of benefits.
- Value is allocated to programs on the basis of program dollar of net benefits.
- All sector metrics are 20% of the sector’s performance metric amount. These are allocated to programs on the basis of program dollar of net benefits.
- The residential metrics are allocated to the Weatherization (gas) and MassSave (electric) program.
- The low-income metrics are allocated to the Low-Income Retrofit program.
- The C&I metrics allocations vary. The “Retrofit- Depth of consumption” and “Combined Heat and Power” are allocated to the C&I Large Retrofit (electric) and C&I Retrofit Program (gas) program. The New Construction metric is allocated to the C&I New Construction and Major Renovation program. The “Direct Install: Gas & Electric Integration” is allocated to the C&I Small Retrofit (electric) and C&I Direct Install (gas) programs.
- Any programs with negative allocations (efforts with costs but unidentified savings) are reallocated to other programs within the sector.

A summary sheet of the incentive allocation by incentive component and sector is provided on page 9 (electric) or page 11 (gas). These are shown in absolute and percentage values.

The final page of the attachment shows how the payout rates were reset for 2012. The original calculation and figures are provided in the first column. The same calculation is done in the second column however with updated forecast for statewide benefits, costs and total incentive amounts. The allocation amounts to each incentive component are consistent with those for 2012 in the original three year plan.

**B. Summary**

A summary of the threshold, design, and exemplary performance incentive amounts by component of the proposed incentive mechanism for 2012 is provided for each electric and gas Program Administrator, below.



**Electric:**

Summary of 2012 Performance Incentives by Program Administrator

<b>National Grid</b>	Threshold	Design	Exemplary
Savings	4,730,178	6,306,904	7,883,630
Value	3,164,833	4,219,777	5,274,721
Metrics	<u>1,175,509</u>	<u>1,567,346</u>	<u>1,959,182</u>
Total	9,070,520	12,094,027	15,117,534

<b>NSTAR</b>	Threshold	Design	Exemplary
Savings	4,335,000	5,780,001	7,225,001
Value	2,909,466	3,879,288	4,849,110
Metrics	<u>1,080,659</u>	<u>1,440,878</u>	<u>1,801,098</u>
Total	8,325,125	11,100,167	13,875,208

<b>WMECO</b>	Threshold	Design	Exemplary
Savings	838,320	1,117,760	1,397,200
Value	597,835	797,114	996,392
Metrics	<u>222,053</u>	<u>296,071</u>	<u>370,089</u>
Total	1,658,209	2,210,945	2,763,681

<b>Unitil</b>	Threshold	Design	Exemplary
Savings	118,706	158,274	197,843
Value	73,581	98,107	122,634
Metrics	<u>27,330</u>	<u>36,440</u>	<u>45,550</u>
Total	219,616	292,822	366,027

Note: Threshold = 75% of design value and exemplary = 125% of design value

**Gas:**

<b>National Grid</b>	Threshold	Design	Exemplary
Savings	1,210,507	1,614,009	2,017,512
Value	596,723	795,631	994,539
Metrics	<u>298,362</u>	<u>397,815</u>	<u>497,269</u>
Total	2,105,592	2,807,455	3,509,319

<b>NSTAR</b>	Threshold	Design	Exemplary
Savings	469,201	625,601	782,002
Value	275,928	367,903	459,879
Metrics	<u>137,964</u>	<u>183,952</u>	<u>229,940</u>
Total	883,092	1,177,456	1,471,821

<b>Columbia</b>	Threshold	Design	Exemplary
Savings	388,899	518,532	648,165
Value	241,103	321,471	401,838
Metrics	<u>120,552</u>	<u>160,735</u>	<u>200,919</u>
Total	750,553	1,000,738	1,250,922

<b>Unitil</b>	Threshold	Design	Exemplary
Savings	21,460	28,614	35,767
Value	13,325	17,766	22,208
Metrics	<u>6,662</u>	<u>8,883</u>	<u>11,104</u>
Total	41,447	55,263	69,079

<b>Berkshire</b>	Threshold	Design	Exemplary
Savings	61,709	82,279	102,848
Value	47,451	63,268	79,084
Metrics	<u>23,725</u>	<u>31,634</u>	<u>39,542</u>
Total	132,885	177,180	221,475

<b>NEG NA &amp;FR</b>	Threshold	Design	Exemplary
Savings	32,425	43,234	54,042
Value	16,853	22,471	28,089
Metrics	<u>8,427</u>	<u>11,236</u>	<u>14,044</u>
Total	57,705	76,940	96,175

Note: Threshold = 75% of design value and exemplary = 125% of design value

**Attachment 1**  
**to**  
**Exhibit D**  
**Performance Metrics**

## RESIDENTIAL METRICS

### Deeper Savings Metrics

<b>1. MassSAVE/Weatherization: Deeper Savings {Electric &amp; Gas} – Statewide</b>	
Threshold	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of 7.5%** , as compared with 2011. Each PA to submit documentation showing performance relative to targets.
Design	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of 10%** , as compared with 2011. Each PA to submit documentation showing performance relative to targets.
Exemplary	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of 15%** , as compared with 2011. Each PA to submit documentation showing performance relative to targets.

*Note: Incentive amounts for this metric will be scalable based on achieving the minimum threshold level of the Increase Conversion rate percentage.*

\*Major measures consist of: Attic insulation, Wall insulation, Duct insulation, Heating pipe insulation, Basement insulation, Air sealing, Duct Sealing, Brushless fan motor, Secondary recycled refrigerators/freezers, High Efficiency qualified heating, water heating, and central air conditioning equipment.

\*Note: Measures must meet applicable program eligibility requirements.

\*\*Calculation will be based on comparing the total assessment-to-major measure conversion rate in 2012 to 2011 baseline.

	NSTAR Electric	National GRID Electric	WMECO	Unitil Electric	NSTAR Gas	National GRID Gas	Columbia Gas	Berkshire Gas	New England Gas	Unitil Gas
<b>Baseline -# of unique customers that received recommended measures. (Total # of assessments with recommendations)</b>										
<b>Total # that installed major measures</b>										
<b>2011 conversion rate xx%</b>										

*2011 baseline: Total # of assessments / Total number of customers that install major measures = Conversion rate (%)*

*Increase conversion rate (%) = (2012 conversion rate / 2011 conversion rate) – 1*

*2011 baseline data to be established by March 1, 2012. The source for the baseline data is from individual PA tracking databases*

2012 conversion rate %	NSTAR Electric	National GRID Electric	WMECO	Unitil Electric	NSTAR Gas	National GRID Gas	Columbia Gas	Berkshire Gas	New England Gas	Unitil Gas
xx%										
xx%										
xx%										

Clear and Distinct Role: PA-submitted documentation of performance relative to targets.

Verifiable Goals: Specific numerical targets for each PA.

### Lost Opportunity/Market Opportunity

<b>2. MassSAVE/Weatherization: {Electric &amp; Gas} – Statewide</b>	
Threshold	PA's to explore the potential for leveraging existing market opportunities and integration of home improvement projects with the Massachusetts home remodeling contractor community and affiliated industry associations. Specifically, each PA to conduct formal interviews (e.g., face to face, mini-charette's) with a minimum of 6-local Roofing, 6-Siding, and 6-Remodeling contractors within their respective territories. The purpose of these interviews is to determine the potential of future partnership opportunities with the Mass Save Home Energy Services Program as a means to avoid lost opportunities and achieve deeper savings when these contractors are performing re-roofing, re-siding, and/or remodeling services. PA's will develop a common statewide interview guide to be shared with the EEAC consultants by March 15, 2012. Contractor interviews to be conducted by June 30, 2012. Each PA to submit documentation showing performance relative to targets.
Design	PA's will submit a statewide summary report that includes interview findings, number of contractor and industry association interviews conducted, and a strategic industry partnership plan to the EEAC consultants no later than August 30, 2012. Each PA to submit documentation of performance relative to task, including how strategic industry partnership plan will provide benefits in its specific service area.
Exemplary	PA's to develop a specific statewide residential initiative (e.g., rebate or incentive based structure) focused on the integration of

	home improvements opportunities and projects with the Mass Save Home Energy Services program. Design of the proposed initiative to be completed by October 1, 2012 with expected 2013 Mass Save Home Energy Services Program integration by the end of 1 <sup>st</sup> quarter 2013. In addition, each PA to submit a memo to EEAC consultants and DOER by February 15, 2013 detailing their distinct and clear role in accomplishing this activity and the roll out of the initiative in its service area
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Clear and Distinct Role: PA-submitted documentation of performance relative to targets.

Verifiable Goals: Specified interview quantities and completion dates.

Baseline note: Currently, the baseline for industry related initiatives with the home remodeling contractor community is zero. This effort would create a new initiative where no formal approach currently exists.

**Metric Weighting – Electric**

1. MassSAVE/Weatherization: Deeper Savings (60%)
2. MassSAVE/Weatherization: Lost/Marketing Opportunity (40%)

**Metric Weighting – Gas**

1. MassSAVE/Weatherization: Deeper Savings (60%)
2. MassSAVE/Weatherization: Lost/Marketing Opportunity (40%)

**LOW-INCOME METRICS**

<b>1. Best Practices Program Strategies Research &amp; Technical Review of Potential New Measures {Electric &amp; Gas} – Statewide</b>	
Threshold	<p>In coordination with LEAN, implement Best Practices to achieve deeper energy savings by screening new practices and measures to further increase the comprehensiveness of what is already a comprehensive whole-building approach. The Best Practices Working Group, with each PA participating, shall perform due-diligence reviews of proposed new products/technologies and practices in support of the Utility energy efficiency programs; this will include coordinating with the Massachusetts Technical Advisory Committee. These due-diligence reviews will be focused on determining if a technology/product not presently being utilized in the Utility weatherization programs is suitable and applicable for incorporation into the Utility programs. PAs will contribute their expertise, including from the disciplines of engineering, utility energy efficiency program planning, evaluation, power, demand resources, construction, weatherization, weatherization auditing and assessment, and training, and will seek outside expertise as appropriate. Best Practices meets regularly for this purpose, including selecting new measures for review. PAs will provide written updates on meetings, technical analyses performed, and additional Best Practices implemented.</p> <p>In addition and in coordination with LEAN, PAs will also develop a research plan by April 1, 2012 to systematically investigate new technologies, measures, and program strategies that are to be considered for potential inclusion in the program.</p> <p>Each PA will accept an assignment with respect to written products and will submit documentation showing performance related to tasks.</p>
Design	<p>The research plan will be to study possible new program measures and practices not now included in the utility program. Examples of these may include, but not be limited to: super insulation products and techniques (e.g., U-vacua), array of new LED lighting bulbs and fixtures, research and development of Solar Domestic Hot Water (SDHW) parameters that serve as required criteria for “best practices” eligibility applications, development of a high efficiency room a/c unit minimum tier level (replacement only), review of higher tiered heating and water heating products available in the market place for higher minimum baseline consideration, savings analysis of a multi-family steam distribution system replacement (specifically, planned non-EE funded NSTAR project), multi-family high efficiency clothes washers, behavior-based pilot (subject to feasibility, size and scope), multi-family common area lighting controls, multi-family duct repair, multi-family combined heat &amp; hot water equipment, and dehumidifier replacement. Cost-effectiveness analysis will be conducted by the PA Common Assumptions group, or the equivalent, which shall include LEAN for this purpose, within eight weeks of referral by Best Practices, with first reports of analysis no later</p>

	than July 15, 2012. All feasible non-pilot cost-effective measures to be included in standard program offering within 3 months, subject to PA specific budget impacts. Each PA will submit documentation showing its performance of these tasks.
Exemplary	By February 28th, 2013, a report of all measures that were reviewed in 2012 by the Best Practices Working Group and Sub-Committee will be developed to support Utility program adoption or non-inclusion. Each new measure that passes the Common Assumptions screening will be implemented in the field no later than three months after the relevant Common Assumptions report, including installation in appropriate cases. In a memo to EEAC consultants by April 1, 2013, each PA will document results and findings, including savings and feasibility. Each PA to submit documentation showing its performance relative to targets.

Clear & Distinct Role: Each utility must produce a Best Practices document, participate in the Common Assumptions group with LEAN, and implement new measures.

Verification Plan: Best Practices document, Common Assumptions analyses, field results and findings.

Baseline Information: Baseline for each of these measures is that they are now not part of the program.

<b>2. Multi-family Building Inventory Electric &amp; Gas} – Statewide</b>	
Threshold	In coordination with LEAN the utilities shall continue to support the development and on-going efforts of the 2010-2012 statewide non-profit multi-family building inventories, begun in 2010 and scheduled to conclude by the end of 2013. The objective is to facilitate benchmarking for identification of energy retrofit potential in low-income multifamily buildings and to screen potential projects. Benchmarking allows the Low-Income Multifamily Program to identify and target the most energy-inefficient buildings in order to maximize deep, comprehensive savings. This four-year effort, begun in 2010, provides building square footage and at least a year of energy consumption data with respect to buildings that are majority-occupied by low-income tenants. This information is currently systematically available on a limited basis for public housing authority buildings and virtually not at all for other buildings. The information will support develop of an energy efficiency standard (e.g., BTUs of energy per square foot of heated space) for low-income multi-family buildings.
Design	Each utility PA will conduct an inventory in its service territory, reaching the designated milestone number of account reports (defined under “Baseline Information” below) as indicated below. Each utility will support the



	inventory on an allocated basis, with a statewide total of 536 accounts per month (not including Cape Light Compact). See Allocation Table below.
Exemplary	By Jan 31st, 2013, in coordination with LEAN, each PA will submit a status report showing its inventory results. The status report shall include a summary of what has been learned to date relating to the energy consumption in non-profit low income multi-family buildings (e.g., average BTUs/square foot, reasonable target consumption, reasonable threshold consumption for weatherization measures, etc.), and recommendations as appropriate.

The milestones are: <b>Utility</b>	<b>% Allocation</b>	<b># of Account Reports</b>
NSTAR Electric	24%	129
NGRID Electric	20%	107
WMECO	4%	21
Unitil Electric	1%	5
NSTAR Gas	14%	75
NGRID Gas	22%	118
Columbia Gas	10%	54
Berkshire Gas	2%	11
New England Gas	2%	11
Unitil Gas	1%	5

**Clear & Distinct Role:** Each utility must continue to participate in development of the inventory, support its implementation, and report thereon.

**Verification Plan:** An allocated share of low-income multi-family buildings must be entered in the database.

**Baseline Information:** The current low-income multi-family building universe consists of approximately 20,300 common area/master metered accounts and/or collections of tenant accounts in approximately 13,500 buildings. Where tenant accounts exist and are available with respect to a fuel, the report (Account Report in the table above) will include the entire building, i.e., common areas/master metered (if any) and all tenants in one combined report. Otherwise, the report will include only common areas (if any). The estimate of 20,300 accounts for such situations as municipal utilities (not included) and the lack of common area or gas accounts.

**Metric Weighting – Electric**

1. Low-Income: Best Practices Program Strategies (50%)
2. Low-Income: Multi-family Building Inventory (50%)

**Metric Weighting – Gas**

1. Low-Income: Best Practices Program Strategies (50%)
2. Low-Income: Multi-family Building Inventory (50%)

**C&I METRICS**

<b>Commercial &amp; Industrial Performance Metrics</b>						
	<b>Performance Metric Description</b>			<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
			<b>2011</b>	<b>Units</b>	<b>Units</b>	<b>Units</b>
				<b>Y=110%</b>	<b>Y=115%</b>	<b>Y=120%</b>
<b>C&amp;I #1 Retrofit— Depth of savings</b>	<p>For 2012, PAs must perform assessments and obtain X*Y customer commitments to follow-through with savings of at least 20% building energy savings of one fuel (gas or electric). To be eligible, buildings must have a minimum of 5% of savings from the alternate fuel (electric, natural gas, oil, propane, or coal)</p> <p>Definitions and qualifiers:  PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 as a minimum criterion for being eligible for the 2012 metric.</p> <p>"Building" is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.</p> <p>Customer energy use is defined as the previous 12 months of billing data for electric and one-third the previous 36 months of billing data for non-electric fuel (or portion thereof annualized if less billing history available). Gas uses a longer term to average past weather and avoid unusual usage because of a single extreme weather year.</p> <p>A "commitment" is a signed application or Memorandum of Understanding. A single commitment can cover multiple buildings and, if so, each building may be counted as a separate commitment.</p> <p>Note: It is the PAs' and EEAC's intent to have 2013 performance metric dollars tied to the 2012 commitments be coming installed with savings in 2013.</p> <p>Baseline ("X") in the 2012 metric is equal to the 2011 actual achievements, or the 2011 metric threshold level, whichever is greater. X*Y should be rounded to the next highest integer.</p>	NGRID Electric	X XC	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Y	X*Y	X*Y
		NSTAR Electric	X X	X*Y	X*Y	X*Y
		NSTAR Gas	X	X*Y	X*Y	X*Y
		Columbia Gas	X	X*Y	X*Y	X*Y
		New England Gas	X	X*Y	X*Y	X*Y
		WMECO	X	X*Y	X*Y	X*Y
		Berkshire Gas	X	X*Y	X*Y	X*Y
		FG&E Electric	X	X*Y	X*Y	X*Y
		FG&E Gas	X	X*Y	X*Y	X*Y

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Percent	Percent	Percent
				Y=110% Z=100%	Y=115% Z=105	Y=120% Z=110
<b>C&amp;I #2 New Construction- Comprehen- siveness and depth of savings</b>	<p>Each PA must show in a minimum of X*Y%% for electric PAs and X*Z% for gas PAs of eligible new construction or substantial/major renovation projects at least an estimated 20% whole building savings (gas and /or electric) compared to code. For those projects without gas service, electric PAs can meet the metric with 20% whole building electric savings only.</p> <p>Definitions and qualifiers:  Eligible projects are all projects that are new construction, additions, or major renovations. Equipment replacement only projects do not count unless they meet one of the above categories.  The following is the definition that all Program Administrators of the Mass Save® Programs will be using to determine if a project under the New Construction Program is a true new construction project and thus part of the eligible projects for Metric #2.</p> <ol style="list-style-type: none"> <li>1. Any new building constructed from the ground up and has an Architect and MEP associated with the design</li> <li>2. Any building that is under going a major renovation that has an Architect and MEP associated with the design. The renovation must include replacement of the lighting and HVAC (electric &amp; gas), in addition to bringing the building envelope up to code.</li> <li>3. Projects excluded from this metric include design build, tenant fit-outs, and any other projects that do not meet the criteria of 1 &amp; 2.</li> </ol> <p>PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 with an expected 2012 completion date as a minimum criterion for being eligible for the 2012 metric.</p> <p>Projects counted for the 2011 metric that close in 2012 cannot be counted toward this metric. Projects with commitments in 2012 count toward this metric, as well as new projects closed in 2012 that were not counted for in 2011.</p> <p>Core Performance projects will qualify at the threshold level and can be counted at the Design Level if the projects include at least one Enhanced Strategy and be counted at the Exemplary Level if the projects include at least two Enhanced Strategies.</p> <p>"Building "is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.</p> <p>If total number of new construction or substantial/major renovation projects for a specific PA is less than 4, the PA may meet the design or exemplary level with 1 project.</p> <p>Baseline ("X%") in the 2012 metric is equal to the 2011 actual achievements, or the 2011 metric threshold level, whichever is greater. Standard rounding technique applies with minimum of one whole number increase.</p>	NGRID Electric	X	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Z	X*Z	X*Z
		NSTAR Electric	X	X*Y	X*Y	X*Y
		NSTAR Gas	X	X*Z	X*Z	X*Z
		Columbia Gas	X	X*Y	X*Y	X*Y
		New England Gas	X	X*Y	X*Y	X*Y
		WMECO	X	X*Y	X*Y	X*Y
		Berkshire Gas	X	X*Y	X*Y	X*Y
		FG&E Electric	X	X*Y	X*Y	X*Y
		FG&E Gas	X	X*Y	X*Y	X*Y

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Percent	Percent	Percent
				Z=110%	Z=115%	Z=120%
<b>C&amp;I #3 Direct Install Electric and Gas Integration</b>	<p>For each electric PA program in 2012, achieve an average of X%*Z% electric savings per site. For each gas PA, achieve Y%*Z% of all projects done in territory having at least one gas measure installed where gas is used.</p> <p>Savings for a site based on the projected savings divided by the previous 12 months of electric consumption. This metric applies to all projects influenced by the Direct Install Program and completed in 2012.</p> <p>Baseline ("X%") in the 2012 metric is equal to the electric PA's 2011 actual achievements, or the 2011 metric threshold level, whichever is greater.</p> <p>Baseline ("Y%") in the 2012 metric is equal to the gas PA's 2011 actual achievements, or the 2011 metric threshold level, whichever is greater.</p>	Columbia Gas	Y%	X*Z	X*Z	X*Z
		Berkshire Gas	Y%	X*Z	X*Z	X*Z
		Fitchburg G&E-	Y%	X*Z	X*Z	X*Z
		New England Gas	Y%	X*Z	X*Z	X*Z
		NGRID Gas	Y%	X*Z	X*Z	X*Z
		NSTAR Gas	Y%	X*Z	X*Z	X*Z
		Fitchburg G&E-	X%	X*Z	X*Z	X*Z
		NGRID Electric	X%	X*Z	X*Z	X*Z
		NSTAR Electric	X%	X*Z	X*Z	X*Z
		WMECo	X%	X*Z	X*Z	X*Z

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Units (x=)	Units (x=)	Units (x=)
				Y=110%	Y=115%	Y=120%
<b>C&amp;I #4 Combined Heat &amp; Power</b>	<p>Each PA will complete X* Y% Combined Heat &amp; Power commitments for CHP units in 2012. A commitment is either a signed application or a signed Memorandum of Understanding between the electric PA and customer.</p> <p>Definitions and qualifiers  PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 with an expected 2012 completion date as a minimum criterion for being eligible for the 2012 metric.  A "commitment" is a signed application or Memorandum of Understanding. A single commitment can cover multiple CHP units so long as they are at separate sites and, if so, each unit may be counted as a separate commitment.  Units counted as commitments in a prior years metric are not eligible to be counted toward the 2012 metric.  This metric applies to all gas and electric PAs except Berkshire Gas, FG&amp;E Electric and FG&amp;E Gas; however, it is not a requirement that gas PAs contribute any funds to TA studies or CHP rebates.</p> <p>Baseline ("X") in the 2012 metric is equal to the electric PA's 2011 actual achievements, or the 2011metric threshold level, whichever is greater. X*Y should be rounded to the next highest integer.</p>	NGRID Electric	X	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Y	X*Y	X*Y
		NSTAR Electric	X	X*Y	X*Y	X*Y
		NSTAR Gas	X	X*Y	X*Y	X*Y
		Columbia Gas	X	X*Y	X*Y	X*Y
		New England Gas	X	X*Y	X*Y	X*Y
		WMECO	X	X*Y	X*Y	X*Y
		Berkshire Gas	N/A	N/A	N/A	N/A
		FG&E Electric	N/A	N/A	N/A	N/A
		FG&E Gas	N/A	N/A	N/A	N/A
<b>Total C&amp;I Performance Metrics</b>						

**Incentive Funds Allocation Shares**

	100%	100%
	<b>NGrid Electric, NGrid Gas, NSTAR Electric, NSTAR Gas, WMECO, Columbia Gas, New England Gas,</b>	<b>Fitchburg Gas and Electric, Berkshire Gas</b>
<b>C&amp;I #1 Retrofit—Depth of savings</b>	25%	34%
<b>C&amp;I #2 New Construction—Comprehensiveness and depth of savings</b>	25%	33%
<b>C&amp;I #3 Direct Install Electric and Gas Integration</b>	25%	33%
<b>C&amp;I #4 Combined Heat &amp; Power</b>	25%	0%

Note: Where some metrics have a threshold or design target of "N/A" no target applies to the PA. To earn incentive dollars for that metric, the PA must reach a target that has a numeric value (e.g., at the design or exemplary level). This objective approach assures that the applicable PA has verifiable, clear and distinct role in achieving the goal. It is currently contemplated that the data would be submitted for verification in conjunction with the applicable Program Administrator's annual report.

## ALL SECTOR METRICS

### 1. “Other financing capital” metric

Jointly identify and aggressively pursue potential sources of qualifying financing capital (as defined below) to fund the non-incentive portion of an energy efficiency project from a diverse set of financial mechanisms and funding sources. Expand current financial products and actively investigate, design and deploy new financial products that, when combined, provide \$Y in other financing capital for loans through the energy efficiency programs that are issued<sup>1</sup> in 2012 for customer energy efficiency investments. Funding from multiple sources (including, without limitation, federal, state, municipal, private, or other sources) qualifies, provided that funds are designated to be deployed by the PA for energy efficiency program financing. Additional other financing capital achieved over the exemplary level in the outside program funding performance metric for the small business program also qualifies for this metric.

“Qualifying financing capital”<sup>2</sup> refers to financing capital for the 2012 energy efficiency programs attained using the bulk purchasing power of the energy efficiency programs and the negotiating clout of the Program Administrators, in amounts and at interest rates and financing costs that are effective at increasing customer participation in the energy efficiency programs. Specifically, “qualifying financing capital” may include the following financing sources in 2012:

1. Residential HEAT Loan (private institution, bank and credit union capital). The financing capital in the 2012 HEAT Loan program provided by banks<sup>3</sup> and credit unions at interest rates ranging from 4.59% to 9.25% (equivalent to the range of program interest rates in prior years) would count as qualifying financing capital. The total 2012 HEAT Loan interest buydown for qualifying financing capital shall not be more than 20% of the total 2012 loan amount for the loans using qualifying financing capital. The total amount of financing capital issued through the HEAT Loan program in 2012 would qualify.
2. Small Business (Company funds). The Company funds used as financing capital in the 2012 small business program, provided at interest rates equal to or less than the utility’s weighted average cost of capital, which ranged from 8.135% (National Grid) to 10.0% (WMECo) in 2009, would count as qualifying financing capital. The total amount of Company funds used as financing capital in the 2012 small business programs would qualify.

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<sup>1</sup> Issuance refers to written loan commitments secured in 2012 upon which there has been, at least, an initial draw down of funds in 2012.

<sup>2</sup> This definition is used for 2012 metric purposes only, within the context of the financial market conditions and program experience at the time of development of the metric (e.g., capital and lending markets, market interest rates and financing costs, program agreements with lenders, etc.), and does not pre-judge or restrict for any party the types of financing capital that may be reflected in the overall funding targets of \$100/\$200 million (electric) and \$20/\$40 million (gas) set forth in the plans for 2011 and 2012.

<sup>3</sup> Capital financed through Enerbank is excluded unless its current contract is negotiated to bring interest rates in line with local lending institutions.



3. Small Business (other financing capital). Other financing capital (in addition to Company funds above) that is substituted in 2012 for the small business program funding that was originally planned to be used as financing capital as set forth in the 2012 plans, provided at interest rates less than or equal to the Prime Rate (as published in the Wall Street Journal) plus 675 basis points would count as qualifying financing capital.
4. Any energy efficiency program (C&I or Residential) (private institution, local bank or credit union capital). Other financing capital from lending institutions for use in the 2012 energy efficiency programs, attained through the clear and distinct role of one or more PAs through direct negotiations with local banks or credit unions using the bulk purchasing power of the energy efficiency programs and leveraging the opportunity for investment in the local community, provided at interest rates equal to or less than the Prime Rate plus 675 basis points, would count as qualifying financing capital.

**Electric**

Threshold = 2011 Actual Dollars Plus 20%

Design = 2011 Actual Dollars Plus 30%

Exemplary = 2011 Actual Dollars Plus 40%

Value of the electric financing metric at the design level = \$167,037

<b>Electric Financing</b>		<b>Threshold</b> 2011 Actual Dollars Plus 20%	<b>Design</b> 2011 Actual Dollars Plus 30%	<b>Exemplary</b> 2011 Actual Dollars Plus 40%
	2011	Y= 120%	Y=130%	Y=140%
<b>Electric Financing</b>		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
NGRID	X	X*Y	X*Y	X*Y
NSTAR	X	X*Y	X*Y	X*Y
WMECO	X	X*Y	X*Y	X*Y
UNITIL	X	X*Y	X*Y	X*Y

Baseline ("X") in the 2012 metric is equal to the 2011 actual dollar achievements,

**Gas**

Threshold = 2011 Actual Dollars Plus 20%

Design = 2011 Actual Dollars Plus 30%

Exemplary = 2011 Actual Dollars Plus 40%

Value of the gas financing metric at the design level = \$39,713

		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
		2011 Actual Dollars Plus 20%	2011 Actual Dollars Plus 30%	2011 Actual Dollars Plus 40%
<b>Gas Financing</b>	2011	Y= 120%	Y=130%	Y=140%
<b>Gas Financing</b>		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
NGRID	X	X*Y	X*Y	X*Y
NSTAR	X	X*Y	X*Y	X*Y
Columbia	X	X*Y	X*Y	X*Y
Berkshire	X	X*Y	X*Y	X*Y
NE Gas	X	X*Y	X*Y	X*Y
Unitil	X	X*Y	X*Y	X*Y

Baseline ("X") in the 2012 metric is equal to the 2011 actual dollar achievements,

Clear and Distinct Role: Each PA must expand its current financial products and actively investigate, design and deploy new financial products that, when combined, provide \$Y in other financing capital for loans through the energy efficiency programs that are issued in 2012 for customer energy efficiency investments. Submit documentation detailing actions specifically undertaken by the PA and dollars achieved in accordance with this metric.

Verification: The Program Administrators are required to demonstrate and document the following data (which, it is currently contemplated, will be provided in the Program Administrators' annual reports):

1. The clear and distinct role the PAs had in attaining the other financing capital, demonstrating the specific role the PAs played in attaining the financing, and in particular how the PAs used the bulk purchasing power of the energy efficiency programs and the negotiating clout of the PAs to attain the financing capital. Payday loans, consumer credit cards, and C&I project financing not involving a clear and distinct PA role as historically implemented (*e.g.*, ESCO arranged financing) would not qualify for this metric.
2. The interest rates and financing costs the PAs were able to attain, compared to the range of interest rates and financing costs available in the market and those required in the metric language above.

3. How the other financing capital attained by the PAs, at the interest rates and financing costs attained by the PAs, was effective at increasing customer participation in the energy efficiency programs. Satisfactory documentation may include narrative descriptions of how the qualifying other capital was effective at increasing customer participation, including, but not limited to, descriptions of how the financing supported with the other financing capital (a) was effective in assisting customers to participate in the programs, (b) reduced a specific market barrier to program participation, or (c) was targeted to certain customer groups or market segments that were considered to have lower participation historically in order to increase their participation in the programs.

## **2. Cost Efficiency of Program Expenditures**

**Focus on maximizing the efficiency of PA funding deployment. Achieve Plan benefits.**

- PA specific target based on the PA's proposed budget and benefits targets.
- Assessed at the portfolio level.

### **Threshold Performance:**

Minimum of 75% of the Design Level Performance.

### **Design Level Performance:**

\$ Value of Benefits in Plan/Adjusted PA Costs where:

Adjusted PA Costs = Program Planning & Administration + Marketing & Advertising + Participant Incentive + Sales, Technical Assistance and Training.

Evaluation and Market Research, Performance Incentives, and Lost Base Revenue/Decoupling Revenue are excluded from these costs. In addition, expenditures related to funding for EEAC Consultants and for the DOER Assessment are also excluded.

### **Exemplary Performance:**

Set at 125% of the \$ Value of Benefits in Plan/Adjusted PA Costs.

### **Performance Measurement**

Performance at the end of the program year will be assessed by calculating the above ratio using the actual \$ Value of Benefits acquired in the year and actual adjusted PA costs defined consistently with adjusted PA costs from the Plan. This ratio will be divided by the Design Level performance target for the PA to determine the percentage of the design level incentive earned. The exemplary level of performance is achieved when this ratio is at least 125%.

This performance metric is scalable.

### **All Sector Metric Weighting:**

1. Other financing capital metric- 25%
2. Cost Efficiency of Program Expenditures – 75%

Total value of All Sector Metrics: 20% of performance metrics

**Attachment 2**

to

**Exhibit D**

**Performance Incentive Model**

Input Sheet: Updated 2012 figures  
 In 2012 dollars

Gas	National Grid	NSTAR	Columbia (formerly Baystate)	Unitil	Berkshire	New England Gas (NA & FR)	State	
1 Goals (therms)	14,120,214	5,104,848	3,340,566	158,752	508,897	353,688	23,586,965	
Benefits								
2 Residential	114,413,613	32,905,105	26,886,894	891,026	4,772,948	2,796,343	182,665,928	
3 Low Income	24,644,149	8,090,691	5,681,560	1,227,920	1,579,219	1,119,492	42,343,032	
4 C&I	<u>64,254,046</u>	<u>37,809,297</u>	<u>32,749,404</u>	<u>1,485,426</u>	<u>4,012,209</u>	<u>1,530,169</u>	<u>141,840,553</u>	
5 Total	203,311,808	78,805,093	65,317,859	3,604,372	10,364,376	5,446,004	366,849,512	Sum of Lines 2 to 4
Total Costs								
6 Residential	64,149,938	19,011,982	16,797,953	569,822	2,112,343	1,704,080	104,346,117	
7 Low Income	18,519,592	5,793,646	4,182,673	410,043	705,176	515,822	30,126,951	
8 C&I	<u>37,536,363</u>	<u>15,886,788</u>	<u>10,612,795</u>	<u>773,500</u>	<u>926,400</u>	<u>885,121</u>	<u>66,620,966</u>	
9 Total	120,205,892	40,692,416	31,593,420	1,753,365	3,743,918	3,105,023	201,094,034	Sum of Lines 6 to 8
Performance Incentives used in Total Cost calculation								
10 Residential	1,190,550	544,743	380,811	17,325	76,778	34,203	2,244,411	
11 Low Income	507,897	237,620	149,496	19,044	38,241	17,538	969,836	
12 C&I	<u>818,430</u>	<u>697,339</u>	<u>340,730</u>	<u>24,565</u>	<u>73,133</u>	<u>25,532</u>	<u>1,979,730</u>	
13 Total	2,516,878	1,479,702	871,037	60,934	188,153	77,273	5,193,976	Sum of Lines 10 to 12
Net Benefits excluding performance incentives								
14 Residential	51,454,225	14,437,866	10,469,752	338,529	2,737,383	1,126,466	80,564,222	Line 2 - (Line 6 - Line 10)
15 Low Income	6,632,454	2,534,665	1,648,384	836,921	912,284	621,208	13,185,917	Line 3 - (Line 7 - Line 11)
16 C&I	<u>27,536,114</u>	<u>22,619,848</u>	<u>22,477,340</u>	<u>736,491</u>	<u>3,158,943</u>	<u>670,580</u>	<u>77,199,316</u>	Line 4 - (Line 8 - Line 12)
17 Total	85,622,794	39,592,379	34,595,476	1,911,941	6,808,610	2,418,254	170,949,454	Sum of lines 14 to 16
Payout Rates								
18 Savings rate 2012							\$0.0079386	
19 Value rate for 2012							\$0.0092923	



**2012 Energy Efficiency Performance Incentives  
Derivation of Performance Metric Pool**

<b><u>A. Total Performance Incentive Pool</u></b>			Comment
1	2012 State Goals	24,500,000 therm	DPU-09-121 through 09-128 at 27-28
2	2012 Target Goals	23,586,965 therm	Gas Input, line 1
3	% of target	96%	Line 2/ Line 1
4	2012 Statewide Performance Incentives	\$ 5,500,000	Order (id at 100-101)
5	Adjusted Statewide 2012 Performance Incentives	\$ 5,295,033	Line 3 * Line 4
<b><u>B. Incentives Allocated by Component</u></b>			
6	2012 State Benefits	366,849,512	Gas Input, line 5
7	Savings payout rate	0.0079386	See payout rate adjustment
8	State performance incentives to savings	\$ 2,912,268	Line 6 * Line 7
9	2012 State Net Benefits	170,949,454	Gas Input, line 17
10	Value payout rate	\$ 0.0092923	See payout rate adjustment
11	State performance incentives to value	\$ 1,588,510	Line 9 * Line 10
12	Remaining performance incentives to metrics	\$ 794,255	Line 5- Line 8 - Line 11
<b><u>C. Performance Metrics allocated to Sectors</u></b>			
13	Residential Performance Metrics - State	\$ 285,932	Line 12 * Sector Allocation (Gas Input Line 36)
14	Low Income Performance Metrics - State	\$ 222,391	Line 12 * Sector Allocation (Gas Input Line 37)
15	C&I Performance Metrics - State	\$ 285,932	Line 12 * Sector Allocation (Gas Input Line 38)



**2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012**

State	Segment %	Residential	Low Income	C&I	Total	Comment	
1 Forecasted Benefits		182,665,928	42,343,032		141,840,553	366,849,512	
2 Savings Payout Rate 2012		0.0079	0.0079		0.0079	0.0079	
3 Forecasted Savings Incentives		\$ 1,450,110	\$ 336,144		\$ 1,126,014	\$ 2,912,268	Line 1 times Line 2
4 Forecasted Net Benefits		80,564,222	13,185,917		77,199,316	170,949,454	
5 Value Payout Rate 2012		0.0093	0.0093		0.0093	0.0093	
6 Forecasted Value Incentives		\$ 748,625	\$ 122,527		\$ 717,358	\$ 1,588,510	Line 4 times Line 5
7 Statewide Performance Metrics		285,932	222,391		285,932	794,255	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		100%	100%		100%	100%	Line 4/State Line 4
9 Performance Metrics		\$ 285,932	\$ 222,391		\$ 285,932	\$ 794,255	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 2,484,667	\$ 681,063		\$ 2,129,303	\$ 5,295,033	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>							
11 All Sector Metrics						20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 14,297	\$ 11,120		\$ 14,297	\$ 39,713	
14 2. Cost Efficiency of Program Expenditures	75%	\$ 42,890	\$ 33,359		\$ 42,890	\$ 119,138	
15 Total All Sector Metrics		\$ 57,186	\$ 44,478		\$ 57,186	\$ 158,851	Line 11 time line 9
Remaining Performance Metrics after all sector metrics		\$ 228,745	\$ 177,913		\$ 228,745	\$ 635,404	Line 9 less line 14
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 137,247			\$ 137,247		Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 91,498			\$ 91,498		Line 15 * segment %
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 88,957		\$ 88,957		Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 88,957		\$ 88,957		Line 15 * segment %
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	25.0%			\$ 58,159	\$ 58,159		60%
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 58,159	\$ 58,159		Line 15 * segment %, modified for
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 58,159	\$ 58,159		Line 15 * segment %, modified for exeptions
23 4. Combined Heat and Power	25.0%			\$ 54,269	\$ 54,269		Line 15 * segment %, modified for exeptions
25 * Except for Unitil and Berkshire							
26 Total Performance Metrics		\$ 285,932	\$ 222,391		\$ 285,932	\$ 794,255	

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

National Grid	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		114,413,613	24,644,149	64,254,046	203,311,808	
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079	
3 Forecasted Savings Incentives		\$ 908,283	\$ 195,640	\$ 510,087	\$ 1,614,009	Line 1 times Line 2
4 Forecasted Net Benefits		51,454,225	6,632,454	27,536,114	85,622,794	
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093	
6 Forecasted Value Incentives		\$ 478,127	\$ 61,631	\$ 255,873	\$ 795,631	Line 4 times Line 5
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		50%	50%	50%	50%	Line 4/State Line 4
9 Performance Metrics		\$ 143,214	\$ 111,388	\$ 143,214	\$ 397,815	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 1,529,623	\$ 368,659	\$ 909,173	\$ 2,807,455	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 7,161	\$ 5,569	\$ 7,161	\$ 19,891	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 21,482	\$ 16,708	\$ 21,482	\$ 59,672	
14 Total All Sector Metrics		\$ 28,643	\$ 22,278	\$ 28,643	\$ 79,563	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 114,571	\$ 89,111	\$ 114,571	\$ 318,252	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 68,743			\$ 68,743	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 45,828			\$ 45,828	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 44,555		\$ 44,555	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 44,555		\$ 44,555	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 28,643	\$ 28,643	Line 15 * segment % 60%
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 28,643	\$ 28,643	Line 15 * segment % 40%
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 28,643	\$ 28,643	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 28,643	\$ 28,643	Line 15 * segment %
24 Total Performance Metrics		\$ 143,214	\$ 111,388	\$ 143,214	\$ 397,815	

**2012 Energy Efficiency Performance Incentives  
 Derivation of Gas Targets 2012**

<b>NSTAR</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>	
1 Forecasted Benefits		32,905,105	8,090,691	37,809,297	78,805,093		
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079		
3 Forecasted Savings Incentives		\$ 261,220	\$ 64,229	\$ 300,153	\$ 625,601	Line 1 times Line 2	
4 Forecasted Net Benefits		14,437,866	2,534,665	22,619,848	39,592,379		
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093		
6 Forecasted Value Incentives		\$ 134,161	\$ 23,553	\$ 210,190	\$ 367,903	Line 4 times Line 5	
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15	
8 Share of State Net Benefits		23%	23%	23%	23%	Line 4/State Line 4	
9 Performance Metrics		\$ 66,223	\$ 51,506	\$ 66,223	\$ 183,952	Line 7 * Line 8	
10 Total Performance Incentives at target		\$ 461,603	\$ 139,288	\$ 576,565	\$ 1,177,456	Line 3 + Line 6 + Line 9	
<u>Performance Metric Allocation</u>							
11 All Sector Metrics					20.0%	See Input sheet	
12 1. Financing Metric	25%	\$ 3,311	\$ 2,575	\$ 3,311	\$ 9,198		
13 3. Cost Efficiency of Program Expendit	75%	\$ 9,933	\$ 7,726	\$ 9,933	\$ 27,593		
14 Total All Sector Metrics		\$ 13,245	\$ 10,301	\$ 13,245	\$ 36,790	Line 11 time line 9	
15 Remaining Performance Metrics after all sector metrics		\$ 52,978	\$ 41,205	\$ 52,978	\$ 147,161	Line 9 less line 14	
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper S	60.0%	\$ 31,787			\$ 31,787	Line 15 * segment %	
17 2. MassSAVE/Weatherization: Lost/Mark	40.0%	\$ 21,191			\$ 21,191	Line 15 * segment %	
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 20,603		\$ 20,603	Line 15 * segment %	
19 2. Multi-family Building Inventory\	50.0%		\$ 20,603		\$ 20,603	Line 15 * segment %	
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	25.0%			\$ 13,245	\$ 13,245	Line 15 * segment %	60%
21 2. New Construction -- Comprehensive	25.0%			\$ 13,245	\$ 13,245	Line 15 * segment %	40%
22 3. Direct Install Electric & Gas Integratio	25.0%			\$ 13,245	\$ 13,245	Line 15 * segment %	
23 4. Combined Heat and Power	25.0%			\$ 13,245	\$ 13,245	Line 15 * segment %	
24 Total Performance Metrics		\$ 66,223	\$ 51,506	\$ 66,223	\$ 183,952		

**2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012**

<b>Columbia</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>	
1 Forecasted Benefits		26,886,894	5,681,560	32,749,404	65,317,859		
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079		
3 Forecasted Savings Incentives		\$ 213,444	\$ 45,104	\$ 259,984	\$ 518,532	Line 1 times Line 2	
4 Forecasted Net Benefits		10,469,752	1,648,384	22,477,340	34,595,476		
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093		
6 Forecasted Value Incentives		\$ 97,288	\$ 15,317	\$ 208,866	\$ 321,471	Line 4 times Line 5	
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15	
8 Share of State Net Benefits		20%	20%	20%	20%	Line 4/State Line 4	
9 Performance Metrics		\$ 57,865	\$ 45,006	\$ 57,865	\$ 160,735	Line 7 * Line 8	
10 Total Performance Incentives at target		\$ 368,597	\$ 105,427	\$ 526,715	\$ 1,000,738	Line 3 + Line 6 + Line 9	
<u>Performance Metric Allocation</u>							
11 All Sector Metrics					20.0%	See Input sheet	
12 1. Financing Metric	25%	\$ 2,893	\$ 2,250	\$ 2,893	\$ 8,037		
13 3. Cost Efficiency of Program Expenditures	75%	\$ 8,680	\$ 6,751	\$ 8,680	\$ 24,110		
14 Total All Sector Metrics		\$ 11,573	\$ 9,001	\$ 11,573	\$ 32,147	Line 11 time line 9	
15 Remaining Performance Metrics after all sector metrics		\$ 46,292	\$ 36,005	\$ 46,292	\$ 128,588	Line 9 less line 14	
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 27,775			\$ 27,775	Line 15 * segment %	
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 18,517			\$ 18,517	Line 15 * segment %	
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 18,002		\$ 18,002	Line 15 * segment %	
19 2. Multi-family Building Inventory\	50.0%		\$ 18,002		\$ 18,002	Line 15 * segment %	
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	25.0%			\$ 11,573	\$ 11,573	Line 15 * segment %	60%
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 11,573	\$ 11,573	Line 15 * segment %	40%
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 11,573	\$ 11,573	Line 15 * segment %	
23 4. Combined Heat and Power	25.0%			\$ 11,573	\$ 11,573	Line 15 * segment %	
24 Total Performance Metrics		\$ 57,865	\$ 45,006	\$ 57,865	\$ 160,735		

**2012 Energy Efficiency Performance Incentives  
 Derivation of Gas Targets 2012**

<b>Unitil</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>	
1 Forecasted Benefits		891,026	1,227,920	1,485,426	3,604,372		
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079		
3 Forecasted Savings Incentives		\$ 7,073	\$ 9,748	\$ 11,792	\$ 28,614	Line 1 times Line 2	
4 Forecasted Net Benefits		338,529	836,921	736,491	1,911,941		
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093		
6 Forecasted Value Incentives		\$ 3,146	\$ 7,777	\$ 6,844	\$ 17,766	Line 4 times Line 5	
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15	
8 Share of State Net Benefits		1%	1%	1%	1%	Line 4/State Line 4	
9 Performance Metrics		\$ 3,198	\$ 2,487	\$ 3,198	\$ 8,883	Line 7 * Line 8	
10 Total Performance Incentives at target		\$ 13,417	\$ 20,012	\$ 21,834	\$ 55,263	Line 3 + Line 6 + Line 9	
<u>Performance Metric Allocation</u>							
11 All Sector Metrics					20.0%	See Input sheet	
12 1. Financing Metric	25%	\$ 160	\$ 124	\$ 160	\$ 444		
13 3. Cost Efficiency of Program Expenditures	75%	\$ 480	\$ 373	\$ 480	\$ 1,332		
14 Total All Sector Metrics		\$ 640	\$ 497	\$ 640	\$ 1,777	Line 11 time line 9	
15 Remaining Performance Metrics after all sector metrics		\$ 2,558	\$ 1,990	\$ 2,558	\$ 7,107	Line 9 less line 14	
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 1,535			\$ 1,535	Line 15 * segment %	
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 1,023			\$ 1,023	Line 15 * segment %	
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 995		\$ 995	Line 15 * segment %	
19 2. Multi-family Building Inventory\	50.0%		\$ 995		\$ 995	Line 15 * segment %	
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	33.3%			\$ 853	\$ 853	Line 15 * segment %	60%
21 2. New Construction -- Comprehensiveness and depth of savings	33.3%			\$ 853	\$ 853	Line 15 * segment %	40%
22 3. Direct Install Electric & Gas Integration	33.3%			\$ 853	\$ 853	Line 15 * segment %	
23 4. Combined Heat and Power	0.0%			\$ -	\$ -	Line 15 * segment %	
24 Total Performance Metrics		\$ 3,198	\$ 2,487	\$ 3,198	\$ 8,883		

**2012 Energy Efficiency Performance Incentives  
 Derivation of Gas Targets 2012**

<b>Berkshire</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>	
1 Forecasted Benefits		4,772,948	1,579,219	4,012,209	10,364,376		
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079		
3 Forecasted Savings Incentives		\$ 37,890	\$ 12,537	\$ 31,851	\$ 82,279	Line 1 times Line 2	
4 Forecasted Net Benefits		2,737,383	912,284	3,158,943	6,808,610		
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093		
6 Forecasted Value Incentives		\$ 25,437	\$ 8,477	\$ 29,354	\$ 63,268	Line 4 times Line 5	
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15	
8 Share of State Net Benefits		4%	4%	4%	4%	Line 4/State Line 4	
9 Performance Metrics		\$ 11,388	\$ 8,857	\$ 11,388	\$ 31,634	Line 7 * Line 8	
10 Total Performance Incentives at target		\$ 74,715	\$ 29,871	\$ 72,593	\$ 177,180	Line 3 + Line 6 + Line 9	
<u>Performance Metric Allocation</u>							
11 All Sector Metrics					20.0%	See Input sheet	
12 1. Financing Metric	25%	\$ 569	\$ 443	\$ 569	\$ 1,582		
13 3. Cost Efficiency of Program Expenditures	75%	\$ 1,708	\$ 1,329	\$ 1,708	\$ 4,745		
14 Total All Sector Metrics		\$ 2,278	\$ 1,771	\$ 2,278	\$ 6,327	Line 11 time line 9	
15 Remaining Performance Metrics after all sector metrics		\$ 9,111	\$ 7,086	\$ 9,111	\$ 25,307	Line 9 less line 14	
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 5,466			\$ 5,466	Line 15 * segment %	
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 3,644			\$ 3,644	Line 15 * segment %	
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 3,543		\$ 3,543	Line 15 * segment %	
19 2. Multi-family Building Inventory\	50.0%		\$ 3,543		\$ 3,543	Line 15 * segment %	
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	33.3%			\$ 3,037	\$ 3,037	Line 15 * segment %	60%
21 2. New Construction -- Comprehensiveness and depth of savings	33.3%			\$ 3,037	\$ 3,037	Line 15 * segment %	40%
22 3. Direct Install Electric & Gas Integration	33.3%			\$ 3,037	\$ 3,037	Line 15 * segment %	
23 4. Combined Heat and Power	0.0%			\$ -	\$ -	Line 15 * segment %	
24 Total Performance Metrics		\$ 11,388	\$ 8,857	\$ 11,388	\$ 31,634		

2012 Energy Efficiency Performance Incentives  
 Derivation of Gas Targets 2012

New England Gas NA & FR	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		2,796,343	1,119,492	1,530,169	5,446,004	
2 Savings Payout Rate 2012		0.0079	0.0079	0.0079	0.0079	
3 Forecasted Savings Incentives		\$ 22,199	\$ 8,887	\$ 12,147	\$ 43,234	Line 1 times Line 2
4 Forecasted Net Benefits		1,126,466	621,208	670,580	2,418,254	
5 Value Payout Rate 2012		0.0093	0.0093	0.0093	0.0093	
6 Forecasted Value Incentives		\$ 10,467	\$ 5,772	\$ 6,231	\$ 22,471	Line 4 times Line 5
7 Statewide Performance Metrics		285,932	222,391	285,932	794,255	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		1%	1%	1%	1%	Line 4/State Line 4
9 Performance Metrics		\$ 4,045	\$ 3,146	\$ 4,045	\$ 11,236	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 36,711	\$ 17,806	\$ 22,423	\$ 76,940	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 202	\$ 157	\$ 202	\$ 562	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 607	\$ 472	\$ 607	\$ 1,685	
14 Total All Sector Metrics		\$ 809	\$ 629	\$ 809	\$ 2,247	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 3,236	\$ 2,517	\$ 3,236	\$ 8,988	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	60.0%	\$ 1,942			\$ 1,942	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	40.0%	\$ 1,294			\$ 1,294	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 1,258		\$ 1,258	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 1,258		\$ 1,258	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 809	\$ 809	Line 15 * segment % 60%
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 809	\$ 809	Line 15 * segment % 40%
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 809	\$ 809	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 809	\$ 809	Line 15 * segment %
24 Total Performance Metrics		\$ 4,045	\$ 3,146	\$ 4,045	\$ 11,236	

**2012 Energy Efficiency Performance Incentives  
Summary of Performance Incentives by Sector and Incentive Type  
Assuming Design Level Performance Incentive**

In 2012 dollars					Percent of Total Incentive				
State	Residential	Low Income	C&I	Total	State	Residential	Low Income	C&I	Total
<b>1 Savings</b>	1,450,110	336,144	1,126,014	2,912,268	Savings	27.4%	6.3%	21.3%	55.0%
<b>2 Value</b>	748,625	122,527	717,358	1,588,510	Value	14.1%	2.3%	13.5%	30.0%
<b>3 Metrics</b>	<u>285,932</u>	<u>222,391</u>	<u>285,932</u>	<u>794,255</u>	Metrics	<u>5.4%</u>	<u>4.2%</u>	<u>5.4%</u>	<u>15.0%</u>
<b>4 Total</b>	2,484,667	681,063	2,129,303	5,295,033	Total	46.9%	12.9%	40.2%	100.0%
<b>National Grid</b>									
<b>5 Savings</b>	908,283	195,640	510,087	1,614,009	Savings	32.4%	7.0%	18.2%	57.5%
<b>6 Value</b>	478,127	61,631	255,873	795,631	Value	17.0%	2.2%	9.1%	28.3%
<b>7 Metrics</b>	<u>143,214</u>	<u>111,388</u>	<u>143,214</u>	<u>397,815</u>	Metrics	<u>5.1%</u>	<u>4.0%</u>	<u>5.1%</u>	<u>14.2%</u>
<b>8 Total</b>	1,529,623	368,659	909,173	2,807,455	Total	54.5%	13.1%	32.4%	100.0%
<b>NSTAR</b>									
<b>9 Savings</b>	261,220	64,229	300,153	625,601	Savings	22.2%	5.5%	25.5%	53.1%
<b>10 Value</b>	134,161	23,553	210,190	367,903	Value	11.4%	2.0%	17.9%	31.2%
<b>11 Metrics</b>	<u>66,223</u>	<u>51,506</u>	<u>66,223</u>	<u>183,952</u>	Metrics	<u>5.6%</u>	<u>4.4%</u>	<u>5.6%</u>	<u>15.6%</u>
<b>12 Total</b>	461,603	139,288	576,565	1,177,456	Total	39.2%	11.8%	49.0%	100.0%
<b>Columbia</b>									
<b>13 Savings</b>	213,444	45,104	259,984	518,532	Savings	21.3%	4.5%	26.0%	51.8%
<b>14 Value</b>	97,288	15,317	208,866	321,471	Value	9.7%	1.5%	20.9%	32.1%
<b>15 Metrics</b>	<u>57,865</u>	<u>45,006</u>	<u>57,865</u>	<u>160,735</u>	Metrics	<u>5.8%</u>	<u>4.5%</u>	<u>5.8%</u>	<u>16.1%</u>
<b>16 Total</b>	368,597	105,427	526,715	1,000,738	Total	36.8%	10.5%	52.6%	100.0%
<b>Unitil</b>									
<b>17 Savings</b>	7,073	9,748	11,792	28,614	Savings	12.8%	17.6%	21.3%	51.8%
<b>18 Value</b>	3,146	7,777	6,844	17,766	Value	5.7%	14.1%	12.4%	32.1%
<b>19 Metrics</b>	<u>3,198</u>	<u>2,487</u>	<u>3,198</u>	<u>8,883</u>	Metrics	<u>5.8%</u>	<u>4.5%</u>	<u>5.8%</u>	<u>16.1%</u>
<b>20 Total</b>	13,417	20,012	21,834	55,263	Total	24.3%	36.2%	39.5%	100.0%
<b>Berkshire</b>									
<b>21 Savings</b>	37,890	12,537	31,851	82,279	Savings	21.4%	7.1%	18.0%	46.4%
<b>22 Value</b>	25,437	8,477	29,354	63,268	Value	14.4%	4.8%	16.6%	35.7%
<b>23 Metrics</b>	<u>11,388</u>	<u>8,857</u>	<u>11,388</u>	<u>31,634</u>	Metrics	<u>6.4%</u>	<u>5.0%</u>	<u>6.4%</u>	<u>17.9%</u>
<b>24 Total</b>	74,715	29,871	72,593	177,180	Total	42.2%	16.9%	41.0%	100.0%
<b>NEG NA &amp;FR</b>									
<b>25 Savings</b>	22,199	8,887	12,147	43,234	Savings	28.9%	11.6%	15.8%	56.2%
<b>26 Value</b>	10,467	5,772	6,231	22,471	Value	13.6%	7.5%	8.1%	29.2%
<b>27 Metrics</b>	<u>4,045</u>	<u>3,146</u>	<u>4,045</u>	<u>11,236</u>	Metrics	<u>5.3%</u>	<u>4.1%</u>	<u>5.3%</u>	<u>14.6%</u>
<b>28 Total</b>	36,711	17,806	22,423	76,940	Total	47.7%	23.1%	29.1%	100.0%



PAYOUT RATE ADJUSTMENT  
ADJUSTMENT DUE TO THE EFFECT OF THE 2011 AVOIDED COST STUDY  
FOR THE YEAR 2012

\$2010 (analysis equally applicable in \$2012)

	Original 3 yr Plan	Comment	Recalibrated Calculation Based on 2012 figures	Comment
<b>Savings Payout Rate</b>				
1 3 yr Plan 2012 Benefits - State	\$470,217,341		\$366,849,512	Gas Input Page, Line 5
2				
3 Total Target Incentives State	\$5,339,908		5,295,033	Perf Metric Pool Page, Line 5
4 Target Savings Amount Statewide	55%	DPU-09-121 through 09-128 at 88	55%	No change
5 Savings Pool	\$2,936,950	Line 3 times line 4	\$2,912,268	Line 3 times line 4
6 Savings Payout Rate	0.0062	Line 5/ Line 1	0.0079	Line 5/ Line 1
7		DPU-09-121 through 09-128 at 83, 101-102		
<b>8 Value Payout Rate</b>				
9 3 yr Plan 2012 Costs - State	\$201,533,116		\$201,094,034	Gas Input Page, Line 9
10 3 yr Plan 2012 PI in costs - State	\$5,308,610		\$5,193,976	Gas Input Page, Line 13
11 3 yr Plan 2012 Net benefits ex PI - State	\$273,992,835	Line 1 - (line 8 - Line 9)	\$170,949,454	Line 1 - (line 8 - Line 9)
12				
13 Target Value Incentives Statewide	30%	DPU-09-121 through 09-128 at 88	30%	No Change
14 Target Value Amount Statewide	\$1,601,972	Line 3* Line 12	\$1,588,510	Line 3* Line 12
15 Value Payout Rate	0.0058	Line 13/Line 10	0.0093	Line 13/Line 10
		DPU-09-121 through 09-128 at 83, 101-102		

60%  
40%

**EXHIBIT E**

**Pilots**

**EXHIBIT E**

**NSTAR GAS 2012 PILOTS**

The Company is adding a Residential Community-Based Pilot in 2012, consistent with 2011 MTM filing. The Company is also seeking approval for its Residential Deep Energy Retrofit Pilot budget in 2012. The proposed budgets for these pilots in 2012 are listed below:

Deep Energy Retrofit (Residential)	\$31,032
Community Based Pilot (Residential)	\$57,000

The Company's 2012 aggregate pilot budgets are under one percent of the Company's total 2012 program budget.

**EXHIBIT F**  
**Cost-Effectiveness**

Please see screening models set forth as Exhibit F, Attachment 1 on CD-Rom.

**EXHIBIT F**  
**Cost-Effectiveness**

The Program Administrators have updated the cost-effectiveness screening associated with the energy efficiency programs and services they plan to administer in 2012 using the Total Resource Cost (“TRC”) test, consistent with Department’s directive in D.P.U. 08-50-A (confirming the Department’s long-standing policy established in D.T.E. 98-100 (2000)). Additionally, as directed by the Department in the 2009 energy efficiency plan dockets, the Program Administrators included pre-tax performance incentives in their cost-effectiveness analyses for 2012. Unless otherwise stated below, all Company programs continue to be cost-effective based on these analyses, consistent with the statutory mandate that the Plans “provide for the acquisition of all available energy efficiency and demand reduction resources that are cost-effective or less expensive than supply.” G.L. c. 25, § 21(b)(1).

The TRC test produces and examines the overall benefit-cost ratio of the energy efficiency programs. It compares the present value of future system and other customer savings to the total of the expenditures and customer costs necessary to implement the programs. Programs usually consist of numerous measures. The benefit for a measure is the net present value of the avoided costs (*i.e.*, value of the savings) associated with the net savings of the measure over the life of that measure. The net savings reflect findings from evaluation studies. The measure life is based on the technical life of the measure modified to reflect expected measure persistence. The TRC test is conducted at a program and sector level, building on the measure-level analysis.

The assumptions used by the Program Administrators in the benefit cost analyses undertaken for the 2012 mid-term modification filings are consistent with the analyses reviewed and approved in the Plan. Updates have been made where applicable to reflect recently finalized

impact evaluations, the 2011 Avoided Cost Study, as well as updates based on the finalized TRM.

Please refer to the screening models, which have been filed in CD-Rom format as Exhibit F, Attachment 1. For more detailed information on the cost-effectiveness of the Company's portfolio of program offerings, please refer to the updated D.P.U. 08-50 tables as set forth in Exhibit G.

**EXHIBIT G**  
**Updated 08-50 Tables**

IV.B. Funding Sources  
1. Summary Table

Gas PA Funding Allocation, 2010					
Sector	Rate Payer Funds (\$)			Other (1) (4)	Total
	Program Budget	Performance Incentives	LBR		
Residential	7,688,352	320,717	1,122,581	(796,794)	8,334,856
Low Income	3,026,796	135,248	0	0	3,162,044
Commercial & Industrial	2,929,126	376,282	756,664	0	4,062,072
<b>TOTAL</b>	<b>13,644,275</b>	<b>832,247</b>	<b>1,879,245</b>	<b>(796,794)</b>	<b>15,558,972</b>

Gas PA Funding Allocation, 2011					
Sector	Rate Payer Funds (\$)			Other (2) (4)	Total
	Program Budget	Performance Incentives	LBR		
Residential	10,580,856	309,458	1,221,841	(1,296,324)	10,815,830
Low Income	5,116,662	147,892	0	0	5,264,554
Commercial & Industrial	3,491,859	511,895	843,890	0	4,847,644
<b>TOTAL</b>	<b>19,189,377</b>	<b>969,245</b>	<b>2,065,731</b>	<b>(1,296,324)</b>	<b>20,928,029</b>

Gas PA Funding Allocation, 2012					
Sector	Rate Payer Funds (\$)			Other (2) (4)	Total
	Program Budget	Performance Incentives	LBR		
Residential	13,234,051	461,603	1,629,600	(1,729,406)	13,595,848
Low Income	5,556,026	139,288	0	0	5,695,314
Commercial & Industrial	7,416,502	576,565	1,271,725	0	9,264,792
<b>TOTAL</b>	<b>26,206,578</b>	<b>1,177,456</b>	<b>2,901,326</b>	<b>(1,729,406)</b>	<b>28,555,954</b>

Gas PA Funding Allocation, 2010-2012					
Sector	Rate Payer Funds (\$)			Other	Total
	Program Budget	Performance Incentives	LBR		
Residential	31,503,259	1,091,778	3,974,022	(3,822,524)	32,746,534
Low Income	13,699,484	422,428	0	0	14,121,912
Commercial & Industrial	13,837,487	1,464,742	2,872,280	0	18,174,509
<b>TOTAL</b>	<b>59,040,230</b>	<b>2,978,948</b>	<b>6,846,301</b>	<b>(3,822,524)</b>	<b>65,042,955</b>

Notes:

(1) "Other" Funding are those funds, private or public utility administered or otherwise, that may be available for energy efficiency or demand resources. Other Funding sources are based on EEAC statewide gas targets adopted on October 13, 2009. It is assumed the adopted funding is a one time injection. The sources for the funds are currently being identified jointly by the EEAC and PAs. Possible sources include the Markey Waxman bill, State/Municipal bond offering, Secured Investment Fund.

(2) Assumed Outside Capital included in the Company's original 3-Year Plan filing has been removed due to the fact that the Company was unable to acquire any additional funds for 2011 or 2012.

(3) Residential RCS revenues are included in this column.



IV.C. Gas PA Budgets  
1. Summary Table

Program Administrator Budget, 2010									
Program	Program Costs						Performance Incentive (2)	Lost Base Revenue	Total PA Costs (3)
	Program Planning and Administration	Marketing and Advertising	Participant Incentive	Sales, Technical Assistance & Training	Evaluation and Market Research	Total Program Costs			
<b>Residential (total)</b>	\$920,428	\$452,000	\$4,780,168	\$1,287,769	\$247,987	\$7,688,352	\$320,717	\$1,122,581	\$9,131,650
Residential New Construction & Major Renovations	82,516	57,000	615,560	42,999	37,127	835,202	40,611		875,813
Residential Heating and Water Heating	203,233	180,000	1,527,827	54,550	62,851	2,028,461	100,023		2,128,484
MassSAVE	89,542	65,000	3,500	610,500	28,252	796,794	0		796,794
Weatherization Program	248,019	25,000	2,108,031	17,720	83,302	2,482,072	122,065		2,604,137
Multifamily Retrofit	77,522	35,000	480,250	157,000	23,974	773,746	38,153		811,899
Behavior/Feedback Program	40,361	0		350,000	12,482	402,843	19,864		422,707
Deep Energy Retrofit			45,000	5,000		50,000			50,000
Residential Building Practices and Demonstration Program						0			0
Community Based Pilots						0			0
Energy Analysis: Internet Audit Program						0			0
Workforce Development				50,000		50,000			50,000
Statewide Marketing & Education		90,000				90,000			90,000
EEAC Consultants	123,000					123,000			123,000
DOER Assessment	56,235					56,235			56,235
Sponsorships & Subscriptions						0			0
<b>Low Income (total)</b>	\$312,047	\$75,000	\$1,908,540	\$631,731	\$99,478	\$3,026,796	\$135,248	\$0	\$3,162,044
Low-Income Retrofit	231,427	60,000	1,908,540	631,731	99,478	2,931,176	135,248		3,066,424
Statewide Marketing & Education		15,000				15,000			15,000
Low-Income Energy Affordability Network Funding	60,000					60,000			60,000
DOER Assessment	20,620					20,620			20,620
<b>Commercial &amp; Industrial (total)</b>	\$642,151	\$157,000	\$1,685,850	\$369,594	\$74,531	\$2,929,126	\$376,282	\$756,664	\$4,062,072
C&I New Construction & Major Renovation	145,622	35,000	425,850	55,897	17,015	679,384	93,462		772,846
C&I Retrofit	425,481	65,000	1,189,000	255,837	55,855	1,991,173	273,078		2,264,251
C&I Direct Install	15,178	25,000	26,000	2,860	1,662	70,700	9,741		80,441
Workforce Development				50,000		50,000			50,000
Business Energy Analyzer						0			0
Deep Energy Retrofit			45,000	5,000		50,000			50,000
Statewide Marketing & Education		32,000				32,000			32,000
EEAC Consultants	39,000					39,000			39,000
DOER Assessment	16,870					16,870			16,870
Sponsorships & Subscriptions						0			0
<b>GRAND TOTAL</b>	<b>\$1,874,626</b>	<b>\$684,000</b>	<b>\$8,374,558</b>	<b>\$2,289,094</b>	<b>\$421,997</b>	<b>\$13,644,275</b>	<b>\$832,247</b>	<b>\$1,879,245</b>	<b>\$16,355,766</b>

Program Administrator Budget, 2011 (1)									
Program	Program Costs								
	Program Planning and Administration	Marketing and Advertising	Participant Incentive	Sales, Technical Assistance & Training	Evaluation and Market Research	Total Program Costs	Performance Incentive (2)	Lost Base Revenue	Total PA Costs (3)
<b>Residential (total)</b>	\$1,064,706	\$495,093	\$6,480,286	\$2,001,016	\$539,754	\$10,580,856	\$309,458	\$1,221,841	\$12,112,154
Residential New Construction & Major Renovations	142,637	50,093	1,480,990	53,129	58,686	1,785,536	21,388		1,806,924
Residential Heating and Water Heating	171,801	200,000	1,568,950	119,067	136,493	2,196,311	114,438		2,310,749
MassSAVE	144,608	75,000	0	1,022,475	54,241	1,296,324	0		1,296,324
Weatherization Program	284,367	25,000	2,696,077	146,125	204,246	3,355,815	144,250		3,500,065
Multifamily Retrofit	86,145	35,000	655,727	266,000	44,141	1,087,013	27,364		1,114,377
Behavior/Feedback Program	31,439	0	0	284,220	36,947	352,606	2,018		354,624
Deep Energy Retrofit	7,972	0	78,542	10,000	0	96,514			96,514
Residential Building Practices and Demonstration Program	0	0	0	0	0	0			0
Community Based Pilots	4,502	0	0	50,000	5,000	59,502			59,502
Energy Analysis: Internet Audit Program	0	0	0	0	0	0			0
Workforce Development	0	0	0	50,000	0	50,000			50,000
Statewide Marketing & Education	0	110,000	0	0	0	110,000			110,000
EEAC Consultants	135,000	0	0	0	0	135,000			135,000
DOER Assessment	56,235	0	0	0	0	56,235			56,235
Sponsorships & Subscriptions	0	0	0	0	0	0			0
<b>Low Income (total)</b>	\$494,265	\$75,000	\$3,272,731	\$1,094,597	\$180,069	\$5,116,662	\$147,892	\$0	\$5,264,554
Low-Income Retrofit	398,645	60,000	3,272,731	1,094,597	180,069	5,006,042	147,892		5,153,934
Statewide Marketing & Education	0	15,000	0	0	0	15,000			15,000
Low-Income Energy Affordability Network Funding	75,000	0	0	0	0	75,000			75,000
DOER Assessment	20,620	0	0	0	0	20,620			20,620
<b>Commercial &amp; Industrial (total)</b>	\$307,496	\$157,000	\$2,454,038	\$385,006	\$188,319	\$3,491,859	\$511,895	\$843,890	\$4,847,644
C&I New Construction & Major Renovation	55,536	50,000	1,334,300	162,689	43,582	1,646,107	248,879		1,894,986
C&I Retrofit	189,772	50,000	1,035,375	163,203	140,834	1,579,184	236,152		1,815,336
C&I Direct Install	5,318	25,000	39,363	4,114	3,903	77,698	26,864		104,562
Workforce Development	0	0	0	50,000	0	50,000			50,000
Business Energy Analyzer	0	0	0	0	0	0			0
Deep Energy Retrofit	0	0	45,000	5,000	0	50,000			50,000
Statewide Marketing & Education	0	32,000	0	0	0	32,000			32,000
EEAC Consultants	40,000	0	0	0	0	40,000			40,000
DOER Assessment	16,870	0	0	0	0	16,870			16,870
Sponsorships & Subscriptions	0	0	0	0	0	0			0
<b>GRAND TOTAL</b>	<b>\$1,866,467</b>	<b>\$727,093</b>	<b>\$12,207,055</b>	<b>\$3,480,619</b>	<b>\$908,142</b>	<b>\$19,189,377</b>	<b>\$969,245</b>	<b>\$2,065,731</b>	<b>\$22,224,353</b>

Program Administrator Budget, 2012										
Program	Program Costs						Total Program Costs	Performance Incentive (2)	Lost Base Revenue	Total PA Costs (3)
	Program Planning and Administration	Marketing and Advertising	Participant Incentive	Sales, Technical Assistance & Training	Evaluation and Market Research					
<b>Residential (total)</b>	\$1,092,638	\$518,379	\$8,779,265	\$2,207,703	\$636,066	\$13,234,051	\$461,603	\$1,629,600	\$15,325,254	
Residential New Construction & Major Renovations	108,130	41,779	1,363,625	40,525	69,343	1,623,402	57,771		1,681,173	
Residential Heating and Water Heating	196,118	209,235	2,465,125	133,878	153,231	3,157,587	132,028		3,289,615	
MassSAVE	122,788	79,879	0	1,448,300	78,439	1,729,406	0		1,729,406	
Weatherization Program	301,511	38,784	4,062,180	216,000	280,646	4,899,121	244,745		5,143,866	
Multifamily Retrofit	80,967	38,702	860,835	260,500	54,407	1,295,411	27,059		1,322,470	
Behavior/Feedback Program						0			0	
Deep Energy Retrofit	2,032	0	27,500	1,500		31,032			31,032	
Residential Building Practices and Demonstration Program						0			0	
Community Based Pilots	0	0	0	57,000	0	57,000			57,000	
Energy Analysis: Internet Audit Program						0			0	
Workforce Development	0	0	0	50,000	0	50,000			50,000	
Statewide Marketing & Education		110,000				110,000			110,000	
EEAC Consultants	198,000					198,000			198,000	
DOER Assessment	83,092					83,092			83,092	
Sponsorships & Subscriptions	0					0			0	
<b>Low Income (total)</b>	\$485,385	\$90,403	\$3,490,087	\$1,258,414	\$231,737	\$5,556,026	\$139,288	\$0	\$5,695,314	
Low-Income Retrofit	336,917	75,403	3,490,087	1,258,414	231,737	5,392,558	139,288		5,531,846	
Statewide Marketing & Education		15,000				15,000			15,000	
Low-Income Energy Affordability Network Funding	118,000					118,000			118,000	
DOER Assessment	30,468					30,468			30,468	
<b>Commercial &amp; Industrial (total)</b>	\$504,515	\$175,054	\$6,044,823	\$504,086	\$188,024	\$7,416,502	\$576,565	\$1,271,725	\$9,264,792	
C&I New Construction & Major Renovation	150,259	42,156	2,029,580	79,917	34,424	2,336,336	248,418		2,584,754	
C&I Retrofit	272,577	75,681	3,974,375	370,051	151,668	4,844,352	306,843		5,151,195	
C&I Direct Install	4,752	25,217	40,868	4,118	1,932	76,887	21,304		98,191	
Workforce Development				50,000		50,000			50,000	
Business Energy Analyzer						0			0	
Deep Energy Retrofit			0	0		0			0	
Statewide Marketing & Education		32,000				32,000			32,000	
EEAC Consultants	52,000					52,000			52,000	
DOER Assessment	24,927					24,927			24,927	
Sponsorships & Subscriptions						0			0	
<b>GRAND TOTAL</b>	<b>\$2,082,537</b>	<b>\$783,836</b>	<b>\$18,314,175</b>	<b>\$3,970,203</b>	<b>\$1,055,827</b>	<b>\$26,206,578</b>	<b>\$1,177,456</b>	<b>\$2,901,326</b>	<b>\$30,285,360</b>	

Program Administrator Budget, 2010-2012										
Program	Program Costs						Total Program Costs	Performance Incentive (2)	Lost Base Revenue	Total PA Costs (3)
	Program Planning and Administration	Marketing and Advertising	Participant Incentive	Sales, Technical Assistance & Training	Evaluation and Market Research					
<b>Residential (total)</b>	\$3,077,772	\$1,465,472	\$20,039,719	\$5,496,488	\$1,423,807	\$31,503,259	\$1,091,778	\$3,974,022	\$36,569,058	
Residential New Construction & Major Renovations	333,283	148,872	3,460,175	136,653	165,156	4,244,140	119,770	0	4,363,910	
Residential Heating and Water Heating	571,152	589,235	5,561,902	307,495	352,575	7,382,359	346,489	0	7,728,848	
MassSAVE	356,938	219,879	3,500	3,081,275	160,932	3,822,524	0	0	3,822,524	
Weatherization Program	833,897	88,784	8,866,288	379,845	568,194	10,737,008	511,060	0	11,248,068	
Multifamily Retrofit	244,634	108,702	1,996,812	683,500	122,522	3,156,170	92,576	0	3,248,746	
Behavior/Feedback Program	71,800	0	0	634,220	49,429	755,449	21,882	0	777,331	
Deep Energy Retrofit	10,004	0	151,042	16,500	0	177,546	0	0	177,546	
Residential Building Practices and Demonstration Program	0	0	0	0	0	0	0	0	0	
Community Based Pilots	4,502	0	0	107,000	5,000	116,502	0	0	116,502	
Energy Analysis: Internet Audit Program	0	0	0	0	0	0	0	0	0	
Workforce Development	0	0	0	150,000	0	150,000	0	0	150,000	
Statewide Marketing & Education	0	310,000	0	0	0	310,000	0	0	310,000	
EEAC Consultants	456,000	0	0	0	0	456,000	0	0	456,000	
DOER Assessment	195,562	0	0	0	0	195,562	0	0	195,562	
Sponsorships & Subscriptions	0	0	0	0	0	0	0	0	0	
<b>Low Income (total)</b>	\$1,291,697	\$240,403	\$8,671,358	\$2,984,742	\$511,285	\$13,699,484	\$422,428	\$0	\$14,121,912	
Low-Income Retrofit	966,989	195,403	8,671,358	2,984,742	511,285	13,329,776	422,428	0	13,752,204	
Statewide Marketing & Education	0	45,000	0	0	0	45,000	0	0	45,000	
Low-Income Energy Affordability Network Funding	253,000	0	0	0	0	253,000	0	0	253,000	
DOER Assessment	71,708	0	0	0	0	71,708	0	0	71,708	
<b>Commercial &amp; Industrial (total)</b>	\$1,454,162	\$489,054	\$10,184,711	\$1,258,686	\$450,874	\$13,837,487	\$1,464,742	\$2,872,280	\$18,174,509	
C&I New Construction & Major Renovation	351,417	127,156	3,789,730	298,503	95,021	4,661,827	590,759	0	5,252,586	
C&I Retrofit	887,830	190,681	6,198,750	789,091	348,357	8,414,709	816,073	0	9,230,782	
C&I Direct Install	25,248	75,217	106,231	11,092	7,497	225,285	57,909	0	283,194	
Workforce Development	0	0	0	150,000	0	150,000	0	0	150,000	
Business Energy Analyzer	0	0	0	0	0	0	0	0	0	
Deep Energy Retrofit	0	0	90,000	10,000	0	100,000	0	0	100,000	
Statewide Marketing & Education	0	96,000	0	0	0	96,000	0	0	96,000	
EEAC Consultants	131,000	0	0	0	0	131,000	0	0	131,000	
DOER Assessment	58,667	0	0	0	0	58,667	0	0	58,667	
Sponsorships & Subscriptions	0	0	0	0	0	0	0	0	0	
<b>GRAND TOTAL</b>	<b>\$5,823,630</b>	<b>\$2,194,929</b>	<b>\$38,895,788</b>	<b>\$9,739,916</b>	<b>\$2,385,966</b>	<b>\$59,040,230</b>	<b>\$2,978,948</b>	<b>\$6,846,301</b>	<b>\$68,865,479</b>	

**Notes:**

- (1) The 2012 budget figures are in 2012\$.
- (2) Values listed in this table represent pre-tax performance incentive amounts. See Section IV.H. Performance Incentives for supporting calculations.
- (3) The Total PA Costs is the sum of the Total Program Costs, Performance Incentives and LBR columns.

IV.D. Cost Effectiveness

1. Summary Table

<b>Total Resource Cost Test, 2010</b>				
<b>Sector</b>	<b>B/C Ratio</b>	<b>Net Benefits</b>	<b>Benefits</b>	<b>Costs</b>
<b>Residential</b>	<b>1.95</b>	<b>\$10,382,292</b>	<b>\$21,301,291</b>	<b>\$10,918,999</b>
Residential New Construction & Major Renovations	1.57	968,217	\$2,656,470	\$1,688,253
Residential Heating and Water Heating MassSAVE	3.06	7,255,104	\$10,778,401	\$3,523,297
Weatherization Program	1.73	2,408,134	\$5,714,948	\$3,306,814
Multifamily Retrofit	2.10	896,083	\$1,707,982	\$811,899
Behavior/Feedback Program	1.05	20,783	\$443,490	\$422,707
Deep Energy Retrofit			\$0	\$50,000
Residential Building Practices and Demonstration Program			\$0	\$0
Community Based Pilots				
Energy Analysis: Internet Audit Program			\$0	\$0
Workforce Development			\$0	\$50,000
Statewide Marketing & Education			\$0	\$90,000
EEAC Consultants			\$0	\$123,000
DOER Assessment			\$0	\$56,235
Sponsorships & Subscriptions				
<b>Low Income</b>	<b>1.72</b>	<b>\$2,262,709</b>	<b>\$5,424,754</b>	<b>\$3,162,045</b>
Low-Income Retrofit	1.77	2,358,329	\$5,424,754	\$3,066,425
Statewide Marketing & Education			\$0	\$15,000
Low-Income Energy Affordability Network Funding			\$0	\$60,000
DOER Assessment			\$0	\$20,620
<b>Commercial &amp; Industrial</b>	<b>3.96</b>	<b>\$14,907,406</b>	<b>\$19,936,109</b>	<b>\$5,028,703</b>
C&I New Construction & Major Renovation	3.31	2,863,675	\$4,105,241	\$1,241,566
C&I Retrofit	4.47	12,013,218	\$15,479,114	\$3,465,896
C&I Direct Install	3.98	263,383	\$351,754	\$88,371
Workforce Development			\$0	\$50,000
Business Energy Analyzer			\$0	\$0
Deep Energy Retrofit			\$0	\$95,000
Statewide Marketing & Education			\$0	\$32,000
EEAC Consultants			\$0	\$39,000
DOER Assessment			\$0	\$16,870
Sponsorships & Subscriptions				
<b>GRAND TOTAL</b>	<b>2.44</b>	<b>\$27,552,407</b>	<b>\$46,662,154</b>	<b>\$19,109,747</b>

<b>Total Resource Cost Test, 2011</b>				
<b>Sector</b>	<b>B/C Ratio</b>	<b>Net Benefits</b>	<b>Benefits</b>	<b>Costs</b>
<b>Residential</b>	<b>1.87</b>	<b>\$10,423,484</b>	<b>\$22,435,048</b>	<b>\$12,011,564</b>
Residential New Construction & Major Renovations	1.35	636,385	\$2,459,818	\$1,823,434
Residential Heating and Water Heating MassSAVE	3.52	5,823,573	\$8,136,383	\$2,312,811
Weatherization Program	2.06	4,618,996	\$8,995,229	\$4,376,233
Multifamily Retrofit	1.86	1,147,699	\$2,488,588	\$1,340,889
Behavior/Feedback Program	1.00	405	\$355,029	\$354,624
Deep Energy Retrofit			\$0	\$96,514
Residential Building Practices and Demonstration Program			\$0	\$0
Community Based Pilots				\$59,502
Energy Analysis: Internet Audit Program			\$0	\$0
Workforce Development			\$0	\$50,000
Statewide Marketing & Education			\$0	\$110,000
EEAC Consultants			\$0	\$135,000
DOER Assessment			\$0	\$56,235
Sponsorships & Subscriptions			\$0	\$0
<b>Low Income</b>	<b>1.52</b>	<b>\$2,712,416</b>	<b>\$7,976,970</b>	<b>\$5,264,554</b>
Low-Income Retrofit	1.55	2,823,036	\$7,976,970	\$5,153,934
Statewide Marketing & Education			\$0	\$15,000
Low-Income Energy Affordability Network Funding			\$0	\$75,000
DOER Assessment			\$0	\$20,620
<b>Commercial &amp; Industrial</b>	<b>5.44</b>	<b>\$29,143,587</b>	<b>\$35,705,644</b>	<b>\$6,562,057</b>
C&I New Construction & Major Renovation	5.80	15,687,576	\$18,952,848	\$3,265,272
C&I Retrofit	5.51	13,297,477	\$16,242,703	\$2,945,226
C&I Direct Install	4.33	392,404	\$510,093	\$117,689
Workforce Development			\$0	\$50,000
Business Energy Analyzer			\$0	\$0
Deep Energy Retrofit			\$0	\$95,000
Statewide Marketing & Education			\$0	\$32,000
EEAC Consultants			\$0	\$40,000
DOER Assessment			\$0	\$16,870
Sponsorships & Subscriptions			\$0	\$0
<b>GRAND TOTAL</b>	<b>2.77</b>	<b>\$42,279,487</b>	<b>\$66,117,662</b>	<b>\$23,838,175</b>

Total Resource Cost Test, 2012 (1)				
Sector	B/C Ratio	Net Benefits	Benefits	Costs
<b>Residential</b>	<b>1.74</b>	<b>\$13,976,262</b>	<b>\$32,905,105</b>	<b>\$18,928,843</b>
Residential New Construction & Major Renovations	1.79	2,137,882	\$4,835,430	\$2,697,548
Residential Heating and Water Heating	2.06	5,387,622	\$10,492,691	\$5,105,068
MassSAVE			\$0	\$1,729,406
Weatherization Program	2.02	7,733,987	\$15,283,118	\$7,549,131
Multifamily Retrofit	1.74	975,300	\$2,293,866	\$1,318,566
Behavior/Feedback Program			\$0	\$0
Deep Energy Retrofit			\$0	\$31,032
Residential Building Practices and Demonstration Program			\$0	\$0
Community Based Pilots			\$0	\$57,000
Energy Analysis: Internet Audit Program			\$0	\$0
Workforce Development			\$0	\$50,000
Statewide Marketing & Education			\$0	\$110,000
EEAC Consultants			\$0	\$198,000
DOER Assessment			\$0	\$83,092
Sponsorships & Subscriptions			\$0	\$0
<b>Low Income</b>	<b>1.42</b>	<b>\$2,395,378</b>	<b>\$8,090,691</b>	<b>\$5,695,313</b>
Low-Income Retrofit	1.46	2,558,846	\$8,090,691	\$5,531,845
Statewide Marketing & Education			\$0	\$15,000
Low-Income Energy Affordability Network Funding			\$0	\$118,000
DOER Assessment			\$0	\$30,468
<b>Commercial &amp; Industrial</b>	<b>2.40</b>	<b>\$22,043,283</b>	<b>\$37,809,297</b>	<b>\$15,766,015</b>
C&I New Construction & Major Renovation	4.07	11,445,005	\$15,175,842	\$3,730,837
C&I Retrofit	1.88	10,357,390	\$22,138,637	\$11,781,248
C&I Direct Install	5.21	399,815	\$494,818	\$95,004
Workforce Development			\$0	\$50,000
Business Energy Analyzer			\$0	\$0
Deep Energy Retrofit			\$0	\$0
Statewide Marketing & Education			\$0	\$32,000
EEAC Consultants			\$0	\$52,000
DOER Assessment			\$0	\$24,927
Sponsorships & Subscriptions			\$0	\$0
<b>GRAND TOTAL</b>	<b>1.95</b>	<b>\$38,414,922</b>	<b>\$78,805,093</b>	<b>\$40,390,171</b>

Total Resource Cost Test, 2010-2012				
Sector	B/C Ratio	Net Benefits	Benefits	Costs
<b>Residential</b>	<b>1.83</b>	<b>\$34,782,038</b>	<b>\$76,641,444</b>	<b>\$41,859,406</b>
Residential New Construction & Major Renovations	1.60	3,742,484	9,951,719	6,209,235
Residential Heating and Water Heating	2.69	18,466,299	29,407,475	10,941,176
MassSAVE			0	3,822,523
Weatherization Program	1.97	14,761,117	29,993,295	15,232,178
Multifamily Retrofit	1.87	3,019,083	6,490,436	3,471,354
Behavior/Feedback Program	1.03	21,188	798,519	777,331
Deep Energy Retrofit			0	177,546
Residential Building Practices and Demonstration Program			0	0
Community Based Pilots			0	116,502
Energy Analysis: Internet Audit Program			0	0
Workforce Development			0	150,000
Statewide Marketing & Education			0	310,000
EEAC Consultants			0	456,000
DOER Assessment			0	195,562
Sponsorships & Subscriptions			0	0
<b>Low Income</b>	<b>1.52</b>	<b>\$7,370,503</b>	<b>\$21,492,415</b>	<b>\$14,121,912</b>
Low-Income Retrofit	1.56	7,740,211	21,492,415	13,752,204
Statewide Marketing & Education			0	45,000
Low-Income Energy Affordability Network Funding			0	253,000
DOER Assessment			0	71,708
<b>Commercial &amp; Industrial</b>	<b>3.42</b>	<b>\$66,094,276</b>	<b>\$93,451,051</b>	<b>\$27,356,775</b>
C&I New Construction & Major Renovation	4.64	29,996,256	38,233,931	8,237,675
C&I Retrofit	2.96	35,668,085	53,860,455	18,192,370
C&I Direct Install	4.51	1,055,602	1,356,665	301,064
Workforce Development			0	150,000
Business Energy Analyzer			0	0
Deep Energy Retrofit			0	190,000
Statewide Marketing & Education			0	96,000
EEAC Consultants			0	131,000
DOER Assessment			0	58,667
Sponsorships & Subscriptions			0	0
<b>GRAND TOTAL</b>	<b>2.30</b>	<b>\$108,246,817</b>	<b>\$191,584,910</b>	<b>\$83,338,093</b>

**Note:**

(1) The 2012 benefits and costs are in 2012\$.

IV.D. Cost Effectiveness  
2.1. Cost Summary Table

2010				
Programs	Program Costs (1)	Performance Incentive (2)	Participant Costs	Total Resource Costs (3)
<b>Residential</b>	<b>\$7,688,352</b>	<b>\$320,717</b>	<b>\$2,909,930</b>	<b>\$10,918,999</b>
Residential New Construction & Major Renovations	835,202	40,611	812,440	1,688,253
Residential Heating and Water Heating	2,028,461	100,023	1,394,813	3,523,297
MassSAVE	796,794	0	0	796,794
Weatherization Program	2,482,072	122,065	702,677	3,306,814
Multifamily Retrofit	773,746	38,153	0	811,899
Behavior/Feedback Program	402,843	19,864	0	422,707
Deep Energy Retrofit	50,000	0	0	50,000
Residential Building Practices and Demonstration Program	0	0	0	0
Community Based Pilots	0	0	0	0
Energy Analysis: Internet Audit Program	0	0	0	0
Workforce Development	50,000	0	0	50,000
Statewide Marketing & Education	90,000	0	0	90,000
EEAC Consultants	123,000	0	0	123,000
DOER Assessment	56,235	0	0	56,235
Sponsorships & Subscriptions	0	0	0	0
<b>Low Income</b>	<b>\$3,026,796</b>	<b>\$135,248</b>	<b>\$0</b>	<b>\$3,162,045</b>
Low-Income Retrofit	2,931,176	135,248	0	3,066,425
Statewide Marketing & Education	15,000	0	0	15,000
Low-Income Energy Affordability Network Funding	60,000	0	0	60,000
DOER Assessment	20,620	0	0	20,620
<b>Commercial &amp; Industrial</b>	<b>\$2,929,126</b>	<b>\$376,282</b>	<b>\$1,723,295</b>	<b>\$5,028,703</b>
C&I New Construction & Major Renovation	679,384	93,462	468,721	1,241,566
C&I Retrofit	1,991,173	273,078	1,201,645	3,465,896
C&I Direct Install	70,700	9,741	7,930	88,371
Workforce Development	50,000	0	0	50,000
Business Energy Analyzer	0	0	0	0
Deep Energy Retrofit	50,000	0	45,000	95,000
Statewide Marketing & Education	32,000	0	0	32,000
EEAC Consultants	39,000	0	0	39,000
DOER Assessment	16,870	0	0	16,870
Sponsorships & Subscriptions	0	0	0	0
<b>GRAND TOTAL</b>	<b>\$13,644,275</b>	<b>\$832,247</b>	<b>\$4,633,225</b>	<b>\$19,109,747</b>

2011				
Programs	Program Costs (1)	Performance Incentive (2)	Participant Costs	Total Resource Costs (3)
<b>Residential</b>	<b>\$10,580,856</b>	<b>\$309,458</b>	<b>\$1,121,250</b>	<b>\$12,011,564</b>
Residential New Construction & Major Renovations	1,785,536	21,388	16,510	1,823,434
Residential Heating and Water Heating	2,196,311	114,438	2,062	2,312,811
MassSAVE	1,296,324	0	0	1,296,323
Weatherization Program	3,355,815	144,250	876,168	4,376,233
Multifamily Retrofit	1,087,013	27,364	226,512	1,340,889
Behavior/Feedback Program	352,606	2,018	0	354,624
Deep Energy Retrofit	96,514	0	0	96,514
Residential Building Practices and Demonstration Program	0	0	0	0
Community Based Pilots	59,502	0	0	59,502
Energy Analysis: Internet Audit Program	0	0	0	0
Workforce Development	50,000	0	0	50,000
Statewide Marketing & Education	110,000	0	0	110,000
EEAC Consultants	135,000	0	0	135,000
DOER Assessment	56,235	0	0	56,235
Sponsorships & Subscriptions	0	0	0	0
<b>Low Income</b>	<b>\$5,116,662</b>	<b>\$147,892</b>	<b>\$0</b>	<b>\$5,264,554</b>
Low-Income Retrofit	5,006,042	147,892	0	5,153,934
Statewide Marketing & Education	15,000	0	0	15,000
Low-Income Energy Affordability Network Funding	75,000	0	0	75,000
DOER Assessment	20,620	0	0	20,620
<b>Commercial &amp; Industrial</b>	<b>\$3,491,859</b>	<b>\$511,895</b>	<b>\$2,558,303</b>	<b>\$6,562,057</b>
C&I New Construction & Major Renovation	1,646,107	248,879	1,370,286	3,265,272
C&I Retrofit	1,579,184	236,152	1,129,890	2,945,226
C&I Direct Install	77,698	26,864	13,127	117,689
Workforce Development	50,000	0	0	50,000
Business Energy Analyzer	0	0	0	0
Deep Energy Retrofit	50,000	0	45,000	95,000
Statewide Marketing & Education	32,000	0	0	32,000
EEAC Consultants	40,000	0	0	40,000
DOER Assessment	16,870	0	0	16,870
C&I Sponsorships & Subscriptions	0	0	0	0
<b>GRAND TOTAL</b>	<b>\$19,189,377</b>	<b>\$969,245</b>	<b>\$3,679,553</b>	<b>\$23,838,175</b>

2012				
Programs	Program Costs (1)	Performance Incentive (2)	Participant Costs	Total Resource Costs (3)
<b>Residential</b>	<b>\$13,234,051</b>	<b>\$461,603</b>	<b>\$5,233,189</b>	<b>\$18,928,843</b>
Residential New Construction & Major Renovations	1,623,402	57,771	1,016,375	2,697,548
Residential Heating and Water Heating	3,157,587	132,028	1,815,453	5,105,068
MassSAVE	1,729,406	0	0	1,729,406
Weatherization Program	4,899,121	244,745	2,405,265	7,549,131
Multifamily Retrofit	1,295,411	27,059	0	1,318,566
Behavior/Feedback Program	0	0	0	0
Deep Energy Retrofit	31,032	0	0	31,032
Residential Building Practices and Demonstration Program	0	0	0	0
Community Based Pilots	57,000	0	0	57,000
Energy Analysis: Internet Audit Program	0	0	0	0
Workforce Development	50,000	0	0	50,000
Statewide Marketing & Education	110,000	0	0	110,000
EEAC Consultants	198,000	0	0	198,000
DOER Assessment	83,092	0	0	83,092
Sponsorships & Subscriptions	0	0	0	0
<b>Low Income</b>	<b>\$5,556,026</b>	<b>\$139,288</b>	<b>\$0</b>	<b>\$5,695,313</b>
Low-Income Retrofit	5,392,558	139,288	0	5,531,845
Statewide Marketing & Education	15,000	0	0	15,000
Low-Income Energy Affordability Network Funding	118,000	0	0	118,000
DOER Assessment	30,468	0	0	30,468
<b>Commercial &amp; Industrial</b>	<b>\$7,416,502</b>	<b>\$576,565</b>	<b>\$7,772,948</b>	<b>\$15,766,015</b>
C&I New Construction & Major Renovation	2,336,336	248,418	1,146,083	3,730,837
C&I Retrofit	4,844,352	306,843	6,630,053	11,781,248
C&I Direct Install	76,887	21,304	0	95,004
Workforce Development	50,000	0	0	50,000
Business Energy Analyzer	0	0	0	0
Deep Energy Retrofit	0	0	0	0
Statewide Marketing & Education	32,000	0	0	32,000
EEAC Consultants	52,000	0	0	52,000
DOER Assessment	24,927	0	0	24,927
C&I Sponsorships & Subscriptions	0	0	0	0
<b>GRAND TOTAL</b>	<b>\$26,206,578</b>	<b>\$1,177,456</b>	<b>\$13,006,137</b>	<b>\$40,390,171</b>

2010-2012				
Programs	Program Costs (1)	Performance Incentive (2)	Participant Costs	Total Resource Costs (3)
<b>Residential</b>	<b>\$31,503,259</b>	<b>\$1,091,778</b>	<b>9,264,369</b>	<b>\$41,859,406</b>
Residential New Construction & Major Renovations	4,244,140	119,770	1,845,325	6,209,235
Residential Heating and Water Heating	7,382,359	346,489	3,212,328	10,941,176
MassSAVE	3,822,524	0	0	3,822,523
Weatherization Program	10,737,008	511,060	3,984,110	15,232,178
Multifamily Retrofit	3,156,170	92,576	226,511	3,471,354
Behavior/Feedback Program	755,449	21,882	0	777,331
Deep Energy Retrofit	177,546	0	0	177,546
Residential Building Practices and Demonstration Program	0	0	0	0
Community Based Pilots	116,502	0	0	116,502
Energy Analysis: Internet Audit Program	0	0	0	0
Workforce Development	150,000	0	0	150,000
Statewide Marketing & Education	310,000	0	0	310,000
EEAC Consultants	456,000	0	0	456,000
DOER Assessment	195,562	0	0	195,562
Sponsorships & Subscriptions	0	0	0	0
<b>Low Income</b>	<b>\$13,699,484</b>	<b>\$422,428</b>	<b>0</b>	<b>\$14,121,912</b>
Low-Income Retrofit	13,329,776	422,428	0	13,752,204
Statewide Marketing & Education	45,000	0	0	45,000
Low-Income Energy Affordability Network Funding	253,000	0	0	253,000
DOER Assessment	71,708	0	0	71,708
<b>Commercial &amp; Industrial</b>	<b>\$13,837,487</b>	<b>\$1,464,742</b>	<b>12,054,546</b>	<b>\$27,356,775</b>
C&I New Construction & Major Renovation	4,661,827	590,759	2,985,089	8,237,675
C&I Retrofit	8,414,709	816,073	8,961,587	18,192,370
C&I Direct Install	225,285	57,909	21,057	301,064
Workforce Development	150,000	0	0	150,000
Business Energy Analyzer	0	0	0	0
Deep Energy Retrofit	100,000	0	90,000	190,000
Statewide Marketing & Education	96,000	0	0	96,000
EEAC Consultants	131,000	0	0	131,000
DOER Assessment	58,667	0	0	58,667
C&I Sponsorships & Subscriptions	0	0	0	0
<b>GRAND TOTAL</b>	<b>\$59,040,230</b>	<b>\$2,978,948</b>	<b>\$21,318,916</b>	<b>\$83,338,093</b>

**Notes:**

- (1) Program Costs include Program Planning and Administration, Marketing and Advertising, Program Incentive, Sales, Technical Assistance & Training, Evaluation and Market Research (See Table IV.C.1, Budget Summary).
- (2) See Table IV.H for more information regarding Performance Incentives.
- (3) This represents the total TRC Test costs, which does not include LBR.



IV.D. Cost Effectiveness  
3.1. Benefits Summary Table

Gas Benefits, 2010 (Lifetime \$)														
Program	Gas	Electric			Non-Gas Non-Electric								TOTAL TRC Benefits	
		Summer Capacity	Winter Capacity	Energy	Resource					Non-Resource	TOTAL			
					No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood			Water		Kerosene
<b>Residential</b>	<b>\$21,168,674</b>	<b>\$70,080</b>	<b>\$0</b>	<b>\$62,537</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,301,291</b>
Residential New Construction & Major Renovations	\$2,523,853	\$70,080		\$62,537										\$2,656,470
Residential Heating and Water Heating	\$10,778,401													\$10,778,401
MassSAVE	\$0													\$0
Weatherization Program	\$5,714,948													\$5,714,948
Multifamily Retrofit	\$1,707,982													\$1,707,982
Behavior/Feedback Program	\$443,490													\$443,490
Deep Energy Retrofit	\$0													\$0
Residential Building Practices and Demonstration Program	\$0													\$0
Community Based Pilots	\$0													\$0
Energy Analysis: Internet Audit Program	\$0													\$0
Workforce Development	\$0													\$0
<b>Low Income</b>	<b>\$5,424,754</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,424,754</b>
Low-Income Retrofit	\$5,424,754													\$5,424,754
<b>Commercial &amp; Industrial</b>	<b>\$19,936,109</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,936,109</b>
C&I New Construction & Major Renovation	\$4,105,241													\$4,105,241
C&I Retrofit	\$15,479,114													\$15,479,114
C&I Direct Install	\$351,754													\$351,754
Workforce Development	\$0													\$0
Business Energy Analyzer	\$0													\$0
Deep Energy Retrofit	\$0													\$0
<b>GRAND TOTAL</b>	<b>\$46,529,537</b>	<b>\$70,080</b>	<b>\$0</b>	<b>\$62,537</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,662,154</b>

Gas Benefits, 2011 (Lifetime \$)														
Program	Gas	Electric			Non-Gas Non-Electric								TOTAL TRC Benefits	
		Summer Capacity	Winter Capacity	Energy	Resource					Non-Resource	TOTAL			
					No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood			Water		Kerosene
<b>Residential</b>	<b>\$22,176,866</b>	<b>\$55,344</b>	<b>\$0</b>	<b>\$202,838</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,435,048</b>
Residential New Construction & Major Renovations	\$2,201,636	\$55,344		\$202,838										\$2,459,818
Residential Heating and Water Heating	\$8,136,383													\$8,136,383
MassSAVE	\$0													\$0
Weatherization Program	\$8,995,229													\$8,995,229
Multifamily Retrofit	\$2,488,588													\$2,488,588
Behavior/Feedback Program	\$355,029													\$355,029
Deep Energy Retrofit	\$0													\$0
Residential Building Practices and Demonstration Program	\$0													\$0
Community Based Pilots	\$0													\$0
Energy Analysis: Internet Audit Program	\$0													\$0
Workforce Development	\$0													\$0
<b>Low Income</b>	<b>\$7,976,970</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,976,970</b>
Low-Income Retrofit	\$7,976,970													\$7,976,970
<b>Commercial &amp; Industrial</b>	<b>\$35,705,644</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,705,644</b>
C&I New Construction & Major Renovation	\$18,952,848													\$18,952,848
C&I Retrofit	\$16,242,703													\$16,242,703
C&I Direct Install	\$510,093													\$510,093
Workforce Development	\$0													\$0
Business Energy Analyzer	\$0													\$0
Deep Energy Retrofit	\$0													\$0
<b>GRAND TOTAL</b>	<b>\$65,859,480</b>	<b>\$55,344</b>	<b>\$0</b>	<b>\$202,838</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,117,662</b>

Gas Benefits, 2012 (Lifetime \$) (1)															
Program	Gas	Electric			Non-Gas Non-Electric								TOTAL TRC Benefits		
		Summer Capacity	Winter Capacity	Energy	Resource							Non-Resource		TOTAL	
					No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Water	Kerosene				
<b>Residential</b>	<b>\$22,222,032</b>	<b>\$95,754</b>	<b>\$29,005</b>	<b>\$146,902</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$197,771</b>	<b>\$0</b>	<b>\$10,213,641</b>	<b>\$10,411,412</b>	<b>\$32,905,105</b>
Residential New Construction & Major Renovations	\$3,083,671	\$95,859	\$29,129	\$147,339							\$4,179		\$1,475,254	\$1,479,433	\$4,835,430
Residential Heating and Water Heating	\$5,994,745	-\$105	-\$123	-\$436									\$4,498,610	\$4,498,610	\$10,492,691
MassSAVE	\$0														\$0
Weatherization Program	\$11,691,283										\$27,115		\$3,564,720	\$3,591,835	\$15,283,118
Multifamily Retrofit	\$1,452,332										\$166,477		\$675,057	\$841,534	\$2,293,866
Behavior/Feedback Program	\$0														\$0
Deep Energy Retrofit	\$0														\$0
Residential Building Practices and Demonstration Program	\$0														\$0
Community Based Pilots	\$0														\$0
Energy Analysis: Internet Audit Program	\$0														\$0
Workforce Development	\$0														\$0
<b>Low Income</b>	<b>\$4,310,260</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,780,431</b>	<b>\$3,780,431</b>	<b>\$8,090,691</b>
Low-Income Retrofit	\$4,310,260												\$3,780,431	\$3,780,431	\$8,090,691
<b>Commercial &amp; Industrial</b>	<b>\$37,712,921</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,377</b>	<b>\$37,809,297</b>
C&I New Construction & Major Renovation	\$15,173,320										\$2,522			\$2,522	\$15,175,842
C&I Retrofit	\$22,138,637														\$22,138,637
C&I Direct Install	\$400,964										\$93,854			\$93,854	\$494,818
Workforce Development	\$0														\$0
Business Energy Analyzer	\$0														\$0
Deep Energy Retrofit	\$0														\$0
<b>GRAND TOTAL</b>	<b>\$64,245,212</b>	<b>\$95,754</b>	<b>\$29,005</b>	<b>\$146,902</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$294,147</b>	<b>\$0</b>	<b>\$13,994,072</b>	<b>\$14,288,219</b>	<b>\$93,093,313</b>

Gas Benefits, 2010-2012 (Lifetime \$)															
Program	Gas	Electric			Non-Gas Non-Electric								TOTAL TRC Benefits		
		Summer Capacity	Winter Capacity	Energy	Resource							Non-Resource		TOTAL	
					No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Water	Kerosene				
<b>Residential</b>	<b>\$65,567,572</b>	<b>\$221,178</b>	<b>\$29,005</b>	<b>\$412,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$197,771</b>	<b>\$0</b>	<b>\$10,213,641</b>	<b>\$10,411,412</b>	<b>\$87,052,856</b>
Residential New Construction & Major Renovations	7,809,161	221,283	29,129	412,714	0	0	0	0	0	0	4,179	0	1,475,254	1,479,433	9,951,719
Residential Heating and Water Heating	24,909,529	-105	-123	-436	0	0	0	0	0	0	0	0	4,498,610	4,498,610	29,407,475
MassSAVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weatherization Program	26,401,460	0	0	0	0	0	0	0	0	0	27,115	0	3,564,720	3,591,835	29,993,295
Multifamily Retrofit	5,648,903	0	0	0	0	0	0	0	0	0	166,477	0	675,057	841,534	6,490,436
Behavior/Feedback Program	798,519	0	0	0	0	0	0	0	0	0	0	0	0	0	798,519
Deep Energy Retrofit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Residential Building Practices and Demonstration Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Based Pilots	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy Analysis: Internet Audit Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Workforce Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Low Income</b>	<b>\$17,711,984</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,780,431</b>	<b>\$3,780,431</b>	<b>\$25,272,846</b>
Low-Income Retrofit	17,711,984	0	0	0	0	0	0	0	0	0	0	0	3,780,431	3,780,431	21,492,415
<b>Commercial &amp; Industrial</b>	<b>\$93,354,674</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$96,377</b>	<b>\$93,547,428</b>
C&I New Construction & Major Renovation	38,231,409	0	0	0	0	0	0	0	0	0	2,522	0	0	2,522	38,233,931
C&I Retrofit	53,860,455	0	0	0	0	0	0	0	0	0	0	0	0	0	53,860,455
C&I Direct Install	1,262,811	0	0	0	0	0	0	0	0	0	93,854	0	0	93,854	1,356,665
Workforce Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Energy Analyzer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deep Energy Retrofit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>\$176,634,230</b>	<b>\$221,178</b>	<b>\$29,005</b>	<b>\$412,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$294,147</b>	<b>\$0</b>	<b>\$13,994,072</b>	<b>\$14,288,219</b>	<b>\$205,873,129</b>

Note:

(1) The 2012 benefits are in 2012\$.

IV.D. Cost Effectiveness  
3.2. Savings Summary Table

Gas Savings (Annual), 2010														
Program	# of Participants	Gas (MMBTU)	Gas (Therms)	Electric			Non-Gas Non-Electric Resource							Non-Resource
				Summer Capacity (kW)	Winter Capacity (kW)	Energy (kWh)	MMBTU						Gallons	
							No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Kerosene	Water	
<b>Residential</b>	<b>37,021</b>	<b>132,147</b>	<b>1,321,467</b>	<b>31</b>	<b>8</b>	<b>38,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Residential New Construction & Major Renovations	280	8,932	89,320	31	8	38,600								
Residential Heating and Water Heating	5,441	53,832	538,319											
MassSAVE	350	-	-											
Weatherization Program	2,050	21,780	217,804											
Multifamily Retrofit	3,900	10,917	109,174											
Behavior/Feedback Program	25,000	36,685	366,850											
Deep Energy Retrofit			-											
Residential Building Practices and Demonstration Program			-											
Community Based Pilots			-											
Energy Analysis: Internet Audit Program			-											
Workforce Development			-											
<b>Low Income</b>	<b>840</b>	<b>20,998</b>	<b>209,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Low-Income Retrofit	840	20,998	209,984											
<b>Commercial &amp; Industrial</b>	<b>998</b>	<b>107,140</b>	<b>1,071,401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C&I New Construction & Major Renovation	304	20,112	201,116											
C&I Retrofit	474	83,503	835,025											
C&I Direct Install	220	3,526	35,260											
Workforce Development			-											
Business Energy Analyzer			-											
Deep Energy Retrofit			-											
<b>GRAND TOTAL</b>	<b>38,859</b>	<b>260,285</b>	<b>2,602,852</b>	<b>31</b>	<b>8</b>	<b>38,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Gas Savings (Annual), 2011														
Program	# of Participants	Gas (MMBTU)	Gas (Therms)	Electric			Non-Gas Non-Electric Resource							Non-Resource
				Summer Capacity (kW)	Winter Capacity (kW)	Energy (kWh)	MMBTU						Gallons	
							No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Kerosene	Water	
<b>Residential</b>	<b>43,535</b>	<b>128,730</b>	<b>1,287,303</b>	<b>18</b>	<b>87</b>	<b>201,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Residential New Construction & Major Renovations	599	7,607	76,073	18	87	201,433								
Residential Heating and Water Heating	6,466	42,929	429,290											
MassSAVE	3,735	-	-											
Weatherization Program	2,275	35,827	358,270											
Multifamily Retrofit	5,460	15,067	150,670											
Behavior/Feedback Program	25,000	27,300	273,000											
Deep Energy Retrofit			-											
Residential Building Practices and Demonstration Program			-											
Community Based Pilots			-											
Energy Analysis: Internet Audit Program			-											
Workforce Development			-											
<b>Low Income</b>	<b>1,361</b>	<b>29,967</b>	<b>299,670</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Low-Income Retrofit	1,361	29,967	299,670											
<b>Commercial &amp; Industrial</b>	<b>1,322</b>	<b>173,774</b>	<b>1,737,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C&I New Construction & Major Renovation	396	78,545	785,450											
C&I Retrofit	656	89,593	895,930											
C&I Direct Install	270	5,636	56,360											
Workforce Development			-											
Business Energy Analyzer			-											
Deep Energy Retrofit			-											
<b>GRAND TOTAL</b>	<b>46,218</b>	<b>332,471</b>	<b>3,324,713</b>	<b>18</b>	<b>87</b>	<b>201,433</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Gas Savings (Annual), 2012														
Program	# of Participants	Gas (MMBTU)	Gas (Therms)	Electric			Non-Gas Non-Electric Resource						Non-Resource	
				Summer Capacity (kW)	Winter Capacity (kW)	Energy (kWh)	MMBTU							
							No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Kerosene		Gallons Water
<b>Residential</b>	<b>22,142</b>	<b>134,761</b>	<b>1,347,608</b>	<b>36</b>	<b>75</b>	<b>144,633</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,341,257</b>	<b>0</b>
Residential New Construction & Major Renovations	700	15,582	155,818	36	75	144,899							172,000	
Residential Heating and Water Heating	6,332	40,696	406,960	(0.03)	(0.14)	(266)								
MassSAVE	6,000	-	-											
Weatherization Program	3,300	63,580	635,804										1,564,392	
Multifamily Retrofit	5,810	14,903	149,026										9,604,865	
Behavior/Feedback Program														
Deep Energy Retrofit														
Residential Building Practices and Demonstration Program														
Community Based Pilots														
Energy Analysis: Internet Audit Program														
Workforce Development														
<b>Low Income</b>	<b>1,408</b>	<b>26,997</b>	<b>269,970</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Low-Income Retrofit	1,408	26,997	269,970											
<b>Commercial &amp; Industrial</b>	<b>1,312</b>	<b>348,727</b>	<b>3,487,270</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,785,935</b>	<b>0</b>
C&I New Construction & Major Renovation	448	94,955	949,545										87,600	
C&I Retrofit	559	248,654	2,486,540											
C&I Direct Install	305	5,119	51,185										5,698,335	
Workforce Development														
Business Energy Analyzer														
Deep Energy Retrofit														
<b>GRAND TOTAL</b>	<b>24,862</b>	<b>510,485</b>	<b>5,104,848</b>	<b>36</b>	<b>75</b>	<b>144,633</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,127,192</b>	<b>0</b>

Gas Savings (Annual), 2010-2012														
Program	# of Participants	Gas (MMBTU)	Gas (Therms)	Electric			Non-Gas Non-Electric Resource						Non-Resource	
				Summer Capacity (kW)	Winter Capacity (kW)	Energy (kWh)	MMBTU							
							No. 2 Distillate	No. 4 Fuel Oil	No. 6 Fuel Oil	Propane	Wood	Kerosene		Gallons Water
<b>Residential</b>	<b>102,698</b>	<b>395,638</b>	<b>3,956,378</b>	<b>85</b>	<b>170</b>	<b>384,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,341,257</b>	<b>0</b>
Residential New Construction & Major Renovations	1,579	32,121	321,211	85	170	384,932							172,000	
Residential Heating and Water Heating	18,239	137,457	1,374,569	0	0	-266							0	
MassSAVE	10,085	0	0	0	0	0							0	
Weatherization Program	7,625	121,188	1,211,878	0	0	0							1,564,392	
Multifamily Retrofit	15,170	40,887	408,870	0	0	0							9,604,865	
Behavior/Feedback Program	50,000	63,985	639,850	0	0	0							0	
Deep Energy Retrofit	0	0	0	0	0	0							0	
Residential Building Practices and Demonstration Program	0	0	0	0	0	0							0	
Community Based Pilots	0	0	0	0	0	0							0	
Energy Analysis: Internet Audit Program	0	0	0	0	0	0							0	
Workforce Development	0	0	0	0	0	0							0	
<b>Low Income</b>	<b>3,609</b>	<b>77,962</b>	<b>779,624</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Low-Income Retrofit	3,609	77,962	779,624										0	
<b>Commercial &amp; Industrial</b>	<b>3,632</b>	<b>629,641</b>	<b>6,296,411</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,785,935</b>	<b>0</b>
C&I New Construction & Major Renovation	1,148	193,611	1,936,111	0	0	0							87,600	
C&I Retrofit	1,689	421,750	4,217,495	0	0	0							0	
C&I Direct Install	795	14,281	142,805	0	0	0							5,698,335	
Workforce Development	0	0	0	0	0	0							0	
Business Energy Analyzer	0	0	0	0	0	0							0	
Deep Energy Retrofit	0	0	0	0	0	0							0	
<b>GRAND TOTAL</b>	<b>109,939</b>	<b>1,103,241</b>	<b>11,032,413</b>	<b>85</b>	<b>170</b>	<b>384,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,127,192</b>	<b>0</b>

IV. G. Monitoring and Evaluation  
2. Evaluation Activities

<b>Evaluation Activities (1)</b>		
<b>Program</b>	<b>Study</b>	<b>(J)oint/(C)ompany Specific</b>
<b>Residential</b>		
Program 1		
Program 2		
<b>Low Income</b>		
Program 1		
Program 2		
<b>Commercial &amp; Industrial</b>		
Program 1		
Program 2		

**Notes:**

(1) Please refer to Exhibit C for the EM&V activities planned.

IV. H. Performance Incentives

1. Performance Incentives Summary Table

Performance Incentives, 2010					
Program	Total Program Costs (1)	After-Tax Performance Incentives (2) (4)	% of Program Costs (3)	Pre-Tax Performance Incentives	% of Program Costs
Residential	\$6,891,558	\$194,916	2.83%	\$320,717	4.65%
Low Income	\$3,026,796	\$82,197	2.72%	\$135,248	4.47%
C&I	\$2,929,126	\$228,685	7.81%	\$376,282	12.85%
<b>GRAND TOTAL</b>	<b>\$12,847,481</b>	<b>\$505,798</b>	<b>3.94%</b>	<b>\$832,247</b>	<b>6.48%</b>

Performance Incentives, 2011					
Program	Total Program Costs (1)	After-Tax Performance Incentives (2) (4)	% of Program Costs (3)	Pre-Tax Performance Incentives	% of Program Costs
Residential	\$9,284,532	\$188,073	2.03%	\$309,458	3.33%
Low Income	\$5,116,662	\$89,881	1.76%	\$147,892	2.89%
C&I	\$3,491,859	\$311,104	8.91%	\$511,895	14.66%
<b>GRAND TOTAL</b>	<b>\$17,893,053</b>	<b>\$589,059</b>	<b>3.29%</b>	<b>\$969,245</b>	<b>5.42%</b>

Performance Incentives, 2012					
Program	Total Program Costs (1)	After-Tax Performance Incentives (2) (4)	% of Program Costs (3)	Pre-Tax Performance Incentives	% of Program Costs
Residential	\$11,504,645	\$280,539	2.44%	\$461,603	4.01%
Low Income	\$5,556,026	\$84,652	1.52%	\$139,288	2.51%
C&I	\$7,416,502	\$350,407	4.72%	\$576,565	7.77%
<b>GRAND TOTAL</b>	<b>\$24,477,172</b>	<b>\$715,599</b>	<b>2.92%</b>	<b>\$1,177,456</b>	<b>4.81%</b>

Performance Incentives, 2010-2012					
Program	Total Program Costs (1)	After-Tax Performance Incentives (2) (4)	% of Program Costs (3)	Pre-Tax Performance Incentives	% of Program Costs
Residential	\$27,680,735	\$663,528	2.40%	\$1,091,778	3.94%
Low Income	\$13,699,484	\$256,731	1.87%	\$422,428	3.08%
C&I	\$13,837,487	\$890,197	6.43%	\$1,464,742	10.59%
<b>GRAND TOTAL</b>	<b>\$55,217,706</b>	<b>\$1,810,456</b>	<b>3.28%</b>	<b>\$2,978,948</b>	<b>5.39%</b>

- (1) Total Program costs do not include costs associated with performance incentives, or with the MassSAVE program.
- (2) The effective combined federal and state tax rate for MA utilities is 39.225%.
- (3) Calculation of "% of Program Costs" uses cost data from table "IV.C. Gas PA Budgets", column "Total Program Costs".
- (4) "After-Tax Performance Incentives" are calculated by multiplying the pre-tax values by the reciprocal of the effective tax rate, 60.775%.

IV. I. Cost Recovery  
1. Calculation of LBR

<b>Lost Base Revenue, 2010-2012 (1)</b>					
<b>Program</b>	<b>2009</b>	<b>2010 (2)</b>	<b>2011 (2)</b>	<b>2012 (2)</b>	<b>Total LBR for 2010-2012</b>
<b>Residential</b>	\$1,097,471	\$1,122,581	\$1,221,841	\$1,629,600	\$3,974,022
<b>Low Income</b>					\$0
<b>Commercial &amp; Industrial</b>	\$642,542	\$756,664	\$843,890	\$1,271,725	\$2,872,280
<b>GRAND TOTAL</b>	<b>\$1,740,013</b>	<b>\$1,879,245</b>	<b>\$2,065,731</b>	<b>\$2,901,326</b>	<b>\$6,846,301</b>

**Notes:**

- (1) Total LBR being collected using the Rolling Period Methodology established in D.T.E. 97-112
- (2) These numbers are estimates for 2010-2012. The Company anticipates that the Department's review of the exact LBR being collected will occur at the time the Company files its GAF/LDAF.

V.B. Allocation of Funds

1. Low Income Minimum for GAS Companies

<b>Gas Minimum Allocation to Low Income, 2010</b>				
<b>Sector</b>	<b>Program Costs (1)</b>	<b>% of Program Costs</b>	<b>Customer Contribution (2)</b>	<b>% of Total Contribution</b>
Residential	\$6,891,558	54%	1,143,186	38%
Low Income (3)	\$3,026,796	24%	898,602	30%
Commercial & Industrial	\$2,929,126	23%	985,008	33%
<b>TOTAL</b>	<b>\$12,847,481</b>	<b>100%</b>	<b>\$3,026,796</b>	<b>100%</b>

<b>Gas Minimum Allocation to Low Income, 2011</b>				
<b>Sector</b>	<b>Program Costs (1)</b>	<b>% of Program Costs</b>	<b>Customer Contribution (2)</b>	<b>% of Total Contribution</b>
Residential	\$9,284,532	52%	2,930,867	57%
Low Income (3)	\$5,116,662	29%	1,019,545	20%
Commercial & Industrial	\$3,491,859	20%	1,166,250	23%
<b>TOTAL</b>	<b>\$17,893,053</b>	<b>100%</b>	<b>\$5,116,662</b>	<b>100%</b>

<b>Gas Minimum Allocation to Low Income, 2012</b>				
<b>Sector</b>	<b>Program Costs (1)</b>	<b>% of Program Costs</b>	<b>Customer Contribution (2)</b>	<b>% of Total Contribution</b>
Residential	\$11,504,645	47%	2,845,698	51%
Low Income (3)	\$5,556,026	23%	1,196,036	22%
Commercial & Industrial	\$7,416,502	30%	1,514,292	27%
<b>TOTAL</b>	<b>\$24,477,172</b>	<b>100%</b>	<b>\$5,556,026</b>	<b>100%</b>

<b>Gas Minimum Allocation to Low Income, 2010-2012</b>				
<b>Sector</b>	<b>Program Costs (1)</b>	<b>% of Program Costs</b>	<b>Customer Contribution (2)</b>	<b>% of Total Contribution</b>
Residential	\$27,680,735	50%	\$6,919,751	51%
Low Income (3)	\$13,699,484	25%	\$3,114,183	23%
Commercial & Industrial	\$13,837,487	25%	\$3,665,550	27%
<b>TOTAL</b>	<b>\$55,217,706</b>	<b>100%</b>	<b>\$13,699,484</b>	<b>100%</b>

Notes:

(1) Total Program costs do not include costs associated with performance incentives, or with the MassSAVE program.

(2) Customer Contribution are collected thru the following rate classes:

- Residential R-1, R-3
- Low Income R-2, R-4
- Comm. & Ind. , G-43, G-51, G-52

(3) The Low-Income Single-Family target market is customers living in 1 to 4 unit dwellings who are at or below 60% of state median income level. The Low-Income Multi-Family and New Construction target market is buildings that are at least 50% populated by customers whose income is at or below 60% of the state median income level.



V.C. Minimization of Administrative Costs  
1. Historical Administrative Costs

Program Planning and Administration																					
Sector	Historical															Proposed					
	2007			2008			2009			May 1 - December 31, 2009			2010			2011			2012		
	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House
Residential	249,285	6,023	98%	315,918	6,041	98%	470,453	14,797	97%	486,986	0	100%	626,674	214,371	75%	611,204	453,503	57%	708804	383834	65%
Low Income	112,853	18,767	86%	116,508	10,000	92%	153,617	18,735	89%	159,015	17,012	90%	196,532	102,070	66%	284,153	210,112	57%	300201	185183.65	62%
Commercial & Industrial	218,256	6,023	97%	260,720	6,041	98%	340,403	14,797	96%	349,919	0	100%	498,178	94,728	84%	178,646	128,850	58%	380992	123523	76%
<b>TOTAL</b>	<b>580,394</b>	<b>30,813</b>	<b>95%</b>	<b>693,146</b>	<b>22,082</b>	<b>97%</b>	<b>964,473</b>	<b>48,329</b>	<b>95%</b>	<b>995,920</b>	<b>17,012</b>	<b>98%</b>	<b>1,321,384</b>	<b>411,169</b>	<b>76%</b>	<b>1,074,003</b>	<b>792,465</b>	<b>58%</b>	<b>1,389,997</b>	<b>692,541</b>	<b>67%</b>

Marketing and Advertising																					
Sector	Historical															Proposed					
	May 1, 2006 - April 30, 2007			May 1, 2007 - April 30, 2008			May 1, 2008 - April 30, 2009			May 1 - December 31, 2009			2010			2011			2012		
	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House
Residential	0	224,627	0%	0	174,284	0%	0	169,648	0%	100,318	0	100%	0	307,534	0%	0	545,093	0%	0	518,379	0%
Low Income	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	12,737	0%	0	75,000	0%	0	90,403	0%
Commercial & Industrial	0	85,276	0%	0	73,355	0%	0	48,922	0%	47,268	0	100%	0	88,466	0%	0	157,000	0%	0	175,054	0%
<b>TOTAL</b>	<b>0</b>	<b>309,903</b>	<b>0%</b>	<b>0</b>	<b>247,639</b>	<b>0%</b>	<b>0</b>	<b>218,570</b>	<b>0%</b>	<b>147,586</b>	<b>0</b>	<b>100%</b>	<b>0</b>	<b>408,737</b>	<b>0%</b>	<b>0</b>	<b>777,093</b>	<b>0%</b>	<b>0</b>	<b>783,836</b>	<b>0%</b>

Evaluation and Market Research																					
Sector	Historical															Proposed					
	May 1, 2006 - April 30, 2007			May 1, 2007 - April 30, 2008			May 1, 2008 - April 30, 2009			May 1 - December 31, 2009			2010			2011			2012		
	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House
Residential	0	0	0%	0	8,931	0%	0	1,144	0%	11,230	0	100%	0	123,328	0%	107,954	431,800	20%	92,667	543,399	15%
Low Income	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	14,774	0%	34,728	145,342	19%	32,995	198,742	14%
Commercial & Industrial	0	0	0%	0	8,774	0%	0	1,144	0%	10,613	0	100%	0	62,562	0%	36,319	152,000	19%	47,908	140,116	25%
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>17,705</b>	<b>0%</b>	<b>0</b>	<b>2,288</b>	<b>0%</b>	<b>21,843</b>	<b>0</b>	<b>100%</b>	<b>0</b>	<b>200,664</b>	<b>0%</b>	<b>179,001</b>	<b>729,142</b>	<b>20%</b>	<b>173,570</b>	<b>882,257</b>	<b>16%</b>

Sales, Technical Assistance & Training																					
Sector	Historical															Proposed					
	May 1, 2006 - April 30, 2007			May 1, 2007 - April 30, 2008			May 1, 2008 - April 30, 2009			May 1 - December 31, 2009			2010			2011			2012		
	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House
Residential	0	87,427	0%	0	144,207	0%	0	143,727	0%	134,557	0	100%	0	1,354,869	0%	0	2,364,536	0%	0	2,207,703	0%
Low Income	0	188,041	0%	0	178,398	0%	0	194,697	0%	162,268	0	100%	0	318,726	0%	0	1,094,597	0%	0	1,258,414	0%
Commercial & Industrial	0	20,133	0%	0	29,920	0%	0	7,298	0%	14,056	0	100%	0	33,201	0%	0	385,006	0%	0	504,086	0%
<b>TOTAL</b>	<b>0</b>	<b>295,601</b>	<b>0%</b>	<b>0</b>	<b>352,525</b>	<b>0%</b>	<b>0</b>	<b>345,722</b>	<b>0%</b>	<b>310,881</b>	<b>0</b>	<b>100%</b>	<b>0</b>	<b>1,706,796</b>	<b>0%</b>	<b>0</b>	<b>3,844,139</b>	<b>0%</b>	<b>0</b>	<b>3,970,203</b>	<b>0%</b>

Total Budget																					
Sector	Historical															Proposed					
	May 1, 2006 - April 30, 2007			May 1, 2007 - April 30, 2008			May 1, 2008 - April 30, 2009			May 1 - December 31, 2009			2010			2011			2012		
	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House	In-House	Outsourced	% In-House
Residential	249,285	318,077	44%	315,918	333,463	49%	470,453	329,316	59%	733,091	0	100%	626,674	2,000,102	24%	719,158	3,794,932	16%	801,471	3,653,315	18%
Low Income	112,853	206,808	35%	116,508	188,398	38%	153,617	213,432	42%	321,283	17,012	95%	196,532	448,307	30%	318,881	1,525,051	17%	333,196	1,732,743	16%
Commercial & Industrial	218,256	111,432	66%	260,720	118,090	69%	340,403	72,161	83%	421,856	0	100%	498,178	278,957	64%	214,965	822,856	21%	428,900	942,779	31%
<b>TOTAL</b>	<b>580,394</b>	<b>636,317</b>	<b>48%</b>	<b>693,146</b>	<b>639,951</b>	<b>52%</b>	<b>964,473</b>	<b>614,909</b>	<b>61%</b>	<b>1,476,230</b>	<b>17,012</b>	<b>99%</b>	<b>1,321,384</b>	<b>2,727,366</b>	<b>33%</b>	<b>1,253,004</b>	<b>6,142,839</b>	<b>17%</b>	<b>1,563,567</b>	<b>6,328,837</b>	<b>20%</b>

V.D. Competitive Procurement Process  
1. Outsourced Services Table

Outsourced Services, 2010						
Program	Outsourced?	Program Planning and Administration	Marketing and Advertising	Sales, Technical Assistance & Training	Evaluation and Market Research	TOTAL
<b>Residential</b>						
Residential New Construction & Major Renovations	Yes	\$9,032	\$57,000	\$42,999	\$37,127	\$146,158
	No	\$68,412	\$0	\$0	\$0	\$68,412
	% Outsourced	12%	100%	100%	100%	68%
Residential Heating and Water Heating	Yes	\$22,246	\$180,000	\$54,550	\$62,851	\$319,647
	No	\$168,493	\$0	\$0	\$0	\$168,493
	% Outsourced	12%	100%	100%	100%	65%
MassSAVE	Yes	\$24,626	\$65,000	\$610,500	\$28,252	\$728,378
	No	\$64,916	\$0	\$0	\$0	\$64,916
	% Outsourced	28%	100%	100%	100%	92%
Weatherization Program	Yes	\$27,148	\$25,000	\$17,720	\$83,302	\$153,170
	No	\$205,623	\$0	\$0	\$0	\$205,623
	% Outsourced	12%	100%	100%	100%	43%
Multifamily Retrofit	Yes	\$8,486	\$35,000	\$157,000	\$23,974	\$224,460
	No	\$64,270	\$0	\$0	\$0	\$64,270
	% Outsourced	12%	100%	100%	100%	78%
Behavior/Feedback Program	Yes	\$4,418	\$0	\$350,000	\$12,482	\$366,900
	No	\$33,462	\$0	\$0	\$0	\$33,462
	% Outsourced	0%	0%	0%	0%	92%
Deep Energy Retrofit	Yes	\$0	\$0	\$5,000	\$0	\$5,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Residential Building Practices and Demonstration Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Community Based Pilots	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Energy Analysis: Internet Audit Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$90,000	\$0	\$0	\$90,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$123,000	\$0	\$0	\$0	\$123,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$56,235	\$0	\$0	\$0	\$56,235
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Residential TOTAL</b>	Yes	\$275,191	\$452,000	\$1,287,769	\$247,988	\$2,262,948
	No	\$605,176	\$0	\$0	\$0	\$605,176
	% Outsourced	31%	100%	100%	100%	79%
<b>Low Income</b>						
Low-Income Retrofit	Yes	\$25,500	\$60,000	\$631,731	\$99,479	\$816,710
	No	\$193,141	\$0	\$0	\$0	\$193,141
	% Outsourced	12%	100%	100%	100%	81%
Statewide Marketing & Education	Yes	\$0	\$15,000	\$0	\$0	\$15,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
Low-Income Energy Affordability Network Funding	Yes	\$60,000	\$0	\$0	\$0	\$60,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$20,620	\$0	\$0	\$0	\$20,620
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Low Income TOTAL</b>	Yes	\$106,120	\$75,000	\$631,731	\$99,479	\$912,330
	No	\$193,141	\$0	\$0	\$0	\$193,141
	% Outsourced	35%	100%	100%	100%	83%
<b>Commercial &amp; Industrial</b>						
C&I New Construction & Major Renovation	Yes	\$16,046	\$35,000	\$55,897	\$17,015	\$123,958
	No	\$121,531	\$0	\$0	\$0	\$121,531
	% Outsourced	12%	100%	100%	100%	50%
C&I Retrofit	Yes	\$46,882	\$65,000	\$255,837	\$55,855	\$423,574
	No	\$355,093	\$0	\$0	\$0	\$355,093
	% Outsourced	12%	100%	100%	100%	54%
C&I Direct Install	Yes	\$1,672	\$25,000	\$2,860	\$1,662	\$31,194
	No	\$12,668	\$0	\$0	\$0	\$12,668
	% Outsourced	12%	100%	0%	100%	71%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Business Energy Analyzer	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$0	\$0	\$5,000	\$0	\$5,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$32,000	\$0	\$0	\$32,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$39,000	\$0	\$0	\$0	\$39,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$16,870	\$0	\$0	\$0	\$16,870
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>C&amp;I TOTAL</b>	Yes	\$120,470	\$157,000	\$369,594	\$74,532	\$721,596
	No	\$489,292	\$0	\$0	\$0	\$489,292
	% Outsourced	20%	100%	100%	100%	60%
<b>TOTAL</b>						
<b>GRAND TOTAL</b>	Yes	\$501,781	\$684,000	\$2,289,094	\$421,999	\$3,896,874
	No	\$1,287,609	\$0	\$0	\$0	\$1,287,609
	% Outsourced	28%	100%	100%	100%	75%

Outsourced Services, 2011						
Program	Outsourced?	Program Planning and Administration	Marketing and Advertising	Sales, Technical Assistance & Training	Evaluation and Market Research	TOTAL
<b>Residential</b>						
Residential New Construction & Major Renovations	Yes	\$40,966	\$50,093	\$53,129	\$47,368	\$191,556
	No	\$101,672	\$0	\$0	\$11,318	\$112,990
	% Outsourced	29%	100%	100%	81%	63%
Residential Heating and Water Heating	Yes	\$49,342	\$200,000	\$119,067	\$110,169	\$478,578
	No	\$122,460	\$0	\$0	\$26,324	\$148,784
	% Outsourced	29%	100%	100%	81%	76%
MassSAVE	Yes	\$52,936	\$75,000	\$1,353,300	\$43,780	\$1,525,016
	No	\$91,671	\$0	\$0	\$10,461	\$102,132
	% Outsourced	37%	100%	100%	81%	94%
Weatherization Program	Yes	\$81,671	\$75,000	\$175,565	\$164,855	\$497,091
	No	\$202,696	\$0	\$0	\$39,391	\$242,087
	% Outsourced	29%	100%	100%	81%	67%
Multifamily Retrofit	Yes	\$24,741	\$35,000	\$266,000	\$35,628	\$361,369
	No	\$61,404	\$0	\$0	\$8,513	\$69,917
	% Outsourced	29%	100%	100%	81%	84%
Behavior/Feedback Program	Yes	\$9,029	\$0	\$287,475	\$25,000	\$321,504
	No	\$22,409	\$0	\$0	\$11,947	\$34,356
	% Outsourced	29%	0%	0%	68%	0%
Deep Energy Retrofit	Yes	\$2,290	\$0	\$10,000	\$0	\$12,290
	No	\$5,683	\$0	\$0	\$0	\$5,683
	% Outsourced	29%	0%	100%	0%	68%
Residential Building Practices and Demonstration Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Community Based Pilots	Yes	\$1,293	\$0	\$50,000	\$5,000	\$56,293
	No	\$3,209	\$0	\$0	\$0	\$3,209
	% Outsourced	29%	0%	100%	0%	95%
Energy Analysis: Internet Audit Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$110,000	\$0	\$0	\$110,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$135,000	\$0	\$0	\$0	\$135,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$56,235	\$0	\$0	\$0	\$56,235
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Residential TOTAL</b>	Yes	\$453,503	\$545,093	\$2,364,536	\$431,800	\$3,794,932
	No	\$611,204	\$0	\$0	\$107,954	\$719,158
	% Outsourced	43%	100%	100%	80%	84%
<b>Low Income</b>						
Low-Income Retrofit	Yes	\$114,492	\$60,000	\$1,094,597	\$145,342	\$1,414,431
	No	\$284,153	\$0	\$0	\$34,728	\$318,881
	% Outsourced	29%	100%	100%	81%	82%
Statewide Marketing & Education	Yes	\$0	\$15,000	\$0	\$0	\$15,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
Low-Income Energy Affordability Network Funding	Yes	\$75,000	\$0	\$0	\$0	\$75,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$20,620	\$0	\$0	\$0	\$20,620
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Low Income TOTAL</b>	Yes	\$210,112	\$75,000	\$1,094,597	\$145,342	\$1,525,051
	No	\$284,153	\$0	\$0	\$34,728	\$318,881
	% Outsourced	43%	100%	100%	81%	83%
<b>Commercial &amp; Industrial</b>						
C&I New Construction & Major Renovation	Yes	\$15,950	\$50,000	\$162,689	\$35,177	\$263,816
	No	\$39,586	\$0	\$0	\$8,405	\$47,991
	% Outsourced	29%	100%	100%	81%	85%
C&I Retrofit	Yes	\$54,503	\$50,000	\$163,203	\$113,673	\$381,379
	No	\$135,269	\$0	\$0	\$27,161	\$162,430
	% Outsourced	29%	100%	100%	81%	70%
C&I Direct Install	Yes	\$1,527	\$25,000	\$4,114	\$3,150	\$33,791
	No	\$3,791	\$0	\$0	\$753	\$4,544
	% Outsourced	29%	100%	0%	81%	88%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Business Energy Analyzer	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$0	\$0	\$5,000	\$0	\$5,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$32,000	\$0	\$0	\$32,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$40,000	\$0	\$0	\$0	\$40,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$16,870	\$0	\$0	\$0	\$16,870
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>C&amp;I TOTAL</b>	Yes	\$128,850	\$157,000	\$385,006	\$152,000	\$822,856
	No	\$178,646	\$0	\$0	\$36,319	\$214,965
	% Outsourced	42%	100%	100%	81%	79%
<b>TOTAL</b>						
<b>GRAND TOTAL</b>	Yes	\$792,465	\$777,093	\$3,844,139	\$729,142	\$6,142,839
	No	\$1,074,003	\$0	\$0	\$179,001	\$1,253,004
	% Outsourced	42%	100%	100%	80%	83%

Outsourced Services, 2012						
Program	Outsourced?	Program Planning and Administration	Marketing and Advertising	Sales, Technical Assistance & Training	Evaluation and Market Research	TOTAL
<b>Residential</b>						
Residential New Construction & Major Renovations	Yes	\$11,783	\$41,779	\$40,525	\$59,241	\$153,328
	No	\$96,347	\$0	\$0	\$10,102	\$106,449
	% Outsourced	11%	100%	100%	85%	59%
Residential Heating and Water Heating	Yes	\$21,372	\$209,235	\$133,878	\$130,907	\$495,392
	No	\$174,746	\$0	\$0	\$22,324	\$197,070
	% Outsourced	11%	100%	100%	85%	72%
MassSAVE	Yes	\$27,686	\$79,879	\$1,448,300	\$67,011	\$1,622,876
	No	\$95,102	\$0	\$0	\$11,428	\$106,530
	% Outsourced	23%	100%	100%	85%	94%
Weatherization Program	Yes	\$32,857	\$38,784	\$216,000	\$239,759	\$527,400
	No	\$268,654	\$0	\$0	\$40,887	\$309,541
	% Outsourced	11%	100%	100%	85%	63%
Multifamily Retrofit	Yes	\$8,823	\$38,702	\$260,500	\$46,481	\$354,506
	No	\$72,144	\$0	\$0	\$7,926	\$80,070
	% Outsourced	11%	100%	100%	85%	82%
Behavior/Feedback Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$221	\$0	\$1,500	\$0	\$1,721
	No	\$1,811	\$0	\$0	\$0	\$1,811
	% Outsourced	0%	0%	100%	0%	49%
Residential Building Practices and Demonstration Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Community Based Pilots	Yes	\$0	\$0	\$57,000	\$0	\$57,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Energy Analysis: Internet Audit Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$110,000	\$0	\$0	\$110,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$198,000	\$0	\$0	\$0	\$198,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$83,092	\$0	\$0	\$0	\$83,092
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Residential TOTAL</b>	Yes	\$383,834	\$518,379	\$2,207,703	\$543,399	\$3,653,315
	No	\$708,804	\$0	\$0	\$92,667	\$801,471
	% Outsourced	35%	100%	100%	85%	82%
<b>Low Income</b>						
Low-Income Retrofit	Yes	\$36,716	\$75,403	\$1,258,414	\$198,742	\$1,569,275
	No	\$300,201	\$0	\$0	\$32,995	\$333,196
	% Outsourced	11%	100%	100%	86%	82%
Statewide Marketing & Education	Yes	\$0	\$15,000	\$0	\$0	\$15,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
Low-Income Energy Affordability Network Funding	Yes	\$118,000	\$0	\$0	\$0	\$118,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$30,468	\$0	\$0	\$0	\$30,468
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Low Income TOTAL</b>	Yes	\$185,184	\$90,403	\$1,258,414	\$198,742	\$1,732,743
	No	\$300,201	\$0	\$0	\$32,995	\$333,196
	% Outsourced	38%	100%	100%	86%	84%
<b>Commercial &amp; Industrial</b>						
C&I New Construction & Major Renovation	Yes	\$16,374	\$42,156	\$79,917	\$25,653	\$164,100
	No	\$133,885	\$0	\$0	\$8,771	\$142,656
	% Outsourced	11%	100%	100%	75%	53%
C&I Retrofit	Yes	\$29,704	\$75,681	\$370,051	\$113,023	\$588,459
	No	\$242,873	\$0	\$0	\$38,645	\$281,518
	% Outsourced	11%	100%	100%	75%	68%
C&I Direct Install	Yes	\$518	\$25,217	\$4,118	\$1,440	\$31,293
	No	\$4,234	\$0	\$0	\$492	\$4,726
	% Outsourced	11%	100%	100%	75%	87%
Workforce Development	Yes	\$0	\$0	\$50,000	\$0	\$50,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Business Energy Analyzer	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Statewide Marketing & Education	Yes	\$0	\$32,000	\$0	\$0	\$32,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$52,000	\$0	\$0	\$0	\$52,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$24,927	\$0	\$0	\$0	\$24,927
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>C&amp;I TOTAL</b>	Yes	\$123,523	\$175,054	\$504,086	\$140,116	\$942,779
	No	\$380,992	\$0	\$0	\$47,908	\$428,900
	% Outsourced	24%	100%	100%	75%	69%
<b>TOTAL</b>						
<b>GRAND TOTAL</b>	Yes	\$692,541	\$783,836	\$3,970,203	\$882,257	\$6,328,837
	No	\$1,389,997	\$0	\$0	\$173,570	\$1,563,567
	% Outsourced	33%	100%	100%	80%	80%

Outsourced Services, 2010-2012						
Program	Outsourced?	Program Planning and Administration	Marketing and Advertising	Sales, Technical Assistance & Training	Evaluation and Market Research	TOTAL
<b>Residential</b>						
Residential New Construction & Major Renovations	Yes	\$61,781	\$148,872	\$136,653	\$143,736	\$491,042
	No	\$266,431	\$0	\$0	\$21,420	\$287,851
	% Outsourced	19%	100%	100%	87%	63%
Residential Heating and Water Heating	Yes	\$92,960	\$589,235	\$307,495	\$303,927	\$1,293,617
	No	\$465,699	\$0	\$0	\$48,648	\$514,347
	% Outsourced	17%	100%	100%	86%	72%
MassSAVE	Yes	\$105,248	\$219,879	\$3,412,100	\$139,043	\$3,876,270
	No	\$251,689	\$0	\$0	\$21,889	\$273,578
	% Outsourced	29%	100%	100%	86%	93%
Weatherization Program	Yes	\$141,676	\$138,784	\$409,285	\$487,916	\$1,177,661
	No	\$676,973	\$0	\$0	\$80,278	\$757,251
	% Outsourced	17%	100%	100%	86%	61%
Multifamily Retrofit	Yes	\$42,050	\$108,702	\$683,500	\$106,083	\$940,335
	No	\$197,818	\$0	\$0	\$16,439	\$214,257
	% Outsourced	18%	100%	100%	87%	81%
Behavior/Feedback Program	Yes	\$13,447	\$0	\$637,475	\$37,482	\$688,404
	No	\$55,871	\$0	\$0	\$11,947	\$67,818
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$2,511	\$0	\$16,500	\$0	\$19,011
	No	\$7,494	\$0	\$0	\$0	\$7,494
	% Outsourced	0%	0%	100%	0%	72%
Residential Building Practices and Demonstration Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Community Based Pilots	Yes	\$1,293	\$0	\$107,000	\$5,000	\$113,293
	No	\$3,209	\$0	\$0	\$0	\$3,209
	% Outsourced	0%	0%	0%	0%	0%
Energy Analysis: Internet Audit Program	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Workforce Development	Yes	\$0	\$0	\$150,000	\$0	\$150,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$310,000	\$0	\$0	\$310,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$456,000	\$0	\$0	\$0	\$456,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$195,562	\$0	\$0	\$0	\$195,562
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Residential TOTAL</b>	Yes	\$1,112,528	\$1,515,472	\$5,860,008	\$1,223,187	\$9,711,195
	No	\$1,925,184	\$0	\$0	\$200,621	\$2,125,805
	% Outsourced	37%	100%	100%	86%	82%
<b>Low Income</b>						
Low-Income Retrofit	Yes	\$176,708	\$195,403	\$2,984,742	\$443,563	\$3,800,416
	No	\$777,495	\$0	\$0	\$67,723	\$845,218
	% Outsourced	19%	100%	100%	87%	82%
Statewide Marketing & Education	Yes	\$0	\$45,000	\$0	\$0	\$45,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
Low-Income Energy Affordability Network Funding	Yes	\$253,000	\$0	\$0	\$0	\$253,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$71,708	\$0	\$0	\$0	\$71,708
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>Low Income TOTAL</b>	Yes	\$501,416	\$240,403	\$2,984,742	\$443,563	\$4,170,124
	No	\$777,495	\$0	\$0	\$67,723	\$845,218
	% Outsourced	39%	100%	100%	87%	83%
<b>Commercial &amp; Industrial</b>						
C&I New Construction & Major Renovation	Yes	\$48,370	\$127,156	\$298,503	\$77,845	\$551,874
	No	\$295,002	\$0	\$0	\$17,176	\$312,176
	% Outsourced	14%	100%	100%	82%	64%
C&I Retrofit	Yes	\$131,089	\$190,681	\$789,091	\$282,551	\$1,393,412
	No	\$733,235	\$0	\$0	\$65,806	\$799,041
	% Outsourced	15%	100%	100%	81%	64%
C&I Direct Install	Yes	\$3,717	\$75,217	\$11,092	\$6,252	\$96,278
	No	\$20,693	\$0	\$0	\$1,245	\$21,938
	% Outsourced	15%	100%	0%	83%	81%
Workforce Development	Yes	\$0	\$0	\$150,000	\$0	\$150,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Business Energy Analyzer	Yes	\$0	\$0	\$0	\$0	\$0
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	0%	0%	0%
Deep Energy Retrofit	Yes	\$0	\$0	\$10,000	\$0	\$10,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	0%	100%	0%	100%
Statewide Marketing & Education	Yes	\$0	\$96,000	\$0	\$0	\$96,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	0%	100%	0%	0%	100%
EEAC Consultants	Yes	\$131,000	\$0	\$0	\$0	\$131,000
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
DOER Assessment	Yes	\$58,667	\$0	\$0	\$0	\$58,667
	No	\$0	\$0	\$0	\$0	\$0
	% Outsourced	100%	0%	0%	0%	100%
<b>C&amp;I TOTAL</b>	Yes	\$372,843	\$489,054	\$1,258,686	\$366,648	\$2,487,231
	No	\$1,048,930	\$0	\$0	\$84,227	\$1,133,157
	% Outsourced	26%	100%	100%	81%	69%
<b>TOTAL</b>						
<b>GRAND TOTAL</b>	Yes	\$1,986,787	\$2,244,929	\$10,103,436	\$2,033,398	\$16,368,550
	No	\$3,751,609	\$0	\$0	\$352,571	\$4,104,180
	% Outsourced	35%	100%	100%	85%	80%

V.D. Competitive Procurement Process  
2. Competitive Procurement Table

Competitive Procurement for 2010					
Program	Total Outsourced	Percent Outsourced	Total Competitively Procured	Percent Competitively Procured	Description of Competitive Procurement Process Utilized <sup>(1)</sup>
<b>Residential (total)</b>	<b>\$2,000,102</b>	<b>76%</b>	<b>\$1,451,838</b>	<b>73%</b>	
Residential New Construction & Major Renovations	\$141,999	67%	\$127,799	90%	Statewide RFP for program implementation, evaluation and broad based program marketing
Residential Heating and Water Heating	\$238,098	58%	\$214,288	90%	Statewide RFP for supply chain outreach field/support services, rebate processing, evaluation, and some broad-based program marketing
MassSAVE	\$746,290	91%	\$708,976	95%	Statewide RFP for evaluation and some broad based program marketing efforts; Program Administrator - specific RFP for program implementation, statewide RFP for quality control
Weatherization Program	\$62,049	23%	\$46,537	75%	Statewide RFP for evaluation and some broad based program marketing efforts; Program Administrator-specific RFP for program implementation, statewide RFP for quality control
Multifamily Retrofit	\$173,137	73%	\$145,435	84%	Statewide RFP for Multifamily Market Integrator (MMI), evaluation and some broad based program marketing efforts; Program Administrator - specific RFP for program implementation, statewide RFP for quality control
Behavior/Feedback Program	\$382,137	92%	\$57,321	15%	TBD
Deep Energy Retrofit	\$550	100%	\$0	TBD	Statewide RFP for evaluation
Residential Building Practices and Demonstration Program	\$0	0%	\$0	0%	N/A
Community Based Pilots	\$0	0%	\$0	0%	N/A
Energy Analysis: Internet Audit Program	\$0	0%	\$0	0%	N/A
Workforce Development	\$48,124	100%	\$0	n/a	Statewide RFP for evaluation
Statewide Marketing & Education	\$76,949	100%	\$76,949	100%	Statewide RFP for broad based generic marketing
EEAC Consultants	\$74,534	100%	\$74,534	100%	Statewide RFP for professional services
DOER Assessment	\$56,235	100%	\$0	0%	N/A
<b>Low Income (total)</b>	<b>\$448,307</b>	<b>70%</b>	<b>\$61,579</b>	<b>14%</b>	
Low-Income Retrofit	\$356,151	64%	\$50,043	14%	Statewide RFP for evaluation and quality control. Statewide RFP for Multifamily Market Integrator (MMI), quality control and evaluation.
Statewide Marketing & Education	\$11,536	100%	\$11,536	100%	Statewide RFP for broad based generic marketing
Low-Income Energy Affordability Network Funding	\$60,000	100%	\$0	0%	N/A
DOER Assessment	\$20,620	100%	\$0	0%	N/A
<b>Commercial &amp; Industrial (total)</b>	<b>\$278,957</b>	<b>36%</b>	<b>\$196,331</b>	<b>70%</b>	
C&I New Construction & Major Renovation	\$81,967	40%	\$49,180	60%	Statewide RFP for, quality control, evaluation and some broad based program marketing efforts; Program Administrator-specific RFP for program implementation
C&I Retrofit	\$117,581	25%	\$88,186	75%	Statewide RFP for, quality control, evaluation and some broad based program marketing efforts; Program Administrator-specific RFP for program implementation
C&I Direct Install	\$14,297	52%	\$10,723	75%	Statewide RFP for, quality control, evaluation and some broad based program marketing efforts; Program Administrator-specific RFP for program implementation
Workforce Development	\$0	0%	\$0	n/a	Statewide RFP for evaluation
Business Energy Analyzer	\$0	0%	\$0	0%	N/A
Deep Energy Retrofit	\$0	0%	\$0	TBD	Statewide RFP for evaluation
Statewide Marketing & Education	\$24,727	100%	\$24,727	100%	Statewide RFP for broad based generic marketing
EEAC Consultants	\$23,515	100%	\$23,515	100%	Statewide RFP for professional services
DOER Assessment	\$16,870	100%	\$0	0%	N/A
<b>GRAND TOTAL</b>	<b>\$2,727,366</b>	<b>67%</b>	<b>\$1,709,748</b>	<b>63%</b>	

Competitive Procurement for 2011					
Program	Total Outsourced	Percent Outsourced	Total Competitively Procured	Percent Competitively Procured	Description of Competitive Procurement Process Utilized
<b>Residential (total)</b>	\$3,794,932	84%	\$3,072,143	81%	
Residential New Construction & Major Renovations	\$191,556	63%	\$172,400	90%	TBD
Residential Heating and Water Heating	\$478,578	76%	\$430,720	90%	TBD
MassSAVE	\$1,525,016	94%	\$1,448,765	95%	TBD
Weatherization Program	\$497,091	67%	\$372,818	75%	TBD
Multifamily Retrofit	\$361,369	84%	\$303,550	84%	TBD
Behavior/Feedback Program	\$321,504	0%	\$48,226	15%	TBD
Deep Energy Retrofit	\$12,290	68%	\$0	TBD	TBD
Residential Building Practices and Demonstration Program	\$0	0%	\$0	0%	TBD
Community Based Pilots	\$56,293	95%	\$50,664	90%	TBD
Energy Analysis: Internet Audit Program	\$0	0%	\$0	0%	TBD
Workforce Development	\$50,000	100%	\$0	n/a	TBD
Statewide Marketing & Education	\$110,000	100%	\$110,000	100%	TBD
EEAC Consultants	\$135,000	100%	\$135,000	100%	TBD
DOER Assessment	\$56,235	100%	\$0	0%	TBD
<b>Low Income (total)</b>	\$1,525,051	83%	\$156,443	10%	
Low-Income Retrofit	\$1,414,431	82%	\$141,443	10%	TBD
Statewide Marketing & Education	\$15,000	100%	\$15,000	100%	TBD
Low-Income Energy Affordability Network Funding	\$75,000	100%	\$0	0%	TBD
DOER Assessment	\$20,620	100%	\$0	0%	TBD
<b>Commercial &amp; Industrial (total)</b>	\$822,856	79%	\$541,667	66%	
C&I New Construction & Major Renovation	\$263,816	85%	\$158,290	60%	TBD
C&I Retrofit	\$381,379	70%	\$286,034	75%	TBD
C&I Direct Install	\$33,791	88%	\$25,343	75%	TBD
Workforce Development	\$50,000	100%	\$0	n/a	TBD
Business Energy Analyzer	\$0	0%	\$0	0%	TBD
Deep Energy Retrofit	\$5,000	100%	\$0	TBD	TBD
Statewide Marketing & Education	\$32,000	100%	\$32,000	100%	TBD
EEAC Consultants	\$40,000	100%	\$40,000	100%	TBD
DOER Assessment	\$16,870	100%	\$0	0%	TBD
<b>GRAND TOTAL</b>	<b>\$6,142,839</b>	<b>83%</b>	<b>\$3,770,254</b>	<b>61%</b>	

Competitive Procurement for 2012					
Program	Total Outsourced	Percent Outsourced	Total Competitively Procured	Percent Competitively Procured	Description of Competitive Procurement Process Utilized
<b>Residential (total)</b>	\$3,653,315	82%	\$3,126,915	86%	
Residential New Construction & Major Renovations	\$153,328	59%	\$137,995	90%	TBD
Residential Heating and Water Heating	\$495,392	72%	\$445,853	90%	TBD
MassSAVE	\$1,622,876	94%	\$1,541,732	95%	TBD
Weatherization Program	\$527,400	63%	\$395,550	75%	TBD
Multifamily Retrofit	\$354,506	82%	\$297,785	84%	TBD
Behavior/Feedback Program	\$0	0%	\$0	15%	TBD
Deep Energy Retrofit	\$1,721	49%	\$0	TBD	TBD
Residential Building Practices and Demonstration Program	\$0	0%	\$0	0%	TBD
Community Based Pilots	\$57,000	0%	\$0	0%	TBD
Energy Analysis: Internet Audit Program	\$0	0%	\$0	0%	TBD
Workforce Development	\$50,000	100%	\$0	n/a	TBD
Statewide Marketing & Education	\$110,000	100%	\$110,000	100%	TBD
EEAC Consultants	\$198,000	100%	\$198,000	100%	TBD
DOER Assessment	\$83,092	100%	\$0	0%	TBD
<b>Low Income (total)</b>	\$1,732,743	84%	\$171,928	10%	
Low-Income Retrofit	\$1,569,275	82%	\$156,928	10%	TBD
Statewide Marketing & Education	\$15,000	100%	\$15,000	100%	TBD
Low-Income Energy Affordability Network Funding	\$118,000	100%	\$0	0%	TBD
DOER Assessment	\$30,468	100%	\$0	0%	TBD
<b>Commercial &amp; Industrial (total)</b>	\$942,779	69%	\$647,274	69%	
C&I New Construction & Major Renovation	\$164,100	53%	\$98,460	60%	TBD
C&I Retrofit	\$588,459	68%	\$441,344	75%	TBD
C&I Direct Install	\$31,293	87%	\$23,470	75%	TBD
Workforce Development	\$50,000	100%	\$0	n/a	TBD
Business Energy Analyzer	\$0	0%	\$0	0%	TBD
Deep Energy Retrofit	\$0	0%	\$0	TBD	TBD
Statewide Marketing & Education	\$32,000	100%	\$32,000	100%	TBD
EEAC Consultants	\$52,000	100%	\$52,000	100%	TBD
DOER Assessment	\$24,927	100%	\$0	0%	TBD
<b>GRAND TOTAL</b>	<b>\$6,328,837</b>	<b>80%</b>	<b>\$3,946,117</b>	<b>62%</b>	

Competitive Procurement for 2011-2012					
Program	Total Outsourced	Percent Outsourced	Total Competitively Procured	Percent Competitively Procured	Description of Competitive Procurement Process Utilized
<b>Residential (total)</b>	<b>\$9,448,349</b>	<b>82%</b>	<b>\$7,650,897</b>	<b>81%</b>	
Residential New Construction & Major Renovations	\$486,883	63%	\$438,195	90%	TBD
Residential Heating and Water Heating	\$1,212,068	72%	\$1,090,861	90%	TBD
MassSAVE	\$3,894,182	93%	\$3,699,473	95%	TBD
Weatherization Program	\$1,086,540	61%	\$814,905	75%	TBD
Multifamily Retrofit	\$889,012	81%	\$746,770	84%	TBD
Behavior/Feedback Program	\$703,641	0%	\$105,546	15%	TBD
Deep Energy Retrofit	\$14,561	72%	\$0	TBD	TBD
Residential Building Practices and Demonstration Program	\$0	0%	\$0	0%	TBD
Community Based Pilots	\$113,293	0%	\$50,664	0%	TBD
Energy Analysis: Internet Audit Program	\$0	0%	\$0	0%	TBD
Workforce Development	\$148,124	100%	\$0	n/a	TBD
Statewide Marketing & Education	\$296,949	100%	\$296,949	100%	TBD
EEAC Consultants	\$407,534	100%	\$407,534	100%	TBD
DOER Assessment	\$195,562	100%	\$0	0%	TBD
<b>Low Income (total)</b>	<b>\$3,706,101</b>	<b>83%</b>	<b>\$389,950</b>	<b>11%</b>	
Low-Income Retrofit	\$3,339,857	82%	\$348,414	10%	TBD
Statewide Marketing & Education	\$41,536	100%	\$41,536	100%	TBD
Low-Income Energy Affordability Network Funding	\$253,000	100%	\$0	0%	TBD
DOER Assessment	\$71,708	100%	\$0	0%	TBD
<b>Commercial &amp; Industrial (total)</b>	<b>\$2,044,592</b>	<b>69%</b>	<b>\$1,385,272</b>	<b>68%</b>	
C&I New Construction & Major Renovation	\$509,883	64%	\$305,930	60%	TBD
C&I Retrofit	\$1,087,419	64%	\$815,564	75%	TBD
C&I Direct Install	\$79,381	81%	\$59,536	75%	TBD
Workforce Development	\$100,000	100%	\$0	n/a	TBD
Business Energy Analyzer	\$0	0%	\$0	0%	TBD
Deep Energy Retrofit	\$5,000	100%	\$0	TBD	TBD
Statewide Marketing & Education	\$88,727	100%	\$88,727	100%	TBD
EEAC Consultants	\$115,515	100%	\$115,515	100%	TBD
DOER Assessment	\$58,667	100%	\$0	0%	TBD
<b>GRAND TOTAL</b>	<b>\$15,199,042</b>	<b>80%</b>	<b>\$9,426,118</b>	<b>62%</b>	

Notes:

(1) The Company adheres to NSTAR's Procurement Policy Manual in issuing Requests for Proposals for Energy Efficiency Services.



VII. Appendix  
B.1. Evolving Trends

Sector (1)	Evolving Trends in Planned and Actual Costs																	
	History												Proposed					
	3rd yr prior 2006 - 2007		2nd yr prior 2007 - 2008		1st yr prior 2008 - 2009		3 year total 2007-2009		May 1, 2009 - December 31, 2009		2010		2011		2012		Proposed Total 2011-2012	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
<b>Residential (total)</b>	<b>2,055,532</b>	<b>2,363,362</b>	<b>2,283,718</b>	<b>2,638,561</b>	<b>3,164,888</b>	<b>3,698,481</b>	<b>7,504,138</b>	<b>8,700,404</b>	<b>3,499,227</b>	<b>3,499,227</b>	<b>7,688,352</b>	<b>7,188,898</b>	<b>10,580,856</b>	n/a	<b>13,177,051</b>	n/a	<b>31,446,259</b>	n/a
Residential New Construction & Major Renovations	132,932	106,782	129,411	140,698	155,950	177,319	418,293	424,799	177,996	177,996	835,202	904,823	1,785,536	n/a	1,623,402	n/a	4,244,140	n/a
Residential Heating and Water Heating	568,019	668,952	672,767	828,820	929,589	1,232,492	2,170,375	2,730,264	876,330	876,330	2,028,461	2,279,238	2,196,311	n/a	3,157,587	n/a	7,382,359	n/a
- ENERGY STAR Thermostat Rebate	89,208	74,626	81,708	80,120	73,731	81,240	244,647	235,986	46,123	46,123	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- High Efficiency Heating Rebate	368,469	470,736	462,212	597,322	661,101	897,277	1,491,782	1,965,335	623,129	623,129	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- High Efficiency Water Heating Rebate	110,342	123,590	128,847	151,378	194,757	253,975	433,946	528,943	207,078	207,078	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MassSAVE (2)	353,577	376,973	392,275	414,209	538,084	506,447	1,283,936	1,297,629	n/a	n/a	796,794	833,854	1,296,324	n/a	1,729,406	n/a	3,822,524	n/a
Weatherization Program	560,330	812,784	703,545	840,278	1,101,176	1,398,219	2,365,051	3,051,281	2,156,690	2,156,690	2,482,072	1,931,922	3,355,815	n/a	4,899,121	n/a	10,737,008	n/a
Multifamily Retrofit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	773,746	538,850	1,087,013	n/a	1,295,411	n/a	3,156,170	n/a
ENERGY STAR Windows	105,128	123,006	112,792	152,303	146,198	139,522	364,118	414,831	94,769	94,769	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Behavior/Feedback Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	402,843	416,185	352,606	n/a	0	n/a	755,449	n/a
Deep Energy Retrofit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50,000	28,183	96,514	n/a	31,032	n/a	177,546	n/a
Residential Building Practices & Demonstration Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Community Based Pilot	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	59,502	n/a	0	n/a	59,502	n/a
Energy Analysis: Internet Audit Program	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Workforce Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50,000	48,125	50,000	n/a	50,000	n/a	150,000	n/a
Massachusetts Building Code Support	28,030	9,638	18,751	19,173	12,241	8,822	59,022	37,633	8,999	8,999	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market Transformation	301,913	259,204	248,574	237,039	276,047	220,863	826,534	717,106	184,443	184,443	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Statewide Marketing & Education	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	90,000	76,950	110,000	n/a	118,000	n/a	310,000	n/a
EEAC Consultants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	123,000	74,534	135,000	n/a	198,000	n/a	456,000	n/a
DOER Assessment	5,603	6,023	5,603	6,041	5,603	14,797	16,809	26,861	0	0	56,235	56,235	n/a	56,235	n/a	83,092	n/a	
<b>Low Income (total)</b>	<b>964,657</b>	<b>995,475</b>	<b>960,591</b>	<b>936,738</b>	<b>1,094,440</b>	<b>1,054,037</b>	<b>3,019,688</b>	<b>2,986,250</b>	<b>739,448</b>	<b>848,208</b>	<b>3,026,796</b>	<b>2,868,265</b>	<b>5,116,662</b>	n/a	<b>5,556,026</b>	n/a	<b>13,699,484</b>	n/a
Low-Income Retrofit	938,326	976,708	940,591	926,738	1,074,440	1,035,302	2,953,357	2,938,748	726,115	831,196	2,931,176	2,776,109	5,006,042	n/a	5,392,558	n/a	13,329,776	n/a
Statewide Marketing & Education	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15,000	11,536	15,000	n/a	15,000	n/a	45,000	n/a
Low-Income Energy Affordability Network Funding	26,331	18,767	20,000	10,000	20,000	18,735	66,331	47,502	13,333	17,012	60,000	60,000	75,000	n/a	118,000	n/a	253,000	n/a
DOER Assessment	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20,620	20,620	20,620	n/a	30,468	n/a	71,708	n/a
<b>Total Residential</b>	<b>3,020,189</b>	<b>3,358,837</b>	<b>3,244,309</b>	<b>3,575,299</b>	<b>4,259,328</b>	<b>4,752,518</b>	<b>10,523,826</b>	<b>11,686,654</b>	<b>4,238,675</b>	<b>4,347,435</b>	<b>10,715,148</b>	<b>10,057,163</b>	<b>15,697,518</b>	n/a	<b>18,733,077</b>	n/a	<b>45,145,743</b>	n/a
<b>Commercial &amp; Industrial (total)</b>	<b>1,152,247</b>	<b>960,809</b>	<b>1,078,395</b>	<b>1,038,992</b>	<b>1,078,133</b>	<b>1,184,297</b>	<b>3,308,775</b>	<b>3,184,098</b>	<b>1,203,493</b>	<b>1,251,801</b>	<b>2,929,126</b>	<b>2,569,549</b>	<b>3,491,859</b>	n/a	<b>7,416,502</b>	n/a	<b>13,837,487</b>	n/a
C&I New Construction & Major Renovation	187,536	182,584	187,432	151,196	156,353	206,282	531,321	540,062	399,098	419,380	679,384	1,072,514	1,646,107	n/a	2,336,336	n/a	4,661,827	n/a
- Infrared Rebate	4,810	72,432	61,343	22,456	27,759	24,207	93,912	119,095	15,171	17,894	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- High Efficiency Heating Rebate	79,168	23,767	40,363	31,309	34,672	65,118	154,203	120,194	149,567	129,964	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- High Efficiency Water Heating Rebate	25,465	9,100	6,455	8,230	9,304	8,851	41,224	26,181	153,833	170,744	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- Custom	67,163	63,193	69,627	71,800	74,566	83,490	211,356	218,483	66,134	71,104	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- Efficient Food Service Equipment	10,930	14,092	9,644	17,401	10,052	30,626	56,109	14,393	29,674	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C&I Retrofit	686,174	647,171	710,768	740,751	774,535	862,206	2,171,477	2,250,128	681,545	731,751	1,991,173	1,375,501	1,579,184	n/a	4,844,352	n/a	8,414,709	n/a
- ENERGY STAR Thermostat	7,086	8,219	6,763	14,771	20,589	18,030	34,438	41,020	12,860	12,813	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
- Custom	679,088	638,952	704,005	725,980	753,946	844,176	2,137,039	2,209,108	668,685	718,938	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C&I Direct Install	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	70,700	56,422	77,698	n/a	76,887	n/a	225,285	n/a
Workforce Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50,000	0	50,000	n/a	50,000	n/a	150,000	n/a
Business Energy Analyzer	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Deep Energy Retrofit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50,000	0	50,000	n/a	0	n/a	100,000	n/a
Massachusetts Building Code Support	29,243	10,099	19,650	20,077	13,554	6,641	62,447	36,817	8,889	8,758	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Market Transformation	243,271	114,932	154,943	120,927	128,089	94,371	526,303	330,230	110,226	91,912	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Statewide Marketing & Education	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	32,000	24,727	32,000	n/a	32,000	n/a	96,000	n/a
EEAC Consultants	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	39,000	23,515	40,000	n/a	52,000	n/a	131,000	n/a
DOER Assessment	6,023	6,023	5,602	6,041	5,602	14,797	17,227	26,861	3,735	0	16,870	16,870	n/a	24,927	n/a	58,667	n/a	
<b>Total C&amp;I</b>	<b>1,152,247</b>	<b>960,809</b>	<b>1,078,395</b>	<b>1,038,992</b>	<b>1,078,133</b>	<b>1,184,297</b>	<b>3,308,775</b>	<b>3,184,098</b>	<b>1,203,493</b>	<b>1,251,801</b>	<b>2,929,126</b>	<b>2,569,549</b>	<b>3,491,859</b>	n/a	<b>7,416,502</b>	n/a	<b>13,837,487</b>	n/a
<b>GRAND TOTAL</b>	<b>4,172,436</b>	<b>4,319,646</b>	<b>4,322,704</b>	<b>4,614,291</b>	<b>5,337,461</b>	<b>5,936,815</b>	<b>13,832,601</b>	<b>14,870,752</b>	<b>5,442,168</b>	<b>5,599,236</b>	<b>13,644,275</b>	<b>12,626,712</b>	<b>19,189,377</b>	n/a	<b>26,149,578</b>	n/a	<b>58,983,230</b>	n/a

Notes:  
(1) Programs are in fiscal years for 2007-2009. Some programs have been rolled up into combined initiatives for 2010-2012.  
(2) MassSAVE is based on a calendar year for 2007 - 2009.

VII. Appendix  
B.1. Master EE Activities

Gas PA's Master Summary												
Year	Sector	TRC Benefits (\$)						TRC Costs (\$)			TRC B/C Ratio	Net Benefits
		Gas	Electric		Non-gas Non-elec Resource	Non-Resource	TOTAL BENEFITS (1)	PA	Customer	TOTAL		
			Capacity	Energy								
	Residential	\$21,168,674	\$70,080	\$62,537	\$0	\$0	\$21,301,291	\$8,009,069	\$2,909,930	\$10,918,999	1.95	\$10,382,292
	Low Income	\$5,424,754	\$0	\$0	\$0	\$0	\$5,424,754	\$3,162,044	\$0	\$3,162,044	1.72	\$2,262,709
	C&I	\$19,936,109	\$0	\$0	\$0	\$0	\$19,936,109	\$3,305,408	\$1,723,295	\$5,028,703	3.96	\$14,907,406
<b>2010</b>	<b>Total</b>	<b>\$46,529,537</b>	<b>\$70,080</b>	<b>\$62,537</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,662,154</b>	<b>\$14,476,521</b>	<b>\$4,633,225</b>	<b>\$19,109,747</b>	<b>2.44</b>	<b>\$27,552,407</b>
	Residential	\$22,176,866	\$55,344	\$202,838	\$0	\$0	\$22,435,048	\$10,890,314	\$1,121,250	\$12,011,564	1.87	\$10,423,484
	Low Income	\$7,976,970	\$0	\$0	\$0	\$0	\$7,976,970	\$5,264,554	\$0	\$5,264,554	1.52	\$2,712,416
	C&I	\$35,705,644	\$0	\$0	\$0	\$0	\$35,705,644	\$4,003,754	\$2,558,303	\$6,562,057	5.44	\$29,143,587
<b>2011</b>	<b>Total</b>	<b>\$65,859,480</b>	<b>\$55,344</b>	<b>\$202,838</b>	<b>\$0</b>	<b>\$0</b>	<b>\$66,117,662</b>	<b>\$20,158,622</b>	<b>\$3,679,553</b>	<b>\$23,838,175</b>	<b>2.77</b>	<b>\$42,279,487</b>
	Residential	\$22,222,032	\$124,759	\$146,902	\$197,771	\$10,213,641	\$32,905,105	\$13,695,654	\$5,233,189	\$18,928,843	1.74	\$13,976,262
	Low Income	\$4,310,260	\$0	\$0	\$0	\$3,780,431	\$8,090,691	\$5,695,314	\$0	\$5,695,314	1.42	\$2,395,378
	C&I	\$37,712,921	\$0	\$0	\$96,377	\$0	\$37,809,297	\$7,993,067	\$7,772,948	\$15,766,015	2.40	\$22,043,283
<b>2012</b>	<b>Total</b>	<b>\$64,245,212</b>	<b>\$124,759</b>	<b>\$146,902</b>	<b>\$294,147</b>	<b>\$13,994,072</b>	<b>\$78,805,093</b>	<b>\$27,384,034</b>	<b>\$13,006,137</b>	<b>\$40,390,172</b>	<b>1.95</b>	<b>\$38,414,922</b>
	Residential	\$65,567,572	\$250,183	\$412,277	\$197,771	\$10,213,641	\$76,641,444	\$32,595,037	\$9,264,369	\$41,859,406	1.83	\$34,782,038
	Low Income	\$17,711,984	\$0	\$0	\$0	\$3,780,431	\$21,492,415	\$14,121,912	\$0	\$14,121,912	1.52	\$7,370,503
	C&I	\$93,354,674	\$0	\$0	\$96,377	\$0	\$93,451,051	\$15,302,229	\$12,054,546	\$27,356,775	3.42	\$66,094,276
<b>GRAND TOTAL</b>		<b>\$176,634,230</b>	<b>\$250,183</b>	<b>\$412,277</b>	<b>\$294,147</b>	<b>\$13,994,072</b>	<b>\$191,584,910</b>	<b>\$62,019,178</b>	<b>\$21,318,916</b>	<b>\$83,338,093</b>	<b>2.30</b>	<b>\$108,246,817</b>

(1) GHG for information purposes only; it is not included in TRC test

VII. Appendix  
B.1. Master EE Activities

Gas PA's Master Summary																
Year	Sector	Savings								Avg Measure Life (yrs.)	TR Energy Cost (\$/Lifetime-Therm saved)	GHG Reductions (Tons) (1)				Participants
		Gas (Therms)		Electric Energy (kWh)		Electric Capacity (kW)		Non-gas non-elec Resources (MMBTU)				Nox	Sox	GHG (MA Based)	GHG (Regional Based)	
		Annual	Lifetime	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime							
	Residential	1,321,467	22,993,526	38,600	671,640	31	539	0	0	17.4	\$0.47	NA	NA	134,693	134,648	37,021
	Low Income	209,984	4,535,654	0	0	0	0	0	0	21.6	\$0.70	NA	NA	26,498	26,498	840
	C&I	1,071,401	14,035,353	0	0	0	0	0	0	13.1	\$0.36	NA	NA	81,997	81,997	998
<b>2010</b>	<b>Total</b>	<b>2,602,852</b>	<b>41,564,533</b>	<b>38,600</b>	<b>671,640</b>	<b>31</b>	<b>539</b>	<b>0</b>	<b>0</b>	<b>16.0</b>	<b>\$0.46</b>	<b>NA</b>	<b>NA</b>	<b>243,188</b>	<b>243,144</b>	<b>38,859</b>
	Residential	1,287,303	18,879,071	201,433	2,954,136	18	264	0	0	14.7	\$0.64	NA	NA	111,878	111,683	43,535
	Low Income	299,670	6,635,293	0	0	0	0	0	0	22.1	\$0.79	NA	NA	38,765	38,765	1,361
	C&I	1,737,740	34,973,755	0	0	0	0	0	0	20.1	\$0.19	NA	NA	204,324	204,324	1,322
<b>2011</b>	<b>Total</b>	<b>3,324,713</b>	<b>60,488,119</b>	<b>201,433</b>	<b>2,954,136</b>	<b>18</b>	<b>264</b>	<b>0</b>	<b>0</b>	<b>18.2</b>	<b>\$0.39</b>	<b>NA</b>	<b>NA</b>	<b>354,967</b>	<b>354,771</b>	<b>46,218</b>
	Residential	1,347,608	26,670,705	144,633	1,671,311	36	679	11,341,257	79,904,802	19.8	\$0.71	NA	NA	156,711	156,601	22,142
	Low Income	269,970	5,111,100	0	0	0	0	0	0	18.9	\$1.11	NA	NA	29,860	29,860	1,408
	C&I	3,487,270	47,800,602	0	0	0	0	5,785,935	39,070,575	13.7	\$0.33	NA	NA	279,261	279,261	1,312
<b>2012</b>	<b>Total</b>	<b>5,104,848</b>	<b>79,582,406</b>	<b>144,633</b>	<b>1,671,311</b>	<b>36</b>	<b>679</b>	<b>17,127,192</b>	<b>118,975,377</b>	<b>15.6</b>	<b>\$0.51</b>	<b>NA</b>	<b>NA</b>	<b>465,832</b>	<b>465,721</b>	<b>24,862</b>
	Residential	3,956,378	68,388,294	384,666	5,297,086	85	1,482	11,341,257	79,904,802	17.3	\$0.61	NA	NA	402,376	402,026	102,698
	Low Income	779,624	16,287,412	0	0	0	0	0	0	20.9	\$0.87	NA	NA	95,154	95,154	3,609
	C&I	6,296,411	98,503,509	0	0	0	0	5,785,935	39,070,575	15.6	\$0.28	NA	NA	575,477	575,477	3,632
<b>GRAND TOTAL</b>		<b>11,032,413</b>	<b>183,179,215</b>	<b>384,666</b>	<b>5,297,086</b>	<b>85</b>	<b>1,482</b>	<b>17,127,192</b>	<b>118,975,377</b>	<b>16.6</b>	<b>\$0.45</b>	<b>NA</b>	<b>NA</b>	<b>1,073,008</b>	<b>1,072,658</b>	<b>109,939</b>

**EXHIBIT H**  
**Technical Reference Manual**

**EXHIBIT I**  
**Appendices**

## **Appendix 1**

### **PA-SPECIFIC NOTIFICATIONS OF ANNUAL VARIANCE**

The Company notes the following programs where the Company's projected 2012 budgets, savings, or incentives are expected to vary by more than 20 percent on an annual basis from the Company's approved 2012 budgets, savings or incentives, but are not expected to vary by more than 20 percent on a three-year basis. The Company also notes the following instances where the Company proposes a 2012 annual budget increase at the sector level of 15% for C&I or 20% for residential or low-income, as well as any material program design changes that do not rise to the level of a mid-term modification. The information set forth in this Appendix is for informational purposes only, and the Company is not seeking approval for these adjustments, which do not constitute mid-term modifications pursuant to the Orders or the Guidelines. For numerical information, please see Exhibit B, Attachment 1.

**NSTAR GAS**

**NOTIFICATIONS**

***FOR INFORMATIONAL PURPOSES ONLY***

<b>A. BUDGET CHANGE OF 20% OR MORE ANNUALLY AT PROGRAM LEVEL</b>	
1.	None at this time.

<b>B. SAVINGS GOAL ADJUSTMENT OF 20% OR MORE ANNUALLY AT PROGRAM LEVEL</b>	
1.	Weatherization Program – The savings increase (approximately 35%) is due to the application of net-to-gross results from the Home Energy Assessment study finalized earlier this year. The net effect of these results increased program savings due to increases in spillover findings from the study.
2.	Low Income Retrofit Program – The savings decrease (approximately 24%) is due to decreases in certain per measure savings versus what the Company originally planned.

<b>C. PERFORMANCE INCENTIVE CHANGE OF 20% OR MORE ANNUALLY BASED ON PROGRAM MODIFICATION</b>	
1.	<p>Due to a change in methodology between the original Three Year Plan and the 2012 MTM with regard to allocation of incentives to programs, many of the other programs fall into this category.</p> <p>The allocation to programs previously was based on total budget. This was adjusted in the 2011 and 2012 MTMs to be more consistent among PAs. For this submittal, the savings portion of the incentives was allocated to programs based on benefits, and the value portion was allocated based on net benefits, and the performance metric incentives were allocated based on the methodology set forth in Exhibit D. This caused some program-level performance incentives to increase and others to decrease.</p>

<b>D. ANNUAL BUDGET INCREASE AT THE SECTOR LEVEL OF 15% FOR C&amp;I OR 20% FOR RESIDENTIAL OR LOW-INCOME</b>	
1.	Residential – none
2.	Low-Income – none
3.	C&I – none

<b>E. MATERIAL PROGRAM DESIGN CHANGES</b>	
1.	The Codes and Standards (“C&S”) Initiative being proposed by the PAs will encompass long term code compliance enhancement and C&S advocacy related initiatives designed to increase the efficiency of buildings constructed and appliances used in Massachusetts. This fills the hole in the current energy efficiency portfolio by capturing sectors of the market that would not normally participate in traditional, voluntary, incentive based programs. This serves the purpose of meeting the PA energy savings targets across a larger population, in addition to enabling the state of Massachusetts and the local communities to meet their own energy savings and emissions reductions targets.

**Appendix 2**

**BENEFITS SUMMARY TABLE**



**\$ BENEFITS - For Informational Purposes**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Filed Goal <sup>5</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012 <sup>1</sup>	Annual % Difference	3 Year % Difference
<b>Residential</b>	<b>\$ 16,320,687</b>	<b>\$ 22,435,047</b>	<b>\$ 32,905,105</b>	<b>\$ 71,660,839</b>	<b>\$ 21,301,291</b>	<b>\$ 22,435,047</b>	<b>\$ 36,885,841</b>	<b>\$ 80,622,179</b>	<b>-10.8%</b>	<b>-11.1%</b>
Residential New Construction & Major Renovations	\$ 2,244,214	\$ 2,459,817	\$ 4,835,430	\$ 9,539,462	\$ 2,656,470	\$ 2,459,817	\$ 5,086,833	\$ 10,203,120	-4.9%	-6.5%
Residential Heating and Water Heating	\$ 6,237,605	\$ 8,136,383	\$ 10,492,691	\$ 24,866,679	\$ 10,778,401	\$ 8,136,383	\$ 16,045,233	\$ 34,960,017	-34.6%	-28.9%
MassSAVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Weatherization Program	\$ 5,634,504	\$ 8,995,229	\$ 15,283,118	\$ 29,912,851	\$ 5,714,948	\$ 8,995,229	\$ 12,796,828	\$ 27,507,006	19.4%	8.7%
Multifamily Retrofit	\$ 1,774,071	\$ 2,488,588	\$ 2,293,866	\$ 6,556,525	\$ 1,707,982	\$ 2,488,588	\$ 2,956,947	\$ 7,153,517	-22.4%	-8.3%
Behavior/Feedback Program	\$ 430,294	\$ 355,029	\$ -	\$ 785,323	\$ 443,490	\$ 355,029	\$ -	\$ 798,519	0.0%	-1.7%
<b>Low Income</b>	<b>\$ 3,864,283</b>	<b>\$ 7,976,970</b>	<b>\$ 8,090,691</b>	<b>\$ 19,931,944</b>	<b>\$ 5,424,754</b>	<b>\$ 7,976,970</b>	<b>\$ 9,398,463</b>	<b>\$ 22,800,187</b>	<b>-13.9%</b>	<b>-12.6%</b>
Low-Income Retrofit <sup>5</sup>	\$ 3,864,283	\$ 7,976,970	\$ 8,090,691	\$ 19,931,944	\$ 5,424,754	\$ 7,976,970	\$ 9,398,463	\$ 22,800,187	-13.9%	-12.6%
<b>C&amp;I</b>	<b>\$ 22,117,954</b>	<b>\$ 35,705,644</b>	<b>\$ 37,809,297</b>	<b>\$ 95,632,895</b>	<b>\$ 19,936,109</b>	<b>\$ 35,705,644</b>	<b>\$ 62,043,440</b>	<b>\$ 117,685,193</b>	<b>-39.1%</b>	<b>-18.7%</b>
C&I New Construction & Major Renovation	\$ 8,264,487	\$ 18,952,848	\$ 15,175,842	\$ 42,393,176	\$ 4,105,241	\$ 18,952,848	\$ 10,148,338	\$ 33,206,427	49.5%	27.7%
C&I Retrofit	\$ 13,601,222	\$ 16,242,703	\$ 22,138,637	\$ 51,982,562	\$ 15,479,114	\$ 16,242,703	\$ 51,372,591	\$ 83,094,408	-56.9%	-37.4%
C&I Direct Install	\$ 252,246	\$ 510,093	\$ 494,818	\$ 1,257,157	\$ 351,754	\$ 510,093	\$ 522,511	\$ 1,384,358	-5.3%	-9.2%
<b>Total Portfolio</b>	<b>\$ 42,302,924</b>	<b>\$ 66,117,661</b>	<b>\$ 78,805,093</b>	<b>\$ 187,225,679</b>	<b>\$ 46,662,154</b>	<b>\$ 66,117,661</b>	<b>\$ 108,327,744</b>	<b>\$ 221,107,559</b>	<b>-27.3%</b>	<b>-15.3%</b>

Notes:

- As filed in the Company's 2011 MTM, D.P.U. 10-149
- Proposed 2012 changes presented in this filing.
- As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-69
- Sum of 2010 actuals, 2011 filed goals, and 2012 proposed goals
- Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger
- As filed in the Company's 2010 Three Year Plan, D.P.U. 09-118

**Appendix 3**

**MATERIALS PROVIDED TO ENERGY EFFICIENCY ADVISORY COUNCIL**

**NSTAR Gas Company  
2012 Mid-Term Modifications  
Summary Presentation to EEAC for October 11, 2011 Meeting**

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- II. Mid Term Modifications
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  - A. Model
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## **I. KEY ASSUMPTIONS**

- 1) Current benefit/cost analysis incorporates updated avoided costs from the recently completed study “Utilizing Avoided Energy Supply Costs in New England: 2011 Report (July 21, 2011, Amended August 11, 2011)”, available at <http://www.synapse-energy.com/Downloads/SynapseReport.2011-07.AESC.AESC-Study-2011.11-014.pdf> (“2011 Avoided Cost Study”). The screening models reflect the following tables from the 2011 Avoided Cost Study: the Massachusetts tables set forth in Appendix B for electric PAs, and the Northern and Central New England tables set forth in Appendix D for gas PAs.
- 2) Proposed 2012 savings reflect recent program experience, anticipated program enhancements, and recent EM&V results as set forth in the updated Massachusetts Technical Reference Manual- 2012 Planned Version (“TRM”) (including, but not limited to, the Residential and Low-Income Non-Energy Impacts study). The TRM is available on the consultants’ SharePoint site.
- 3) Discount and inflation rates have been updated in compliance with the D.P.U. 08-50 Order and the Energy Efficiency Guidelines.

## II. MID TERM MODIFICATIONS<sup>1</sup>

<b>A. ADDED OR TERMINATED PROGRAMS</b>	
1.	Add: Residential Community-Based Pilot, consistent with 2011 MTM filing.
2.	The Company is proposing to consolidate its low-income single-family and low-income multi-family retrofit programs into one low-income retrofit program; all Program Administrators (“PAs”) are proposing this 2012 Mid-Term Modification (“MTM”) on a common basis. This consolidation has a number of benefits including: 1) providing greater flexibility to address market circumstances and demands for program services in the field by low-income customers; 2) helping ensure robust overall program cost-effectiveness; 3) providing in-the-field experience with operating a consolidated program in the low-income sector (similar to the C&I model where separate initiatives are grouped under a single program) which is an approach that will be explored for the next three year plan; and 4) potentially providing opportunities for administrative efficiencies over time. The Company notes that it would continue to track expenses and participation for both its single-family and multi-family low income initiatives in order to maintain transparent reporting and would not change contractual arrangements with service providers for these initiatives as a result of this consolidation. The PAs have had initial discussions with LEAN with respect to this consolidation and LEAN has indicated that such an approach could yield benefits.
3.	Terminate: C&I Deep Energy Retrofit – there has been no activity to date. Deep energy measures are currently addressed within the C&I programs.

<b>B. BUDGET CHANGE OF 20% OR MORE OVER THREE YEAR PERIOD AT PROGRAM LEVEL</b>	
1.	C&I New Construction & Major Renovation - The budget increase (approximately 38%) is due to the difficulty the Company had predicting the split between this program and the C&I Retrofit program. 2010 was the first year NSTAR Gas began offering energy efficiency programs to T-1 and G-53 customers since the mid-1990s. The customers on these rates are predominately large C&I customers. Given the Company did not have the historical spending trends to split these customers between the two large C&I program budgets, the original C&I New Construction budget for the three-year period was significantly under-projected.

<sup>1</sup> Twenty percent variations are calculated as 2010 Annual Report values + 2011 Plan Values (or 2011 MTM, if approved) + 2012 modified values divided by 2010 Plan (or MYM, if approved) + 2011 Plan (or 2011 MTM, if approved) + 2012 Plan

<b>C. SAVINGS GOAL ADJUSTMENT OF 20% OR MORE OVER THREE-YEAR PERIOD AT PROGRAM LEVEL</b>	
1.	Residential Heating and Water Heating – The savings decrease (approximately 36%) is due to the application of net-to-gross results from the HEHE impact study, as well as the estimated net-to-gross applied to thermostats based on the net-to-gross memo filed in the Company’s 2010 Annual Report.
2.	C&I New Construction & Major Renovation – The savings increase (approximately 45%) is due to the same reasons as described above in the budget section.

<b>D. PERFORMANCE INCENTIVE CHANGE OF 20% OR MORE OVER THREE-YEAR PERIOD BASED ON PROGRAM MODIFICATION</b>	
1.	<p>Due to a combination of more total incentive dollars, as well as a change in methodology between the original Three Year Plan and the 2012 MTM with regard to allocation of incentives to programs, there are four programs that fall into this category: Residential New Construction &amp; Major Renovation, Residential Heating and Water Heating, Low Income Retrofit, and C&amp;I New Construction &amp; Major Renovation.</p> <p>The allocation to programs previously was based on total budget. This was adjusted in the 2011 and 2012 MTMs to be more consistent among PA’s. For this submittal, the savings portion of the incentives was allocated to programs based on benefits, and the value and performance metric incentives were allocated based on net benefits.</p>

**SAVINGS (Annual therms)**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Goal <sup>6</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Savings
<b>Residential</b>	<b>105,539</b>	<b>128,730</b>	<b>134,816</b>	<b>369,085</b>	<b>132,147</b>	<b>128,730</b>	<b>162,224</b>	<b>423,101</b>	<b>-16.9%</b>	<b>-12.8%</b>	
Residential New Construction & Major Renovations	7,601	7,607	15,582	30,790	8,932	7,607	16,779	33,319	-7.1%	-7.6%	
Residential Heating and Water Heating	29,787	42,929	40,751	113,468	53,832	42,929	79,793	176,554	-48.9%	-35.7%	<b>MTM TRIGGER</b>
MassSAVE	-	-	-	-	-	-	-	-	0.0%	0.0%	
Weatherization Program	20,942	35,827	63,580	120,349	21,780	35,827	47,201	104,808	34.7%	14.8%	
Multifamily Retrofit	11,615	15,067	14,903	41,585	10,917	15,067	18,450	44,435	-19.2%	-6.4%	
Behavior/Feedback Program	35,593	27,300	-	62,893	36,685	27,300	-	63,985	0.0%	-1.7%	
<b>Low Income</b>	<b>15,729</b>	<b>29,967</b>	<b>26,997</b>	<b>72,693</b>	<b>20,998</b>	<b>29,967</b>	<b>35,616</b>	<b>86,582</b>	<b>-24.2%</b>	<b>-16.0%</b>	
Low-Income Retrofit <sup>5</sup>	15,729	29,967	26,997	72,693	20,998	29,967	35,616	86,582	-24.2%	-16.0%	
<b>C&amp;I</b>	<b>107,440</b>	<b>173,774</b>	<b>348,705</b>	<b>629,919</b>	<b>107,140</b>	<b>173,774</b>	<b>310,346</b>	<b>591,260</b>	<b>12.4%</b>	<b>6.5%</b>	
C&I New Construction & Major Renovation	35,043	78,545	94,954	208,543	20,112	78,545	45,345	144,001	109.4%	44.8%	<b>MTM TRIGGER</b>
C&I Retrofit	68,524	89,593	248,654	406,771	83,503	89,593	259,924	433,019	-4.3%	-6.1%	
C&I Direct Install	3,873	5,636	5,096	14,605	3,526	5,636	5,077	14,239	0.4%	2.6%	
<b>Total Portfolio</b>	<b>228,708</b>	<b>332,471</b>	<b>510,518</b>	<b>1,071,697</b>	<b>260,285</b>	<b>332,471</b>	<b>508,186</b>	<b>1,100,942</b>	<b>0.5%</b>	<b>-2.7%</b>	

Notes:

1. As filed in the Company's 2011 MTM, D.P.U. 10-141
2. Proposed 2012 changes presented in this filing.
3. As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-64
4. Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals

Exhibit B - Variance Analysis  
Program Administrator: NSTAR Gas

**BUDGET (PA Costs \$)**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Filed Goal <sup>6</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Budgets
<b>Residential (total)</b>	<b>\$ 7,188,898</b>	<b>\$ 10,580,856</b>	<b>\$ 13,234,051</b>	<b>\$ 31,003,805</b>	<b>\$ 7,688,352</b>	<b>\$ 10,580,856</b>	<b>\$ 12,694,195</b>	<b>\$ 30,963,403</b>	4.3%	0.1%	
Residential New Construction & Major Renovations	\$ 904,823	\$ 1,785,536	\$ 1,623,402	\$ 4,313,760	\$ 835,202	\$ 1,785,536	\$ 1,530,561	\$ 4,151,299	6.1%	3.9%	
Residential Heating and Water Heating	\$ 2,279,238	\$ 2,196,311	\$ 3,157,587	\$ 7,633,136	\$ 2,028,461	\$ 2,196,311	\$ 2,710,033	\$ 6,934,805	16.5%	10.1%	
MassSAVE	\$ 833,854	\$ 1,296,324	\$ 1,729,406	\$ 3,859,584	\$ 796,794	\$ 1,296,324	\$ 1,799,193	\$ 3,892,311	-3.9%	-0.8%	
Weatherization Program	\$ 1,931,922	\$ 3,355,815	\$ 4,899,121	\$ 10,186,858	\$ 2,482,072	\$ 3,355,815	\$ 4,925,197	\$ 10,763,084	-0.5%	-5.4%	
Multifamily Retrofit	\$ 538,850	\$ 1,087,013	\$ 1,295,411	\$ 2,921,274	\$ 773,746	\$ 1,087,013	\$ 1,208,587	\$ 3,069,346	7.2%	-4.8%	
Behavior/Feedback Program	\$ 416,185	\$ 352,606	\$ -	\$ 768,791	\$ 402,843	\$ 352,606	\$ -	\$ 755,449	0.0%	1.8%	
Deep Energy Retrofit	\$ 28,183	\$ 96,514	\$ 31,032	\$ 155,729	\$ 50,000	\$ 96,514	\$ 106,389	\$ 252,903	-70.8%	-38.4%	
Residential Building Practices and Demonstration Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Energy Analysis: Internet Audit Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Community Based Pilots	\$ -	\$ 59,502	\$ 57,000	\$ 116,502	\$ -	\$ 59,502	\$ -	\$ 59,502	0.0%	95.8%	
Workforce Development	\$ 48,125	\$ 50,000	\$ 50,000	\$ 148,125	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	0.0%	-1.3%	
Statewide Marketing & Education	\$ 76,950	\$ 110,000	\$ 110,000	\$ 296,950	\$ 90,000	\$ 110,000	\$ 110,000	\$ 310,000	0.0%	-4.2%	
EEAC Consultants	\$ 74,534	\$ 135,000	\$ 198,000	\$ 407,534	\$ 123,000	\$ 135,000	\$ 198,000	\$ 456,000	0.0%	-10.6%	
DOER Assessment	\$ 56,235	\$ 56,235	\$ 83,092	\$ 195,562	\$ 56,235	\$ 56,235	\$ 56,235	\$ 168,705	47.8%	15.9%	
Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
<b>Low Income (total)</b>	<b>\$ 2,868,265</b>	<b>\$ 5,116,662</b>	<b>\$ 5,556,026</b>	<b>\$ 13,540,953</b>	<b>\$ 3,026,796</b>	<b>\$ 5,116,662</b>	<b>\$ 5,210,005</b>	<b>\$ 13,353,464</b>	6.6%	1.4%	
Low-Income Retrofit <sup>5</sup>	\$ 2,776,109	\$ 5,006,042	\$ 5,392,558	\$ 13,174,709	\$ 2,931,176	\$ 5,006,042	\$ 5,056,385	\$ 12,993,604	6.6%	1.4%	
Statewide Marketing & Education	\$ 11,536	\$ 15,000	\$ 15,000	\$ 41,536	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000	0.0%	-7.7%	
Low Income Energy Affordability Network Funding	\$ 60,000	\$ 75,000	\$ 118,000	\$ 253,000	\$ 60,000	\$ 75,000	\$ 118,000	\$ 253,000	0.0%	0.0%	
Low Income DOER Assessment	\$ 20,620	\$ 20,620	\$ 30,468	\$ 71,708	\$ 20,620	\$ 20,620	\$ 20,620	\$ 61,860	47.8%	15.9%	
<b>Commercial &amp; Industrial (total)</b>	<b>\$ 2,569,549</b>	<b>\$ 3,491,859</b>	<b>\$ 7,416,502</b>	<b>\$ 13,477,910</b>	<b>\$ 2,929,126</b>	<b>\$ 3,491,859</b>	<b>\$ 7,674,929</b>	<b>\$ 14,095,914</b>	-3.4%	-4.4%	
C&I New Construction & Major Renovation	\$ 1,072,514	\$ 1,646,107	\$ 2,336,336	\$ 5,054,957	\$ 679,384	\$ 1,646,107	\$ 1,333,568	\$ 3,659,059	75.2%	38.1%	MTM TRIGGER
C&I Retrofit	\$ 1,375,501	\$ 1,579,184	\$ 4,844,352	\$ 7,799,037	\$ 1,991,173	\$ 1,579,184	\$ 6,032,074	\$ 9,602,431	-19.7%	-18.8%	
C&I Direct Install	\$ 56,422	\$ 77,698	\$ 76,887	\$ 211,007	\$ 70,700	\$ 77,698	\$ 76,125	\$ 224,523	1.0%	-6.0%	
Workforce Development	\$ -	\$ 50,000	\$ 50,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	0.0%	-33.3%	
Business Energy Analyzer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Deep Energy Retrofit	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 82,292	\$ 182,292	-100.0%	-72.6%	
Statewide Marketing & Education	\$ 24,727	\$ 32,000	\$ 32,000	\$ 88,727	\$ 32,000	\$ 32,000	\$ 32,000	\$ 96,000	0.0%	-7.6%	
EEAC Consultants	\$ 23,515	\$ 40,000	\$ 52,000	\$ 115,515	\$ 39,000	\$ 40,000	\$ 52,000	\$ 131,000	0.0%	-11.8%	
DOER Assessment	\$ 16,870	\$ 16,870	\$ 24,927	\$ 58,667	\$ 16,870	\$ 16,870	\$ 16,870	\$ 50,610	47.8%	15.9%	
Sponsorships & Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
<b>Portfolio (total)</b>	<b>\$ 12,626,713</b>	<b>\$ 19,189,377</b>	<b>\$ 26,206,579</b>	<b>\$ 58,022,668</b>	<b>\$ 13,644,275</b>	<b>\$ 19,189,377</b>	<b>\$ 25,579,130</b>	<b>\$ 58,412,781</b>	2.5%	-0.7%	

Notes:

- As filed in the Company's 2011 MTM, D.P.U. 10-141
- Proposed 2012 changes presented in this filing.
- As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-64
- Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals
- Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger



**PERFORMANCE INCENTIVES**

Program	2010 Actuals <sup>3</sup>	2011 Filed Goal <sup>1</sup>	2012 Proposed Goal <sup>2</sup>	Proposed Goal 2010-2012 <sup>4</sup>	2010 Filed Goal <sup>5</sup>	2011 Filed Goal <sup>1</sup>	2012 Filed Goal <sup>6</sup>	Filed Goal 2010-2012	Annual % Difference	3 Year % Difference	MTM Trigger on Budgets
<b>Residential</b>	\$ 352,694	\$ 309,458	\$ 544,743	\$ 1,206,895	\$ 320,716	\$ 309,458	\$ 344,208	\$ 974,382	58.3%	23.9%	<b>MTM TRIGGER</b>
Residential New Construction & Major Renovations	\$ 45,163	\$ 21,388	\$ 60,356	\$ 126,907	\$ 40,611	\$ 21,388	\$ 42,804	\$ 104,803	41.0%	21.1%	<b>MTM TRIGGER</b>
Residential Heating and Water Heating	\$ 109,689	\$ 114,438	\$ 261,338	\$ 485,465	\$ 100,023	\$ 114,438	\$ 94,585	\$ 309,046	176.3%	57.1%	<b>MTM TRIGGER</b>
MassSAVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	
Weatherization Program	\$ 134,218	\$ 144,250	\$ 188,822	\$ 467,290	\$ 122,065	\$ 144,250	\$ 173,235	\$ 439,550	9.0%	6.3%	
Multifamily Retrofit	\$ 41,840	\$ 27,364	\$ 34,227	\$ 103,431	\$ 38,153	\$ 27,364	\$ 33,584	\$ 99,101	1.9%	4.4%	
Behavior/Feedback Program	\$ 21,784	\$ 2,018	\$ -	\$ 23,802	\$ 19,864	\$ 2,018	\$ -	\$ 21,882	0.0%	8.8%	
<b>Low Income</b>	\$ 102,780	\$ 147,892	\$ 237,620	\$ 488,292	\$ 135,248	\$ 147,892	\$ 82,735	\$ 365,875	187.2%	33.5%	<b>MTM TRIGGER</b>
Low-Income Retrofit <sup>5</sup>	\$ 102,780	\$ 147,892	\$ 237,620	\$ 488,292	\$ 135,248	\$ 147,892	\$ 82,735	\$ 365,875	187.2%	33.5%	<b>MTM TRIGGER</b>
<b>C&amp;I</b>	\$ 446,891	\$ 511,895	\$ 697,339	\$ 1,656,125	\$ 376,281	\$ 511,895	\$ 672,598	\$ 1,560,774	3.7%	6.1%	
C&I New Construction & Major Renovation	\$ 110,756	\$ 248,879	\$ 285,614	\$ 645,249	\$ 93,462	\$ 248,879	\$ 123,143	\$ 465,484	131.9%	38.6%	<b>MTM TRIGGER</b>
C&I Retrofit	\$ 324,609	\$ 236,152	\$ 405,228	\$ 965,989	\$ 273,078	\$ 236,152	\$ 542,543	\$ 1,051,773	-25.3%	-8.2%	
C&I Direct Install	\$ 11,526	\$ 26,864	\$ 6,497	\$ 44,887	\$ 9,741	\$ 26,864	\$ 6,912	\$ 43,517	-6.0%	3.1%	
<b>Total Portfolio</b>	\$ 902,365	\$ 969,245	\$ 1,479,702	\$ 3,351,312	\$ 832,245	\$ 969,245	\$ 1,099,541	\$ 2,901,031	34.6%	15.5%	

Notes:

1. As filed in the Company's 2011 MTM, D.P.U. 10-141
2. Proposed 2012 changes presented in this filing.
3. As filed in the Company's 2010 Energy Efficiency Annual Report, D.P.U. 11-64
4. Sum of 2010 Actuals & 2011 filed goals, and 2012 proposed goals
5. Combined Low-Income program budgets remain within 20% threshold, not an MTM trigger

### III. NOTIFICATIONS

*FOR INFORMATIONAL PURPOSES ONLY*

<b>A. BUDGET CHANGE OF 20% OR MORE ANNUALLY AT PROGRAM LEVEL</b>	
1.	None at this time.

<b>B. SAVINGS GOAL ADJUSTMENT OF 20% OR MORE ANNUALLY AT PROGRAM LEVEL</b>	
1.	Weatherization Program – The savings increase (approximately 35%) is due to the application of net-to-gross results from the Home Energy Assessment study finalized earlier this year. The net effect of these results increased program savings due to increases in spillover findings from the study.
2.	Low Income Retrofit Program – The savings decrease (approximately 24%) is due to decreases in certain per measure savings versus what the Company originally planned.

<b>C. PERFORMANCE INCENTIVE CHANGE OF 20% OR MORE ANNUALLY BASED ON PROGRAM MODIFICATION</b>	
1.	Due to a change in methodology between the original Three Year Plan and the 2012 MTM with regard to allocation of incentives to programs, one program falls into this category: C&I Retrofit.

<b>D. ANNUAL BUDGET INCREASE AT THE SECTOR LEVEL OF 15% FOR C&amp;I OR 20% FOR RESIDENTIAL OR LOW-INCOME</b>	
1.	Residential - none
2.	Low-Income - none
3.	C&I - none

<b>E. MATERIAL PROGRAM DESIGN CHANGES</b>	
1.	The Codes and Standards (“C&S”) Initiative being proposed by the PAs will encompass long term code compliance enhancement and C&S advocacy related initiatives designed to increase the efficiency of buildings constructed and appliances used in Massachusetts. This fills the hole in the current energy efficiency portfolio by capturing sectors of the market that would not normally participate in traditional, voluntary, incentive based programs. This serves the purpose of meeting the PA energy savings targets across a larger population, in addition to enabling the state of Massachusetts and the local communities to meet their own energy savings and emissions reductions targets.

#### **IV. BCR SCREENING MODELS**

Please see Sharepoint site for uploaded models.

## V. EVALUATION, MONITORING, & VERIFICATION

### Introduction

In accordance with the EM&V resolution agreed to on September 8, 2009, statewide evaluation efforts have been divided into multiple research areas. As presented in Table 1, each research area has contracted with an independent evaluation team that is responsible for the completion of all agreed upon evaluation efforts within its research area.

**Table 1: Statewide Research Area & Evaluation Contractor**

RESEARCH AREA	LEAD EVALUATION CONTRACTOR
Residential Lighting & Appliances	Nexus Market Research
Residential Retrofit & Low Income	Cadmus
Residential New Construction	Nexus Market Research
Non-Residential Small Business	Cadmus
Large Commercial & Industrial	KEMA
Special & Cross-Cutting	Tetra Tech & Opinion Dynamics (2 contracts)

### Current and Planned Research

Table 2 details the studies in each of the six research areas that (1) have been completed since the filing of the 2010 Annual Reports on August 15, 2011, (2) are underway but not yet complete, or (3) are expected to commence in 2011 or early 2012. Using this numbering system, the status of each study is noted in the last column. Some of the descriptions have expected completion dates, and some of the studies that recently kicked off currently do not have expected completion dates listed in this draft.

This table includes only those studies that have been already been planned; additional evaluation may be planned throughout 2012. In addition, these studies and schedules are tentative and subject to change based, among other things, on the results of in-progress evaluation studies.

**Table 2: Current and Planned EM&V Research**

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
<b>Residential New Construction</b>		
Phase II: Baseline Study/Code Compliance Assessment	Underway, three quarters of the way through the field work, draft report due December 31, 2011	Currently ongoing Status: (2)
Major Renovation Pilot	Waiting for more completions, draft report due January 31, 2012.	Currently ongoing Status: (2)
Homebuyer Survey	Surveys complete, analysis underway, final report due December 31, 2011	Currently ongoing Status: (2)
Assessment of New Technologies	Initial memo completed August 29, 2011. Subsequent research will be performed on a quarterly basis if Program Managers identify additional technologies of interest.	Currently ongoing Status: (2)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
Builder Focus Groups	Complete, final report due September 30, 2011.	Final stages Status: (1)
<b>Residential Retrofit &amp; Low Income</b>		
Impact Evaluation of the Home Energy Services program	The goal of this study is to review and quantify savings assumptions used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide. This program includes Mass Save and the gas weatherization program.	March 2011 Status: (2)
Market Research of the Home Energy Services program (to support the Residential Performance Metric #2 – Threshold)	Scope to be discussed. A market research plan will be developed and conducted to explore the potential of leveraging existing market opportunities within this program.	Late fall 2011 Status: (3)
Potential Study of the Multifamily Program	The goal of the evaluation is to provide a descriptive, cross-sectional assessment of the market size and characteristics of multifamily buildings within the state. Site visits to support the effort were completed in late August 2011.	August 2010 Status: (2)
Process and Impact evaluation of Multifamily Program	The goal of this research is to assess program processes and identify similarities and differences between the perspectives and assumptions of program staff, trade allies, and customers regarding the goals, design, and implementation of the program. Additionally, an impact evaluation will be performed to review and quantify savings assumptions and impact factors used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide.	March 2011 Status: (2)
Net-to-Gross study on Residential Cooling & Heating Equipment (Cool Smart)	The goal of this study is to perform a free ridership and spillover study to assess the true impacts to this program.	Fall 2011 Status: (3)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
Process and Impact evaluation of Low Income program	The goal of this research is to do some follow up analysis from the process work already completed, and to assess program processes and identify similarities and differences between the perspectives and assumptions of program staff, trade allies, and customers regarding the goals, design, and implementation of the program. Additionally, an impact evaluation will be performed to review and quantify savings assumptions used by the PAs and determine the best value or calculation to enable PAs to have consistent assumptions statewide.	March 2011 Status: (2)
Process and Impact Evaluation of Home Energy Services Bundled Measure Pilot	The goal is to assess customers' perceptions of packaged measures and their effect on decision making process and an analysis of the acceptance rate for packaged measures. In addition we want to estimate aggregated savings; compare with non- bundled participants for estimate of interactive effects by PA and statewide. This analysis will assist PAs in determining whether this pilot could potentially be a program offering.	September 2011 Status: (2)
Coincident Factor Study	The goal of this study is update the Quantec model currently used to calculate coincident factors utilized in the cost effectiveness model. This study will provide 8760 load shapes and will include a variety of measures; all PAs will be able to utilize this study for determining accurate coincident factors.	September 2011 Status: (2)
NTG study of the High Efficiency Heating Equipment (HEHE) program.	This goal of this NTG study is to obtain spillover for this program.	August 2011 Status: (2)
Process and Impact Evaluation of the Solar Thermal Domestic Hot Water Pilot	The goal of this evaluation is to obtain customer/contractor perceptions of the pilot in addition to obtaining actual savings associated with this measure and to recommend whether the pilot could potentially be offered as a program measure.	June 2011 Status: (2)
Process and Impact Evaluation of the WI FI Thermostat Pilot	The goal of this evaluation will assist in understanding the energy impacts attributable to the pilot, as well as to determine potential ways to improve the program offering should it expand beyond the pilot phase.	June 2011 Status: (2)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
Electronically Commutated Motor (ECM) Circulator Pump pilot program.	The goal of this evaluation is to determine the energy savings potential of replacing split phase motors in residential boiler pumps with high-efficiency ECMs. In addition to assessing energy savings, the study aims to test the reliability of single and multiple pump installations.	June 2011 Status: (2)
Impact Evaluation of the Brushless Fan Motor (BFM)	This study seeks to identify savings associated with the BFM retrofits in residential HVAC applications. Anticipated completion of this study is October 2011.	August 2010 Status: (2)
Impact of Gas Training	Scope has not yet been determined.	TBD Status: (3)
<b>Residential Lighting &amp; Appliances</b>		
Market assessment on lighting measures	Assess the changing and evolving lighting marketplace	Fall/winter 2011 Status: (3)
Shelf stocking survey of MA retailers	Understanding retailers stocking of efficient lighting equipment	Fall 2011 Status: (3)
Lighting on-site saturation study	Understanding lighting and products market	Fall/winter 2011 Status: (3)
Baseline study for lighting based on EISA	Guiding principles and measurement of baseline based on new CFL efficiency standards	October 2011 Status: (3)
Consumer electronic exploratory evaluation	Still under discussion	TBD Status: (3)
<b>Non-Residential Small Business</b>		
Integrated Program Process Evaluations	<ol style="list-style-type: none"> <li>1. Effectiveness of DI program in serving 200-300kW customers</li> <li>2. Focused study of incentive and financing options to motivate program participation</li> </ol> Scope currently under discussion.	Fall 2011 Status: (3)
Lighting Fixture Summer Metering Impact Evaluation	Additional metering for a subset of Non-Controls Lighting Fixture Impact study sites with uncertain seasonal operating hours	July 2011 Status: (2)
Lighting Controls Impact Evaluation	Pre/Post metering impact evaluation of 2011 program participant sites with lighting control measures	January 2011 Status: (2)
<b>Large Commercial &amp; Industrial</b>		
Process Evaluation of the Large Commercial and Industrial Energy Efficiency Programs	Examination of efficiency of current practices. Suggested topics for study span gas and electric integration to similarities and differences of PA tracking systems.	September 2011 Status: (2)

STUDY	DESCRIPTION	EXPECTED START DATE/STATUS
New Construction Baseline Code Compliance Study	On-site interviewing of EE customers, property owners, etc to gauge program effects on adoption. Also on-site interviewing of non-EE customers to determine actual baseline efficiencies.	September 2011 Status: (2)
Custom Electric Measures Impact Evaluations (Lighting, Process, Compressed Air)	Determination of PA specific and statewide realization rates. Lighting involves a 12 month logger study and lighting is the first stage of a two year custom electric evaluation to be followed by refrigeration and motors.	September 2011 Status: (2)
Prescriptive Gas Measures Impact Evaluation	On-site monitoring of furnaces, conventional boilers, and infrared heaters. Possible inclusion of condensing boilers.	September 2011 Status: (2)
Custom Gas Measures Impact Evaluation	Continuation of 2010 study examining custom measures. Determination of PA specific and statewide realization rates.	September 2011 Status: (2)
Prescriptive Measure Impact Evaluation (VSDs)	Determination of PA specific and statewide realization rates. VSD involves pre and post VSD installation metering.	Ongoing Status: (2)
Prescriptive Measure Impact Evaluation (Lighting)	Determination of PA specific and statewide realization rates. Lighting involves a 12 month logger study.	September 2011 Status: (2)
CHP Impact Evaluation	Determination of PA specific and statewide realization rates. All CHP installations currently being metered and evaluated for therms and kWh.	Ongoing Status: (2)
<b>Special &amp; Cross Cutting</b>		
Phase II: Behavioral Pilots	Tasks include impact analysis of NSTAR's OPower program, impact analysis of the WMECO Efficiency 2.0 program, Effective Useful Life of National Grid's impact findings, and initiating a baseline survey for CLC Tendril pilot.	June 2011 Status: (2)
Phase II: Community Based Pilots	Phase II of 2011 research includes participant interviews, participation analysis and a possible costs/savings assessment. The form and extent of the cost/savings assessment is currently under discussion.	September 2011 Status: (2)
Phase II: Umbrella Marketing	Evaluate the framework, reach and effectiveness of the statewide marketing campaign, and provide actionable recommendations to inform ongoing program design and implementation.	February 2011 Status: (2)
C&I Gas Net-to-Gross Study 2010 Projects	Quantify the Net-to-Gross impact factors for 2010 C&I projects. Study was completed in late August 2011.	April 2011 Status: (1)



<b>STUDY</b>	<b>DESCRIPTION</b>	<b>EXPECTED START DATE/STATUS</b>
C&I Gas Net-to-Gross Study 2011 Projects	Quantify the Net-to-Gross impact factors for 2011 C&I projects.	TBD – Early 2012 Status: (3)
Non-Energy Impacts 2011 – Residential & Low Income	Quantify the Non-Energy Impacts of the Residential & Low-Income programs. Study was completed in late August 2011.	June 2010 Status: (1)
Non-Energy Impacts 2011 - C&I: non-Custom	Quantify the Non-Energy Impacts of prescriptive C&I measures.	Fall 2011 Status: (3)
Non-Energy Impacts 2011 – Deep Energy Retrofit	This study is TBD based on planned pilot redesign	TBD Status: (3)

**VI. PERFORMANCE INCENTIVES**

**A. Performance Incentive Model**





**2012 Energy Efficiency Performance Incentives  
Derivation of Performance Metric Pool**

<b><u>A. Total Performance Incentive Pool</u></b>		Comment
1	2012 State Goals excluding CLC	24,500,000 therm
2	2012 Target Goals exluding CLC	22,928,961 therm
3	% of target	94% Line 2/ Line 1
4	2012 Statewide Performance Incentives	\$ 5,500,000
5	Adjusted Statewide 2012 Performance Incentives	\$ 5,147,318 Line 3 * Line 4
 <b><u>B. Incentives Allocated by Component</u></b>		
6	2012 State Benefits excluding CLC	381,020,737
7	Savings payout rate	0.0062459 \$/\$ benefit per order
8	State performance incentives to savings	\$ 2,379,833 Line 6 * Line 7
9	2012 State Net Benefits excluding CLC	183,383,410
10	Value payout rate	\$ 0.0058468 \$/\$ net benefits per order
11	State performance incentives to value	\$ 1,072,200 Line 9 * Line 10
12	Remaining performance incentives to metrics	\$ 1,695,285 Line 5- Line 8 - Line 11
 <b><u>C. Performance Metrics allocated to Sectors</u></b>		
13	Residential Performance Metrics - State	\$ 610,302 Line 12 * Sector Allocation (Gas Input Line 44)
14	Low Income Performance Metrics - State	\$ 474,680 Line 12 * Sector Allocation (Gas Input Line 45)
15	C&I Performance Metrics - State	\$ 610,302 Line 12 * Sector Allocation (Gas Input Line 46)

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

State	Segment %	Residential	Low Income	C&I	Total	Comment	
1 Forecasted Benefits		181,947,772	54,110,155		144,962,810	381,020,737	
2 Savings Payout Rate 2012		0.0062	0.0062		0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 1,136,435	\$ 337,969		\$ 905,429	\$ 2,379,833	Line 1 times Line 2
4 Forecasted Net Benefits		83,527,875	25,081,320		74,774,215	183,383,410	
5 Value Payout Rate 2012		0.0058	0.0058		0.0058	0.0058	
6 Forecasted Value Incentives		\$ 488,368	\$ 146,645		\$ 437,187	\$ 1,072,200	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680		610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		100%	100%		100%	100%	Line 4/State Line 4
9 Performance Metrics		\$ 610,302	\$ 474,680		\$ 610,302	\$ 1,695,285	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 2,235,106	\$ 959,293		\$ 1,952,919	\$ 5,147,318	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>							
11 All Sector Metrics						20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 30,515	\$ 23,734		\$ 30,515	\$ 84,764	
14 2. Cost Efficiency of Program Expenditures	75%	\$ 91,545	\$ 71,202		\$ 91,545	\$ 254,293	
15 Total All Sector Metrics		\$ 122,060	\$ 94,936		\$ 122,060	\$ 339,057	Line 11 time line 9
Remaining Performance Metrics after all sector metrics		\$ 488,242	\$ 379,744		\$ 488,242	\$ 1,356,228	Line 9 less line 14
<u>Residential</u>							
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 244,121			\$ 244,121	\$ 244,121	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 244,121			\$ 244,121	\$ 244,121	Line 15 * segment %
<u>Low Income</u>							
18 1. Best Practices Program Strategies	50.0%		\$ 189,872		\$ 189,872	\$ 189,872	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 189,872		\$ 189,872	\$ 189,872	Line 15 * segment %
<u>Commercial &amp; Industrial</u>							
20 1. Retrofit -- Depth of Savings	25.0%			\$ 123,893	\$ 123,893	\$ 123,893	
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 123,893	\$ 123,893	\$ 123,893	Line 15 * segment %, modified for exeptions
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 123,893	\$ 123,893	\$ 123,893	Line 15 * segment %, modified for exeptions
23 4. Combined Heat and Power	25.0%			\$ 116,562	\$ 116,562	\$ 116,562	Line 15 * segment %, modified for exeptions
25 * Except for Unitil and Berkshire							
26 Total Performance Metrics		\$ 610,302	\$ 474,680		\$ 610,302	\$ 1,695,285	

**2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012**

<b>National Grid</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>
1 Forecasted Benefits		106,208,914	33,052,136	63,475,504	202,736,554	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 663,375	\$ 206,442	\$ 396,464	\$ 1,266,280	Line 1 times Line 2
4 Forecasted Net Benefits		43,784,051	15,040,441	24,044,529	82,869,021	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 255,995	\$ 87,938	\$ 140,583	\$ 484,516	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		45%	45%	45%	45%	Line 4/State Line 4
9 Performance Metrics		\$ 275,789	\$ 214,503	\$ 275,789	\$ 766,081	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 1,195,159	\$ 508,882	\$ 812,836	\$ 2,516,878	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 13,789	\$ 10,725	\$ 13,789	\$ 38,304	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 41,368	\$ 32,175	\$ 41,368	\$ 114,912	
14 Total All Sector Metrics		\$ 55,158	\$ 42,901	\$ 55,158	\$ 153,216	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 220,631	\$ 171,602	\$ 220,631	\$ 612,865	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 110,316			\$ 110,316	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 110,316			\$ 110,316	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 85,801		\$ 85,801	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 85,801		\$ 85,801	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 55,158	\$ 55,158	Line 15 * segment %
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 55,158	\$ 55,158	Line 15 * segment %
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 55,158	\$ 55,158	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 55,158	\$ 55,158	Line 15 * segment %
24 Total Performance Metrics		\$ 275,789	\$ 214,503	\$ 275,789	\$ 766,081	



**2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012**

<b>NSTAR</b>	<b>Segment %</b>	<b>Residential</b>	<b>Low Income</b>	<b>C&amp;I</b>	<b>Total</b>	<b>Comment</b>
1 Forecasted Benefits		38,500,024	10,302,835	52,035,060	100,837,919	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 240,469	\$ 64,351	\$ 325,008	\$ 629,828	Line 1 times Line 2
4 Forecasted Net Benefits		19,986,126	4,703,148	31,626,334	56,315,608	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 116,854	\$ 27,498	\$ 184,912	\$ 329,264	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		31%	31%	31%	31%	Line 4/State Line 4
9 Performance Metrics		\$ 187,419	\$ 145,770	\$ 187,419	\$ 520,609	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 544,742	\$ 237,620	\$ 697,339	\$ 1,479,701	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 9,371	\$ 7,289	\$ 9,371	\$ 26,030	
13 3. Cost Efficiency of Program Expendit	75%	\$ 28,113	\$ 21,866	\$ 28,113	\$ 78,091	
14 Total All Sector Metrics		\$ 37,484	\$ 29,154	\$ 37,484	\$ 104,122	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 149,935	\$ 116,616	\$ 149,935	\$ 416,487	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper S	50.0%	\$ 74,968			\$ 74,968	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Mark	50.0%	\$ 74,968			\$ 74,968	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 58,308		\$ 58,308	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 58,308		\$ 58,308	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 37,484	\$ 37,484	Line 15 * segment %
21 2. New Construction -- Comprehensive	25.0%			\$ 37,484	\$ 37,484	Line 15 * segment %
22 3. Direct Install Electric & Gas Integratio	25.0%			\$ 37,484	\$ 37,484	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 37,484	\$ 37,484	Line 15 * segment %
24 Total Performance Metrics		\$ 187,419	\$ 145,770	\$ 187,419	\$ 520,609	

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

Columbia	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		29,015,041	7,154,144	23,064,539	59,233,724	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 181,226	\$ 44,684	\$ 144,060	\$ 369,970	Line 1 times Line 2
4 Forecasted Net Benefits		15,236,864	3,227,191	14,738,410	33,202,465	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 89,086	\$ 18,869	\$ 86,172	\$ 194,127	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		18%	18%	18%	18%	Line 4/State Line 4
9 Performance Metrics		\$ 110,498	\$ 85,943	\$ 110,498	\$ 306,940	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 380,811	\$ 149,496	\$ 340,730	\$ 871,037	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 5,525	\$ 4,297	\$ 5,525	\$ 15,347	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 16,575	\$ 12,891	\$ 16,575	\$ 46,041	
14 Total All Sector Metrics		\$ 22,100	\$ 17,189	\$ 22,100	\$ 61,388	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 88,399	\$ 68,754	\$ 88,399	\$ 245,552	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 44,199			\$ 44,199	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 44,199			\$ 44,199	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 34,377		\$ 34,377	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 34,377		\$ 34,377	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 22,100	\$ 22,100	Line 15 * segment %
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 22,100	\$ 22,100	Line 15 * segment %
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 22,100	\$ 22,100	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 22,100	\$ 22,100	Line 15 * segment %
24 Total Performance Metrics		\$ 110,498	\$ 85,943	\$ 110,498	\$ 306,940	

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

Unitil	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		920,418	1,227,938	1,557,744	3,706,100	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 5,749	\$ 7,670	\$ 9,730	\$ 23,148	Line 1 times Line 2
4 Forecasted Net Benefits		554,750	836,939	1,112,119	2,503,808	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 3,243	\$ 4,893	\$ 6,502	\$ 14,639	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		1%	1%	1%	1%	Line 4/State Line 4
9 Performance Metrics		\$ 8,333	\$ 6,481	\$ 8,333	\$ 23,146	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 17,325	\$ 19,044	\$ 24,565	\$ 60,934	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 417	\$ 324	\$ 417	\$ 1,157	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 1,250	\$ 972	\$ 1,250	\$ 3,472	
14 Total All Sector Metrics		\$ 1,667	\$ 1,296	\$ 1,667	\$ 4,629	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 6,666	\$ 5,185	\$ 6,666	\$ 18,517	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 3,333			\$ 3,333	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 3,333			\$ 3,333	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 2,592		\$ 2,592	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 2,592		\$ 2,592	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	33.3%			\$ 2,222	\$ 2,222	Line 15 * segment %
21 2. New Construction -- Comprehensiveness and depth of savings	33.3%			\$ 2,222	\$ 2,222	Line 15 * segment %
22 3. Direct Install Electric & Gas Integration	33.3%			\$ 2,222	\$ 2,222	Line 15 * segment %
23 4. Combined Heat and Power	0.0%			\$ -	\$ -	Line 15 * segment %
24 Total Performance Metrics		\$ 8,333	\$ 6,481	\$ 8,333	\$ 23,146	

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

Berkshire	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		4,486,403	1,253,609	3,002,070	8,742,083	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 28,022	\$ 7,830	\$ 18,751	\$ 54,603	Line 1 times Line 2
4 Forecasted Net Benefits		2,755,747	652,393	2,349,684	5,757,824	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 16,112	\$ 3,814	\$ 13,738	\$ 33,665	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		3%	3%	3%	3%	Line 4/State Line 4
9 Performance Metrics		\$ 19,162	\$ 14,904	\$ 19,162	\$ 53,228	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 63,296	\$ 26,548	\$ 51,651	\$ 141,495	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 958	\$ 745	\$ 958	\$ 2,661	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 2,874	\$ 2,236	\$ 2,874	\$ 7,984	
14 Total All Sector Metrics		\$ 3,832	\$ 2,981	\$ 3,832	\$ 10,646	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 15,330	\$ 11,923	\$ 15,330	\$ 42,582	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 7,665			\$ 7,665	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 7,665			\$ 7,665	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 5,962		\$ 5,962	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 5,962		\$ 5,962	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	33.3%			\$ 5,110	\$ 5,110	Line 15 * segment %
21 2. New Construction -- Comprehensiveness and depth of savings	33.3%			\$ 5,110	\$ 5,110	Line 15 * segment %
22 3. Direct Install Electric & Gas Integration	33.3%			\$ 5,110	\$ 5,110	Line 15 * segment %
23 4. Combined Heat and Power	0.0%			\$ -	\$ -	Line 15 * segment %
24 Total Performance Metrics		\$ 19,162	\$ 14,904	\$ 19,162	\$ 53,228	

2012 Energy Efficiency Performance Incentives  
Derivation of Gas Targets 2012

New England Gas NA & FR	Segment %	Residential	Low Income	C&I	Total	Comment
1 Forecasted Benefits		2,816,972	1,119,492	1,827,893	5,764,357	
2 Savings Payout Rate 2012		0.0062	0.0062	0.0062	0.0062	
3 Forecasted Savings Incentives		\$ 17,595	\$ 6,992	\$ 11,417	\$ 36,004	Line 1 times Line 2
4 Forecasted Net Benefits		1,210,337	621,208	903,139	2,734,684	
5 Value Payout Rate 2012		0.0058	0.0058	0.0058	0.0058	
6 Forecasted Value Incentives		\$ 7,077	\$ 3,632	\$ 5,280	\$ 15,989	Line 4 times Line 5
7 Statewide Performance Metrics		610,302	474,680	610,302	1,695,285	Pef Met Pool Lines 13 to 15
8 Share of State Net Benefits		1%	1%	1%	1%	Line 4/State Line 4
9 Performance Metrics		\$ 9,101	\$ 7,079	\$ 9,101	\$ 25,281	Line 7 * Line 8
10 Total Performance Incentives at target		\$ 33,772	\$ 17,703	\$ 25,798	\$ 77,274	Line 3 + Line 6 + Line 9
<u>Performance Metric Allocation</u>						
11 All Sector Metrics					20.0%	See Input sheet
12 1. Financing Metric	25%	\$ 455	\$ 354	\$ 455	\$ 1,264	
13 3. Cost Efficiency of Program Expenditures	75%	\$ 1,365	\$ 1,062	\$ 1,365	\$ 3,792	
14 Total All Sector Metrics		\$ 1,820	\$ 1,416	\$ 1,820	\$ 5,056	Line 11 time line 9
15 Remaining Performance Metrics after all sector metrics		\$ 7,281	\$ 5,663	\$ 7,281	\$ 20,225	Line 9 less line 14
<u>Residential</u>						
16 1. MassSAVE/Weatherization: Deeper Savings	50.0%	\$ 3,640			\$ 3,640	Line 15 * segment %
17 2. MassSAVE/Weatherization: Lost/Marketing Opportunity	50.0%	\$ 3,640			\$ 3,640	Line 15 * segment %
<u>Low Income</u>						
18 1. Best Practices Program Strategies	50.0%		\$ 2,831		\$ 2,831	Line 15 * segment %
19 2. Multi-family Building Inventory\	50.0%		\$ 2,831		\$ 2,831	Line 15 * segment %
<u>Commercial &amp; Industrial</u>						
20 1. Retrofit -- Depth of Savings	25.0%			\$ 1,820	\$ 1,820	Line 15 * segment %
21 2. New Construction -- Comprehensiveness and depth of savings	25.0%			\$ 1,820	\$ 1,820	Line 15 * segment %
22 3. Direct Install Electric & Gas Integration	25.0%			\$ 1,820	\$ 1,820	Line 15 * segment %
23 4. Combined Heat and Power	25.0%			\$ 1,820	\$ 1,820	Line 15 * segment %
24 Total Performance Metrics		\$ 9,101	\$ 7,079	\$ 9,101	\$ 25,281	

**B. Performance Metrics**

**RESIDENTIAL METRICS**

**Deeper Savings Metrics**

<b>1. MassSAVE/Weatherization: Deeper Savings {Electric &amp; Gas} – Statewide</b>	
Threshold	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of xx%**, as compared with 2011. Each PA to submit documentation showing performance relative to targets.
Design	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of xx%**, as compared with 2011. Each PA to submit documentation showing performance relative to targets.
Exemplary	Achieve an increase in the percent of customers who received an energy assessment with recommended measures and installed major measures* in 2012 of xx%**, as compared with 2011. Each PA to submit documentation showing performance relative to targets.

*Note: Incentive amounts for this metric will be scalable based on achieving the minimum threshold level of the Increase Conversion rate percentage.*

Direct-install measures performed by the program vendor (e.g. air sealing, duct sealing) are not counted as “major measures” for the purposes of this metric. \*Major measures consist of: Attic insulation, Wall insulation, Duct insulation, Heating pipe insulation, Basement insulation, Brushless fan motor, Secondary recycled refrigerators/freezers, High Efficiency qualified heating, water heating, and central air conditioning equipment.

\*Note: Measures must meet applicable program eligibility requirements.

\*\*Calculation will be based on comparing the total assessment-to-major measure conversion rate in 2012 to 2011 baseline.

	NSTAR Electric	National GRID Electric	WMECO	Unitil Electric	NSTAR Gas	National GRID Gas	Columbia Gas	Berkshire Gas	New England Gas	Unitil Gas
<b>Baseline -# of unique customers that received recommended measures. (Total # of assessments with recommendations)</b>										
<b>Total # that installed major measures</b>										

<b>2011 conversion rate xx%</b>										
---------------------------------	--	--	--	--	--	--	--	--	--	--

*2011 baseline: Total # of assessments / Total number of customers that install major measures = Conversion rate( %)*

*Increase conversion rate (%) = (2012 conversion rate / 2011 conversion rate) – 1*

<b>2012 conversion rate %</b>	<b>NSTAR Electric</b>	<b>National GRID Electric</b>	<b>WMECO</b>	<b>Unitil Electric</b>	<b>NSTAR Gas</b>	<b>National GRID Gas</b>	<b>Columbia Gas</b>	<b>Berkshire Gas</b>	<b>New England Gas</b>	<b>Unitil Gas</b>
xx%										
xx%										
xx%										

Clear and Distinct Role: PA-submitted documentation of performance relative to targets.

Verifiable Goals: Specific numerical targets for each PA.

**Lost Opportunity/Market Opportunity**

<b>2. MassSAVE/Weatherization: {Electric &amp; Gas} – Statewide</b>	
Threshold	Coordinate with EM&V to develop and conduct a market research plan exploring the potential for leveraging existing market opportunities, and specifically integration of home improvement projects (e.g., re-roofing and re-siding) with the Mass Save Home Energy Services Program. Plan to be developed by EM&V by March 30, 2012. Plan to be conducted by EM&V by July 1, 2012. Each PA to submit documentation showing performance relative to targets.
Design	Based on research plan results, PA’s to develop a strategic plan to reach targeted contractors and potential re-roofing, re-siding, and other home improvement customers. PA’s will submit a statewide summary report that includes research findings and a strategic plan to the EEAC consultants no later than September 30, 2012. Each PA to submit documentation of performance relative to task.
Exemplary	PA’s to develop a specific statewide residential initiative focused on the integration of home improvements with the Mass Save Home Energy Services program. Design of the proposed initiative to be completed by December 15, 2012. If deemed viable, this initiative will be integrated into the 2013 Mass Save Home Energy Services Program by the end of 1 <sup>st</sup> quarter 2013. In addition, each PA to submit a memo to EEAC consultants and DOER by February 15, 2013 detailing their distinct and clear role in accomplishing this activity.

Clear and Distinct Role: PA-submitted documentation of performance relative to targets.

Verifiable Goals: Specified completion dates.

**Metric Weighting – Electric**

1. MassSAVE/Weatherization: Deeper Savings (50%)
2. MassSAVE/Weatherization: Lost/Marketing Opportunity (50%)

**Metric Weighting – Gas**

1. MassSAVE/Weatherization: Deeper Savings (50%)
2. MassSAVE/Weatherization: Lost/Marketing Opportunity (50%)



**LOW-INCOME METRICS**

<b>1. Best Practices Program Strategies Research &amp; Technical Review of Potential New Measures {Electric &amp; Gas} – Statewide</b>	
Threshold	<p>In coordination with LEAN, implement Best Practices to achieve deeper energy savings by screening new practices and measures to further increase the comprehensiveness of what is already a comprehensive whole-building approach. The Best Practices Working Group, with each PA participating, shall perform due-diligence reviews of proposed new products/technologies and practices in support of the Utility energy efficiency programs; this will include coordinating with the Massachusetts Technical Advisory Committee. These due-diligence reviews will be focused on determining if a technology/product not presently being utilized in the Utility weatherization programs is suitable and applicable for incorporation into the Utility programs. PAs will contribute their expertise, including from the disciplines of engineering, utility energy efficiency program planning, evaluation, power, demand resources, construction, weatherization, weatherization auditing and assessment, and training, and will seek outside expertise as appropriate. Best Practices meets regularly for this purpose, including selecting new measures for review. PAs will provide written updates on meetings, technical analyses performed, and additional Best Practices implemented.</p> <p>In addition and in coordination with LEAN, PAs will also develop a research plan by April 1, 2012 to systematically investigate new technologies, measures, and program strategies that are to be considered for potential inclusion in the program.</p> <p>Each PA will accept an assignment with respect to written products and will submit documentation showing performance related to tasks.</p>
Design	<p>The research plan will be to study possible new program measures and practices not now included in the utility program. Examples of these may include, but not be limited to: super insulation products and techniques (e.g., U-vacua), array of new LED lighting bulbs and fixtures, research and development of Solar Domestic Hot Water (SDHW) parameters that serve as required criteria for “best practices” eligibility applications, development of a high efficiency room a/c unit minimum tier level (replacement only), review of higher tiered heating and water heating products available in the market place for higher minimum baseline consideration, savings analysis of a multi-family steam distribution system replacement (specifically, planned non-EE funded NSTAR project), multi-family high efficiency clothes washers, behavior-based pilot (subject to feasibility, size and scope), multi-family common area lighting controls, multi-family duct repair, multi-family combined heat &amp; hot water equipment, and dehumidifier replacement. Cost-effectiveness analysis will be conducted by the PA Common Assumptions group, or the equivalent, which shall include LEAN for this purpose, within eight weeks of referral by Best Practices, with first reports of analysis no later</p>

	than July 15, 2012. All feasible non-pilot cost-effective measures to be included in standard program offering within 3 months, subject to PA specific budget impacts. Each PA will submit documentation showing its performance of these tasks.
Exemplary	By February 28th, 2013, a report of all measures that were reviewed in 2012 by the Best Practices Working Group and Sub-Committee will be developed to support Utility program adoption or non-inclusion. Each new measure that passes the Common Assumptions screening will be implemented in the field no later than three months after the relevant Common Assumptions report, including installation in appropriate cases. In a memo to EEAC consultants by April 1, 2013, each PA will document results and findings, including savings and feasibility. Each PA to submit documentation showing its performance relative to targets.

Clear & Distinct Role: Each utility must produce a Best Practices document, participate in the Common Assumptions group with LEAN, and implement new measures.

Verification Plan: Best Practices document, Common Assumptions analyses, field results and findings.

Baseline Information: Baseline for each of these measures is that they are now not part of the program.

<b>2. Multi-family Building Inventory Electric &amp; Gas} – Statewide</b>	
Threshold	In coordination with LEAN the utilities shall continue to support the development and on-going efforts of the 2010-2012 statewide non-profit multi-family building inventories, begun in 2010 and scheduled to conclude by the end of 2013. The objective is to facilitate benchmarking for identification of energy retrofit potential in low-income multifamily buildings and to screen potential projects. Benchmarking allows the Low-Income Multifamily Program to identify and target the most energy-inefficient buildings in order to maximize deep, comprehensive savings. This four-year effort, begun in 2010, provides building square footage and at least a year of energy consumption data with respect to buildings that are majority-occupied by low-income tenants. This information is currently systematically available on a limited basis for public housing authority buildings and virtually not at all for other buildings. The information will support develop of an energy efficiency standard (e.g., BTUs of energy per square foot of heated space) for low-income multi-family buildings.
Design	Each utility PA will conduct an inventory in its service territory, reaching the designated milestone number of account reports (defined under “Baseline Information” below) as indicated below. Each utility will support the

	inventory on an allocated basis, with a statewide total of 536 accounts per month (not including Cape Light Compact). See Allocation Table below.
Exemplary	By Jan 31st, 2013, in coordination with LEAN, each PA will submit a status report showing its inventory results. The status report shall include a summary of what has been learned to date relating to the energy consumption in non-profit low income multi-family buildings (e.g., average BTUs/square foot, reasonable target consumption, reasonable threshold consumption for weatherization measures, etc.), and recommendations as appropriate.

The milestones are: <b>Utility</b>	<b>% Allocation</b>	<b># of Account Reports</b>
NSTAR Electric	24%	129
NGRID Electric	20%	107
WMECO	4%	21
Unitil Electric	1%	5
NSTAR Gas	14%	75
NGRID Gas	22%	118
Columbia Gas	10%	54
Berkshire Gas	2%	11
New England Gas	2%	11
Unitil Gas	1%	5

**Clear & Distinct Role:** Each utility must continue to participate in development of the inventory, support its implementation, and report thereon.

**Verification Plan:** An allocated share of low-income multi-family buildings must be entered in the database.

**Baseline Information:** The current low-income multi-family building universe consists of approximately 20,300 common area/master metered accounts and/or collections of tenant accounts in approximately 13,500 buildings. Where tenant accounts exist and are available with respect to a fuel, the report (Account Report in the table above) will include the entire building, i.e., common areas/master metered (if any) and all tenants in one combined report. Otherwise, the report will include only common areas (if any). The estimate of 20,300 accounts for such situations as municipal utilities (not included) and the lack of common area or gas accounts.

**Metric Weighting – Electric**

1. Low-Income: Best Practices Program Strategies (50%)
2. Low-Income: Multi-family Building Inventory (50%)

**Metric Weighting – Gas**

1. Low-Income: Best Practices Program Strategies (50%)
2. Low-Income: Multi-family Building Inventory (50%)

**C&I METRICS**

<b>Commercial &amp; Industrial Performance Metrics</b>						
	<b>Performance Metric Description</b>		<b>2011</b>	<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
				<b>Units</b>	<b>Units</b>	<b>Units</b>
				<b>Y=110%</b>	<b>Y=115%</b>	<b>Y=120%</b>
<b>C&amp;I #1 Retrofit— Depth of savings</b>	<p>For 2012, PAs must perform assessments and obtain X*Y customer commitments to follow-through with savings of at least 20% building energy savings of one fuel (gas or electric). To be eligible, buildings must have a minimum of 5% of savings from the alternate fuel (electric, natural gas, oil, propane, or coal)</p> <p>Definitions and qualifiers:  PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 as a minimum criterion for being eligible for the 2012 metric.</p> <p>"Building" is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.</p> <p>Customer use is defined as the previous 12 months of billing data for electric and the previous 36 months of billing data for non-electric fuel.</p> <p>A "commitment" is assigned application or Memorandum of Understanding. A single commitment can cover multiple buildings and, if so, each building may be counted as a separate commitment.</p> <p>Note: It is the PAs' and EEAC's intent to have 2013 performance metric dollars tied to the 2012 commitments be coming installed with savings in 2013.</p> <p>Baseline ("X") in the 2012 metric cannot be less than 2011 metric THRESHOLD level.</p> <p>Standard rounding technique applies with minimum of one whole number increase.</p>	NGRID Electric	X XC	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Y	X*Y	X*Y
		NSTAR Electric	X X	X*Y	X*Y	X*Y
		NSTAR Gas	X	X*Y	X*Y	X*Y
		Columbia Gas	X	X*Y	X*Y	X*Y
		New England Gas	X	X*Y	X*Y	X*Y
		WMECO	X	X*Y	X*Y	X*Y
		Berkshire Gas	X	X*Y	X*Y	X*Y
		FG&E Electric	X	X*Y	X*Y	X*Y
		FG&E Gas	X	X*Y	X*Y	X*Y

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Percent	Percent	Percent
				Y=110% Z=100%	Y=115% Z=105	Y=120% Z=110
<b>C&amp;I #2 New Construction- Comprehen- siveness and depth of savings</b>	Each PA must show in a minimum of X% of eligible new construction or substantial/major renovation projects at least an estimated 20% whole building savings (gas and /or electric) compared to code.	NGRID Electric	X	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Z	X*Z	X*Z
	Definitions and qualifiers	NSTAR Electric	X	X*Y	X*Y	X*Y
	PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 with an expected 2012 completion date as a minimum criterion for being eligible for the 2012 metric.	NSTAR Gas	X	X*Z	X*Z	X*Z
	Projects with commitments in 2012 count toward this metric.	Columbia Gas	X	X*Y	X*Y	X*Y
	Core Performance projects will qualify at the threshold level and can be counted at the Design Level if the projects include at least one Enhanced Strategy and be counted at the Exemplary Level if the projects include at least two Enhanced Strategies.	New England Gas	X	X*Y	X*Y	X*Y
	"Building "is defined as the whole space under management and control of the customer, which can include tenant space in a larger building.	WMECO	X	X*Y	X*Y	X*Y
	If total number of new construction or substantial/major renovation projects for a specific PA is less than 4, the PA may meet the design or exemplary level with 1 project, or be exempt from this metric and allocate funds to other metrics proportionally.	Berkshire Gas	X	X*Y	X*Y	X*Y
	Baseline ("X") in the 2012 metric cannot be less than 2011 metric THRESHOLD level.	FG&E Electric	X	X*Y	X*Y	X*Y
	Standard rounding technique applies with minimum of one whole number increase.	FG&E Gas	X	X*Y	X*Y	X*Y

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Percent	Percent	Percent
				Z=110%	Z=115%	Z=120%
<b>C&amp;I #3 Direct Install Electric and Gas Integration</b>	For each PA's program in 2012, achieve an average of X%*Z% electric savings per site, with Y%*Z% having at least one gas measure installed where gas is used.  Savings for a site based on the projected savings divided by the previous 12 months of electric consumption. This metric applies to all projects influenced by the Direct Install Program and completed in 2012.	Columbia Gas	Y%	X*Z	X*Z	X*Z
		Berkshire Gas	Y%	X*Z	X*Z	X*Z
		Fitchburg G&E-	Y%	X*Z	X*Z	X*Z
		New England Gas	Y%	X*Z	X*Z	X*Z
		NGRID Gas	Y%	X*Z	X*Z	X*Z
		NSTAR Gas	Y%	X*Z	X*Z	X*Z
		Fitchburg G&E-	X%	X*Z	X*Z	X*Z
		NGRID Electric	X%	X*Z	X*Z	X*Z
		NSTAR Electric	X%	X*Z	X*Z	X*Z
		WMECo	X%	X*Z	X*Z	X*Z

	Performance Metric Description			Threshold	Design	Exemplary
			2011	Units (x=)	Units (x=)	Units (x=)
				Y=110%	Y=115%	Y=120%
<b>C&amp;I #4 Combined Heat &amp; Power</b>	<p>Each PA will complete X* Y% Combined Heat &amp; Power commitments for CHP units in 2012. A commitment is either a signed application or a signed Memorandum of Understanding between the electric PA and customer.</p> <p>Definitions and qualifiers  PAs must complete a minimum of 75% of projects that qualified for the 2011 metric by year end 2012 with an expected 2012 completion date as a minimum criterion for being eligible for the 2012 metric.  A "commitment" is a signed application or Memorandum of Understanding. A single commitment can cover multiple CHP units so long as they are at separate sites and, if so, each unit may be counted as a separate commitment.  This metric applies to all gas and electric Pas except Berkshire Gas, FG&amp;E Electric and FG&amp;E Gas; however, it is not a requirement that gas PAs contribute any funds to TA studies or CHP rebates.</p> <p>Baseline ("X") in the 2012 metric cannot be less than 2011 metric THRESHOLD level.</p> <p>Standard rounding technique applies with minimum of one whole number increase.</p>	NGRID Electric	X	X*Y	X*Y	X*Y
		NGRID Gas	X	X*Y	X*Y	X*Y
		NSTAR Electric	X	X*Y	X*Y	X*Y
		NSTAR Gas	X	X*Y	X*Y	X*Y
		Columbia Gas	X	X*Y	X*Y	X*Y
		New England Gas	X	X*Y	X*Y	X*Y
		WMECO	X	X*Y	X*Y	X*Y
		Berkshire Gas	N/A	N/A	N/A	N/A
		FG&E Electric	N/A	N/A	N/A	N/A
		FG&E Gas	N/A	N/A	N/A	N/A
<b>Total C&amp;I Performance Metrics</b>						



**Incentive Funds Allocation Shares**

	100%	100%
	<b>NGrid Electric, NGrid Gas, NSTAR Electric, NSTAR Gas, WMECO, Columbia Gas, New England Gas,</b>	<b>Fitchburg Gas and Electric, Berkshire Gas</b>
<b>C&amp;I #1 Retrofit—Depth of savings</b>	25%	34%
<b>C&amp;I #2 New Construction—Comprehensiveness and depth of savings</b>	25%	33%
<b>C&amp;I #3 Direct Install Electric and Gas Integration</b>	25%	33%
<b>C&amp;I #4 Combined Heat &amp; Power</b>	25%	0%

Note: Where some metrics have a threshold or design target of "N/A" no target applies to the PA. To earn incentive dollars for that metric, the PA must reach a target that has a numeric value (e.g., at the design or exemplary level). This objective approach assures that the applicable PA has verifiable, clear and distinct role in achieving the goal. It is currently contemplated that the data would be submitted for verification in conjunction with the applicable Program Administrator's annual report.

## ALL SECTOR METRICS

### 1. “Other financing capital” metric

Jointly identify and aggressively pursue potential sources of qualifying financing capital (as defined below) to fund the non-incentive portion of an energy efficiency project from a diverse set of financial mechanisms and funding sources. Expand current financial products and actively investigate, design and deploy new financial products that, when combined, provide \$Y in other financing capital for loans through the energy efficiency programs that are issued<sup>2</sup> in 2012 for customer energy efficiency investments. Funding from multiple sources (including, without limitation, federal, state, municipal, private, or other sources) qualifies, provided that funds are designated to be deployed by the PA for energy efficiency program financing. Additional other financing capital achieved over the exemplary level in the outside program funding performance metric for the small business program also qualifies for this metric.

“Qualifying financing capital”<sup>3</sup> refers to financing capital for the 2012 energy efficiency programs attained using the bulk purchasing power of the energy efficiency programs and the negotiating clout of the Program Administrators, in amounts and at interest rates and financing costs that are effective at increasing customer participation in the energy efficiency programs. Specifically, “qualifying financing capital” may include the following financing sources in 2012:

1. Residential HEAT Loan (private institution, bank and credit union capital). The financing capital in the 2012 HEAT Loan program provided by banks<sup>4</sup> and credit unions at interest rates ranging from 4.59% to 9.25% (equivalent to the range of program interest rates in prior years) would count as qualifying financing capital. The total 2012 HEAT Loan interest buydown for qualifying financing capital shall not be more than 20% of the total 2012 loan amount for the loans using qualifying financing capital. The total amount of financing capital issued through the HEAT Loan program in 2012 would qualify.

2. Small Business (Company funds). The Company funds used as financing capital in the 2012 small business program, provided at interest rates equal to or less than the utility’s weighted average cost of capital, which ranged from 8.135% (National Grid) to 10.0% (WMECo) in 2009, would count as qualifying financing capital. The total amount of Company funds used as financing capital in the 2012 small business programs would qualify.

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<sup>2</sup> Issuance refers to written loan commitments secured in 2012 upon which there has been, at least, an initial draw down of funds in 2012.

<sup>3</sup> This definition is used for 2012 metric purposes only, within the context of the financial market conditions and program experience at the time of development of the metric (e.g., capital and lending markets, market interest rates and financing costs, program agreements with lenders, etc.), and does not pre-judge or restrict for any party the types of financing capital that may be reflected in the overall funding targets of \$100/\$200 million (electric) and \$20/\$40 million (gas) set forth in the plans for 2011 and 2012.

<sup>4</sup> Capital financed through Enerbank is excluded unless its current contract is negotiated to bring interest rates in line with local lending institutions.

3. Small Business (other financing capital). Other financing capital (in addition to Company funds above) that is substituted in 2012 for the small business program funding that was originally planned to be used as financing capital as set forth in the 2012 plans, provided at interest rates less than or equal to the Prime Rate (as published in the Wall Street Journal) plus 675 basis points would count as qualifying financing capital. The 2010 baseline for this type of other financing capital is \$0.

4. Any energy efficiency program (C&I or Residential) (private institution, local bank or credit union capital). Other financing capital from lending institutions for use in the 2012 energy efficiency programs, attained through the clear and distinct role of one or more PAs through direct negotiations with local banks or credit unions using the bulk purchasing power of the energy efficiency programs and leveraging the opportunity for investment in the local community, provided at interest rates equal to or less than the Prime Rate plus 675 basis points, would count as qualifying financing capital. The 2010 baseline for this type of other financing capital is \$0.

Electric

Threshold = \$30 million total,

**Design = \$40 million total**

Exemplary = \$50 million total

Value of the electric financing metric at the design level = \$202,988

\$Y=

	<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
<b>Electric Financing*</b>	\$ 30,000,000	\$ 40,000,000	\$ 50,000,000

<b>Electric Financing**</b>		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
NGRID	45.71%	13,713,000	18,284,000	22,855,000
NSTAR	41.06%	12,318,000	16,424,000	20,530,000
WMECO	8.19%	2,457,000	3,276,000	4,095,000
UNITIL	1.01%	303,000	404,000	505,000

\* Cape Light Compact is included in the statewide totals, but it is not included in PA-specific targets because it is not seeking performance incentives and therefore is not participating in the metrics. The above figures assume that Cape Light Compact would account for approximately 4% of statewide financing.

\*\* Metrics are developed based on company specific 2009 baseline (as per Baseline Information below) plus an allocated portion of the additional financing required per metric level. The additional financing required is allocated by the ratios indicated in the table above.

Gas

Threshold = \$6 million total

**Design = \$8 million total**

Exemplary = \$10 million total

Value of the gas financing metric at the design level = \$59,807

<b>Gas Financing</b>		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
		\$ 6,000,000	\$ 8,000,000	\$ 10,000,000
<b>Gas Financing</b>		<b>Threshold</b>	<b>Design</b>	<b>Exemplary</b>
NGRID	57.02%	3,421,200	4,561,600	5,702,000
NSTAR	17.20%	1,032,000	1,376,000	1,720,000
Columbia	19.00%	1,140,000	1,520,000	1,900,000
Berkshire	2.40%	144,000	192,000	240,000
NE Gas	3.38%	202,800	270,400	338,000
Unitil	1.00%	60,000	80,000	100,000

Clear and Distinct Role: Each PA must expand its current financial products and actively investigate, design and deploy new financial products that, when combined, provide \$Y in other financing capital for loans through the energy efficiency programs that are issued in 2012 for customer energy efficiency investments. Submit documentation detailing actions specifically undertaken by the PA and dollars achieved in accordance with this metric.

Baseline Information: The baseline is \$0.

Verification:

The Program Administrators are required to demonstrate and document the following data (which, it is currently contemplated, will be provided in the Program Administrators' annual reports):

1. The clear and distinct role the PAs had in attaining the other financing capital, demonstrating the specific role the PAs played in attaining the financing, and in particular how the PAs used the bulk purchasing power of the energy efficiency programs and the negotiating clout of the Program Administrators to attain the financing capital. Payday loans, consumer credit cards, and C&I project financing not involving a clear and distinct PA role as historically implemented (*e.g.*, ESCO arranged financing) would not qualify for this metric.

2. The interest rates and financing costs the PAs were able to attain, compared to the range of interest rates and financing costs available in the market and those required in the metric language above.
3. How the other financing capital attained by the PAs, at the interest rates and financing costs attained by the PAs, was effective at increasing customer participation in the energy efficiency programs. Satisfactory documentation may include narrative descriptions of how the qualifying other capital was effective at increasing customer participation, including, but not limited to, descriptions of how the financing supported with the other financing capital (a) was effective in assisting customers to participate in the programs, (b) reduced a specific market barrier to program participation, or (c) was targeted to certain customer groups or market segments that were considered to have lower participation historically in order to increase their participation in the programs.

## 2. Cost Efficiency of Program Expenditures

**Focus on maximizing the efficiency of PA funding deployment. Achieve Plan benefits.**

- PA specific target based on the PA's proposed budget and benefits targets.
- Assessed at the portfolio level.

### Design Level Performance<sup>5</sup>:

\$ Value of Benefits in Plan/Adjusted PA Costs where  
Adjusted PA Costs = Program Planning & Administration + Marketing & Advertising +  
Participant Incentive + Sales, Technical Assistance and Training.

Evaluation and Market Research, Performance Incentives, and Lost Base Revenue/Decoupling Revenue are excluded from these costs. In addition, expenditures related to funding for EEAC Consultants and for the DOER Assessment are also excluded.

### Exemplary Performance:

Set at 125% of the \$ Value of Benefits in Plan/Adjusted PA Costs.

This performance metric is scalable.

Performance at the end of the program year will be assessed by calculating the above ratio using the actual \$ Value of Benefits acquired in the year and actual adjusted PA costs defined consistently with adjusted PA costs from the Plan. This ratio will be divided by the Design Level performance target for the PA to determine the percentage of the design level incentive earned. If this ratio is not at least 75% of the Design level target for the PA, then the PA will not earn an incentive under this metric. The exemplary level of performance is achieved when this ratio is at least 125%.

### **All Sector Metric Weighting:**

1. Other financing capital metric- 25%
2. Cost Efficiency of Program Expenditures – 75%

Total value of All Sector Metrics: 20% of performance metrics

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<sup>5</sup> No threshold level applies for this Cost Efficiency metric.

## **Appendix 4**

### **TRADITIONAL BILL IMPACTS**

A residential heating customer (R-3) using 131 therms per month could experience a monthly bill increase of \$2.56 or 1.4 percent in 2012 when compared to the amounts originally approved for 2012 in connection with the Department's approval of the Company's Three-Year Energy Efficiency Plan (2010-2012) in January 2010. A low-income heating customer (R-4) using 120 therms per month could experience a monthly bill increase of \$2.34 or 1.8 percent in 2012 when compared to the amounts originally approved for 2012 in connection with the Department's approval of the Company's Three-Year Energy Efficiency Plan (2010-2012) in January 2010.

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
DOMESTIC RATE R-1

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	-	\$ 6.88	\$ -	\$ -	\$ 6.88	\$ 6.88	\$ -	\$ -	\$ 6.88	\$ -	0.0%
20	1	8.52	0.81	0.14	7.57	8.54	0.81	0.16	7.57	0.02	0.2%
30	2	10.14	1.61	0.28	8.25	10.18	1.61	0.32	8.25	0.04	0.4%
40	4	13.41	3.23	0.55	9.63	13.49	3.23	0.63	9.63	0.08	0.6%
50	7	18.31	5.65	0.97	11.69	18.45	5.65	1.11	11.69	0.14	0.8%
60	12	26.47	9.68	1.66	15.13	26.71	9.68	1.90	15.13	0.24	0.9%
70	18	36.26	14.52	2.49	19.25	36.61	14.52	2.84	19.25	0.35	1.0%
80	26	47.76	20.98	3.60	23.18	48.27	20.98	4.11	23.18	0.51	1.1%
90	40	66.96	32.28	5.54	29.14	67.74	32.28	6.32	29.14	0.78	1.2%
Avg Use	18	36.26	14.52	2.49	19.25	36.61	14.52	2.84	19.25	0.35	1.0%

PRESENT RATE R-1				PROPOSED RATE R-1					
		WINTER		SUMMER		WINTER		SUMMER	
CUSTOMER CHARGE:		\$ 6.88		\$ 6.88		\$ 6.88		\$ 6.88	
ENERGY CHARGE:									
	THERM		THERM		THERM	RATE	THERM	RATE	
FIRST	20	\$ 0.6871	10	\$ 0.6225	FIRST	20	\$ 0.6871	10	\$ 0.6225
OVER	20	\$ 0.4258	10	\$ 0.3612	OVER	20	\$ 0.4258	10	\$ 0.3612

PRESENT RATE ADJUSTMENTS	CENTS/THERM
(1) WINTER CGA	80.690
SUMMER CGA	47.670
(3) LDAC FACTOR	13.850

PROPOSED RATE ADJUSTMENTS	CENTS/THERM
(2) WINTER CGA	80.690
SUMMER CGA	47.670
(4) LDAC FACTOR	15.800



NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
DOMESTIC LOW INCOME RATE R-2

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	2	\$ 7.19	\$ 1.61	\$ 0.28	\$ 5.30	\$ 7.23	\$ 1.61	\$ 0.32	\$ 5.30	\$ 0.04	0.6%
20	4	9.83	3.23	0.55	6.05	9.91	3.23	0.63	6.05	0.08	0.8%
30	8	15.11	6.46	1.11	7.54	15.26	6.46	1.26	7.54	0.15	1.0%
40	12	20.38	9.68	1.66	9.04	20.62	9.68	1.90	9.04	0.24	1.2%
50	16	25.67	12.91	2.22	10.54	25.98	12.91	2.53	10.54	0.31	1.2%
60	20	30.94	16.14	2.77	12.03	31.33	16.14	3.16	12.03	0.39	1.3%
70	26	37.85	20.98	3.60	13.27	38.36	20.98	4.11	13.27	0.51	1.3%
80	34	47.06	27.43	4.71	14.92	47.72	27.43	5.37	14.92	0.66	1.4%
90	60	76.99	48.41	8.31	20.27	78.16	48.41	9.48	20.27	1.17	1.5%
Avg Use	28	40.15	22.59	3.88	13.68	40.69	22.59	4.42	13.68	0.54	1.3%

PRESENT RATE R-2				PROPOSED RATE R-2					
		WINTER		SUMMER		WINTER		SUMMER	
CUSTOMER CHARGE:		\$	4.55	\$	4.55	\$	4.55	\$	4.55
ENERGY CHARGE:									
	THERM		THERM		THERM	RATE	THERM	RATE	
FIRST	20	\$	0.3742	10	\$	0.3544	10	\$	0.3544
OVER	20	\$	0.2059	10	\$	0.1861	10	\$	0.1861

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
13.850

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
15.800

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
DOMESTIC HEATING RATE R-3

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	32	\$ 54.44	\$ 25.82	\$ 4.43	\$ 24.19	\$ 55.07	\$ 25.82	\$ 5.06	\$ 24.19	\$ 0.63	1.2%
20	54	85.97	43.57	7.48	34.92	87.02	43.57	8.53	34.92	1.05	1.2%
30	72	107.43	58.10	9.97	39.36	108.84	58.10	11.38	39.36	1.41	1.3%
40	90	128.88	72.62	12.47	43.79	130.63	72.62	14.22	43.79	1.75	1.4%
50	110	152.73	88.76	15.24	48.73	154.87	88.76	17.38	48.73	2.14	1.4%
60	130	176.57	104.90	18.01	53.66	179.10	104.90	20.54	53.66	2.53	1.4%
70	160	212.32	129.10	22.16	61.06	215.44	129.10	25.28	61.06	3.12	1.5%
80	190	248.08	153.31	26.32	68.45	251.78	153.31	30.02	68.45	3.70	1.5%
90	250	319.61	201.73	34.63	83.25	324.48	201.73	39.50	83.25	4.87	1.5%
Avg Use	131	177.74	105.70	18.14	53.90	180.30	105.70	20.70	53.90	2.56	1.4%

PRESENT RATE R-3				PROPOSED RATE R-3						
		WINTER		SUMMER		WINTER		SUMMER		
CUSTOMER CHARGE:		\$	6.88	\$	6.88	\$	6.88	\$	6.88	
ENERGY CHARGE:										
	THERM			THERM		THERM	RATE	THERM	RATE	
FIRST	50	\$	0.5410	20	\$	0.5410		20	\$	0.5410
OVER	50	\$	0.2466	20	\$	0.2466		20	\$	0.2466

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
13.850

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
15.800

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
DOMESTIC HEATING LOW INCOME RATE R-4

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	40	\$ 48.98	\$ 32.28	\$ 5.54	\$ 11.16	\$ 49.76	\$ 32.28	\$ 6.32	\$ 11.16	\$ 0.78	1.6%
20	57	67.47	45.99	7.89	13.59	68.59	45.99	9.01	13.59	1.12	1.7%
30	73	83.64	58.90	10.11	14.63	85.06	58.90	11.53	14.63	1.42	1.7%
40	88	98.80	71.01	12.19	15.60	100.51	71.01	13.90	15.60	1.71	1.7%
50	100	110.92	80.69	13.85	16.38	112.87	80.69	15.80	16.38	1.95	1.8%
60	120	131.12	96.83	16.62	17.67	133.46	96.83	18.96	17.67	2.34	1.8%
70	145	156.37	117.00	20.08	19.29	159.20	117.00	22.91	19.29	2.83	1.8%
80	170	181.63	137.17	23.55	20.91	184.94	137.17	26.86	20.91	3.31	1.8%
90	220	232.14	177.52	30.47	24.15	236.43	177.52	34.76	24.15	4.29	1.8%
Avg Use	120	131.12	96.83	16.62	17.67	133.46	96.83	18.96	17.67	2.34	1.8%

PRESENT RATE R-4				PROPOSED RATE R-4						
		WINTER		SUMMER		WINTER		SUMMER		
CUSTOMER CHARGE:		\$	3.24	\$	3.24	CUSTOMER CHARGE:		\$	3.24	
ENERGY CHARGE:						ENERGY CHARGE:				
	THERM			THERM		THERM	RATE	THERM	RATE	
FIRST	50	\$	0.1979	20	\$	0.1979		20	\$	0.1979
OVER	50	\$	0.0648	20	\$	0.0648		20	\$	0.0648

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
13.850

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
15.800

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
LOW LOAD FACTOR - SMALL GENERAL- RATE G-41

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	7	\$ 23.49	\$ 5.65	\$ 0.69	\$ 17.15	\$ 23.52	\$ 5.65	\$ 0.72	\$ 17.15	\$ 0.03	0.1%
20	28	47.81	22.59	2.76	22.46	47.91	22.59	2.86	22.46	0.10	0.2%
30	56	80.25	45.19	5.52	29.54	80.45	45.19	5.72	29.54	0.20	0.2%
40	90	119.63	72.62	8.87	38.14	119.96	72.62	9.20	38.14	0.33	0.3%
50	135	171.76	108.93	13.31	49.52	172.25	108.93	13.80	49.52	0.49	0.3%
60	200	247.06	161.38	19.72	65.96	247.78	161.38	20.44	65.96	0.72	0.3%
70	290	351.31	234.00	28.59	88.72	352.36	234.00	29.64	88.72	1.05	0.3%
80	450	536.67	363.11	44.37	129.19	538.29	363.11	45.99	129.19	1.62	0.3%
90	800	942.10	645.52	78.88	217.70	944.98	645.52	81.76	217.70	2.88	0.3%
Avg Use	296	358.27	238.84	29.19	90.24	359.33	238.84	30.25	90.24	1.06	0.3%

PRESENT RATE G-41			PROPOSED RATE G-41		
	WINTER	SUMMER		WINTER	SUMMER
CUSTOMER CHARGE:	\$ 15.38	\$ 15.38	CUSTOMER CHARGE:	\$ 15.38	\$ 15.38
ENERGY CHARGE:			ENERGY CHARGE:		
	PER THERM \$ 0.2529	\$ 0.1712		PER THERM \$ 0.2529	\$ 0.1712

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
9.860

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
10.220

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
LOW LOAD FACTOR MEDIUM GENERAL- RATE G-42

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	800	\$ 938.06	\$ 645.52	\$ 78.88	\$ 213.66	\$ 940.94	\$ 645.52	\$ 81.76	\$ 213.66	\$ 2.88	0.3%
20	1,250	1,448.64	1,008.63	123.25	316.76	1,453.14	1,008.63	127.75	316.76	4.50	0.3%
30	1,650	1,902.48	1,331.39	162.69	408.40	1,908.42	1,331.39	168.63	408.40	5.94	0.3%
40	2,100	2,413.04	1,694.49	207.06	511.49	2,420.60	1,694.49	214.62	511.49	7.56	0.3%
50	2,550	2,923.62	2,057.60	251.43	614.59	2,932.80	2,057.60	260.61	614.59	9.18	0.3%
60	3,100	3,547.64	2,501.39	305.66	740.59	3,558.80	2,501.39	316.82	740.59	11.16	0.3%
70	3,900	4,455.32	3,146.91	384.54	923.87	4,469.36	3,146.91	398.58	923.87	14.04	0.3%
80	5,000	5,703.38	4,034.50	493.00	1,175.88	5,721.38	4,034.50	511.00	1,175.88	18.00	0.3%
90	8,000	9,107.18	6,455.20	788.80	1,863.18	9,135.98	6,455.20	817.60	1,863.18	28.80	0.3%
Avg Use	3,574	4,085.44	2,883.86	352.40	849.18	4,098.30	2,883.86	365.26	849.18	12.86	0.3%

PRESENT RATE G-42	WINTER	SUMMER	PROPOSED RATE G-42	WINTER	SUMMER
CUSTOMER CHARGE:	\$ 30.38	\$ 30.38	CUSTOMER CHARGE:	\$ 30.38	\$ 30.38
ENERGY CHARGE:			ENERGY CHARGE:		
	PER THERM \$ 0.2291	\$ 0.1113		PER THERM \$ 0.2291	\$ 0.1113

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
9.860

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
10.220

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
LOW LOAD FACTOR LARGE GENERAL- RATE G-43

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----			
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL		
10	600	\$ 773.16	\$ 484.14	\$ 59.16	\$ 229.86	\$ 775.32	\$ 484.14	\$ 61.32	\$ 229.86	\$ 2.16	0.3%		
20	7,000	7,949.48	5,648.30	690.20	1,610.98	7,974.68	5,648.30	715.40	1,610.98	25.20	0.3%		
30	11,000	12,434.68	8,875.90	1,084.60	2,474.18	12,474.28	8,875.90	1,124.20	2,474.18	39.60	0.3%		
40	15,000	16,919.88	12,103.50	1,479.00	3,337.38	16,973.88	12,103.50	1,533.00	3,337.38	54.00	0.3%		
50	18,000	20,283.78	14,524.20	1,774.80	3,984.78	20,348.58	14,524.20	1,839.60	3,984.78	64.80	0.3%		
60	21,500	24,208.33	17,348.35	2,119.90	4,740.08	24,285.73	17,348.35	2,197.30	4,740.08	77.40	0.3%		
70	26,000	29,254.18	20,979.40	2,563.60	5,711.18	29,347.78	20,979.40	2,657.20	5,711.18	93.60	0.3%		
80	32,500	36,542.63	26,224.25	3,204.50	7,113.88	36,659.63	26,224.25	3,321.50	7,113.88	117.00	0.3%		
90	50,000	56,165.38	40,345.00	4,930.00	10,890.38	56,345.38	40,345.00	5,110.00	10,890.38	180.00	0.3%		
Avg Use	22,489	25,317.30	18,146.37	2,217.42	4,953.51	25,398.26	18,146.37	2,298.38	4,953.51	80.96	0.3%		
PRESENT RATE G-43						PROPOSED RATE G-43							
		WINTER			SUMMER			WINTER			SUMMER		
CUSTOMER CHARGE:		\$	100.38		\$	100.38	CUSTOMER CHARGE:		\$	100.38	\$	100.38	
ENERGY CHARGE:		PER THERM	\$	0.2158	\$	0.0828	ENERGY CHARGE:		PER THERM	\$	0.2158	\$	0.0828

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
9.860

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
10.220

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
HIGH LOAD FACTOR SMALL GENERAL- RATE G-51

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----		
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL	
10	5	\$ 21.060	\$ 4.030	\$ 0.490	\$ 16.540	\$ 21.080	\$ 4.030	\$ 0.510	\$ 16.540	\$ 0.020	0.1%	
20	20	38.12	16.14	1.97	20.01	38.19	16.14	2.04	20.01	0.07	0.2%	
30	46	67.69	37.12	4.54	26.03	67.85	37.12	4.70	26.03	0.16	0.2%	
40	100	129.08	80.69	9.86	38.53	129.44	80.69	10.22	38.53	0.36	0.3%	
50	170	208.67	137.17	16.76	54.74	209.28	137.17	17.37	54.74	0.61	0.3%	
60	270	322.37	217.86	26.62	77.89	323.34	217.86	27.59	77.89	0.97	0.3%	
70	380	447.44	306.62	37.47	103.35	448.81	306.62	38.84	103.35	1.37	0.3%	
80	500	583.88	403.45	49.30	131.13	585.68	403.45	51.10	131.13	1.80	0.3%	
90	700	811.28	564.83	69.02	177.43	813.80	564.83	71.54	177.43	2.52	0.3%	
Avg Use	295	350.80	238.04	29.09	83.67	351.86	238.04	30.15	83.67	1.06	0.3%	
PRESENT RATE G-51						PROPOSED RATE G-51						
		WINTER			SUMMER			WINTER		SUMMER		
CUSTOMER CHARGE:		\$	15.38		\$	15.38	CUSTOMER CHARGE:		\$	15.38	\$	15.38
ENERGY CHARGE:		PER THERM \$ 0.2315			PER THERM \$ 0.1612			ENERGY CHARGE:		PER THERM \$ 0.2315		

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
9.860

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
10.220

NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
HIGH LOAD FACTOR MEDIUM GENERAL- RATE G-52

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY THERMS	-----2012 3 YR Plan -----				----- 2012 MTM -----				---- CHANGE ----	
		TOTAL	CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	750	\$ 850.81	\$ 605.18	\$ 73.95	\$ 171.68	\$ 853.51	\$ 605.18	\$ 76.65	\$ 171.68	\$ 2.70	0.3%
20	1,000	1,124.28	806.90	98.60	218.78	1,127.88	806.90	102.20	218.78	3.60	0.3%
30	1,150	1,288.37	927.94	113.39	247.04	1,292.51	927.94	117.53	247.04	4.14	0.3%
40	1,325	1,479.80	1,069.14	130.65	280.01	1,484.57	1,069.14	135.42	280.01	4.77	0.3%
50	1,625	1,807.97	1,311.21	160.23	336.53	1,813.82	1,311.21	166.08	336.53	5.85	0.3%
60	2,000	2,218.18	1,613.80	197.20	407.18	2,225.38	1,613.80	204.40	407.18	7.20	0.3%
70	2,550	2,819.83	2,057.60	251.43	510.80	2,829.01	2,057.60	260.61	510.80	9.18	0.3%
80	3,400	3,749.64	2,743.46	335.24	670.94	3,761.88	2,743.46	347.48	670.94	12.24	0.3%
90	5,000	5,499.88	4,034.50	493.00	972.38	5,517.88	4,034.50	511.00	972.38	18.00	0.3%
Avg Use	2,587	2,860.30	2,087.45	255.08	517.77	2,869.61	2,087.45	264.39	517.77	9.31	0.3%

PRESENT RATE G-52			PROPOSED RATE G-52		
	WINTER	SUMMER		WINTER	SUMMER
CUSTOMER CHARGE:	\$ 30.38	\$ 30.38	CUSTOMER CHARGE:	\$ 30.38	\$ 30.38
ENERGY CHARGE:			ENERGY CHARGE:		
	PER THERM \$ 0.1884	\$ 0.0818		PER THERM \$ 0.1884	\$ 0.0818

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
9.860

PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
(4) LDAC FACTOR

CENTS/THERM  
80.690  
47.670  
10.220



NSTAR GAS COMPANY  
WINTER BILL COMPARISON  
HIGH LOAD FACTOR LARGE GENERAL- RATE G-53

WINTER USAGE & RATES

BILL PERCENTILE	MONTHLY MDTQ	MONTHLY THERMS	TOTAL	-----2012 3 YR Plan -----			----- 2012 MTM -----				---- CHANGE ----	
				CGA (1)	CC/LDAC (3)	DIST.	TOTAL	CGA (2)	CC/LDAC (4)	DIST.	AMOUNT	% OF TOTAL
10	562	9,000	\$ 9,884.64	\$ 7,525.58	\$ 887.40	\$ 1,471.66	\$ 9,917.04	\$ 7,525.58	\$ 919.80	\$ 1,471.66	\$ 32.40	0.3%
20	777	12,000	13,300.44	10,120.98	1,183.20	1,996.26	13,343.64	10,120.98	1,226.40	1,996.26	43.20	0.3%
30	1,052	15,000	17,051.04	12,904.78	1,479.00	2,667.26	17,105.04	12,904.78	1,533.00	2,667.26	54.00	0.3%
40	1,137	20,000	21,218.84	16,372.18	1,972.00	2,874.66	21,290.84	16,372.18	2,044.00	2,874.66	72.00	0.3%
50	1,637	24,000	26,963.64	20,502.58	2,366.40	4,094.66	27,050.04	20,502.58	2,452.80	4,094.66	86.40	0.3%
60	1,892	31,000	33,557.44	25,783.98	3,056.60	4,716.86	33,669.04	25,783.98	3,168.20	4,716.86	111.60	0.3%
70	2,031	40,000	40,981.36	31,981.34	3,944.00	5,056.02	41,125.36	31,981.34	4,088.00	5,056.02	144.00	0.4%
80	3,445	60,000	63,645.48	49,223.30	5,916.00	8,506.18	63,861.48	49,223.30	6,132.00	8,506.18	216.00	0.3%
90	4,901	90,000	93,930.96	72,998.14	8,874.00	12,058.82	94,254.96	72,998.14	9,198.00	12,058.82	324.00	0.3%
Avg Use	2,494	41,954	45,008.32	34,685.92	4,136.66	6,185.74	45,159.36	34,685.92	4,287.70	6,185.74	151.04	0.3%

PRESENT RATE G-53	WINTER		SUMMER		PROPOSED RATE G-53	WINTER		SUMMER	
CUSTOMER CHARGE:	\$	100.38	\$	100.38	CUSTOMER CHARGE:	\$	100.38	\$	100.38
DISTRIBUTION CHARGE:					DISTRIBUTION CHARGE:				
ENERGY	\$	-	\$	-	ENERGY	\$	-	\$	-
DEMAND	\$	2.44	\$	1.07	DEMAND	\$	2.44	\$	1.07
DEFAULT SERV ADJ CHARGE:					DEFAULT SERV ADJ CHARGE:				
ENERGY	\$	(0.1668)	\$	(0.0571)	ENERGY	\$	(0.1668)	\$	(0.0571)
DEMAND	\$	3.14	\$	0.93	DEMAND	\$	3.14	\$	0.93

PRESENT RATE ADJUSTMENTS  
(1) WINTER CGA  
SUMMER CGA  
(3) LDAC FACTOR

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PROPOSED RATE ADJUSTMENTS  
(2) WINTER CGA  
SUMMER CGA  
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CENTS/THERM  
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**Appendix 5**  
**EVALUATION STUDIES**

<b>STUDY NUMBER</b>	<b>STUDY NAME</b>
1.	Avoided Energy Supply Costs in New England: 2011 Report
2.	Residential and Low-Income Non-Energy Impacts (NEI) Evaluation
3.	Impact Evaluation of 2009 Custom Gas Installations
4.	2010 Commercial and Industrial Natural Gas Programs Free-ridership and Spillover Study

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

\_\_\_\_\_  
Petition of NSTAR Gas Company )  
\_\_\_\_\_)

D.P.U. 11-107

**AFFIDAVIT OF MONICA KACHRU**

Monica Kachru does hereby depose and say as follows:

I, Monica Kachru, on behalf of NSTAR Gas Company, certify that Exhibits C and I (Appendix 5) to the Petition in the above-referenced proceeding were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.



\_\_\_\_\_  
Monica Kachru

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

\_\_\_\_\_)  
Petition of NSTAR Gas Company )  
\_\_\_\_\_)

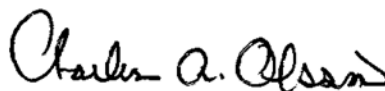
D.P.U. 11-107

**AFFIDAVIT OF CHARLES A. OLSSON**

Charles A. Olsson does hereby depose and say as follows:

I, Charles A. Olsson, on behalf NSTAR Gas Company, certify that Exhibits B, D (Attachment 1), E, and I (Appendix 1) to the Petition in the above-referenced proceeding were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.



\_\_\_\_\_  
Charles A. Olsson

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

\_\_\_\_\_)  
Petition of NSTAR Gas Company )  
\_\_\_\_\_)

D.P.U. 11-107

**AFFIDAVIT OF LISA F. SHEA**

Lisa F. Shea does hereby depose and say as follows:

I, Lisa F. Shea, on behalf of NSTAR Gas Company, certify that Exhibits B, C, D, E, F, G, H and I (Appendices 1, 2 and 5) to the Petition in the above-referenced proceeding were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.



\_\_\_\_\_  
Lisa F. Shea

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

\_\_\_\_\_)  
Petition of NSTAR Gas Company )  
\_\_\_\_\_)

D.P.U. 11-107

**AFFIDAVIT OF TILAK SUBRAHMANIAN**

Tilak Subrahmanian does hereby depose and say as follows:

1. I, Tilak Subrahmanian, on behalf of NSTAR Gas Company, certify that Exhibits A and D (Attachments 1 and 2) to the Petition in the above-referenced proceeding were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.



\_\_\_\_\_  
Tilak Subrahmanian

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES

Petition of NSTAR Gas Company

D.P.U. 11-107

**AFFIDAVIT OF HENRY C. LAMONTAGNE**

Henry C. LaMontagne does hereby depose and say as follows:

I, Henry C. LaMontagne, on behalf of NSTAR Gas Company, certify that Exhibit I (Appendix 4) to the Petition in the above-referenced proceeding was prepared by me or under my supervision and is true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.

  
Henry C. LaMontagne

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF PUBLIC UTILITIES**

\_\_\_\_\_)  
Petition of NSTAR Gas Company )  
\_\_\_\_\_)

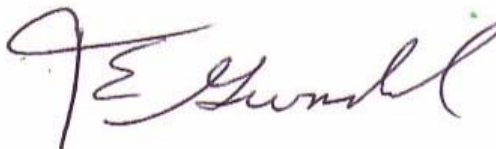
D.P.U. 11-107

**AFFIDAVIT OF FRANK E. GUNDAL**

Frank E. Gundal does hereby depose and say as follows:

I, Frank E. Gundal, on behalf of NSTAR Gas Company, certify that Exhibits B, D (Attachment 1), and E to the Petition in the above-referenced proceeding were prepared by me or under my supervision and are true and accurate to the best of my knowledge and belief.

Signed under the pains and penalties of perjury this 28th day of October 2011.



\_\_\_\_\_  
Frank E. Gundal