

August 24, 2007

Mary L. Cottrell, Secretary  
Department of Public Utilities  
One South Station  
Boston, MA 02110

**Re: 2006 Energy Efficiency Annual Report; D.P.U. 07-68**

Dear Secretary Cottrell:

I am enclosing revised versions of Appendix 3 (Detailed Benefits and Costs by Benefit Cost Ratio Activity) and Appendix 5 (Calculation of National Grid's Incentive) to the above-captioned report.

National Grid has revised these appendices because it has identified that the 2006 Energy Efficiency Annual Report filed on August 2, 2007 did not include the final version of Appendix 3c. In addition, the net-to-gross ratio that should have been applied to savings associated with energy efficient clothes washers in the ENERGY STAR® Appliances and ENERGY STAR® Homes Programs was applied incorrectly in the filed version. The Company has corrected these errors in the enclosed appendices. These corrections do not impact the shareholder incentive.

We apologize for any inconvenience that this has caused.

Thank you very much for your time and attention to this matter.

Very truly yours,

  
Amy G. Rabinowitz

cc: Steven Venezia, Division of Energy Resources  
Jed Nosal, Office of the Attorney General

Appendix 3a (REVISED)  
 Massachusetts & Nantucket Electric Companies  
 Summary of Benefit-Cost Ratios by BCR Activity

BCR Activity	Planned <sup>1</sup>					Reported					Variance				
	TRC Benefit/Cost	TRC Net Benefits	TRC Benefits	TRC Costs	PA Costs	TRC Benefit/Cost	TRC Net Benefits	TRC Benefits	TRC Costs	PA Costs	TRC Benefit/Cost	TRC Net Benefits	TRC Benefits	TRC Costs	PA Costs
<b>Residential</b>															
A02a Residential Lost Opportunity	2.57	\$3,651,964	\$5,977,928	\$2,325,963	\$1,649,463	3.39	\$4,407,404	\$6,248,980	\$1,841,576	\$1,393,600	0.82	\$755,439	\$271,052	(\$484,387)	(\$255,863)
A02b Residential HVAC	2.71	\$1,884,726	\$2,985,288	\$1,100,563	\$1,032,703	4.47	\$2,987,829	\$3,850,001	\$862,172	\$748,847	1.75	\$1,103,103	\$864,713	(\$238,391)	(\$283,856)
A03a Residential Retrofit 1-4	1.49	\$3,566,457	\$10,784,920	\$7,218,463	\$6,279,148	1.74	\$5,355,077	\$12,636,311	\$7,281,233	\$4,828,248	0.24	\$1,788,620	\$1,851,390	\$62,770	(\$1,450,900)
A03b Residential Retrofit Multifamily	2.20	\$4,239,171	\$7,769,208	\$3,530,037	\$3,529,853	1.91	\$3,919,583	\$8,214,561	\$4,294,977	\$4,219,491	(0.29)	(\$319,588)	\$445,352	\$764,940	\$689,639
A04a Residential Lighting	6.61	\$36,577,933	\$43,093,253	\$6,515,319	\$4,607,712	7.98	\$45,366,846	\$51,870,435	\$6,503,589	\$4,307,387	1.36	\$8,788,912	\$8,777,182	(\$11,730)	(\$300,326)
A04b Residential Appliances	2.84	\$4,567,203	\$7,048,725	\$2,481,522	\$1,185,022	1.27	\$1,822,758	\$8,520,702	\$6,697,944	\$2,247,194	(1.57)	(\$2,744,445)	\$1,471,976	\$4,216,421	\$1,062,171
A07x Performance Incentive Tax Liability					\$561,937					\$521,736					(\$40,200)
<b>Subtotal: Residential</b>	<b>3.35</b>	<b>\$54,487,454</b>	<b>\$77,659,322</b>	<b>\$23,171,868</b>	<b>\$18,845,839</b>	<b>3.32</b>	<b>\$63,859,497</b>	<b>\$91,340,988</b>	<b>\$27,481,492</b>	<b>\$18,266,504</b>	<b>(0.03)</b>	<b>\$9,372,042</b>	<b>\$13,681,666</b>	<b>\$4,309,624</b>	<b>(\$579,335)</b>
<b>Low Income</b>															
B02a Low-Income Lost Opportunity	2.61	\$670,437	\$1,086,466	\$416,029	\$371,029	2.13	\$612,747	\$1,154,742	\$541,995	\$508,609	(0.48)	(\$57,690)	\$68,276	\$125,966	\$137,580
B03a Low-Income Retrofit 1-4	4.67	\$18,303,885	\$23,295,265	\$4,991,380	\$4,991,380	5.07	\$20,272,703	\$25,257,593	\$4,984,890	\$4,984,890	0.40	\$1,968,818	\$1,962,328	(\$6,490)	(\$6,490)
B03b Low-Income Retrofit Multifamily	3.59	\$9,467,443	\$13,118,049	\$3,650,605	\$3,586,793	3.89	\$11,250,022	\$15,146,255	\$3,896,233	\$3,767,404	0.29	\$1,782,579	\$2,028,207	\$245,628	\$180,611
B07x Performance Incentive Tax Liability					\$275,045					\$367,782					\$92,737
<b>Subtotal: Low Income</b>	<b>4.14</b>	<b>\$28,441,765</b>	<b>\$37,499,780</b>	<b>\$9,058,015</b>	<b>\$9,224,247</b>	<b>4.41</b>	<b>\$32,135,472</b>	<b>\$41,558,590</b>	<b>\$9,423,118</b>	<b>\$9,628,685</b>	<b>0.27</b>	<b>\$3,693,707</b>	<b>\$4,058,810</b>	<b>\$365,104</b>	<b>\$404,438</b>
<b>Commercial &amp; Industrial</b>															
C02a C&I Lost Opportunity	4.62	\$48,780,117	\$62,254,788	\$13,474,671	\$11,920,521	4.11	\$28,146,648	\$37,185,418	\$9,038,770	\$8,029,944	(0.51)	(\$20,633,470)	(\$25,069,370)	(\$4,435,900)	(\$3,890,578)
C03a Large C&I Retrofit	2.57	\$41,986,347	\$68,742,242	\$26,755,895	\$11,014,330	4.09	\$83,736,064	\$110,845,669	\$27,109,605	\$14,474,523	1.52	\$41,749,717	\$42,103,427	\$353,710	\$3,460,193
C03b Small C&I Retrofit	4.27	\$20,553,611	\$26,846,029	\$6,292,418	\$6,313,276	4.51	\$23,828,805	\$30,622,048	\$6,793,243	\$5,903,142	0.24	\$3,275,194	\$3,776,019	\$500,825	(\$410,134)
C07x Performance Incentive Tax Liability					\$862,030					\$946,384					\$84,353
<b>Subtotal: Commercial &amp; Industrial</b>	<b>3.39</b>	<b>\$111,320,076</b>	<b>\$157,843,059</b>	<b>\$46,522,984</b>	<b>\$30,110,159</b>	<b>4.16</b>	<b>\$135,711,516</b>	<b>\$178,653,135</b>	<b>\$42,941,619</b>	<b>\$29,353,992</b>	<b>0.77</b>	<b>\$24,391,441</b>	<b>\$20,810,076</b>	<b>(\$3,581,365)</b>	<b>(\$756,166)</b>
<b>TOTAL</b>	<b>3.47</b>	<b>\$194,249,295</b>	<b>\$273,002,161</b>	<b>\$78,752,866</b>	<b>\$58,180,245</b>	<b>3.90</b>	<b>\$231,706,485</b>	<b>\$311,552,714</b>	<b>\$79,846,229</b>	<b>\$57,249,181</b>	<b>0.44</b>	<b>\$37,457,190</b>	<b>\$38,550,552</b>	<b>\$1,093,363</b>	<b>(\$931,063)</b>

1) Planned values are from Massachusetts Electric Company and Nantucket Electric Company 2006 Energy Efficiency Plan, Appendix A, March 2006.

**Appendix 3b (REVISED)**  
**Massachusetts & Nantucket Electric Companies**  
**Expense Summary of 2006 BCR Activities**

<b>BCR Activity</b>	<b>Programs</b>	<b>Total TRC Costs</b>	<b>Total PA Costs</b>	<b>Program Implementation</b>	<b>Customer</b>	<b>Evaluation</b>	<b>Shareholder Incentive</b>
<b>Residential</b>							
A02a Residential Lost Opportunity	A02a Energy Star Homes	\$1,841,576	\$1,393,600	\$1,183,478	\$447,976	\$68,203	\$141,919
A02b Residential HVAC	A02b Energy Star HVAC	\$862,172	\$748,847	\$670,545	\$113,325	\$52,082	\$26,220
A03a Residential Retrofit 1-4	A03a Residential Conservation Service	\$7,281,233	\$4,828,248	\$4,564,642	\$2,452,985	\$134,077	\$129,529
A03b Residential Retrofit Multifamily	A03b Energywise	\$4,294,977	\$4,219,491	\$4,081,679	\$75,486	\$38,397	\$99,415
A04a Residential Lighting	A04a Energy Star Lighting	\$6,503,589	\$4,307,387	\$3,852,327	\$2,196,202	\$101,797	\$353,262
A04b Residential Appliances	A04b Energy Star Products	\$6,697,944	\$2,247,194	\$2,166,784	\$4,450,750	\$22,379	\$58,030
A07x Performance Incentive Tax Liability			\$521,736				\$521,736
<b>Subtotal: Residential</b>		<b>\$27,481,492</b>	<b>\$18,266,504</b>	<b>\$16,519,457</b>	<b>\$9,736,724</b>	<b>\$416,935</b>	<b>\$1,330,112</b>
<b>Low Income</b>							
B02a Low Income Lost Opportunity	B02a Energy Star Homes LI	\$541,995	\$508,609	\$405,143	\$33,386	\$0	\$103,466
B03a Low-Income Retrofit 1-4	B03a Single Family - Appliance Management	\$4,984,890	\$4,984,890	\$4,688,213	\$0	\$29,060	\$267,618
B03b Low-Income Retrofit Multifamily	B03b Multifamily LI EnergyWise	\$3,896,233	\$3,767,404	\$3,568,650	\$128,829	\$0	\$198,755
B07x Performance Incentive Tax Liability			\$367,782				\$367,782
<b>Subtotal: Low Income</b>		<b>\$9,423,118</b>	<b>\$9,628,685</b>	<b>\$8,662,005</b>	<b>\$162,215</b>	<b>\$29,060</b>	<b>\$937,620</b>
<b>Commercial &amp; Industrial</b>							
C02a C&I Lost Opportunity	C02a Design 2000plus	\$9,038,770	\$8,029,944	\$7,329,457	\$1,008,827	\$382,258	\$318,228
C03a Large C&I Retrofit	C03a Energy Initiative	\$27,109,605	\$14,474,523	\$13,222,674	\$12,635,082	\$382,038	\$869,811
C03b Small C&I Retrofit	C03b Small Business	\$6,793,243	\$5,903,142	\$5,484,023	\$890,101	\$140,836	\$278,283
C07x Performance Incentive Tax Liability			\$946,384				\$946,384
<b>Subtotal: Commercial &amp; Industrial</b>		<b>\$42,941,619</b>	<b>\$29,353,992</b>	<b>\$26,036,155</b>	<b>\$14,534,010</b>	<b>\$905,132</b>	<b>\$2,412,705</b>
<b>TOTAL</b>		<b>\$79,846,229</b>	<b>\$57,249,181</b>	<b>\$51,217,616</b>	<b>\$24,432,949</b>	<b>\$1,351,127</b>	<b>\$4,680,438</b>

Appendix 3c (REVISED)  
Massachusetts & Nantucket Electric Companies  
Detail Summary of Benefits by BCR Activity

BCR Activity	REPORTED																
	Total Benefits	Benefits (\$,000)										Load Reduction in kW			MWh Saved		
		Capacity			Energy				Non-Electric			Summer	Winter	Lifetime	Maximum Annual	Lifetime	
		Generation		Trans	MDC	DRIPE	Winter		Summer		Resource						Non Resource
Summer	Winter	Peak	Off Peak				Peak	Off Peak									
<b>Residential</b>																	
A02a Residential Lost Opportunity	\$6,249	\$488	\$0	\$106	\$569	\$1,715	\$233	\$275	\$105	\$116	\$2,593	\$50	298	240	6,558	1,128	13,719
A02b Residential HVAC	\$3,850	\$547	\$0	\$121	\$650	\$2,125	\$222	\$61	\$216	\$66	(\$158)	\$0	405	40	7,134	584	10,396
A03a Residential Retrofit 1-4	\$12,636	\$525	\$0	\$118	\$636	\$2,049	\$711	\$788	\$636	\$415	\$6,602	\$156	482	808	6,921	4,532	46,385
A03b Residential Retrofit Multifamily	\$8,215	\$389	\$0	\$87	\$467	\$1,541	\$1,454	\$1,799	\$742	\$748	\$920	\$69	324	1,643	5,127	5,062	93,815
A04a Residential Lighting	\$51,870	\$2,211	\$0	\$574	\$3,089	\$13,271	\$9,166	\$10,874	\$4,119	\$4,521	\$0	\$4,045	4,805	19,024	30,799	75,434	477,696
A04b Residential Appliances	\$8,521	\$259	\$0	\$58	\$314	\$1,008	\$385	\$474	\$194	\$194	\$4,568	\$1,066	238	277	3,331	1,713	23,980
<b>Subtotal: Residential</b>	<b>\$91,341</b>	<b>\$4,420</b>	<b>\$0</b>	<b>\$1,064</b>	<b>\$5,725</b>	<b>\$21,708</b>	<b>\$12,171</b>	<b>\$14,270</b>	<b>\$6,012</b>	<b>\$6,061</b>	<b>\$14,524</b>	<b>\$5,386</b>	<b>6,552</b>	<b>22,032</b>	<b>59,870</b>	<b>88,453</b>	<b>665,990</b>
<b>Low Income</b>																	
B02a Low-Income Lost Opportunity	\$1,155	\$92	\$0	\$20	\$107	\$324	\$37	\$43	\$17	\$18	\$444	\$53	55	35	1,241	163	2,183
B03a Low-Income Retrofit 1-4	\$25,258	\$302	\$0	\$69	\$369	\$1,252	\$608	\$752	\$308	\$309	\$7,453	\$13,835	299	614	3,975	3,101	37,083
B03b Low-Income Retrofit Multifamily	\$15,146	\$476	\$0	\$105	\$565	\$1,835	\$1,219	\$1,508	\$622	\$626	\$292	\$7,899	352	1,243	6,251	4,192	78,618
<b>Subtotal: Low Income</b>	<b>\$41,559</b>	<b>\$871</b>	<b>\$0</b>	<b>\$194</b>	<b>\$1,042</b>	<b>\$3,410</b>	<b>\$1,864</b>	<b>\$2,303</b>	<b>\$946</b>	<b>\$954</b>	<b>\$8,188</b>	<b>\$21,787</b>	<b>705</b>	<b>1,892</b>	<b>11,467</b>	<b>7,455</b>	<b>117,883</b>
<b>Commercial &amp; Industrial</b>																	
C02a C&I Lost Opportunity	\$37,185	\$3,761	\$0	\$844	\$4,542	\$14,740	\$5,716	\$3,362	\$2,678	\$1,413	\$0	\$128	3,312	1,632	48,513	16,494	242,844
C03a Large C&I Retrofit	\$110,846	\$9,339	\$0	\$2,131	\$11,462	\$36,884	\$20,695	\$10,555	\$9,653	\$4,415	\$592	\$5,120	9,583	7,644	120,153	65,640	812,434
C03b Small C&I Retrofit	\$30,622	\$2,955	\$0	\$679	\$3,653	\$11,983	\$5,416	\$1,125	\$2,526	\$470	\$0	\$1,813	3,213	1,624	38,161	13,574	162,641
<b>Subtotal: Commercial &amp; Industrial</b>	<b>\$178,653</b>	<b>\$16,056</b>	<b>\$0</b>	<b>\$3,655</b>	<b>\$19,657</b>	<b>\$63,607</b>	<b>\$31,828</b>	<b>\$15,043</b>	<b>\$14,858</b>	<b>\$6,298</b>	<b>\$592</b>	<b>\$7,061</b>	<b>16,108</b>	<b>10,900</b>	<b>206,827</b>	<b>95,708</b>	<b>1,217,919</b>
<b>TOTAL</b>	<b>\$311,553</b>	<b>\$21,346</b>	<b>\$0</b>	<b>\$4,913</b>	<b>\$26,424</b>	<b>\$88,725</b>	<b>\$45,863</b>	<b>\$31,616</b>	<b>\$21,816</b>	<b>\$13,312</b>	<b>\$23,304</b>	<b>\$34,234</b>	<b>23,365</b>	<b>34,824</b>	<b>278,164</b>	<b>191,616</b>	<b>2,001,792</b>

PLANNED																	
	Benefits (\$,000's)												Load Reduction in kW			MWh Saved	
	Total Benefits	Capacity			Energy				Non Electric		Summer	Winter	Lifetime	Maximum Annual	Lifetime		
		Generation		Trans	MDC	DRIPE	Winter		Summer							Resource	Non-Resource
		Summer	Winter				Peak	Off Peak	Peak	Off Peak							
<b>RESIDENTIAL</b>																	
A02a Residential Lost Opportunity	\$5,978	\$515	\$0	\$112	\$600	\$1,814	\$271	\$305	\$125	\$129	\$2,059	\$48	317	285	6,910	1,230	15,689
A02b Residential HVAC	\$2,985	\$376	\$0	\$86	\$461	\$1,621	\$301	\$80	\$199	\$61	(\$207)	\$7	382	56	4,976	700	11,606
A03a Residential Retrofit 1-4	\$10,785	\$321	\$0	\$72	\$389	\$1,255	\$533	\$500	\$633	\$370	\$6,600	\$111	296	545	4,262	3,614	36,926
A03b Residential Retrofit Multifamily	\$7,769	\$475	\$0	\$105	\$563	\$1,833	\$1,315	\$1,571	\$620	\$665	\$566	\$55	344	1,456	6,190	4,558	82,048
A04a Residential Lighting	\$43,093	\$1,803	\$0	\$469	\$2,522	\$10,847	\$7,445	\$8,941	\$3,475	\$3,717	\$0	\$3,874	3,936	15,583	25,125	61,997	392,850
A04b Residential Appliances	\$7,049	\$239	\$0	\$54	\$290	\$930	\$326	\$388	\$159	\$165	\$3,678	\$821	223	229	3,068	1,426	19,944
<b>SUBTOTAL</b>	<b>\$77,659</b>	<b>\$3,730</b>	<b>\$0</b>	<b>\$897</b>	<b>\$4,826</b>	<b>\$18,300</b>	<b>\$10,191</b>	<b>\$11,784</b>	<b>\$5,211</b>	<b>\$5,106</b>	<b>\$12,697</b>	<b>\$4,917</b>	<b>5,498</b>	<b>18,154</b>	<b>50,532</b>	<b>73,526</b>	<b>559,064</b>
<b>LOW INCOME</b>																	
B02a Low-Income Lost Opportunity	\$1,086	\$37	\$0	\$8	\$43	\$134	\$38	\$46	\$18	\$19	\$639	\$104	25	41	492	159	2,332
B03a Low-Income Retrofit 1-4	\$23,295	\$360	\$0	\$82	\$443	\$1,540	\$681	\$815	\$320	\$343	\$6,454	\$12,257	380	625	4,762	3,292	40,664
B03b Low-Income Multifamily Retrofit	\$13,118	\$624	\$0	\$137	\$737	\$2,382	\$1,512	\$1,808	\$715	\$766	\$267	\$4,170	430	1,445	8,163	4,997	94,942
<b>SUBTOTAL</b>	<b>\$37,500</b>	<b>\$1,021</b>	<b>\$0</b>	<b>\$227</b>	<b>\$1,223</b>	<b>\$4,056</b>	<b>\$2,232</b>	<b>\$2,668</b>	<b>\$1,053</b>	<b>\$1,129</b>	<b>\$7,360</b>	<b>\$16,531</b>	<b>835</b>	<b>2,110</b>	<b>13,417</b>	<b>8,448</b>	<b>137,938</b>
<b>RESIDENTIAL SUBTOTAL</b>	<b>\$115,159</b>	<b>\$4,751</b>	<b>\$0</b>	<b>\$1,125</b>	<b>\$6,049</b>	<b>\$22,356</b>	<b>\$12,423</b>	<b>\$14,453</b>	<b>\$6,264</b>	<b>\$6,234</b>	<b>\$20,057</b>	<b>\$21,448</b>	<b>6,333</b>	<b>20,264</b>	<b>63,949</b>	<b>81,974</b>	<b>697,002</b>
<b>COMMERCIAL/INDUSTRIAL</b>																	
C02a C&I Lost Opportunity	\$62,255	\$6,489	\$0	\$1,446	\$7,776	\$25,220	\$7,670	\$6,761	\$3,601	\$2,849	\$0	\$443	5,296	2,538	85,272	24,957	406,280
C03a Large C&I Retrofit	\$68,742	\$5,932	\$0	\$1,348	\$7,249	\$23,143	\$12,190	\$7,907	\$5,688	\$3,308	\$0	\$1,977	5,884	4,435	74,280	41,826	519,391
C03b Small C&I Retrofit	\$26,846	\$2,856	\$0	\$655	\$3,522	\$11,251	\$4,691	\$1,053	\$2,185	\$440	\$0	\$193	3,057	1,565	36,684	11,941	143,295
<b>SUBTOTAL</b>	<b>\$157,843</b>	<b>\$15,277</b>	<b>\$0</b>	<b>\$3,449</b>	<b>\$18,547</b>	<b>\$59,614</b>	<b>\$24,551</b>	<b>\$15,721</b>	<b>\$11,474</b>	<b>\$6,597</b>	<b>\$0</b>	<b>\$2,613</b>	<b>14,237</b>	<b>8,538</b>	<b>196,236</b>	<b>78,724</b>	<b>1,068,966</b>
<b>TOTAL</b>	<b>\$273,002</b>	<b>\$20,028</b>	<b>\$0</b>	<b>\$4,573</b>	<b>\$24,596</b>	<b>\$81,970</b>	<b>\$36,974</b>	<b>\$30,173</b>	<b>\$17,739</b>	<b>\$12,832</b>	<b>\$20,057</b>	<b>\$24,061</b>	<b>20,570</b>	<b>28,802</b>	<b>260,185</b>	<b>160,698</b>	<b>1,765,968</b>

VARIANCE																	
BCR Activity	Benefits (\$,000)												Load Reduction in kW			MWh Saved	
	Total Benefits	Capacity				DRIPE	Energy				Non-Electric		Summer	Winter	Lifetime	Maximum Annual	Lifetime
		Generation		Trans	MDC		Winter		Summer		Resource	Non Resource					
		Summer	Winter				Peak	Off Peak	Peak	Off Peak							
<b>Residential</b>																	
A02a Residential Lost Opportunity	\$271	(\$27)	\$0	(\$6)	(\$31)	(\$99)	(\$38)	(\$30)	(\$20)	(\$13)	\$534	\$2	(19)	(44)	(352)	(102)	(1,971)
A02b Residential HVAC	\$865	\$171	\$0	\$35	\$189	\$503	(\$79)	(\$19)	\$17	\$5	\$50	(\$7)	23	(16)	2,158	(117)	(1,210)
A03a Residential Retrofit 1-4	\$1,851	\$204	\$0	\$46	\$247	\$794	\$178	\$288	\$3	\$46	\$1	\$44	186	263	2,659	919	9,458
A03b Residential Retrofit Multifamily	\$445	(\$87)	\$0	(\$18)	(\$97)	(\$293)	\$139	\$228	\$122	\$84	\$353	\$14	(20)	187	(1,064)	504	11,767
A04a Residential Lighting	\$8,777	\$408	\$0	\$105	\$567	\$2,424	\$1,721	\$1,933	\$644	\$804	\$0	\$170	869	3,441	5,674	13,437	84,846
A04b Residential Appliances	\$1,472	\$20	\$0	\$5	\$24	\$78	\$59	\$86	\$35	\$30	\$889	\$245	15	47	263	286	4,036
<b>Subtotal: Residential</b>	<b>\$13,682</b>	<b>\$690</b>	<b>\$0</b>	<b>\$167</b>	<b>\$899</b>	<b>\$3,408</b>	<b>\$1,979</b>	<b>\$2,486</b>	<b>\$801</b>	<b>\$955</b>	<b>\$1,827</b>	<b>\$469</b>	<b>1,055</b>	<b>3,878</b>	<b>9,338</b>	<b>14,927</b>	<b>106,926</b>
<b>Low Income</b>																	
B02a Low-Income Lost Opportunity	\$68	\$55	\$0	\$12	\$64	\$189	(\$2)	(\$2)	(\$1)	(\$1)	(\$195)	(\$51)	30	(5)	749	3	(150)
B03a Low-Income Retrofit 1-4	\$1,962	(\$58)	\$0	(\$14)	(\$74)	(\$288)	(\$73)	(\$63)	(\$12)	(\$34)	\$999	\$1,578	(82)	(11)	(786)	(191)	(3,582)
B03b Low-Income Retrofit Multifamily	\$2,028	(\$148)	\$0	(\$32)	(\$171)	(\$547)	(\$293)	(\$300)	(\$93)	(\$140)	\$25	\$3,729	(78)	(202)	(1,912)	(805)	(16,324)
<b>Subtotal: Low Income</b>	<b>\$4,059</b>	<b>(\$150)</b>	<b>\$0</b>	<b>(\$34)</b>	<b>(\$181)</b>	<b>(\$646)</b>	<b>(\$368)</b>	<b>(\$365)</b>	<b>(\$107)</b>	<b>(\$175)</b>	<b>\$828</b>	<b>\$5,256</b>	<b>(130)</b>	<b>(218)</b>	<b>(1,949)</b>	<b>(993)</b>	<b>(20,055)</b>
<b>Commercial &amp; Industrial</b>																	
C02a C&I Lost Opportunity	(\$25,069)	(\$2,728)	\$0	(\$601)	(\$3,234)	(\$10,480)	(\$1,954)	(\$3,398)	(\$923)	(\$1,437)	\$0	(\$315)	(1,984)	(906)	(36,760)	(8,463)	(163,435)
C03a Large C&I Retrofit	\$42,103	\$3,407	\$0	\$783	\$4,213	\$13,740	\$8,505	\$2,648	\$3,965	\$1,107	\$592	\$3,143	3,699	3,209	45,873	23,814	293,042
C03b Small C&I Retrofit	\$3,776	\$99	\$0	\$24	\$131	\$732	\$726	\$72	\$341	\$30	\$0	\$1,621	156	59	1,477	1,633	19,346
<b>Subtotal: Commercial &amp; Industrial</b>	<b>\$20,810</b>	<b>\$778</b>	<b>\$0</b>	<b>\$206</b>	<b>\$1,110</b>	<b>\$3,993</b>	<b>\$7,277</b>	<b>(\$678)</b>	<b>\$3,383</b>	<b>(\$300)</b>	<b>\$592</b>	<b>\$4,448</b>	<b>1,871</b>	<b>2,362</b>	<b>10,591</b>	<b>16,984</b>	<b>148,953</b>
<b>TOTAL</b>	<b>\$38,551</b>	<b>\$1,318</b>	<b>\$0</b>	<b>\$340</b>	<b>\$1,828</b>	<b>\$6,755</b>	<b>\$8,889</b>	<b>\$1,443</b>	<b>\$4,077</b>	<b>\$480</b>	<b>\$3,247</b>	<b>\$10,174</b>	<b>2,796</b>	<b>6,022</b>	<b>17,979</b>	<b>30,918</b>	<b>235,825</b>

**Appendix 5 (REVISED)**  
**National Grid Shareholder Incentives**

**TABLE 1**  
National Grid  
Earned Shareholder Incentive - 2006

1. Component 1: Savings Mechanism	\$1,229,375
2. Component 2: Value Mechanism	\$892,446
3. Component 3: Performance Metrics	\$722,715
4. Grand Total - After-Tax Incentive	\$2,844,536
5. Grand Total - Before Tax Incentive	\$4,680,438

**TABLE 2**  
**Available Performance Incentive Dollars**

1. Actual Energy Efficiency Expenses		\$52,568,743			
2. Performance Incentive Rate (%)		5.00%			
	<u>Threshold</u>	<u>Design</u>	<u>Exemplary</u>		
3. Incentive Range	75%	100%	110%		
4. Potential Available After-Tax Incentive	\$1,971,328	\$2,628,437	\$2,891,281		
 <u>Available After-Tax Incentive by Component:</u>					
	<u>Threshold</u>	<u>Design</u>	<u>Exemplary</u>		
5. Component 1: Savings Mechanism	\$838,210	\$1,117,614	\$1,229,375		
6. Component 2: Value Mechanism	\$608,486	\$811,315	\$892,446		
7. Component 3: Performance Metrics	<u>\$524,632</u>	<u>\$699,509</u>	<u>\$769,460</u>		
8. Grand Total Available Incentive	\$1,971,328	\$2,628,437	\$2,891,281		
 <u>Calculation of Available After-Tax Incentive by Component</u>					
		<u>Weights for Incentive Components</u>			
	<u>Expense</u>	<u>Savings</u>	<u>Value</u>	<u>Perf. Metrics</u>	<u>Total</u>
9. Residential	\$16,936,392	45%	35%	20%	100%
10. Low Income	\$8,691,064	30%	10%	60%	100%
11. Commercial and Industrial	<u>\$26,941,287</u>	45%	35%	20%	100%
12. Total	\$52,568,743				

Line Notes:

1. Includes all energy efficiency program expenses net of customer co-pays and shareholder incentives.
2. Performance Incentive Rate.
3. The incentive range is 75% (threshold performance level) to 110% (exemplary performance level) in 2006.
4. Total design level incentive = (Line 1 x Line 2), Threshold level incentive = 75% of design level incentive, and exemplary level incentive = 110% of design level incentive.
- 5, 6, 7. The design level incentives are calculated and allocated according to the weights in lines 9, 10, and 11.
8. Sum of Lines 5 through 7.
- 9, 10, 11. For each customer class and incentive component, the design incentive will be equal to the expenses times the incentive rate in Line 2 times the weight for the component. For Commercial and Industrial, the budget shown here is net of projected Small Business, Municipal Financing, Medium Commercial/Industrial Financing, and T/A co-pays.
12. Total expenditures; sum of Lines 9 through 11.

**TABLE 3**  
**Component 1: Savings Mechanism**

1. Available Design Level Savings Incentive	\$1,117,614	
		<u>% of \$ Benefits</u>
2. Design (Targeted) Lifetime MWh	1,765,968	35.7%
3. Design (Targeted) Lifetime kW	260,185	47.8%
4. Design (Targeted) Lifetime Non-Electric Benefits	\$43,960,251	16.4%
5. \$/Lifetime MWh Savings Incentive Rate	\$0.2262	
6. \$/Lifetime kW Savings Incentive Rate	\$2.0551	
7. \$/Lifetime Non-Electric Benefits Incentive Rate	\$0.0042	
8. Exemplary Performance (Cap - Savings Mechanism)	\$1,229,375	
9. Actual Lifetime MWh	2,001,792	
10. Actual Lifetime kW	278,164	
11. Actual Lifetime Non-Electric Benefits	\$57,538,460	
12. Incentive - Lifetime MWh	\$452,749	
13. Incentive - Lifetime kW	\$571,646	
14. Incentive - Lifetime Non-Electric Benefits	\$240,184	
15. Earned Incentive - Savings Mechanism	\$1,229,375	

Line Notes:

1. Available Design Level Savings Incentive, from Table 2.
2. See Energy Efficiency Plan goals; % of Benefits (in \$) from Table 4.
3. See Energy Efficiency Plan goals; % of Benefits (in \$) from Table 4.
4. See Energy Efficiency Plan goals; % of Benefits (in \$) from Table 4.
5. (Line 1 times Line 2 %) / Line 2 MWh. At least 75% of the lifetime MWh shown on line 2 must be achieved before an incentive can be earned on energy savings.
6. (Line 1 times Line 3 %) / Line 3 kW. At least 75% of lifetime kW shown on line 3 must be achieved before an incentive can be earned on demand savings.
7. (Line 1 times Line 4 %) / Line 4 Non-Electric Benefits. At least 75% of the Lifetime Non-Electric Benefits shown on line 4 must be achieved before an incentive can be earned on non-electric benefits.
8. The sum of the the earned incentives related to lifetime energy savings, lifetime demand savings, and lifetime non-electric benefits cannot exceed 110% of the design level incentive for the savings
- 9-11. See Appendix 3.
12. Line 9 x Line 5.
13. Line 10 x Line 6.
14. Line 11 x Line 7.
15. The sum of Lines 12-14. If the sum of these lines is greater than Line 8, this is equal to Line 8.

**Appendix 5 (REVISED)**  
**National Grid Shareholder Incentives**

TABLE 4  
Component 2: Value Mechanism

		Value of Benefits (\$)		
		MWh	kW	Non-Electric
1. Available Design Level Value Incentive	\$811,315			
2. Design (Plan) Benefits	\$267,735,421	\$95,683,064	\$128,092,106	\$43,960,251
3. Design (Plan) Costs	\$76,120,426	36%	48%	16%
4. Design (Plan) Net Benefits	\$191,614,995			
5. Exemplary Performance (Cap - Value Mechanism)	\$892,446			
6. Actual Benefits	\$311,552,714			
7. Actual Costs	\$77,001,693			
8. Actual Net Benefits	\$234,551,021			
9. Actual as a Percent of Plan Net Benefits	122.4%			
10. Earned Incentive - Value Mechanism	\$892,446			

Line Notes:

1. Available Design Level Value Incentive, from Table 2.
2. Planned benefits, from benefit/cost analysis.
3. Planned costs from benefit/cost analysis. Includes TRC costs net of Performance Incentive costs.
4. Line 2 minus Line 3.
5. The actual earned value incentive is equal to actual net benefits/line 4. At least 75% of the net benefits in line 4 must be achieved before a value incentive can be earned. The value incentive will be capped at the exemplary performance incentive for this component of the incentive mechanism. See Table 2.
6. See Appendix 3.
7. Equal to reported TRC Costs shown in Appendix 3 less Performance Incentive costs.
8. Line 6 - Line 7.
9. Line 8/Line 4.
10. Line 9 x Line 1. Equal to Line 5 if Line 9 is greater than 110%.

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>RESIDENTIAL METRICS</b>									
<b>New Construction #1: Comprehensive Duct Approach</b>									
New Construction #1a - Threshold: Create a strategy to reduce duct leakage in ENERGY STAR Homes, identify the target market and provide training & outreach. The target market is the active builder (built at least 5 homes in either of the last 2 years with signed agreements to build at least 5 more homes in 2006) who has completed a previous project with average duct leakage above 8 CFM to the outside as measured by a duct blaster. Create training & outreach to encourage a comprehensive duct approach and train 50% of the target market (including HVAC subcontractors as necessary).	1	\$19,053							
New Construction #1b - Design: Ensure that at least 75% of the trained contractors make some improvement in their duct leakage rates in 2006 as compared to previous performance.			2	\$25,405					
New Construction #1c - Exemplary: Verify that at least 10% of those trained contractors build a home in 2006 that meets the 2006 ENERGY STAR Home level of 6 CFM duct leakage to the outside measures by a duct blaster.					3	\$27,945			
<b>New Construction #1 results:</b>							3	Exemplary	\$27,945
<b>New Construction #2: Builder Retention (results are scalable)</b>									
New Construction #2a - Threshold: Create and implement a comprehensive strategy to retain active builders (built at least 5 homes in either of the last two years with signed agreements to build at least 5 homes in 2006 or 2007) by May 31, 2006.	1	\$19,053							
New Construction #2b - Design: Ensure that at least 30% of those active builders sign at least one agreement to participate in the 2006 residential new construction program.			30%	\$25,405					
New Construction #2c - Exemplary: Ensure that at least 50% of those active builders sign at least one agreement to participate in the 2006 residential new construction program.					50%	\$27,945			
<b>New Construction #2 results:</b>							56%	Exemplary	\$27,945

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>RES Sector #1: Direct Installation Lighting Products Procurement Commitments</b>									
RES Sector #1a - Threshold: Establish a Direct Installation Lighting working group and conduct CFL product procurement and installation analysis of all 2005 residential direct installation program elements and current product and installation pricing. Summarize installed product volume by type, wattage/lumen output, product cost, and installation cost for each program (RCS, New Construction, Multifamily and Low Income). If available, add'l info such as comparable product pricing from out-of-state sources will be collected and included in the analysis. Develop an assessment of the issues and potential benefits of seeking and securing aggregated product purchase and fulfillment commitments for all programs.	1	\$44,458							
RES Sector #1b - Design: Develop and issue an RFP seeking proposals from mfg/distributor teams to provide preferred CFL products and a suitable coordinated procurement mechanism for use in the direct installation elements of the residential programs in MA. A preferred products list will be included based on the findings from the Threshold analysis, working group discussions and industry provided info. Product pricing product quality considerations, volume discounting and strategic delivery/fulfillment mechanisms will be the key proposal selection criteria. Add'l considerations for the selection of product mfg/distributor teams will be developed and included in the RFP.			2	\$59,277					
RES Sector #1c - Exemplary: Select, negotiate and contract with one (or more) mfg/distributor teams by 11/1/06 for the 2007 program year. The contract(s) would be for providing products and services for at least 2 of the programs listed above. Upon the completion of the agreements, summarize the expected benefits of executing this metric and these agreements.					3	\$65,205			
<b>RES Sector #1 results:</b>							<b>3</b>	<b>Exemplary</b>	<b>\$65,205</b>

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>RES Sector #2: Direct Installation Lighting Installation Protocols</b>									
RES Sector #2a - Threshold: In cooperation with or as an adjunct to the Direct Installation Lighting working group conduct a CFL product installation analysis of all 2005 residential Direct Installation program elements and the current installation criteria. Collect, analyze and report on the direct installation approach of each program in regard to product selection, installation criteria, installation approach, and installation objectives. Include quantitative info indicating the numbers of products installed per home/unit. Add'l quantitative info such as the estimated savings per home/unit, the percentage of sockets addressed per home/unit and/or the dollars invested per home/unit will be included if available.	1	\$44,458							
RES Sector #2b - Design: Determine and document "best practice" direct installation protocols for residential direct install programs in MA by 9/30/06.			2	\$59,277					
RES Sector #2c - Exemplary: Implement the "best practice" direct installation protocols for residential direct install program elements in MA by 2/1/07.					3	\$65,205			
<b>RES Sector #2 results:</b>							<b>3</b>	<b>Exemplary</b>	<b>\$65,205</b>
<b>Subtotal for Residential Metrics:</b>		<b>\$127,023</b>		<b>\$169,364</b>		<b>\$186,300</b>			<b>\$186,300</b>
<b>LOW INCOME METRICS</b>									
<b>Low Income #1: Best Practices Working Group</b>									
Low Income #1a - Threshold: N/A	N/A	N/A							
Low Income #1b - Design: Design in coordination with LEAN, implement best practices as agreed in 2005, continue at least quarterly discussions and technology analysis (including a review of CFL's and other direct-installed measures and continued assessment of possible new measures, including solar domestic hot water), and provide written updates on meetings, analyses and add'l best practices implemented.			1	\$65,183					
Low Income #1c - Exemplary: To achieve Exemplary, the Design level for Low Income Metrics 1, 2 and 3 must be attained.					2	\$71,701			
<b>Low Income #1 results:</b>							<b>2</b>	<b>Exemplary</b>	<b>\$71,701</b>

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>Low Income #2: Best Practices Training</b>									
Low Income #2a - Threshold: N/A	N/A	N/A							
Low Income #2b - Design: Contribute funding and logistical support of LEAN's efforts and those of the Massachusetts Department of Housing and Community Development (DHCD) to improve auditor and contractor training materials in areas identified through the Best Practices protocols and funding statewide auditor training related to air sealing technologies and contractor in-process inspection protocols.			1	\$65,183					
Low Income #2c - Exemplary: To achieve Exemplary, the Design level for Low Income Metrics 1, 2, and 3 must be attained.					2	\$71,701			
<b>Low Income #2 results:</b>							<b>2</b>	<b>Exemplary</b>	<b>\$71,701</b>
<b>Low Income #3: Best Practices Contractor Support</b>									
Low Income #3a - Threshold: N/A	N/A	N/A							
Low Income #3b - Design: Contribute funding and logistical support of LEAN's efforts and those of the Massachusetts Department of Housing and Community Development (DHCD) to develop written protocols for testing insulation equipment for its capacity to dense blow cellulose and purchase of specialty gauges for those tests for each lead agency and DHCD.			1	\$65,183					
Low Income #3c - Exemplary: To achieve Exemplary, the Design level for Low Income Metrics 1, 2, and 3 must be attained.					2	\$71,701			
<b>Low Income #3 results:</b>							<b>2</b>	<b>Exemplary</b>	<b>\$71,701</b>

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>Low Income #4: Outreach</b>									
Low Income #4a - Threshold: In coordination with LEAN, other MA utilities and other stakeholders, continue Energy Bucks campaign through March of 2006 and report on campaign activities.	1	\$47,942							
Low Income #4b - Design: In coordination with LEAN, other MA utilities, other stakeholders, identify research objectives to be addressed in a study of the Energy Bucks campaign to begin during the winter 05/06 campaign. The purpose of this evaluation will be to provide stakeholders with info about the effectiveness of the Energy Bucks campaign and whether it should be continued. This survey shall also attempt to quantify the following information: identifying and quantifying those populations least reached by existing programs, by such demographics as age, gender, linguistic isolation, other cultural grouping, and other factors, measuring quantitatively the success of the Energy Bucks campaign in reaching the identified previously unreached demographics, and quantifying the number and location of ineligible low-income populations such as students and residents of subsidized housing.			2	\$65,183					
Low Income #4c - Exemplary: In coordination with LEAN, other MA utilities, all gas distribution companies in the Commonwealth to the extent practical, and other stakeholders recommend appropriate statewide marketing/outreach initiatives for the winter 06/07 campaign. This will be submitted as part of the utilities' Annual Report in the summer of 2006.					3	\$71,701			
<b>Low Income #4 results:</b>							3	Exemplary	\$71,701
<b>Subtotal for Low Income Metrics:</b>		\$47,942		\$260,732		\$286,805			\$286,805

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>COMMERCIAL &amp; INDUSTRIAL METRICS</b>									
<p><b>High Performance T8 Lighting:</b> Incentives for standard T-8s will no longer be offered beginning 7/1/06, for lamps &amp; ballasts and fixtures in both the PAs' retrofit and new construction programs.  Projects already preapproved/committed to by July 1 that include incentives for standard T-8s may continue to provide them.  Exceptions: Standard T-8s may be required for those situations where HP T-8s can't be installed; examples include low temperature environments and applications where dimming is required. A list of exceptions will be developed within the collaborative required for those situations where HP T-8s can't be installed; examples include low temperature environments and applications where dimming is required. A list of exceptions will be developed within the collaborative.</p>									
<p>High Performance T8 Lighting: This program activity metric must be met in order for incentives from Performance Lighting Metrics # 1 and #2 to be earned:  Incentives for standard T-8s will no longer be offered beginning 7/1/06, for lamps &amp; ballasts and fixtures in both the PAs' retrofit and new construction programs.  Projects already preapproved/committed to by July 1 that include incentives for standard T-8s may continue to provide them.  Exceptions: Standard T-8s may be required for those situations where HP T-8s can't be installed; examples include low temperature environments and applications where dimming is required. A list of exceptions will be developed within the collaborative.</p>									
<b>Performance Lighting #1 (results are scalable)</b>									
Performance Lighting #1a - Threshold: For all performance lighting projects, achieve an average of 26% above code.	26	\$23,772							
Performance Lighting #1b - Design: For all performance lighting projects, achieve an average of 28% above code.			28	\$31,696					
Performance Lighting #1c - Exemplary: For all performance lighting projects, achieve an average of 32% above code.					32	\$34,866			
<b>Performance Lighting #1 results:</b>							33	Exemplary	\$34,866

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>Performance Lighting #2: "X" Percent of 2006 completed new construction projects. Projects that qualify under this program must be new construction projects or renovation projects that involve the installation of new fixtures throughout the building or renovated spaces. (results are scalable)</b>									
Performance Lighting #2a - Threshold: 13.5 percent of 2006 completed new construction projects.	13.5	\$11,881							
Performance Lighting #2b - Design: 15 percent of 2006 completed new construction projects.			15	\$15,841					
Performance Lighting #2c - Exemplary: 16.5 percent of 2006 completed new construction projects.					16.5	\$17,426			
<b>Performance Lighting #2 results:</b>									
<b>Compressed Air #1: Leak check and repair pilot. (Results are scalable in whole units.) Establish a pilot program to encourage ongoing leak checking, repair and/or other compressed air operations and maintenance measures and implement that program at X facilities. The pilot must do more than just get leaks fixed and adjustments made once, but create and test a mechanism for ongoing monitoring at some level and some incentive for ongoing customer activity. Each utility may have a different pilot. Sites must be in addition to any counted toward the 2004 or 2005 Compressed Air #1 metric. Documentation shall be in the form of a written summary of the actions taken at each participating customer's facility.</b>									
Compressed Air 1a - Threshold: Establish a pilot program to encourage ongoing leak checking, repair and/or other compressed air operations and maintenance measures at 4 facilities.	4	\$23,772							
Compressed Air 1b- Design: Establish a pilot program to encourage ongoing leak checking, repair and/or other compressed air operations and maintenance measures at 5 facilities.			5	\$31,696					
Compressed Air 1c - Exemplary: Establish a pilot program to encourage ongoing leak checking, repair and/or other compressed air operations and maintenance measures at 7 facilities.					7	\$34,866			
<b>Compressed Air #1 results:</b>									
							<b>6</b>	<b>Design</b>	<b>\$33,281</b>

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<p><b>O&amp;M #1 - Benchmarking: (Scalable) Each utility must individually complete or preferably facilitate private sector actions for this metric. MA utilities will each engage in benchmarking of either bldg energy use or mgmt practices as a tool to assist energy users in prioritizing effcy actions. Each utility has a choice of whether to do bldg or mgmt practice benchmarking. Benchmarking pilots will be used experimentally as intake mechanisms for effcy prgms. The utility must follow up the benchmarking actvy with support to the customer in creating an action plan &amp; in identifying &amp; accessing effcy programs where appropriate. Savings may come through an incentivized ECM or not. Benchmarking of bldgs must be for all energy fuels. Completions &amp; actions counted toward the 04 or 05 O&amp;M #1 metric may not count toward this metric. Results of the benchmarking exercise must be presented to the bldg mgr or owner in 06 and customer actions must be taken by 5/30/07. Compliance with this metric shall be documented through submission of an executive summary of the action plan for each participant &amp; documentation of customers action either through an incentive program or not.</b></p>									
O&M #1a - Threshold: Benchmarking of energy use in 12 facilities with efficiency actions taken in at least 5 by May 30, 2007	12	\$23,772							
----- OR -----	5								
O&M #1a - Threshold: Management practice benchmarking in at least 5 facilities, with energy saving actions taken in at least 2 by May 30, 2007	5								
	2								
O&M #1b - Design: Benchmarking of energy use in 14 facilities with efficiency actions taken in at least 6 by May 30, 2007			14	\$31,696					
----- OR -----			6						
O&M #1b - Design: Management practice benchmarking in at least 7 facilities, with energy saving actions taken in at least 3 by May 30, 2007			7						
			3						
O&M #1c - Exemplary: Benchmarking of energy use in 17 facilities with efficiency action taken in at least 7 by May 30, 2007					17	\$34,866			
----- OR -----					7				
O&M #1c - Exemplary: Management practice benchmarking in at least 8 facilities, with energy saving actions taken in at least 4 by May 30, 2007					8				
					4				
<b>O&amp;M #1 results:</b>									
					<b>Benchmarking</b>	<b>14</b>	<b>Design</b>	<b>\$32,489</b>	
					<b>Actions</b>	<b>7</b>			

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>O&amp;M #2 - Retrocommissioning:</b> To achieve this metric, Massachusetts Investor-Owned Utilities must complete implementation of services (e.g., retrocommissioning, building tune-up) that improve the efficiency of building operations, management and control based on the mutually agreed-on protocol developed in conformance to the 2004 retrocommissioning metric #2. "Complete" means that the analytic phase of the service is completed and customers have taken at least some actions in response to the analytic activity to save energy, and that a plan is in place to implement most of the major non-capital improvements recommended in the analytic phase. Buildings recruited, but not completed, under the 2004 or 2005*. O&M Metric #2 may be counted toward this metric.									
O&M #2a - Threshold: Complete implementation of services in 4 buildings based on the protocol developed in the 2004 retrocommissioning metric #2.	4	\$23,772							
O&M #2b - Design: Complete implementation of services in 7 buildings based on the protocol developed in the 2004 retrocommissioning metric #2.			7	\$31,696					
O&M #2c - Exemplary: Complete implementation of services in 9 buildings based on the protocol developed in the 2004 retrocommissioning metric #2.					9	\$34,866			
<b>O &amp; M #2 results:</b>							7	Design	\$31,696
<b>Comprehensive New Construction / Major Renovation Projects #1: Complete Comprehensive Design Approach (CDA) / Comprehensive projects that total X% of total annual gross program kWh savings for Design 2000plus/ Construction Solutions Industrial refrigeration projects that include CDA services and outcome can be included. Completed is defined as a) Comprehensive projects that have a signed LOA/contract or is paid in the program year and b) have a technical assistance study which identifies recommended measures that get incorporated into design.</b>									
Comprehensive New Construction / Major Renovation Projects #1a - Threshold: Complete CDA / Comprehensive projects that total 13% of total annual gross program energy savings for Design 2000plus. Industrial refrigeration projects that include CDA services and outcome can be included.	13%	\$23,772							
Comprehensive New Construction / Major Renovation Projects #1b - Design: Complete CDA / Comprehensive projects that total 15% of total annual gross program energy savings for Design 2000plus. Industrial refrigeration projects that include CDA services and outcome can be included.			15%	\$31,696					
Comprehensive New Construction / Major Renovation Projects #1 - Exemplary: Complete CDA / Comprehensive projects that total 17% of total annual gross program energy savings for Design 2000plus. Industrial refrigeration projects that include CDA services and outcome can be included.					17%	\$34,866			
<b>Comprehensive New Construction / Major Renovation Projects #1 results:</b>							14.3%	Threshold	\$23,772

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>Advance Buildings #1: Following the Advance Buildings Benchmark for High Performance Buildings, engage in the design of X new construction projects following the practices established in the Advanced Buildings Benchmark Guide for High Performance Buildings. The metric will be documented through submissions of a signed MOU identifying participation in the Advanced Buildings process and commitment to these design and construction standards. (results are scalable)</b>									
Advance Buildings #1a - Threshold: Following the Advance Buildings Benchmark for High Performance Buildings, engage in the design of 3 new construction projects following the practices established in the Advanced Buildings Benchmark Guide for High Performance Buildings.	3	\$23,772							
Advance Buildings #1b - Design: Following the Advance Buildings Benchmark for High Performance Buildings, engage in the design of 5 new construction projects following the practices established in the Advanced Buildings Benchmark Guide for High Performance Buildings.			5	\$31,696					
Advance Buildings #1c - Exemplary: Following the Advance Buildings Benchmark for High Performance Buildings, engage in the design of 7 new construction projects following the practices established in the Advanced Buildings Benchmark Guide for High Performance Buildings.					7	\$34,866			
<b>Advance Buildings #1 results:</b>							3	Threshold	\$23,772
<b>Small C&amp;I Retrofit Program Comprehensiveness #1 - "X" % of the completed projects for 2006 Small Business will include "comprehensive" measures. Comprehensive measure will include custom, site-specific, individually screened measures not offered as standard measures in the program. Specifically excluded will be: a) all lighting measures except for new fixtures not available as standard measures installed with a redesign of the space lighting layout (eg. using KnowHow Guides or photometric analysis) and daylight dimming automatically controlled with photocells, b) standard HVAC tune-up program services, and c) standard program refrigeration measures (eg anti-sweat heater, evaporator fan controls and novel cooler controls). (results are scalable in whole units)</b>									
Small C&I Retrofit Program Comprehensiveness #1a - Threshold: 9 % of the completed projects for 2006 Small Business will include "comprehensive" measures.	9%	\$23,772							
Small C&I Retrofit Program Comprehensiveness #1b - Design: 11 % of the completed projects for 2006 Small Business will include "comprehensive" measures.			11%	\$31,696					
Small C&I Retrofit Program Comprehensiveness #1c - Exemplary: 13 % of the completed projects for 2006 Small Business will include "comprehensive" measures.					13%	\$34,866			
<b>Small C&amp;I Retrofit Program #1 results:</b>							13.4%	Exemplary	\$34,866

	Target Levels						Actual Units/Task Achieved 2006	Level Achieved 2006	After Tax Incentive 2006
	Threshold		Design		Exemplary				
	Units/ Task	Dollars	Units/ Task	Dollars	Units/ Task	Dollars			
<b>Custom Non-Electric Benefits #1: In 2006, secure commitments (ie customer has signed an application) or complete installations for "X" number of industrial or non-industrial projects where non-electric resource or non-resource benefits are identified and quantified. Technical Assessments of customers' operations will identify the associated non-electric benefits. Custom Non-Electric Benefits refer to benefits other than the electrical savings that are associated with electric energy efficiency projects in commercial and industrial customer facilities. Such benefits, identified in the course of custom project technical assessments include fossil fuel savings (oil and gas), solid waste reduction and disposal and water and sewer reductions, and non-resource benefits which may be directly attributable to the project (er X# of jobs retained, comfort, productivity, etc.) (results are scalable in whole units)</b>									
Custom Non-Electric Benefits #1a - Threshold: Secure 20 customer commitments.	26	\$23,772							
Custom Non-Electric Benefits #1b - Design: Secure 22 customer commitments.			29	\$31,696					
Custom Non-Electric Benefits #1c - Exemplary: Secure 24 customer commitments.					31	\$34,866			
<b>Custom Non-Electric Benefits #1 results:</b>							<b>31</b>	<b>Exemplary</b>	<b>\$34,866</b>
<b>Subtotal for Commercial &amp; Industrial Metrics:</b>		<b>\$202,060</b>		<b>\$269,413</b>		<b>\$296,354</b>			<b>\$249,609</b>
<b>Total for Residential, Low Income and C&amp;I Metrics:</b>		<b>\$377,025</b>		<b>\$699,509</b>		<b>\$769,460</b>			<b>\$722,715</b>