

Conservation and Load Management Plan 2008

**Submitted jointly by:
The Connecticut Light and
Power Company
and
The United Illuminating
Company**

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CHAPTER ONE: OVERVIEW

In accordance with Connecticut General Statutes § 16-245m, The Connecticut Light and Power Company (“CL&P”) and The United Illuminating Company (“UI”) (together referred to as the “Companies”), submit this Conservation & Load Management (“C&LM”) comprehensive plan (“Plan”) for the implementation of cost-effective energy efficiency programs and market transformation initiatives during 2008. The 2008 C&LM Plan conforms to the directives of the Department of Public Utility Control (“Department” or “DPUC”) in its decisions in prior dockets relating to C&LM program delivery. The 2008 Plan is based on advisement and review by the Energy Conservation Management Board (the “ECMB”). This comprehensive plan includes programs funded through the Connecticut Energy Efficiency Fund (the “Fund”), the provisions of Public Act 05-1, *An Act Concerning Energy Independence* and also addresses programs enacted in Public Act 07-242, *An Act Concerning Electricity and Energy Efficiency*.

Previous Plans have been affected by the General Assembly’s 2003 decision to divert resources from the Fund to the state’s General Fund and the subsequent decision to allow the Department to authorize bonding. The bonds, issued in June 2004, resulted in a one-third reduction in overall C&LM program funding through 2011. The recently enacted Public Act PA 07-242 provides for restoration of the Fund beginning in the middle of 2008. The total amount restored pertains to future dollars and not for funds diverted in past years.

Connecticut’s energy markets have been in a constant state of evolution since the last filing which presents challenges and opportunities for the Fund. A positive example was the Companies participation in the Independent System Operator-New England’s (“ISO-NE”) Transition Period Forward Capacity Market (“FCM”) for Other Demand Resources (“ODR”). The Locational Installed Capacity (“LICAP”) settlement agreement of June 16, 2006 established an alternative capacity market in lieu of the ISO-NE proposed LICAP capacity market. This alternative capacity market, the FCM, contains a transition period from December 2006 through May 2010 and the full FCM begins in June 2010. The bidding process for new capacity takes place three years ahead of when the capacity is required. Thus, the Transition Period was established to allow adequate time for these resources to be developed and come online. The Companies were active participants in the stakeholder process that fully integrate demand resources, including energy efficiency and load management, into the FCM. This new capacity market allows market participants to enter their peak demand savings into the capacity market during the Transition Period and bid them into the full FCM. Capacity payments are earned for qualifying resources such as energy efficiency, load response, distributed generation or load management. The Companies have entered the peak demand savings from their energy efficiency and load management projects into the Transition Period FCM on behalf of the Fund. This activity has already earned the Fund over \$1.2 million since the inception of the Transition market (December 2006 -July 2007).

The Companies' efforts in the new capacity markets continued when each Company submitted a Qualifications Package in June 2007 on behalf of the Fund for bidding into ISO-NE's first Forward Capacity Auction ("FCA1"). This was a preliminary step in the process defined by ISO-NE in order to qualify for the full FCM which begins in New England on June 1, 2010. A significant component of the Qualifications Package was the creation of a Measurement and Verification Plan ("M&V Plan"). Each Company submitted M&V Plans for their respective capacity resources. Fundamental to each plan were the Companies' Program Savings Documentation ("PSD") manuals which are the source documents substantiating energy and demand savings for all qualified measures for Fund programs. Acceptance of capacity resource bid awards are expected in October 2007 with the auction scheduled for February 28, 2008. This bidding process will continue each year going forward for future forward capacity auctions.

As electricity prices continue to rise, driven by a combination of factors including higher natural gas prices and federally mandated congestion charges, plus summer peak demand growing faster than average energy consumption, more and more emphasis is being placed on energy efficiency, load management and load response as viable resources to reduce peak demand and consumption, (i.e., in terms of the megawatt value it provides). These high electricity prices combined with the volatility of the oil and liquefied natural gas ("LNG") producing nations of the world and the geopolitics of all global energy markets, including the electricity markets, have made energy efficiency an increasingly important tool for consumers to control their energy costs as well as provide a degree of energy security.

The benefits from energy efficiency also provide positive impacts on the environment and related environmental security issues. The increasing awareness of the effect of greenhouse gases on global climate change has thrust energy efficiency to the forefront as the key strategy to mitigate the effects of greenhouse gas emissions. Energy efficiency and load management programs can serve these multiple needs as a critical tool in helping strengthen Connecticut's energy portfolio while improving our environment.

Energy Conservation Management Board

As required by the Department and the Connecticut General Statutes §16-245m, the Companies developed the 2008 Plan in conjunction with the ECMB and its consultants. To ensure maximum value to customers in a lean budget year, the Companies worked extensively with the ECMB, its consultants and the Department to maximize the value and efficiency of C&LM programs and services for 2008.

In 2005, Public Act 05-1, *An Act Concerning Energy Independence* ("EIA") created new duties for the ECMB. The ECMB reviews the plans of the municipal electric utilities and also reviews the plans of the natural gas distribution companies. In addition to its work with the electric and gas utilities, the ECMB continues to collaborate and coordinate with the Connecticut Clean Energy Fund where there are synergies.

As required by state statute, the ECMB holds public meetings on a regular basis and receives public input. In its September 19, 2001 Final Decision in Docket No. 01-01-14, the Department adopted the ECMB's process for obtaining public comment ("Roadmap Process"). Pursuant to the Roadmap Process, the ECMB has received public comment in connection with the 2008 Plan. For the 2008 Plan, the ECMB solicited public involvement at the onset of the development process to allow public comments to be incorporated throughout the planning process. In addition, a standard public comments meeting was held on July 11, 2007 to allow the public the opportunity to provide input to the ECMB 2008 planning process.

There are many sections of the 2007 Energy Act that may result in significant changes for Connecticut. This includes the creation of an integrated resource planning process that will be reviewed by the Connecticut Energy Advisory Board ("CEAB") and implemented by the DPUC. This plan will look at three, five and ten-year planning scenarios. The plan requires that all cost-effective energy efficiency measures be implemented. This creates the potential for more energy efficiency installations in the future. The 2007 Act has numerous other provisions that clearly position energy efficiency as the premier energy resource in Connecticut. The implementation of the Integrated Resource Plan ("IRP") by the Department will shape the direction of energy efficiency programs in Connecticut in the future. The Companies are required to submit this plan to the CEAB in January and after review by the CEAB, this plan goes to the Department to implement.

Portfolio Plan and Relationship to EIA and Other Dockets

The 2008 Plan combines the Fund, the EIA demand resource initiatives, and demand resources funded by other potential funding sources such as the FCM into a coordinated, integrated effort. This integration of efforts will be represented in a 2008 "portfolio plan" for C&LM and other demand resources for Connecticut. The Companies and ECMB recommend that the Department review the 2008 portfolio plan in one docket.

The Companies and the ECMB believe it is essential to have a coordinated, integrated effort represented in one portfolio plan for 2008. Doing so will maximize the effectiveness of Fund programs and other initiatives, reduce customer and vendor confusion in the marketplace resulting from multiple offerings, increase customer and vendor participation in the programs and initiatives, and ensure efficiency in program focus and delivery.

To achieve this integration and realize the associated efficiencies, the proposed 2008 Plan filings will be provided with additional budget sources included. First, the Companies are filing the proposed 2008 Fund programs and EIA near-term measures (previously approved under Docket No. 05-07-14PH1). Second, the Companies will include additional demand resources and initiatives funded from other sources, such as the FCM, and Class III Renewable Energy Credits. The ECMB

recommends that the Department review the 2008 Plan as a composite body of work with all of these elements in one integrated filing.

Strategic Focus

The strategic focus of the Companies' Fund programs is the result of a multi-level collaborative process involving the Companies and a diverse group of stakeholders. These stakeholders include: the Department, the ECMB, Connecticut state government, consumer and business interests, national and regional environmental and energy efficiency organizations, design professionals and energy services providers.

The Companies participate in national and regional activities to develop a long-range focus for energy efficiency. The organizations include the Consortium for Energy Efficiency ("CEE"), the American Council for an Energy-Efficient Economy ("ACEEE"), Northeast Energy Efficiency Partnerships ("NEEP") and other utility and public benefit fund organizations. The activities include market baseline research, development of efficiency standards, exchange of programmatic ideas and concepts and the assessment of the need for incentives. These efforts have produced many of the energy efficiency concepts and measures upon which the programs are based.

Awards and Recognition

The Companies have developed and instituted many award-winning programs that have received national attention and praise for their quality and performance. In June 2007, the ACEEE issued its 2006 State Energy Efficiency Scorecard. The ACEEE, a non-profit organization, promotes energy efficiency as a means of furthering economic prosperity and environmental protection. The organization works closely with the U.S. Department of Energy ("DOE"), U.S. Environmental Protection Agency ("EPA") and other federal agencies as well as those in the private sector. The 2006 Scorecard ranked the 50 states on the success of their energy efficiency programs. Connecticut was **ranked No. 1** in a tie ranking with California and Vermont for excellence in its energy efficiency programs.

The ACEEE noted that these three top-ranked states spend three times more on energy efficiency programs as the federal government and lead on a number of key policy issues. In their effort to document and recognize best practices, the ACEEE ranked each state according to the following eight policy categories:

- 1) Spending on Utility and Public Benefits Energy Efficiency Programs
- 2) Energy Efficiency Resource Standards
- 3) Combined Heat and Power
- 4) Building Energy Codes
- 5) Transportation Policies
- 6) Appliance and Equipment Efficient Standards

- 7) Tax Incentives
- 8) State Lead by Example and R&D

In addition to the No. 1 ranking, CL&P and the Fund received several specific national awards and recognition from the ACEEE for individual programs. The Energy Conscious Blueprint, Energy Opportunities and Small Business Energy Advantage programs received “Exemplary Program” recognition awards. CL&P’s Process Reengineering for Increased Manufacturing Efficiency (“PRIME”) and Home Energy Solutions programs received “Honorable Mention” awards for their successes. In addition, NEEP and its sponsors, including CL&P and UI, received an “Exemplary Program” award from the ACEEE for the Northeast ENERGY STAR® Lighting and Appliance Initiative.

In 2007, the EPA also recognized NEEP and its sponsors, including CL&P and UI, with an ENERGY STAR® Award for Excellence in Energy Promotion for implementing a powerful, fully integrated advertising and market promotion in support of the national ENERGY STAR® “Change a Light, Change the World” campaign. Promotional events were held at more than 200 Shaw’s Supermarkets, helping to get energy-efficient bulbs into the stores consumers shop in most frequently. The promotion secured almost 80,000 pledges during the campaign, with an estimated savings of over \$2.2 million dollars in energy costs, and avoiding the release of over 35.3 million pounds of greenhouse gases.

In addition to these awards, CL&P received a Silver Connecticut Innovation Prize from the Connecticut Quality Improvement Award Partnership, Inc. (“CQIA”) for its Small Business Energy Advantage program. CL&P and UI also received a Silver Connecticut Innovations Prize from the CQIA for their eesmarts program.

Finally, CL&P and UI received an Outstanding Achievement Award from the EPA for their ENERGY STAR Homes Program. In addition, Chartwell recognized UI and the Small Business Program On-Bill Financing in its “Best Practices for Utilities and Energy Companies New and Case Studies on Management Practices and Technology Solutions in Retail Energy Sales, Service and Delivery.”

Collaborative Stakeholder Process and Quality Control

In developing the Plan, the Companies work with each other, Department staff, the ECMB and its consultants, and other Connecticut stakeholders to determine the appropriate areas and levels of emphasis and funding to best serve Connecticut’s needs. There continues to be high levels of cooperation and collaboration between the Companies to develop programmatic consistency and coordinated implementation where appropriate.

The collaborative efforts also carry beyond the strategic aspects of the programs into implementation. The Companies’ partnerships actively seek the assistance and involvement of design professionals

and trade-allies in implementing the programs. The community of design professionals is a major participant in bringing the programs to the new construction market and effectively achieving market penetration. Trade-ally knowledge of program benefits helps to produce many of the energy efficiency gains in existing facilities and industrial processes. Regional programs have increased market impact by leveraging the combined efforts of multiple efficiency programs. In the residential arena, partnerships with the EPA, the DOE and other efficiency programs built around the ENERGY STAR® brand have led to increased levels of market transformation, an example of which are the recent increases in washing machine and refrigerator efficiency standards. These regional efforts would have been virtually impossible without the collaborative efforts to develop efficiency standards described above.

To ensure high-quality Fund programs are provided to Connecticut's electric consumers, the Companies employ a professional staff and management which utilize technical, procedural and accounting systems to oversee and implement the programs. Through close coordination between the Companies and the ECMB consultants, programs are continually modified and improved to reflect the latest market trends. Company staff and third-party energy engineering consultants evaluate project and program energy and economic assumptions to determine cost-effectiveness, and inspect projects after implementation to assure compliance. Programs are evaluated by independent consultants to assess their effectiveness and the persistence of the energy savings. The Companies use the results of these evaluations to continually improve program offerings by reinforcing areas of success and strengthening weaknesses.

The Companies also continue to work with the Connecticut Clean Energy Fund ("CCEF") to further develop program linkages. Recent collaborative efforts have resulted in the development of customer participation protocols for CCEF projects. CL&P and the Fund continue to work with the CCEF on a joint Clean and Efficient Energy Exhibit at the new Connecticut Science Center in Hartford. The Connecticut Science Center is scheduled to open in Fall 2008.

Forward Capacity Market

During 2002, in response to transmission and generation capacity and reliability problems in Southwest Connecticut¹ ("SWCT"), the focus of Fund programs was shifted away from providing solely energy savings to program features that provide savings in energy and capacity. These same program strategies that provide capacity resources to help address reliability problems will also be valuable strategies to help mitigate federally mandated congestion charges ("FMCC") costs.

The year 2006 was a year of change for the energy markets and the energy stakeholders that serve Connecticut. The proposed capacity market based on LICAP was replaced by a FERC approved settlement that establishes a redesigned wholesale electric capacity market in New England designed to encourage the maintenance of current power plants and construction of new generation facilities.

¹ See Chapter Five: Activities in Southwest Connecticut for a list of the SWCT towns.

ISO-NE, operator of the region's bulk power system and wholesale electricity markets, will project the energy needs of the region three years in advance and then hold an annual auction to purchase power resources to satisfy the region's future needs. These resources include increased electricity supply from power plants or decreased electricity use through demand-side management resources. ISO-NE has included these demand-side resources as eligible capacity in the FCM. The FCM has become a source of additional revenues to support Fund programs that provide peak demand reductions, and that funding should continue to grow as additional capacity resulting from the implementation of Fund program projects is entered into the FCM.

ISO-NE will hold the first forward capacity auction in February 2008, with the resources being paid roughly two and one-half years later – in June 2010. In response to ISO-NE solicitation for proposals for FCA1, CL&P's C&LM Department submitted three new demand-response resource/energy efficiency projects that will decrease electricity use. Per ISO-NE requirements, detailed Project Qualification Packages that included M&V Plans were submitted.

The purpose of ISO-NE's required M&V activity is to verify that energy efficiency measures promoted by the programs were actually installed, are still in place and functioning as intended and to measure the reduction in electrical demand compared to some baseline pattern of use. ISO-NE requires the M&V Plan to identify and justify the M&V methodologies that will be used. Selection of the following M&V methodology options for each energy efficiency program is provided in a table within the M&V Plan with an accompanying rationale discussion.

For example:

- Partially measured retrofit isolation/stipulated measurement;
- Retrofit isolation/metered equipment;
- Whole facility/regression;
- Calibrated simulation; and
- Other, if equivalent.

The Companies' PSD serves as the underpinning of the demand reduction value calculations, and will reflect findings of the most recent, applicable M&V and evaluation studies relating to each program and end-use comprising the project. When substantive changes occur or are anticipated, the project sponsor will undertake a new study in order to obtain updated findings to update the PSD and tracking systems.

The 2008 Plan continues the increased focus on summer peak capacity savings begun in 2002. Although the program budgets have been reduced as a result of the diversion of funding due to legislative actions, the budget focus has been on programs that provide the greatest amount of capacity and energy savings. The ultimate structure of the FCM is still evolving. This focus on both short- and long-term capacity and energy savings provides a framework that provides benefits to customers regardless of how the capacity markets evolve.

The 2008 Plan focuses on the implementation of measures that can reduce FMCCs in the near-term. An important element of this focus is the Fund's continued support for the ISO-NE Load Response programs. The Companies will actively promote customer enrollment in the ISO-NE Load Response Programs through the use of customer Load Curtailment and Emergency Generation and offer incentives to customers who curtail load during peak demand periods by performing load-reducing actions such as switching off non-critical loads or setting forward cooling temperature set points. The support for this ISO-NE program, ordered by the DPUC several years ago, is especially important in this FCM transitional period. The Companies are working diligently to maintain the customer enrollments established through years of effort and transition these resources to the new capacity markets. Continuation of the supplemental incentives for these resources is a critical part of that effort.

The Companies will continue to promote core energy efficiency programs that include other Commercial and Industrial ("C&I") programs and Residential programs which provide direct benefits to customers while also reducing FMCCs in a focused and cost-effective manner for Connecticut customers. The Plan puts special emphasis on Residential and C&I cooling measures, C&I lighting measures, and industrial process measures. Continued funding for the core energy efficiency programs will reduce FMCCs for all customers and provide tools and assistance to help them better manage their energy costs. In addition, the Companies will actively promote the EIA's incentives to customers who install generating facilities.

Public Act 07-242, An Act Concerning Energy and Energy Efficiency

The 2007 Act established several initiatives and programs to significantly reduce electric power supply costs caused by inadequate transmission and generation in Connecticut's power infrastructure. The 2007 Act provides C&LM incentives that are intended to encourage businesses to conserve electricity, manage their electric load and to install energy-efficient equipment.

The Legislature also provided funding that will allow the State Treasurer to defease the rate reduction bonds beginning in May of 2008. This will allow the C&LM programs to return to operation at full funding.

There are many sections of the 2007 Act that may result in significant changes for Connecticut. This includes the creation of an integrated resource planning process that will be reviewed by the CEAB and implemented by the DPUC. That plan requires that all cost-effective energy efficiency measures be implemented. This creates the potential for more energy efficiency installations in the future. The new bill also creates "energy efficiency partners" that also has some potential to create more efficiency installations. The 2007 Act has numerous other provisions that clearly position energy efficiency as the premier energy resource in Connecticut.

In 2007, the Companies began working with the ECMB and the DPUC to implement various provisions of the 2007 Act that significantly impacted the current C&LM portfolio offerings and

required modifications to the programs described in the 2008 Plan. Initiatives related to the implementation of these provisions include:

- Develop and file analysis of energy and peak demand including the principal drivers and costs and benefits of demand-side management (“DSM”) technologies that can be deployed by energy partners.
- In coordination with the DPUC, develop a state-wide energy efficiency outreach and marketing campaign.
- Establish a rebate program for replacement of residential air conditioners.
- Develop a comprehensive residential conservation program.
- Conduct, through a third party, an update of the cost-effective potential for efficiency and other demand-side measures.
- Develop a comprehensive energy excellence plan and submit to the Energy and Technology (“E&T”) Committee.
- Report to the E&T Committee on the cost-effectiveness of rebates for furnaces and boilers.
- Report to the E&T Committee on results of A/C rebate program.
- Review the annual plan of the Fuel Oil Conservation Board.
- Include in the annual plan assistance to customers in managing loads and peaks and analysis of program impacts on state’s load factor.
- Include in the annual plan measures specified in procurement plan approved by DPUC.
- Revisions to the Class III Renewables program.

The Companies look forward to working with the ECMB and the DPUC to fully implement these initiatives and the related provisions of the 2007 Act in such a way as to maximize the benefits available to Connecticut’s consumers.

Conservation and Load Management Activities for SWCT

Beginning in the summer of 2002 and continuing through 2007, the Fund programs took specific actions to alleviate potential electricity shortages and reduce congestion in SWCT. The Department first addressed these issues in Docket No. 02-01-22. In the 2008 Plan, the Companies propose to

change focus and instead treat Connecticut as a whole versus the geographic targeting of past years. This change is due in part to the outstanding savings gained in 2006 of 76 MWs from the Fund programs, 235 MWs from EIA programs (primarily ISO-NE Demand Response) and the completion of a new transmission line for Connecticut from Bethel to Norwalk. These activities all significantly contributed to ISO-NE and FERC designating Connecticut as part of the price zone shared by the other New England states. This decision will dramatically reduce FMCC costs levied at the state.

For the remainder of 2007, many of the Fund programs and activities will continue to focus on and support that critical region, to enhance reliability and to reduce FMCCs. These activities target the 54 towns of SWCT in the Companies' service territories, and provide focused efforts in the 16 priority towns of the Norwalk-Stamford sub-area as designated by ISO-NE, while maintaining adequate Fund program implementation statewide. CL&P continues to fully staff the C&LM office it opened in Stamford in 2004 to provide additional and local support to the targeted critical towns in lower Fairfield County.

With the completion of the Bethel-Norwalk transmission projects to serve SWCT, the Companies will begin to review how C&LM efforts are targeted geographically, (e.g., less targeting of Fund resources to some currently constrained areas may be possible in the future).

New and Modified Activities for 2008

This is the ninth C&LM filing made by the Companies since passage of the State's restructuring legislation (Public Act 98-28). Since the original Plan in 2000, the Companies, the ECMB and the ECMB consultants have developed and provided award-winning programs that have received national recognition for quality and performance. These programs are aimed at key strategic objectives and maintain services to all classes of customers for a wide array of end uses.

The 2008 Plan builds upon the strengths of the past, recognizes immediate challenges, and adds elements in anticipation of future needs. The 2008 Plan is designed to provide the largest energy and demand savings while meeting the diverse needs of Fund stakeholders, legislative mandates and Department orders.

Code Changes

Residential

No Residential Code Changes for 2008.

Commercial & Industrial

2007 continued to be a learning year relative to the 2003 International Energy Conservation Code ("IECC") portion of the 2005 State Building Code. The 2003 IECC originally took effect in September 2004 and was re-adopted as part of the 2005 State Building Code. As part of their primary responsibility, industry professionals are learning to comply with the code and are becoming more comfortable with designs that allow them to go beyond code. In 2007, the Companies partnered with

the Connecticut Chapter of the American Society of Heating Refrigerating and Air-conditioning Engineers (“ASHRAE”) to sponsor a seminar that covered code compliance requirements from the design professional’s perspective.

The 2007 Energy Opportunities (“EO”) program and the Energy Conscious Blueprint (“ECB”) program were modified to increase their focus on achieving results beyond code. ECB employs a two-tiered approach. The first tier provides incentives for achieving lighting power densities that are 10% below code level. The second tier provides a higher incentive level for lighting power densities that are 30% below code levels. There is also a design bonus available for providing detailed design information and documentation and having lighting, cooling and power measures installed. The EO program rewards customers with a higher percentage of installed cost incentive for projects that replace lighting systems so that the lighting power density is 15% below code requirements. The EO program has helped focus customers and contractors on identifying those building and space types where going beyond code is both expedient and cost effective. These program structures are proving to be successful in increasing the focus on code requirements and will be continued in 2008.

However, the enforcement of the energy code remains a concern. The building officials, who are already stretched thin, place a low priority on the energy portion of the code. While some officials want a *COMcheck*^{TM2} report prior to accepting plans, most continue to look for the architect’s and engineer’s stamp to indicate code compliance. Without enforcement of the minimum code levels, it is difficult to encourage the smaller firms to learn the code and adjust their designs.

There also continues to be concerns about compliance with the interior lighting power density requirements, especially for out-of-state designers. These designers may not recognize that Connecticut’s code automatically includes the addenda to ASHRAE Standard 90.1-2001 and related printed documentation would not lead them to look for the addenda.

The Companies propose to address these issues through the following steps:

- The Companies continue to file energy savings and cost-effectiveness estimates based on the code standard for lighting.
- When completed, the Companies will incorporate changes to ECB and EO based on a market baseline assessment to ascertain actual practices in the market place and code compliance levels. As energy costs increase for Connecticut businesses, it is essential that Fund programs accurately estimate energy and demand savings. These research findings will also guide Fund programs in making their outreach and services more effective and of value to Connecticut businesses.

² The U.S. Department of Energy’s *COMcheck* software simplifies energy code compliance by offering a flexible computer-based alternative to manual calculations.

- The Fund's programs will continue to sponsor education and training to code officials, the commercial construction industry, and businesses and developers concerning the code change and opportunities for enhanced business performance under the ECB program.

Finally, C&I lost opportunity programs will continue evolving to leverage the baselines established by the code, increase the market's awareness of the code and the opportunities for improvement, and to encourage the C&I market to move to the next level of high-performance building and design practices.

Program Modifications-C&I

The 2007 EO Accelerated Chiller Retirement initiative to impact summer peak demand by identifying and removing old, inefficient chillers from the system was successful in achieving its goals. As a result, the initiative will not be continued in 2008. Customers wishing to install or replace chillers will continue to be eligible to participate under the 2008 ECB and EO program guidelines, as appropriate.

The Companies' C&I programs are being systematically reformed to a) assist Connecticut businesses in mitigating recent energy and demand cost increases, while b) motivating Connecticut's business community to incorporate energy-efficient practices into their business and operational practices. These changes should improve the sustainability and competitiveness of Connecticut's businesses and industries and constitute an effort by the Fund to move the competitive market for new construction, remodeling/renovations, architectural and engineering ("A/E") services, lighting design, and building operation and maintenance services to a level of high-performance and sustainability. In addition, the C&I programs are evolving into a one-stop, integrated design solution for all aspects of business operations and development practices that utilize energy.

The market response to the EO program's prescriptive Lighting Rebate program has shown that valuable energy savings are achievable with readily available standard T8 technologies and their inclusion in the program may benefit Connecticut customers. In 2008, the Companies will re-examine the prescriptive lighting rebate offerings and potentially offer incentives for appropriate standard T8 technologies through the EO program's prescriptive Lighting Rebate form.

The Demand Reduction program is being incorporated into the EO program beginning in 2008.

Operations & Maintenance ("O&M") Services Program

The Companies and the ECMB consultants have worked together to develop a long-term strategic framework for the O&M program by reviewing the successes and experiences of the current O&M Services program, retrocommissioning projects, and associated training and outreach activities. This strategic planning exercise explored opportunities for a more structured and integrated approach toward enhancing energy-efficient management behaviors among C&I customers. The strategic exercise found that the general areas of energy-related business practices and behaviors, and the

specific area of operations and maintenance, offer incremental opportunities for capturing additional demand and energy savings. These incremental opportunities serve to enhance the comprehensiveness and performance of the core Fund programs: namely, ECB, EO and Small Business Energy Advantage (“SBEA”), thereby increasing the persistence of savings for those programs, and encouraging Connecticut businesses and industries to take greater control and ownership of their energy management efforts. At the same time, the strategic planning exercise determined that the markets which serve the O&M programs (retrocommissioning, energy management and energy business practices) are complex consisting of multiple market segments, multiple agents within buildings and facilities, multiple service providers and multiple vendors, each creating various market barriers. As a result of these considerations, the Companies are working to develop a long range O&M strategic framework that will make incremental improvements to the O&M programs as a result of market research and piloting/testing promising concepts, technologies and services. In addition, the long range vision is to evolve the program to a comprehensive state that is more thoroughly integrated with the core Fund C&I programs over a multi-year period.

Some of the key themes of the long-term O&M strategy include the following:

- Consideration of the entire life cycle of a building, as a continuum, from design and construction to remodeling and reuse. The strategy leverages off of the natural (business/operational) events in the building’s natural life including design and construction; commissioning; equipment upgrades, replacement and retrofits; major remodels, renovations and additions; and tenant improvement or new tenants.
- Enhance the current O&M program activities through: better definition of O&M measures versus retrofit measures and their application; more targeted market approaches for O&M Services; evolving the O&M training portfolio to address additional O&M savings opportunities and market segments; and building on the lessons of the Retrocommissioning program pilot and expansion to a Retrocommissioning “light” service that is properly scaled for medium-sized businesses.
- Increasingly integrate O&M/business practices/energy management behavioral program activities with the core Fund C&I programs; namely, ECB, EO, and SBEA programs. The strategic framework would ensure that the O&M program offerings meet the varying needs of customers and leverage opportunities to engage the building operations market in all Fund C&I programs. Ultimately, the strategy foresees the likelihood of business management taking ownership of the efficient operation of their facilities.
- Leverage O&M program resources through business association, service provider and non-profit/educational institutional initiatives. To the extent possible, expand the access to O&M related training and services through existing products and service providers.
- Use training, certification and outreach to help build the capability and skill sets of market players, including building/facility owners and managers, building/facility operators, service contractors, A/E firms, trade associations, property management firms, including K-12 school facility maintenance staff. Through Fund monies, the Institute for Sustainable Energy (“ISE”) is

piloting a K–12 School Training Program in 2007 and based upon results a formal program may be developed.

Fund C&I Programs Vision Statement

The ECMB established a C&I Committee comprised of business, utility and agency representatives. The primary charge of the Committee was to conduct a strategic re-examination of the Fund’s C&LM C&I programs. As part of its deliberations, the Committee prepared a vision statement outlining the future evolution of the Fund C&I programs in the face of economic and competitiveness challenges to and opportunities for Connecticut’s businesses and manufacturers.

The Committee noted that businesses in the state of Connecticut, as in the rest of the nation, are confronted with extraordinary challenges to their competitiveness and future existence including rising energy costs and supply uncertainties, global competition, and global climate change and other environmental challenges. However, the Committee recognized that these challenges also offered businesses opportunities to improve their “energy productivity” and sustainability, and that Fund programs have long assisted businesses in cost-effectively improving the energy efficiency and load management of their buildings and facilities, thereby, contributing to the productivity and competitiveness of the business and the State.

The vision statement seeks to build on this strong history of accomplishments and evolve the C&I programs to better assist Connecticut’s businesses to adopt energy and load management as an integral and continuously improving part of their business operations and culture.

The overall Vision for the future evolution of the Fund’s C&I programs is to cost-effectively support a sustainable and competitive business climate for Connecticut’s businesses and industries based on bottom-line solutions for economic competitiveness, environmental stewardship, and social responsibility.

The Committee found that many businesses in Connecticut have already realized economic and competitive advantages through systemic and long-term implementation of energy efficiency measures. The vision seeks to highlight those successes and to integrate appropriate elements into the C&I program plans to achieve higher program penetration, continuing cost-effectiveness and transferability of these successes to other businesses and program areas.

The key themes of the Vision are for the C&I programs to:

- Promote bold and meaningful savings goals (15 – 30% +) through energy efficiency, load management and on-site generation that will help businesses to have a real impact on their energy bills, contribute to their productivity, and enhance their competitiveness.
- Achieve such large increments of efficiency through high-performance buildings, systems and industrial processes. A high-performance building or facility uses less energy, provides superior

indoor environmental quality, enhances worker productivity and well-being, and improves the bottom lines of developers, owners and tenants.

- Provide comprehensive business energy solutions that integrate energy efficiency, load management, distributed generation, renewable energy systems and designs, and other related initiatives into a cost-effective, comprehensive design solution for businesses.
- Support businesses in making energy management an integral part of their business practices and corporate culture through strategic energy management and continuous energy improvement.

This Vision supports maintaining the long range viability of Connecticut's business sector and recognizes the investment of Fund resources necessary to bring this Vision to fruition.

Program Modifications—Residential

The 2008 Plan expands upon several significant and notable modifications implemented in 2007 for the Companies' Residential programs. These program modifications are designed in reaction to changing efficiency standards and specifications, and in order to improve program focus and effectiveness.

The 2007 Act requires an air conditioner turn-in program for window air conditioners. As a result, the Companies have created the Room Air Conditioner Replacement program. This program is similar to the turn-in events run the Companies in past years which would require the collecting and recycling of old window air conditioning units. The program has gone out to bid and the Companies are awaiting responses from industry. These responses will shape the final design of the program and will be used to adjust rebate levels if necessary in order to make it pass cost-effectiveness screening. Currently, based on initial estimates, the program is marginally cost-effective especially when compared to other residential offerings.

In addition, the 2007 Act calls for \$500 rebates for ENERGY STAR central air conditioning systems (systems with a 14 SEER and 12.5 EER, or higher). Based on cost-effectiveness screening, the Companies are proposing an alternative incentive design which calls for a \$300 incentive on 14 SEER systems, but maintains a \$500 incentive for systems that are 15 SEER or higher. In recent years (since the federal baseline for equipment moved to 13 SEER), the Companies have scaled back equipment incentives and have focused their efforts on quality installation. For 2008, the Companies are budgeting sharp increases in funding for equipment rebates in order to comply with the rebate amounts and thresholds specified in the 2007 Act. Since performance and efficiency of systems is predicated on proper design and installation, the Companies will encourage all customers that receive equipment rebates to have their systems commissioned to verify proper design and installation. This will help ensure that the savings from higher efficiency equipment are realized. The increased funding for equipment rebates in 2008 will inhibit the Companies' efforts in other areas such as seeking negotiated cooperative promotions with equipment manufacturers as a mechanism to bring efficient equipment and cost-effective savings to the marketplace.

The Residential Retail Products program continues to influence consumer purchasing decisions using the established and effective strategy of negotiated cooperative promotions (mark downs) with retailers and manufacturers. The 2008 lighting program strategy will increase the mix of specialty bulbs, such as dimmables, reflectors and three-way lamps. The increasing federal standard for appliances intensifies the challenges associated with a per-unit rebate for those products and the Companies plan to explore creative mechanisms to reduce program costs and increase program impacts. The 2008 Plan eliminates blanket rebates for washers, however, short-term appliance promotions will be considered on a case-by-case basis. The Companies will maintain a presence in the retail marketplace by training sales staff and providing point-of-purchase marketing materials.

The Residential New Construction program also faces challenges. The 2008 Plan addresses concerns regarding the cost-effectiveness of the program by focusing on high performance homes (i.e., homes that qualify for the federal tax credit and near “zero energy” homes) and reducing support and incentives for homes that (only) reach the ENERGY STAR level. The program will still offer incentives for measures and practices that reduce peak savings such as duct sealing and high efficiency equipment.

The Community Based Program (“CBP”) will not be a stand-alone program in 2008. Through the CBP, CL&P has built strategic relationships with towns, chambers and other important stakeholders in Southwest Connecticut. In 2008, CL&P intends to fold the previous years’ CBP events and activities into other Fund programs. CL&P will continue to have a fully-staffed Stamford office that administers both C&I and residential programs and to continue its successful focus on the entire Norwalk-Stamford sub-area.

The Companies’ low-income programs (WRAP and UI Helps) have benefited from the insights gained by a third-party evaluation in the areas of program delivery, coordination, targeting and outreach. The Companies will continue to be active participants in the states weatherization programs including working with the Department of Social Services to reach out to those customers who are most at risk while staying actively engaged in the activities of State’s Low Income Energy Advisory Board and its Weatherization and Conservation Subcommittee.

High Energy Efficiency and Coordination with Renewable Energy Installations

The Companies also continue to work with the CCEF to further develop program linkages. Recent collaborative efforts have resulted in the development of customer participation protocols for CCEF projects. Increased coordination of energy efficiency and renewable energy efforts will lead to buildings and projects with larger reductions in energy use and peak demand.

Synergies of Natural Gas and Electric Programs

The electric distribution companies have a long and successful history of developing, deploying and administering energy efficiency programs in Connecticut. The integration, where appropriate, of

natural gas and electric programs makes it easier for customers to receive more services and benefits at a lower cost with greater convenience.

The synergies allow for a more streamlined approach to program delivery. For example, many of the same vendors can deliver services to both gas and electric customers thereby leveraging existing resources to serve more customers. Combining program delivery also provides opportunities for cross-promotion to common customers resulting in more cost-effective efforts. A partnership of the natural gas and electric utilities allows coordinated energy conservation services to be delivered and enhances the quality of the services provided. The natural gas companies have adopted the Home Energy Solutions program name for their general weatherization initiative and it is a partnership between the natural gas companies, CL&P and UI. In addition, CL&P's low-income WRAP program uses this partnership approach between CL&P and all the natural gas companies. Similarly, the UI Helps program relies on a partnership between UI and the Southern Connecticut Gas Corporation ("SCG").

Further leveraging of the natural gas and electric companies synergies occurs with the marketing and promotion of programs. In 2008, the marketing plan for electric energy efficiency programs includes natural gas conservation components. This includes bill inserts, direct mail, Web site links, some print advertising and trade shows, associations and Chamber events. The Companies work with utility Account Executives and Customer Service organizations to promote gas and electric conservation programs with customers. The Companies also utilize the vendor and business community to maximize tactical marketing opportunities where appropriate (i.e., Manufacturing Alliance of Connecticut, the Connecticut Business & Industry Association, the Business Council of Fairfield County, Chambers, Home Builders Association, Connecticut Heating and Cooling Contractors, SBEA vendors, etc.).

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BUDGET TABLES

Table A1

2008

CL&P/UI Proposed C&LM Budget

CL&P/UI C&LM BUDGET	2008		
	2008 CL&P Proposed Budget	2008 UI Proposed Budget	2008 CL&P/UI Total
RESIDENTIAL			
Residential Retail Products*	\$ 5,335,000	\$ 1,238,383	\$ 6,573,383
Room Air Conditioning Retirement*	\$ 1,552,000	\$ 750,000	\$ 2,302,000
Total - Consumer Products	\$ 6,887,000	\$ 1,988,383	\$ 8,875,383
Residential New Construction*	\$ 1,261,000	\$ 396,283	\$ 1,657,283
Home Energy Solutions (HVAC, Duct Sealing, Lighting)*	\$ 8,563,000	\$ 2,087,473	\$ 10,650,473
Low-Income (WRAP/UI Helps) *	\$ 6,839,664	\$ 1,558,400	\$ 8,398,064
Subtotal Residential	\$ 23,550,664	\$ 6,030,539	\$ 29,581,203
COMMERCIAL & INDUSTRIAL			
C&I LOST OPPORTUNITY			
Energy Conscious Blueprint*	\$ 10,319,845	\$ 2,921,718	\$ 13,241,563
Total - Lost Opportunity	\$ 10,319,845	\$ 2,921,718	\$ 13,241,563
C&I LARGE RETROFIT			
Energy Opportunities*	\$ 15,220,000	\$ 3,422,328	\$ 18,642,328
O&M (RetroCx, BOC, RFP)	\$ 1,890,000	\$ 362,351	\$ 2,252,351
Total - C&I Large Retrofit	\$ 17,110,000	\$ 3,784,679	\$ 20,894,679
Small Business*	\$ 7,460,000	\$ 2,010,612	\$ 9,470,612
Subtotal C&I	\$ 34,889,845	\$ 8,717,009	\$ 43,606,854
OTHER - EDUCATION **			
SmartLiving Center® - Museum Partnerships	\$ 100,000	\$ 334,246	\$ 434,246
K-8 Education*	\$ 200,000	\$ 282,202	\$ 482,202
Science Center	\$ 200,000	\$ -	\$ 200,000
Subtotal Education	\$ 500,000	\$ 616,448	\$ 1,116,448
OTHER - PROGRAMS/REQUIREMENTS			
Institute for Sustainable Energy (ECSU)*	\$ 240,000	\$ 45,000	\$ 285,000
C&LM Loan Defaults*	\$ 90,000	\$ 4,700	\$ 94,700
Subtotal Programs/Requirements	\$ 330,000	\$ 49,700	\$ 379,700
OTHER - LOAD MANAGEMENT			
ISO Load Response Program Support	\$ 480,000	\$ -	\$ 480,000
Water Heater Timer Promotion	\$ -	\$ 100,000	\$ 100,000
Power Factor	\$ 350,000	\$ -	\$ 350,000
Subtotal Load Management	\$ 830,000	\$ 100,000	\$ 930,000
OTHER - RENEWABLES & RD&D			
Research, Development & Demonstration*	\$ 350,000	\$ 125,000	\$ 475,000
Subtotal Renewables & RD&D	\$ 350,000	\$ 125,000	\$ 475,000
OTHER - ADMINISTRATIVE & PLANNING			
Administration	\$ 720,000	\$ 450,000	\$ 1,170,000
General Awareness "Take Charge**"	\$ 384,000	\$ 100,000	\$ 484,000
Planning (UI Planning & Evaluation)	\$ 480,000	\$ 334,000	\$ 814,000
Evaluation (UI Evaluation , Outside Services)	\$ 750,000	\$ 259,000	\$ 1,009,000
Information Technology	\$ 1,500,000	\$ 243,000	\$ 1,743,000
ECMB	\$ 380,000	\$ 210,000	\$ 590,000
Performance Management Fee	\$ 3,214,225	\$ 851,235	\$ 4,065,460
Admin/Planning Expenditures	\$ 7,428,225	\$ 2,447,235	\$ 9,875,460
PROGRAM SUBTOTALS			
Residential	\$ 24,297,864	\$ 6,760,138	\$ 31,058,002
C&I	\$ 35,946,645	\$ 8,808,558	\$ 44,755,203
Other**	\$ 7,634,225	\$ 2,517,235	\$ 10,151,460
TOTAL Note 1	\$ 67,878,734	\$ 18,085,931	\$ 85,964,665
Docket 05-07-14PH01 EIA Programs			
ISO Load Response Programs* Note 2	\$ 28,947,949	\$ 4,323,945	\$ 33,271,894
Residential HVAC	\$ -	\$ -	\$ -
Electric & Gas Efficiency	\$ 7,900	\$ -	\$ 7,900
General Awareness*	\$ 255,000	\$ 60,000	\$ 315,000
Direct Load Control*	\$ 1,000,000	\$ 700,000	\$ 1,700,000
Energy Opportunities	\$ -	\$ -	\$ -
Subtotal Docket 05-07-14PH01 EIA Programs	\$ 30,210,849	\$ 5,083,945	\$ 35,294,794
TOTAL C&LM and EIA	\$ 98,089,583	\$ 23,169,876	\$ 121,259,459

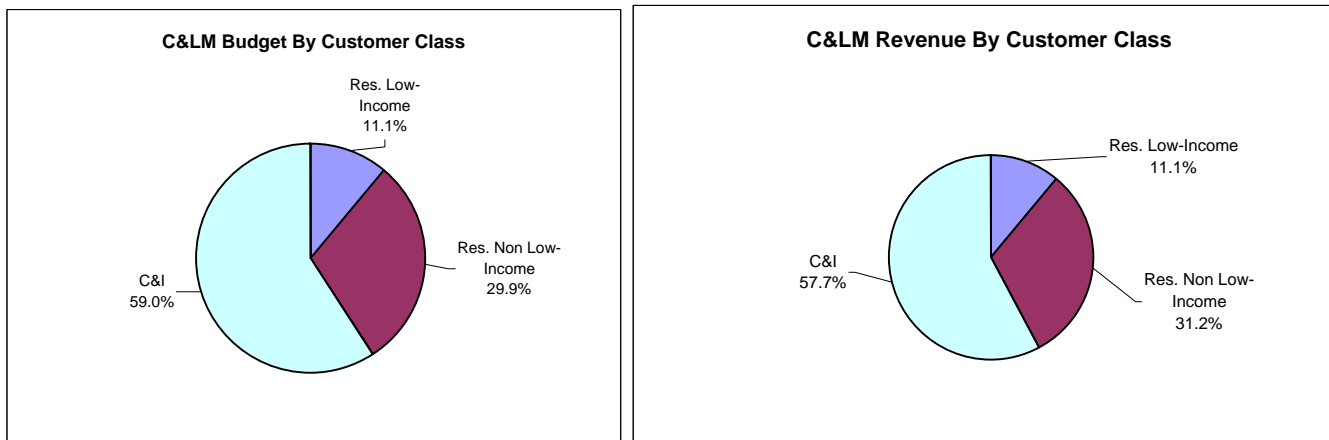
* Joint CL&P/UI Programs.

** OTHER -EDUCATION is primarily allocated to residential programs.

Note 1: Total 2008 funding comes from three sources: \$82M in CEEF collections (\$65.4M CL&P and \$16.6M UI), which includes full restoration of the fund beginning 5/1/08; FCM revenues of \$2.0M from ISO-NE ODR Transition Period Resources (\$1.5M CL&P and \$0.5M UI); and Class III revenues of \$2.0M (\$1.0M CL&P and \$1.0M UI).

Note 2: Includes ISO Load Response Curtailment, ISO Load Response Emergency Generation, GAP RFP Assistance Contracts and 3rd Party Vendor Contracts net of ICAP transition period payments.

Statewide (CL&P and UI) 2008 C&LM Budget and Parity Analysis
Table A1 Pie Chart



Customer Class	Budget (\$,000)	% of Total C&LM Budget	% of Residential & C&I Budget	% of Residential & C&I Revenue	Difference
Res. Low-Income	\$8,398,064	9.77%	11.08%	11.06%	0.02%
Res. Non Low-Income	\$22,659,938	26.36%	29.89%	31.16%	-1.27%
Residential Subtotal	\$31,058,002	36.13%	40.97%	42.22%	-1.25%
C&I	\$44,755,203	52.06%	59.03%	57.78%	1.25%
C&I Subtotal	\$44,755,203	52.06%	59.03%	57.78%	1.25%
Residential and C&I Subtotal	\$75,813,205	88.19%	100.00%	100.00%	0.00%
Other Expenditures					
Other Expenditures	\$10,151,460	11.81%			
Other Expenditures Subtotal	\$10,151,460	11.81%			
C&LM TOTAL	\$85,964,665	100.00%			
CL&P	\$67,878,734	78.96%			
UI	\$18,085,931	21.04%			

Totals may vary due to rounding.

Table A
2008 CL&P Proposed
C&LM Budget

CL&P C&LM BUDGET	2006 CL&P Decision Budget 6/15/06	2007 CL&P Proposed Budget 10/2/06	2007 CL&P Decision Budget 6/15/07	2008 CL&P Proposed Budget 10/01/07
RESIDENTIAL				
Residential Retail Products* Note 1	\$ 5,538,950	\$ 5,600,000	\$ 5,600,000	\$ 5,335,000
ENERGY STAR Appliances* Note 1	\$ -	\$ -	\$ -	\$ -
Appliance Retirement*	\$ 625,000	\$ -	\$ -	\$ -
Customer Initiated Projects*	\$ -	\$ -	\$ -	\$ -
Room Air Conditioning Retirement*	\$ -	\$ -	\$ -	\$ 1,552,000
Total - Consumer Products	\$ 6,163,950	\$ 5,600,000	\$ 5,600,000	\$ 6,887,000
Residential New Construction*	\$ 1,769,000	\$ 1,700,000	\$ 1,700,000	\$ 1,261,000
Home Energy Solutions (HVAC, Duct Sealing, Lighting)* Note 5	\$ 2,922,000	\$ 5,060,052	\$ 4,900,052	\$ 8,563,000
Low-Income (WRAP/UI Helps)*	\$ 5,850,000	\$ 6,000,000	\$ 6,000,000	\$ 6,839,664
Subtotal Residential	\$ 16,704,950	\$ 18,360,052	\$ 18,200,052	\$ 23,550,664
COMMERCIAL & INDUSTRIAL				
C&I LOST OPPORTUNITY				
Energy Conscious Blueprint*	\$ 12,316,230	\$ 12,417,000	\$ 12,417,000	\$ 10,319,845
Custom Services	\$ -	\$ -	\$ -	\$ -
Express Services (Cool Choice & Motors Only)	\$ -	\$ -	\$ -	\$ -
Total - Lost Opportunity	\$ 12,316,230	\$ 12,417,000	\$ 12,417,000	\$ 10,319,845
C&I LARGE RETROFIT				
C&I RFP *	\$ -	\$ -	\$ -	\$ -
Energy Opportunities	\$ 8,085,177	\$ 10,009,000	\$ 10,009,000	\$ 15,220,000
O&M (RetroCx, BOC)	\$ 3,456,000	\$ 3,124,000	\$ 3,284,000	\$ 1,890,000
Express (Lighting Rebate)	\$ -	\$ -	\$ -	\$ -
Municipal Energy & Schools	\$ -	\$ -	\$ -	\$ -
State Buildings Note 2	\$ -	\$ -	\$ -	\$ -
Total - C&I Large Retrofit	\$ 11,541,177	\$ 13,133,000	\$ 13,293,000	\$ 17,110,000
Small Business*	\$ 4,300,000	\$ 3,900,000	\$ 3,900,000	\$ 7,460,000
Alternative Standard Offer (ATSO)	\$ -	\$ -	\$ -	\$ -
Subtotal C&I	\$ 28,157,407	\$ 29,450,000	\$ 29,610,000	\$ 34,889,845
OTHER - EDUCATION **				
SmartLiving Catalog	\$ -	\$ -	\$ -	\$ -
SmartLiving Center® - Museum Partnerships	\$ 90,000	\$ 100,000	\$ 100,000	\$ 100,000
K-8 Education*	\$ 202,500	\$ 200,000	\$ 200,000	\$ 200,000
Residential Audits-Non WRAP	\$ 32,500	\$ -	\$ -	\$ -
Community Based Program (SWCT)*	\$ 202,000	\$ 225,000	\$ 225,000	\$ -
Contingency from SLC	\$ -	\$ -	\$ -	\$ -
Science Center	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
General Awareness Campaign	\$ -	\$ -	\$ -	\$ -
Subtotal Education	\$ 727,000	\$ 725,000	\$ 725,000	\$ 500,000
OTHER - PROGRAMS/REQUIREMENTS				
Institute for Sustainable Energy (ECSU)*	\$ 242,000	\$ 240,000	\$ 240,000	\$ 240,000
Energy Conservation Loan Fund*	\$ 120,000	\$ -	\$ -	\$ -
Heat Pump Water Heaters (Hot Shot/Wsaver)*	\$ 150,000	\$ -	\$ -	\$ -
Billing System Conversion: On-Bill Financing	\$ -	\$ -	\$ -	\$ -
C&LM Loan Defaults	\$ 54,000	\$ 60,000	\$ 60,000	\$ 90,000
Subtotal Programs/Requirements	\$ 566,000	\$ 300,000	\$ 300,000	\$ 330,000
OTHER - LOAD MANAGEMENT				
ISO Load Response Program Note 3	\$ 1,400,000	\$ 400,000	\$ 1,483,167	\$ 480,000
ISO Load Response Program Support	\$ -	\$ -	\$ -	\$ -
Water Heater Timer Promotion	\$ -	\$ -	\$ -	\$ -
Demand Reduction	\$ 407,000	\$ 400,000	\$ 400,000	\$ -
Power Factor	\$ 650,000	\$ 150,000	\$ 150,000	\$ 350,000
Wait Until 8:00	\$ -	\$ -	\$ -	\$ -
Subtotal Load Management	\$ 2,457,000	\$ 950,000	\$ 2,033,167	\$ 830,000
OTHER - RENEWABLES & RD&D				
Renewables Incentives	\$ -	\$ -	\$ -	\$ -
Research, Development & Demonstration*	\$ 315,000	\$ 400,000	\$ 400,000	\$ 350,000
Subtotal Renewables & RD&D	\$ 315,000	\$ 400,000	\$ 400,000	\$ 350,000
OTHER - ADMINISTRATIVE & PLANNING				
Administration	\$ 585,500	\$ 625,000	\$ 625,000	\$ 720,000
General Awareness "Take Charge"*	\$ -	\$ -	\$ -	\$ 384,000
Planning Note 4	\$ 1,300,000	\$ 488,000	\$ 488,000	\$ 480,000
Evaluation Note 4	\$ -	\$ 812,000	\$ 812,000	\$ 750,000
Information Technology	\$ 2,230,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
ECMB	\$ 250,000	\$ 250,000	\$ 250,000	\$ 380,000
Audit Note 2	\$ -	\$ 100,000	\$ 100,000	\$ -
Conversion of Load Management Fund	\$ -	\$ -	\$ -	\$ -
Carry Over From 2005	\$ -	\$ -	\$ -	\$ -
Performance Management Fee	\$ 2,652,143	\$ 2,680,503	\$ 2,680,503	\$ 3,214,225
Subtotal Admin/Planning Expenditures	\$ 7,017,643	\$ 6,455,503	\$ 6,455,503	\$ 7,428,225
PROGRAM SUBTOTALS				
Residential	\$ 17,603,550	\$ 18,980,052	\$ 18,820,052	\$ 24,297,864
C&I	\$ 30,766,807	\$ 30,565,000	\$ 31,808,167	\$ 35,946,645
Other**	\$ 7,574,643	\$ 7,095,503	\$ 7,095,503	\$ 7,634,225
TOTAL C&LM BUDGET	\$ 55,945,000	\$ 56,640,555	\$ 57,723,722	\$ 67,878,734
Securitization	\$ -	\$ -	\$ -	\$ -
Transfer to State Fund	\$ -	\$ -	\$ -	\$ -
Estimated Funds Carried Forward	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 55,945,000	\$ 56,640,555	\$ 57,723,722	\$ 67,878,734
Docket 05-07-14PH01 EIA Programs				
ISO Load Response Programs* Note 6, 7	\$ 17,746,864	\$ 19,335,968	\$ 19,335,968	\$ 28,947,949
Residential HVAC Note 8	\$ 3,150	\$ -	\$ -	\$ -
Electric & Gas Efficiency	\$ 476,735	\$ 895,000	\$ 895,000	\$ 790
General Awareness "Wait-Til-8"*	\$ 240,000	\$ 240,000	\$ 240,000	\$ 255,000
Direct Load Control* Note 9	\$ -	\$ -	\$ -	\$ 1,000,000
Subtotal Docket 05-07-14PH01 EIA Programs	\$ 18,466,749	\$ 20,470,968	\$ 20,470,968	\$ 30,210,849
TOTAL C&LM and EIA	\$ 74,411,749	\$ 77,111,523	\$ 78,194,690	\$ 98,089,583

* Joint CL&P/UI Programs.

** OTHER -EDUCATION is primarily allocated to residential programs.

Note 1: Retail Products includes Retail Lighting and ENERGY STAR Appliances.

Note 2: Audit Per Docket 05-06-05 Compliance Order No. 2.

Note 3: ISO-NE Load Response Customer payments are partially offset by ISO-NE Transition Period Payments, MW goal still remains.

Note 4: Planning and Evaluation activities split into separate budget line items.

Note 5: Residential HVAC program renamed "Home Energy Solutions" and is comprised of HVAC, Duct Sealing, Lighting, Energy Conservation Loan and Residential Audits.

Note 6: Includes ISO Load Response Curtailment, ISO Load Response Emergency Generation, GAP RFP Assistance Contracts and 3rd Party Vendor Contracts.

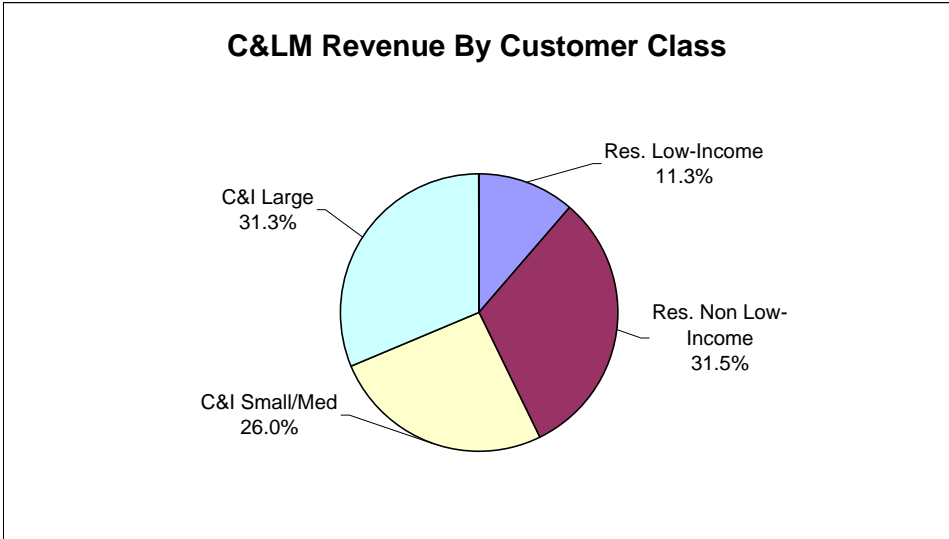
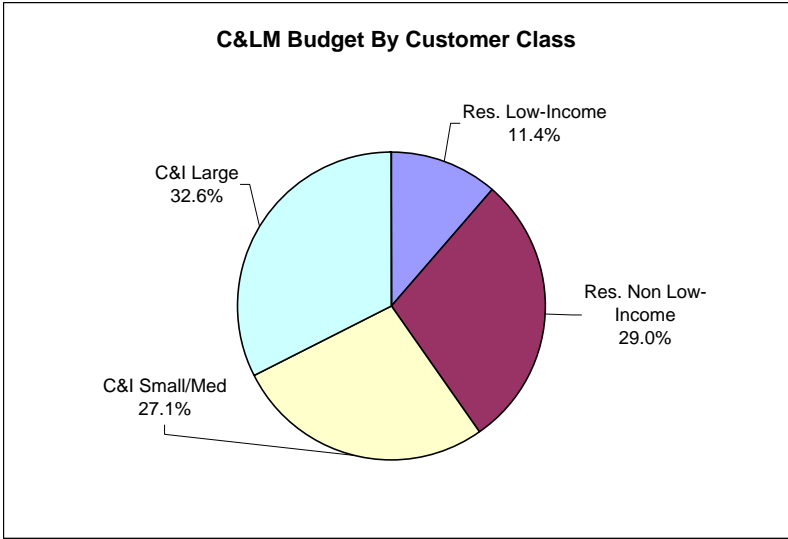
Note 7: 2006 ISO Load Response budgets include \$12.3 Million of additional program funding for Load Response via FMCC. 2007 & 2008 Load Response budgets include FMCC 1

Note 8: In its letter to the Department dated June 30, 2006, CL&P recommended shifting the \$1.4 million allocated for the EIA residential tune-ups to the more cost effective.

Load Response programs to help off-set the expected budgetary short-fall as a result of exceeding program target goals.

Note 9: Direct Load Control Program was approved in the May, 2007 Decision for Docket 06-10-02.

CL&P 2008 C&LM Budget and Parity Analysis



Customer Class	Budget	% of Total C&LM Budget	% of Residential & C&I Budget	% of Residential & C&I Revenue	Difference
Res. Low-Income	\$6,839,664	10.08%	11.35%	11.30%	0.05%
Res. Non Low-Income	\$17,458,200	25.72%	28.98%	31.46%	-2.48%
Residential Subtotal	\$24,297,864	35.80%	40.33%	42.76%	-2.43%
C&I Small/Med	\$16,319,777	24.04%	27.09%	25.99%	1.10%
C&I Large	\$19,626,868	28.91%	32.58%	31.25%	1.33%
C&I Subtotal	\$35,946,645	52.96%	59.67%	57.24%	2.43%
Residential and C&I Subtotal	\$60,244,509	88.75%	100.00%	100.0%	0.0%
Other Expenditures					
Other Expenditures	\$7,634,225	11.25%			
Other Expenditures Subtotal	\$7,634,225	11.25%			
C&LM TOTAL	\$67,878,734	100.00%			

Totals may vary due to rounding

TABLE B CL&P 2008 COMPARISON OF CONSERVATION PROGRAMS

COMPARISON OF CL&P CONSERVATION PROGRAMS FOR 2007

Program	Utility Costs 2008 (000)	% of Budget 2008	Customer Costs 2008 (000)	Total Resource Costs 2008 (000)	Electric System Benefit (000)	Total Resource Benefit (000)	Electric System B/C Ratio 2008	Total Resource B/C Ratio 2008	Goals # of Units	Units	Annualized Savings (MWh)	Lifetime Savings (MWh)	kW Impact (Y/E)	Demand Cost \$/kW	Demand Cost \$/kW-yr	Cost Rate \$/kwh Annualize	Utility Cost Ratio \$/LT-kWh
RESIDENTIAL																	
Residential Retail Products* Note 1	\$ 5,335	7.9%	\$ 1,307	\$ 6,642	\$ 50,824	\$ 69,277	9.5	10.4	1,853,493	Products	52,864	426,956	4,866	\$ 1,096	\$ 136	\$ 0.101	\$ 0.012
Room Air Conditioning Retirement	\$ 1,552	2.3%	\$ -	\$ 1,552	\$ 1,618	\$ 1,752	1.0	1.1	10,774	Units	719	4,655	1,150	\$ 1,350	\$ 208	\$ 2.160	\$ 0.333
Total - Consumer Products	\$ 6,887	7.9%	\$ 1,307	\$ 8,194	\$ 52,442	\$ 71,029	7.6	8.7			53,583	431,612	6,016	\$ 1,145	\$ 142	\$ 0.129	\$ 0.016
Residential New Construction*	\$ 1,261	1.9%	\$ 1,056	\$ 2,317	\$ 4,840	\$ 10,040	3.8	4.3	959	Homes	1,877	21,012	885	\$ 1,425	\$ 127	\$ 0.672	\$ 0.060
Home Energy Solutions (HVAC, Duct Sealing, Lighting)* Note 2	\$ 8,563	12.6%	\$ 955	\$ 9,518	\$ 25,244	\$ 28,539	2.9	3.0	14,170	Units	10,581	134,312	4,610	\$ 1,857	\$ 146	\$ 0.809	\$ 0.064
Low-Income (WRAP/UI Helps)*	\$ 6,840	10.1%	\$ 262	\$ 7,102	\$ 15,154	\$ 21,812	2.2	3.1	13,100	Customers	12,667	135,002	1,373	\$ 4,982	\$ 467	\$ 0.540	\$ 0.051
Subtotal Residential	\$ 23,551	32.4%	\$ 3,581	\$ 27,131	\$ 97,681	\$ 131,421	4.1	4.8			78,708	721,937	12,884	\$ 1,828	\$ 199	\$ 0.299	\$ 0.033
COMMERCIAL & INDUSTRIAL																	
C&I LOST OPPORTUNITY																	
Energy Conscious Blueprint*	\$ 10,320	15.2%	\$ 0	\$ 10,320	\$ 63,710	\$ 88,799	6.2	8.6	705	Customers	36,220	491,531	6,293	\$ 1,640	\$ 121	\$ 0.285	\$ 0.021
Total - Lost Opportunity	\$ 10,320	15.2%	\$ 0	\$ 10,320	\$ 63,710	\$ 88,799	6.2	8.6			36,220	491,531	6,293	\$ 1,640	\$ 121	\$ 0.285	\$ 0.021
C&I LARGE RETRO FIT																	
Energy Opportunities*	\$ 15,220	22.4%	\$ 18,280	\$ 33,500	\$ 79,052	\$ 91,969	5.2	2.7	736	Customers	44,034	627,553	8,493	\$ 1,792	\$ 126	\$ 0.346	\$ 0.024
O&M (Services, RetroCx) Note 3	\$ 1,890	2.8%	\$ 714	\$ 2,604	\$ 13,073	\$ 16,033	6.9	6.2	11	Customers	8,686	122,557	528	\$ 3,582	\$ 254	\$ 0.218	\$ 0.015
Large - C & I Retrofit	\$ 17,110	25.2%	\$ 18,993	\$ 36,103	\$ 92,124	\$ 108,003	5.4	3.0			52,721	750,110	9,021	\$ 1,897	\$ 133	\$ 0.325	\$ 0.023
Small Business*	\$ 7,460	11.0%	\$ 7,122	\$ 14,582	\$ 45,057	\$ 52,025	6.0	3.6	907	Customers	25,877	334,300	5,867	\$ 1,272	\$ 98	\$ 0.288	\$ 0.022
Subtotal C & I	\$ 34,890	51.4%	\$ 26,116	\$ 61,006	\$ 200,891	\$ 248,826	5.8	4.1			114,818	1,575,941	21,181	\$ 1,647	\$ 120	\$ 0.304	\$ 0.022
OTHER - EDUCATION **																	
SmartLiving Center® - Museum Partnerships	\$ 100	0.1%	\$ -	\$ 100													
K-8 Education*	\$ 200	0.3%	\$ -	\$ 200													
Community Based Program (SWCT)	\$ -	0.0%	\$ -	\$ -													
Science Center	\$ 200	0.3%	\$ -	\$ 200													
Subtotal Education	\$ 500	0.7%	\$ -	\$ 500	\$ -												
OTHER - PROGRAMS/REQUIREMENTS																	
Institute for Sustainable Energy (ECSU)	\$ 240	0.4%	\$ -	\$ 240													
C&LM Loan Defaults	\$ 90	0.1%	\$ -	\$ 90													
Total Programs/Requirements	\$ 330	0.5%	\$ -	\$ 330	\$ -												

Totals may vary due to rounding

TABLE B CL&P 2008 COMPARISON OF CONSERVATION PROGRAMS

COMPARISON OF CL&P CONSERVATION PROGRAMS FOR 2007																	
Program	Utility Costs 2008 (000)	% of Budget 2008	Customer Costs 2008 (000)	Total Resource Costs 2008 (000)	Electric System Benefit (000)	Total Resource Benefit (000)	Electric System B/C Ratio 2008	Total Resource B/C Ratio 2008	Goals # of Units	Units	Annualized Savings (MWh)	Lifetime Savings (MWh)	kW Impact (Y/E)	Demand Cost \$/kW	Demand Cost \$/kW-yr	Cost Rate \$/kwh Annualize	Utility Cost Ratio \$/LT-kWh
OTHER - LOAD MANAGEMENT																	
ISO Response Program <small>Note 4</small>	\$ 480	0.7%	\$ -	\$ 480	\$ 567	\$ 567	1.2	1.2	41	Customers	-	-	10,000	\$ 48	\$ 48	N/A	N/A
Power Factor	\$ 350	0.5%	\$ 296	\$ 646					38	Customers			N/A	N/A	N/A	N/A	N/A
Subtotal Load Management	\$ 830	1.2%	\$ 296	\$ 1,126	\$ 567	\$ 567	0.7	0.5			-	-	10,000	\$ 83			
OTHER - RENEWABLES & RD&D																	
Research, Development & Demonstration*	\$ 350	0.5%	\$ -	\$ 350													
Subtotal Renewables & RD&D	\$ 350	0.5%	\$ -	\$ 350	\$ -												
OTHER - ADMINISTRATIVE & PLANNING																	
Administration	\$ 720	1.1%															
General Awareness "Take Charge"	\$ 384	0.6%															
Planning and Evaluation	\$ 1,230	1.8%															
Information Technology	\$ 1,500	2.2%															
ECMB	\$ 380	0.6%															
Audit	\$ -	0.0%															
Performance Management Fee	\$ 3,214	4.7%															
Subtotal Admin/Planning Expenditures	\$ 7,428	10.9%															
PROGRAM SUBTOTALS																	
Residential	\$ 24,298										78,708	721,937	12,884				
C&I	\$ 35,947										114,818	1,575,941	21,181				
Other**	\$ 7,634										-	-	10,000				
TOTAL C&LM BUDGET	\$ 67,879		\$ 29,992	\$ 90,443	\$ 299,138	\$ 380,814	4.4	4.2			193,526	2,297,878	44,065				

* Joint CL&P/UI Programs.

** OTHER - EDUCATION is primarily allocated to residential programs.

Note 1: Beginning in 2006, Retail Lighting and ENERGY STAR Appliances were combined into one program - Residential Retail Products.

Note 2: Residential HVAC program renamed "CT Home Energy Solutions" and is comprised of HVAC, Duct Sealing, Lighting, Energy Conservation Loan and Residential Audits.

Note 3: O&M Services includes RetroCx (pilot program) budget and associated savings. O&M Program goals are based only on O&M Services budget and savings.

Note 4: ISO-NE Load Response Program Supplemental Payments proposed to be funded through the EIA Load Curtailment Program.

Totals may vary due to rounding

TABLE B1

CL&P 2008 COMPARISON OF PROGRAM BENEFITS

Program	Electric System				Non-Electric Benefits				Total Benefits
	Energy Benefits (000)	Capacity Benefits (000)	DRIPE (000)	Electric System Benefits (000)	Resource Benefits (000)	Non-Resource Benefits (000)	Emmissions Benefits (000)	Total Non-Electric Benefits (000)	Total Resource Benefits 2008 (000)
RESIDENTIAL									
Residential Retail Products* Note 1	\$ 35,382	\$ 4,974	\$ 10,468	\$ 50,824	\$ -	\$ 5,844	\$ 12,609	\$ 18,453	\$ 69,277
Room Air Conditioning Retirement	\$ 402	\$ 878	\$ 338	\$ 1,618	\$ -	\$ -	\$ 134	\$ 134	\$ 1,752
Total - Consumer Products	\$ 35,784	\$ 5,852	\$ 10,806	\$ 52,442	\$ -	\$ 5,844	\$ 12,743	\$ 18,587	\$ 71,029
Residential New Construction*	\$ 1,676	\$ 2,520	\$ 644	\$ 4,840	\$ 4,670	\$ 4	\$ 526	\$ 5,200	\$ 10,040
Home Energy Solutions (HVAC, Duct Sealing, Lighting)* Note 2	\$ 10,808	\$ 10,725	\$ 3,711	\$ 25,244	\$ -	\$ -	\$ 3,295	\$ 3,295	\$ 28,539
Low-Income (WRAP/UI Helps)*	\$ 10,565	\$ 2,046	\$ 2,544	\$ 15,154	\$ 2,483	\$ 638	\$ 3,536	\$ 6,658	\$ 21,812
Subtotal Residential	\$ 58,833	\$ 21,143	\$ 17,705	\$ 97,681	\$ 7,153	\$ 6,486	\$ 20,100	\$ 33,740	\$ 131,421
COMMERCIAL & INDUSTRIAL									
C&I LOST OPPORTUNITY									
Energy Conscious Blueprint*	\$ 40,823	\$ 13,577	\$ 9,309	\$ 63,710	\$ (1,109)	\$ 14,390	\$ 11,808	\$ 25,089	\$ 88,799
Total - Lost Opportunity	\$ 40,823	\$ 13,577	\$ 9,309	\$ 63,710	\$ (1,109)	\$ 14,390	\$ 11,808	\$ 25,089	\$ 88,799
C&I LARGE RETRO FIT									
Energy Opportunities*	\$ 51,408	\$ 16,036	\$ 11,608	\$ 79,052	\$ (3,793)	\$ 1,432	\$ 15,278	\$ 12,918	\$ 91,969
O&M (Services, RetroCx) Note 3	\$ 10,284	\$ 963	\$ 1,826	\$ 13,073	\$ -	\$ -	\$ 2,961	\$ 2,961	\$ 16,033
Large - C & I Retrofit	\$ 61,692	\$ 16,999	\$ 13,433	\$ 92,124	\$ (3,793)	\$ 1,432	\$ 18,239	\$ 15,878	\$ 108,003
Small Business*	\$ 28,101	\$ 10,233	\$ 6,722	\$ 45,057	\$ (2,632)	\$ 993	\$ 8,607	\$ 6,968	\$ 52,025
Subtotal C & I	\$ 130,617	\$ 40,809	\$ 29,465	\$ 200,891	\$ (7,533)	\$ 16,815	\$ 38,654	\$ 47,936	\$ 248,826
OTHER - LOAD MANAGEMENT									
ISO Response Program Note 4	\$ -	\$ 567	\$ -	\$ 567	\$ -	\$ -	\$ -	\$ -	\$ 567
Power Factor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Load Management	\$ -	\$ 567	\$ -	\$ 567	\$ -	\$ -	\$ -	\$ -	\$ 567
TOTAL C&LM	\$ 189,449	\$ 62,519	\$ 47,169	\$ 299,138	\$ (380)	\$ 23,301	\$ 58,754	\$ 81,676	\$ 380,814

* Joint CL&P/UI Programs.

** OTHER - EDUCATION is primarily allocated to residential programs

Note 1: Beginning in 2006, Retail Lighting and ENERGY STAR Appliances were combined into one program - Residential Retail Products.

Note 2: Residential HVAC program renamed "CT Home Energy Solutions" and is comprised of HVAC, Duct Sealing, Lighting, Energy Conservation Loan and Residential Audits.

Note 3: O&M Services includes RetroCx (pilot program) budget and associated savings. O&M Program goals are based only on O&M Services budget and savings.

Note 4: ISO-NE Load Response Program Supplemental Payments proposed to be funded through the EIA Load Curtailment Program.

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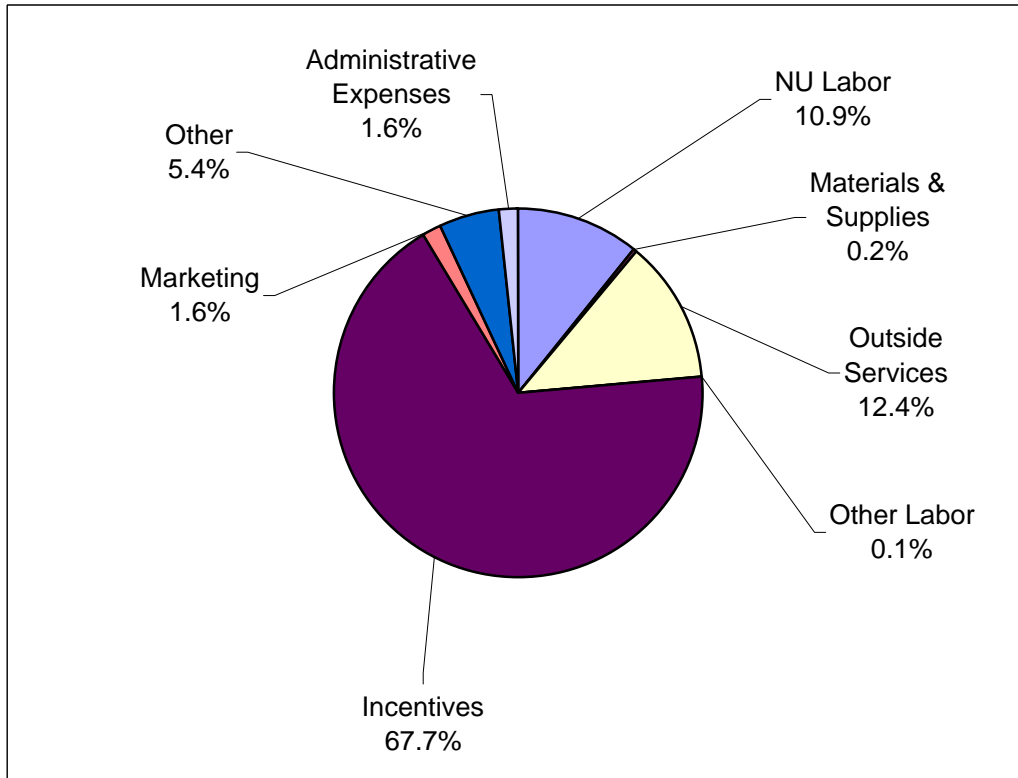
**Table C
CL&P 2008 C&LM Budget Details**

CL&P C&LM BUDGET (\$000)	CL&P Labor	Materials & Supplies	Outside Services	Contractor Labor	Incentives	Marketing	Other ***	Administrative Expenses	TOTAL
RESIDENTIAL									
Residential Retail Products*	\$ 124	\$ 12	\$ 1,072	\$ -	\$ 3,497	\$ 600	\$ 20	\$ 10	\$ 5,335
Room Air Conditioning Retirement*	\$ 64	\$ -	\$ 485	\$ -	\$ 948	\$ 50	\$ -	\$ 5	\$ 1,552
Total - Consumer Products	\$ 188	\$ 12	\$ 1,557	\$ -	\$ 4,445	\$ 650	\$ 20	\$ 15	\$ 6,887
Residential New Construction*	\$ 163	\$ 3	\$ 192	\$ -	\$ 863	\$ 30	\$ 5	\$ 5	\$ 1,261
Home Energy Solutions (HVAC, Duct Sealing, Lighting)*	\$ 608	\$ 17	\$ 1,166	\$ -	\$ 6,620	\$ 85	\$ 56	\$ 11	\$ 8,563
Low-Income (WRAP/UI Helps)*	\$ 650	\$ 20	\$ 740	\$ 15	\$ 5,300	\$ 100	\$ -	\$ 15	\$ 6,840
Subtotal Residential	\$ 1,609	\$ 52	\$ 3,655	\$ 15	\$ 17,228	\$ 865	\$ 81	\$ 46	\$ 23,551
COMMERCIAL & INDUSTRIAL									
Energy Conscious Blueprint*	\$ 1,470	\$ 9	\$ 838	\$ -	\$ 7,800	\$ 126	\$ 29	\$ 48	\$ 10,320
Total - Lost Opportunity	\$ 1,470	\$ 9	\$ 838	\$ -	\$ 7,800	\$ 126	\$ 29	\$ 48	\$ 10,320
C & I LARGE RETROFIT									
Energy Opportunities*	\$ 1,567	\$ 3	\$ 226	\$ -	\$ 13,355	\$ 15	\$ 4	\$ 50	\$ 15,220
O&M (RetroCx,BOC,RFP)	\$ 298	\$ 11	\$ 510	\$ -	\$ 1,027	\$ 17	\$ 7	\$ 20	\$ 1,890
Total - C&I Large Retrofit	\$ 1,865	\$ 14	\$ 736	\$ -	\$ 14,382	\$ 32	\$ 11	\$ 70	\$ 17,110
Small Business*	\$ 645	\$ 1	\$ 24	\$ -	\$ 5,939	\$ 43	\$ -	\$ 808	\$ 7,460
Subtotal C&I	\$ 3,980	\$ 24	\$ 1,598	\$ -	\$ 28,121	\$ 201	\$ 40	\$ 926	\$ 34,890
OTHER - EDUCATION **									
SmartLiving Center® - Museum Partnerships	\$ 44	\$ 12	\$ 20	\$ -	\$ 13	\$ 5	\$ -	\$ 6	\$ 100
K-8 Education*	\$ 42	\$ 10	\$ 132	\$ -	\$ -	\$ 14	\$ -	\$ 2	\$ 200
Science Center	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Subtotal Education	\$ 86	\$ 22	\$ 352	\$ -	\$ 13	\$ 19	\$ -	\$ 8	\$ 500
OTHER - PROGRAMS/REQUIREMENTS									
Institute for Sustainable Energy (ECSU)*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240	\$ -	\$ 240
C&LM Loan Defaults*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90	\$ -	\$ 90
Subtotal Programs/Requirements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330	\$ -	\$ 330
OTHER - LOAD MANAGEMENT									
ISO Load Response Program Support	\$ 100	\$ -	\$ 50	\$ -	\$ 319	\$ 5	\$ 1	\$ 5	\$ 480
Demand Reduction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Power Factor	\$ 53	\$ 2	\$ 3	\$ -	\$ 286	\$ 2	\$ 2	\$ 2	\$ 350
Subtotal Load Management	\$ 153	\$ 2	\$ 53	\$ -	\$ 605	\$ 7	\$ 3	\$ 7	\$ 830
OTHER - RENEWABLES & RD&D									
Research, Development & Demonstration [†]	\$ 105	\$ -	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 350
Subtotal Renewables & RD&D	\$ 105	\$ -	\$ 235	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ 350
OTHER - ADMINISTRATIVE & PLANNING									
Administration	\$ 543	\$ 26	\$ 84	\$ -	\$ -	\$ -	\$ 17	\$ 50	\$ 720
General Awareness "Take Charge"*	\$ -	\$ -	\$ 384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 384
Planning	\$ 465	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 5	\$ 480
Evaluation	\$ 260	\$ -	\$ 470	\$ -	\$ -	\$ 5	\$ 5	\$ 10	\$ 750
Information Technology	\$ 202	\$ 25	\$ 1,213	\$ 50	\$ -	\$ -	\$ -	\$ 10	\$ 1,500
ECMB	\$ -	\$ -	\$ 380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380
Performance Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,214	\$ -	\$ 3,214
Subtotal Admin/Planning Expenditures	\$ 1,470	\$ 56	\$ 2,531	\$ 50	\$ -	\$ 5	\$ 3,241	\$ 75	\$ 7,428
PROGRAM SUBTOTALS									
Residential	\$ 1,686	\$ 72	\$ 4,270	\$ 15	\$ 17,238	\$ 883	\$ 81	\$ 53	\$ 24,298
C&I	\$ 4,142	\$ 28	\$ 1,772	\$ -	\$ 28,729	\$ 209	\$ 133	\$ 934	\$ 35,947
Other	\$ 1,575	\$ 56	\$ 2,382	\$ 50	\$ -	\$ 5	\$ 3,481	\$ 85	\$ 7,634
TOTAL C&LM BUDGET	\$ 7,403	\$ 156	\$ 8,424	\$ 65	\$ 45,967	\$ 1,097	\$ 3,695	\$ 1,072	\$ 67,879

* Joint CL&P/UI Programs.

** OTHER -EDUCATION is primarily allocated to residential programs.

CL&P
2008 CONSERVATION & LOAD MANAGEMENT
C&LM Budget By Expense Class



Expense Classes	Budget	% of Budget
NU Labor	\$ 7,403	10.9%
Materials & Supplies	\$ 156	0.2%
Outside Services	\$ 8,424	12.4%
Other Labor	\$ 65	0.1%
Incentives	\$ 45,967	67.7%
Marketing	\$ 1,097	1.6%
Other	\$ 3,695	5.4%
Administrative Expenses	\$ 1,072	1.6%
	\$ 67,879	100.00%

Totals may vary due to rounding

Table D
CL&P Historical and Projected kW and kWh

Based on Currently Available Information

	Load Savings kW								
	2001 Actual (Estimate)	2002 Actual (Estimate)	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Goal	2008 Goal	Total
RESIDENTIAL									
Retail Products* Note 1	4,576	4,249	1,422	6,339	3,879	5,160	4,847	4,866	38,592
Appliance Retirement*	na	na	na	1,042	1,671	443	na	-	3,156
Customer Initiated Projects	na	na	na	22	na	na	na	1,150	1,172
Total - Consumer Products	4,576	4,249	1,422	7,403	5,550	5,603	4,847	6,016	42,920
Residential New Construction* Note 2	810	1,036	476	268	687	2,225	544	885	7,575
Home Energy Solutions (HVAC, Duct Sealing, Lighting)* Note 3	349	1,162	972	2,188	5,367	3,151	2,579	4,610	20,490
Low-Income (WRAP/UI Helps)*	599	740	427	652	828	1,110	1,442	1,373	7,715
Subtotal RESIDENTIAL	6,334	7,187	3,297	10,511	12,432	12,089	9,412	12,884	78,700
COMMERCIAL & INDUSTRIAL									
C&I LOST OPPORTUNITY									
Energy Conscious Blueprint* Note 4	16,586	17,572	10,749	21,715	14,762	8,771	7,974	6,293	120,109
Total - Lost Opportunity	16,586	17,572	10,749	21,715	14,762	8,771	7,974	6,293	120,109
C&I LARGE RETROFIT									
C&I RFP*	6,911	3,025	642	3,260	2,004	na	na	na	18,198
Energy Opportunities* Note 5	1,451	2,204	1,286	1,425	1,917	15,295	7,659	8,493	40,997
O&M (RetroCx, BOC)	2,544	548	142	689	1,621	504	1,503	528	12,507
Municipal Energy & Schools Note 6	2,947	2,941	1,219	761	1,473	na	na	na	12,862
Total - C&I Large Retrofit	13,853	8,718	3,289	6,135	7,015	15,799	9,162	9,021	84,564
Small Business*	2,287	2,352	2,430	3,354	2,376	8,497	3,022	5,867	31,034
Subtotal C&I	32,726	28,642	16,468	31,204	24,153	33,067	20,158	21,181	235,707
OTHER - EDUCATION									
Energy Conservation Loan Fund*	1	0	0	0	0	na	na	na	2
Subtotal Programs/Requirements	1	0	0	0	0	-	-	-	2
OTHER - LOAD MANAGEMENT									
ISO Load Response Program Support Note 7	400	39,910	42,000	29,900	16,000	23,576	na	10,000	161,786
Demand Reduction	na	na	na	263	616	43	445	N/A	1,367
Power Factor	na	na	na	531	5,100	4,133	3,000	N/A	12,764
Wait Until 8:00	na	na	na	na	na	na	na	na	-
Subtotal Load Management	400	39,910	42,000	30,694	21,716	27,752	3,445	10,000	165,917
OTHER - RENEWABLES & RD&D									
PROGRAM SUB-TOTALS									
Residential	6,334	7,187	3,297	10,511	12,432	12,089	9,412	12,884	78,700
C&I	32,726	28,642	16,468	31,204	24,153	33,067	20,158	21,181	235,707
Other Note 7	1	0	0	794	5,716	4,176	3,445	-	14,134
TOTAL (excludes ISO Load Response)	39,061	35,829	19,765	42,509	42,302	49,332	33,016	34,065	328,541

Lifetime Savings kWh (000's)									
2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Goal	2008 Goal	Total	
728,879	523,457	108,259	645,967	345,977	495,351	365,294	426,956	3,788,317	
na	na	-	22,377	49,626	15,977	na	na	87,980	
na	na	na	4,713	na	na	na	4,655	9,368	
728,879	523,457	108,259	673,057	395,603	511,328	365,294	431,612	3,885,665	
89,159	92,203	21,782	9,114	17,985	43,764	19,791	21,012	369,664	
50,498	60,513	10,490	24,256	51,967	60,493	73,564	134,312	396,522	
125,527	144,198	84,526	135,997	113,022	105,089	94,961	135,002	908,132	
994,063	820,171	225,057	842,424	578,577	720,674	553,610	721,937	5,559,983	
1,340,198	1,235,501	741,610	1,344,801	1,027,806	812,823	557,085	491,531	8,181,742	
1,340,198	1,235,501	741,610	1,344,801	1,027,806	812,823	557,085	491,531	8,181,742	
670,581	310,941	60,381	362,541	205,622	na	na	na	1,907,322	
109,757	123,330	96,507	99,608	114,072	1,664,677	677,071	627,553	2,981,771	
164,295	33,643	10,201	38,613	108,025	62,462	179,128	122,557	848,940	
190,368	175,863	98,904	69,386	240,739	na	na	na	1,008,385	
1,135,001	643,777	265,993	570,148	668,458	1,727,139	856,199	750,110	6,746,418	
189,039	192,412	221,042	328,965	202,766	561,280	198,363	334,300	1,969,491	
2,664,238	2,071,690	1,228,645	2,243,914	1,899,030	3,101,242	1,611,648	1,575,941	16,897,652	
1,023	782	301	1,203	727	na	na	na	5,300	
1,023	782	301	1,203	727	-	-	-	5,300	
na	na	na	na	na	na	na	na	na	
na	na	na	9,623	21,021	25	7,700	-	38,369	
na	na	na	na	na	na	na	na	na	
na	na	na	na	na	na	na	na	na	
-	-	-	9,623	21,021	25	7,700	-	38,369	
994,063	820,171	225,057	842,424	578,577	720,674	553,610	721,937	5,559,983	
2,664,238	2,071,690	1,228,645	2,243,914	1,899,030	3,101,242	1,611,648	1,575,941	16,897,652	
1,023	782	301	10,826	21,748	25	7,700	-	43,669	
3,659,324	2,892,643	1,454,003	3,097,164	2,499,355	3,821,941	2,172,958	2,297,878	22,501,304	

Note 1: Includes Residential Lighting, Smart Living Catalog and Clothes Washers programs.

Note 2: Includes demand savings from the GEO Thermal Heat Pump and Heat Pump Water Heater programs.

Note 3: Includes demand savings from the Spectrum Heat program. In 2007, Residential HVAC program renamed "Home Energy Solutions" and is comprised of HVAC, Duct Sealing, Lighting, Energy Conservation Loan and Residential Audits.

Note 4: Includes demand savings from the Custom Services program.

Note 5: Includes demand savings from the Express program.

Note 6: Includes demand savings from the State Buildings programs.

Note 7: ISO Load Management Programs Load Savings kW are included in yearly totals only, not grand totals.

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Table A
UI 2008 Proposed C&LM Budget

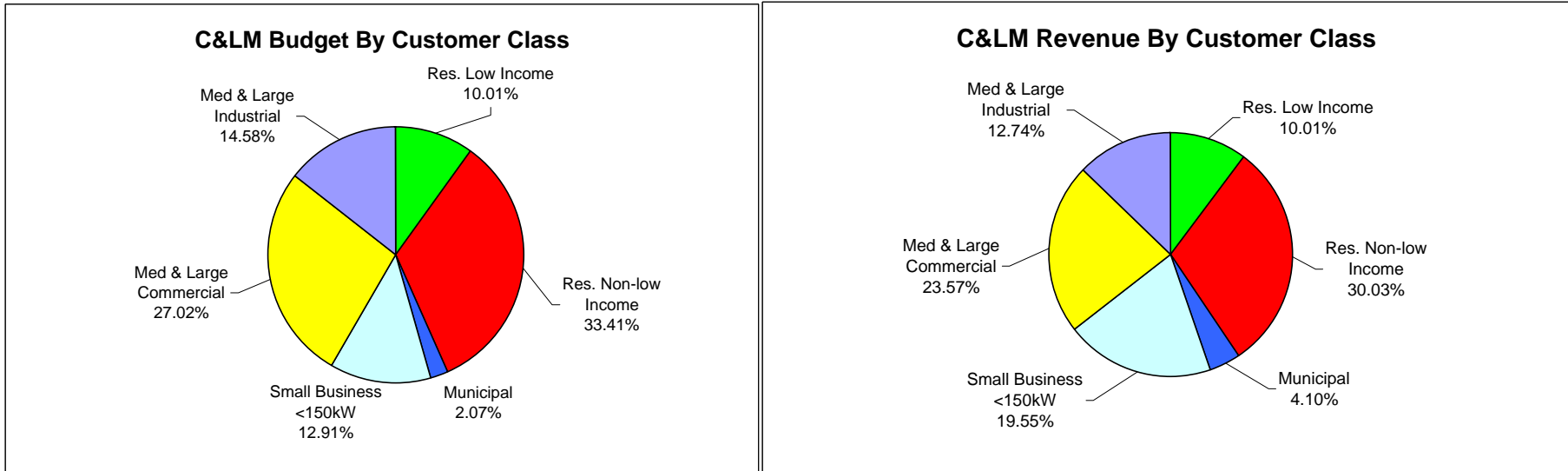
UI C&LM BUDGET	2006	2006	2007	2007	2008
	UI FILED BUDGET 10/17/2005	UI AMENDED BUDGET 06/15/2006	UI FILED BUDGET 10/02/2006	UI AMENDED BUDGET 06/15/2007	UI PROPOSED BUDGET 10/01/2007
RESIDENTIAL					
Retail Products*	\$ 1,084,612	\$ 1,520,610	\$ 1,250,000	\$ 1,238,383	\$ 1,238,383
Appliance Retirement*	\$ 105,000	\$ 105,000	\$ -	\$ -	\$ 750,000
Total - Consumer Products	\$ 1,189,612	\$ 1,625,610	\$ 1,250,000	\$ 1,238,383	\$ 1,988,383
Residential New Construction*	\$ 644,461	\$ 644,461	\$ 400,000	\$ 396,283	\$ 396,283
Home Energy Solutions*	\$ 670,483	\$ 745,483	\$ 1,061,857	\$ 1,011,988	\$ 2,087,473
Low-Income (Energy Care & WRAP)/UI Helps*	\$ 891,855	\$ 1,327,853	\$ 1,235,381	\$ 1,223,900	\$ 1,558,400
Subtotal RESIDENTIAL	\$ 3,396,411	\$ 4,343,407	\$ 3,947,238	\$ 3,870,554	\$ 6,030,539
COMMERCIAL & INDUSTRIAL					
C&I LOST OPPORTUNITY					
Energy Blueprint / Energy Conscious Construction *	\$ 2,919,876	\$ 3,169,876	\$ 2,949,126	\$ 2,921,718	\$ 2,921,718
Total - Lost Opportunity	\$ 2,919,876	\$ 3,169,876	\$ 2,949,126	\$ 2,921,718	\$ 2,921,718
C&I LARGE RETROFIT					
Energy Opportunities	\$ 2,049,818	\$ 2,049,818	\$ 1,949,868	\$ 1,931,747	\$ 3,422,328
O&M (RetroCx, BOC, RFP)	\$ 352,336	\$ 352,336	\$ 285,000	\$ 322,351	\$ 362,351
Total - C&I Large Retrofit	\$ 2,402,154	\$ 2,402,154	\$ 2,234,868	\$ 2,254,098	\$ 3,784,679
Small Business*	\$ 1,094,426	\$ 1,530,424	\$ 1,423,845	\$ 1,410,612	\$ 2,010,612
ATSO	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Subtotal C&I	\$ 6,466,456	\$ 7,102,454	\$ 6,607,839	\$ 6,586,428	\$ 8,717,009
OTHER - EDUCATION					
Smart Living Center <i>NOTE 1</i>	\$ 286,102	\$ 286,102	\$ 334,559	\$ 334,559	\$ 334,246
K - 8 Education* <i>NOTE 1</i>	\$ 302,230	\$ 302,230	\$ 281,183	\$ 281,183	\$ 282,202
Community Based Program (SWCT)*	\$ 73,499	\$ 73,499	\$ -	\$ -	\$ -
Subtotal Education	\$ 661,831	\$ 661,831	\$ 615,742	\$ 615,742	\$ 616,448
OTHER - PROGRAMS/REQUIREMENTS					
Education and Outreach (ISE, Others)	\$ 60,000	\$ 60,000	\$ 55,822	\$ 55,822	\$ 45,000
Energy Conservation Loan Fund*	\$ 65,000	\$ 65,000	\$ -	\$ -	\$ -
C&LM Loan Defaults	\$ 5,000	\$ 5,000	\$ 4,652	\$ 4,652	\$ 4,700
Subtotal Programs/Requirements	\$ 130,000	\$ 130,000	\$ 60,474	\$ 60,474	\$ 49,700
OTHER - LOAD MANAGEMENT					
ISO Load Response Supplemental Payments	\$ 200,000	\$ -	\$ -	\$ -	\$ -
ISO Load Response Program Support	\$ 133,894	\$ 133,894	\$ 24,570	\$ 24,570	\$ -
Water Heater Timer Promotion	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000
Subtotal Load Management	\$ 333,894	\$ 133,894	\$ 124,570	\$ 124,570	\$ 100,000
OTHER - RENEWABLES & RD&D					
Research, Development & Demonstration	\$ 73,651	\$ 73,651	\$ 125,000	\$ 125,000	\$ 125,000
Subtotal Renewables & RD&D	\$ 73,651	\$ 73,651	\$ 125,000	\$ 125,000	\$ 125,000
OTHER - ADMINISTRATIVE & PLANNING					
Administration	\$ 353,759	\$ 353,759	\$ 353,759	\$ 353,759	\$ 450,000
Planning and Evaluation	\$ 306,715	\$ 309,189	\$ 322,340	\$ 322,340	\$ 334,000
Evaluation, Outside Services	\$ 116,547	\$ 264,073	\$ 211,000	\$ 271,000	\$ 259,000
Information Technology	\$ 261,036	\$ 261,036	\$ 242,857	\$ 242,857	\$ 243,000
ECMB	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Audit	\$ -	\$ -	\$ 65,000	\$ -	\$ -
2006 Performance Management Fee	\$ 605,015	\$ 635,161	\$ -	\$ -	\$ -
2007 Performance Management Fee	\$ -	\$ -	\$ 630,541	\$ 633,636	\$ -
2008 Performance Management Fee	\$ -	\$ -	\$ -	\$ -	\$ 851,235
General Awareness	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Admin/Planning Expenditures	\$ 1,853,072	\$ 2,033,218	\$ 2,035,497	\$ 2,133,592	\$ 2,447,235
PROGRAM SUB-TOTALS					
Residential	\$ 4,051,322	\$ 4,998,318	\$ 4,596,068	\$ 4,599,384	\$ 6,760,138
C&I	\$ 6,877,270	\$ 7,313,268	\$ 6,703,973	\$ 6,702,562	\$ 8,808,558
Other**	\$ 1,986,723	\$ 2,166,869	\$ 2,216,319	\$ 2,214,414	\$ 2,517,235
TOTAL C&LM BUDGET	\$ 12,915,315	\$ 14,478,455	\$ 13,516,360	\$ 13,516,360	\$ 18,085,931
Docket 05-07-14PH01 Programs					
Load Curtailment	\$ 900,000	\$ 900,000	\$ 1,232,500	\$ 1,232,500	\$ 4,323,945
Direct Load Control	\$ -	\$ -	\$ -	\$ -	\$ 700,000
Energy Opportunities	\$ 2,000,000	\$ 2,000,000	\$ -	\$ 2,041,625	\$ -
Residential HVAC	\$ 1,400,000	\$ 1,400,000	\$ -	\$ 1,423,893	\$ -
General Awareness	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Subtotal Docket 05-07-14PH01 Programs	\$ 4,360,000	\$ 4,360,000	\$ 1,292,500	\$ 4,758,018	\$ 5,083,945
TOTAL	\$ 17,275,315	\$ 18,838,455	\$ 14,808,860	\$ 18,274,378	\$ 23,169,876

* Joint CL&P/UI Programs.

** OTHER - EDUCATION is primarily allocated to residential programs.

Totals may vary due to rounding.

**THE UNITED ILLUMINATING COMPANY
2008 CONSERVATION & LOAD MANAGEMENT BUDGET PIES
TABLE A**



Customer Class	Budget	% of Total C&LM Budget	% of Residential & C&I Budget	% of Residential & C&I Revenue	Difference
Res. Low-Income	\$ 1,558,400	8.62%	10.01%	10.01%	0.00%
Res Non-Low Income	\$ 5,201,738	28.76%	33.41%	30.03%	3.38%
Residential Sub-total	\$ 6,760,138	37.38%	43.42%	40.04%	3.38%
Small Business <150kW	\$ 2,010,612	11.12%	12.91%	19.55%	-6.64%
Med & Large Commercial	\$ 4,206,091	23.26%	27.02%	23.57%	3.45%
Med & Large Industrial	\$ 2,270,355	12.55%	14.58%	12.74%	1.84%
Municipal	\$ 321,500	1.78%	2.07%	4.10%	-2.03%
C & I Sub-total	\$ 8,808,558	48.70%	56.58%	59.96%	-3.38%
Sub-total for Residential and C&I	\$ 15,568,696	86.08%	100.00%	100.00%	0.00%
Other Expenditures	\$ 2,517,235	13.92%			
Other Expenditures Sub-total	\$ 2,517,235	13.92%			
GRAND TOTAL *	\$ 18,085,931	100%			

Totals may vary due to rounding.

**THE UNITED ILLUMINATING COMPANY
2008 CONSERVATION & LOAD MANAGEMENT
COMPARISON OF UI CONSERVATION PROGRAMS
INCLUDES DRIPE AND CO²
TABLE B**

Program	2007 Amended Budget 6/15/07	Utility Costs 2008	Customer Cost 2008	Total Resource Cost 2008	Electric System Benefit 2008	Resource Benefit 2008	Electric System B/C Ratio	Total Resource B/C Ratio	Goals/# Units	Units of Measure	Annualized Savings kWh	Lifetime Savings kWh	Load Savings kW	Demand Cost \$/kW	Demand Cost \$/kW yr	Utility Cost Rate \$/kWh Annualized	Utility Cost Rate \$/kWh Lifetime
Retail Products*	\$ 1,238,383	\$ 1,238,383	\$ 330,861	\$ 1,569,244	\$ 10,429,756	\$ 14,839,075	8.42	9.46	465,806	Bulbs & Fixtures	12,893,497	91,460,165	1,224.2	\$ 1,012	\$ 143	\$ 0.096	\$ 0.014
Appliance Retirement *	\$ -	\$ 750,000	\$ -	\$ 750,000	\$ 737,064	\$ 796,143	0.98	1.06	4,908		307,913	2,062,396	548.1	\$ 1,368	\$ 204	\$ 2.436	\$ 0.364
TOTAL - CONSUMER PRODUCTS	\$ 1,238,383	\$ 1,988,383	\$ 330,861	\$ 2,319,244	\$ 11,166,819	\$ 15,635,218					13,201,411	93,522,561	1,772.3				
Residential New Construction *	\$ 396,283	\$ 396,283	\$ 200,000	\$ 596,283	\$ 928,867	\$ 2,095,381	2.34	3.51	300	No of Homes	550,000	4,950,000	195.5	\$ 2,027	\$ 225	\$ 0.721	\$ 0.080
Home Energy Solutions *	\$ 1,011,988	\$ 2,087,473	\$ 799,100	\$ 2,886,573	\$ 5,286,405	\$ 6,253,503	2.53	2.17	525	No of Homes	1,789,368	26,766,802	1,181.4	\$ 1,767	\$ 118	\$ 1.167	\$ 0.078
Low-Income (Energy Care & WRAP/UI Helps*)	\$ 1,223,900	\$ 1,558,400	\$ 48,125	\$ 1,606,525	\$ 3,403,190	\$ 6,246,252	2.18	3.89	4,200	Customers	3,821,690	29,528,140	408.6	\$ 3,814	\$ 494	\$ 0.408	\$ 0.053
SUBTOTAL RESIDENTIAL	\$ 3,870,554	\$ 6,030,539	\$ 1,378,086	\$ 7,408,625	\$ 20,785,281	\$ 30,230,354					19,362,469	154,767,503	3,557.7				
Energy Blueprint/Energy Conscious Construction * (a)	\$ 2,921,718	\$ 2,921,718	\$ -	\$ 2,921,718	\$ 21,057,967	\$ 24,991,692	7.21	8.55	100	Projects	11,150,789	179,778,719	1,974.9	\$ 1,479	\$ 92	\$ 0.262	\$ 0.016
TOTAL - LOST OPPORTUNITY	\$ 2,921,718	\$ 2,921,718	\$ -	\$ 2,921,718	\$ 21,057,967	\$ 24,991,692					11,150,789	179,778,719	1,974.9				
Energy Opportunities	\$ 1,931,747	\$ 3,422,328	\$ 2,933,812	\$ 6,356,140	\$ 26,476,424	\$ 31,287,460	7.74	4.92	150	Projects	17,027,724	221,498,457	2,660.8	\$ 1,286	\$ 99	\$ 0.201	\$ 0.015
O&M																	
Services (BOC, Training, RetroX) *	\$ 322,351	\$ 362,351	\$ -	\$ 362,351	\$ 1,429,084	\$ 1,429,084	3.94	3.94			1,300,000	13,000,000	100.0	\$ 3,624	\$ 362	\$ 0.279	\$ 0.028
TOTAL - C&I LARGE RETROFIT	\$ 2,254,098	\$ 3,784,679	\$ 2,933,812	\$ 6,718,491	\$ 27,905,508	\$ 32,716,545					18,327,724	234,498,457	2,760.8				
Small Business *	\$ 1,410,612	\$ 2,010,612	\$ 2,420,860	\$ 4,431,472	\$ 12,563,510	\$ 14,478,277	6.25	3.27	340	Projects	7,563,809	96,830,320	1,717.2	\$ 1,171	\$ 91	\$ 0.268	\$ 0.021
SUBTOTAL C&I	\$ 6,586,428	\$ 8,717,009	\$ 5,354,671	\$ 14,071,680	\$ 61,526,986	\$ 72,186,513					37,042,322	511,107,496	6,453.0				
SmartLiving Center	\$ 334,559	\$ 334,246							10,000	Customers							
K-8 Education *	\$ 281,183	\$ 282,202							340	Curriculum							
SUBTOTAL EDUCATION	\$ 615,742	\$ 616,448															
Education and Outreach	\$ 55,822	\$ 45,000															
C&I Loan Defaults	\$ 4,652	\$ 4,700															
SUBTOTAL PROGRAMS/REQUIREMENTS	\$ 60,474	\$ 49,700															
ISO Load Response Program Support	\$ 24,670	\$ -															
Water Heater Timer Promotion	\$ 100,000	\$ 100,000															
SUBTOTAL LOAD MANAGEMENT	\$ 124,670	\$ 100,000															
Research, Development & Demonstration	\$ 125,000	\$ 125,000															
SUBTOTAL RENEWABLES AND RD&D	\$ 125,000	\$ 125,000															
Administration	\$ 353,759	\$ 450,000															
Planning & Evaluation	\$ 322,340	\$ 334,000															
Evaluation, Outside Services	\$ 271,000	\$ 259,000															
Information Technology	\$ 242,857	\$ 243,000															
ECMB	\$ 210,000	\$ 210,000															
2007 Performance Management Fee	\$ 633,636																
2008 Performance Management Fee		\$ 851,235															
General Awareness	\$ 100,000	\$ 100,000															
SUB-TOTAL ADMIN & PLANNING	\$ 2,133,592	\$ 2,447,235															
PROGRAM SUBTOTALS																	
RESIDENTIAL	\$ 4,599,384	\$ 6,760,138		\$ 7,408,625	\$ 20,785,281	\$ 30,230,354											
COMMERCIAL & INDUSTRIAL	\$ 6,702,562	\$ 8,808,558		\$ 14,071,680	\$ 61,526,986	\$ 72,186,513											
OTHER **	\$ 2,214,414	\$ 2,517,235		\$ -	\$ -	\$ -											
TOTAL C&I M BUDGET Note 2	\$ 13,516,360	\$ 18,085,931		\$ 21,480,305	\$ 82,312,266	\$ 102,416,867					56,404,791	665,874,999	10,010.7	\$ 1,807	\$ 153	\$ 0.321	\$ 0.027

Notes:
(a) Energy Blueprint includes Motors and Cool Choice.
* Joint CL&P and UI Programs.
** Other - Education is primarily allocated to Residential Programs.

Totals may vary due to rounding.

**THE UNITED ILLUMINATING COMPANY
2008 CONSERVATION & LOAD MANAGEMENT
COMPARISON OF UI CONSERVATION PROGRAMS
INCLUDES DRIPE AND CO²**

TABLE B1

Program	Electric System				Non-Electric Benefits				Total Resource Benefits 2008
	Energy Benefits	Capacity Benefits	DRIPE	Electric System B/C Ratio 2008	Resource Benefits	Non-Resource Benefits	Emmissions Benefits	Total Non-Electric Benefits	
Retail Products*	\$ 7,177,820	\$ 1,034,485	\$ 2,217,451	\$ 10,429,756	\$ 72,129	\$ 1,461,766	\$ 2,875,424	\$ 4,409,320	\$ 14,839,075
Appliance Retirement *	\$ 174,813	\$ 411,299	\$ 150,951	\$ 737,064	\$ -	\$ -	\$ 59,079	\$ 59,079	\$ 796,143
TOTAL - CONSUMER PRODUCTS	\$ 7,352,633	\$ 1,445,784	\$ 2,368,402	\$ 11,166,819	\$ 72,129	\$ 1,461,766	\$ 2,934,504	\$ 4,468,399	\$ 15,635,218
Residential New Construction *	\$ 385,356	\$ 394,424	\$ 149,087	\$ 928,867	\$ 1,025,752	\$ 1,218	\$ 139,543	\$ 1,166,514	\$ 2,095,381
Home Energy Solutions *	\$ 1,965,841	\$ 2,650,418	\$ 670,146	\$ 5,286,405	\$ 345,855	\$ -	\$ 621,243	\$ 967,098	\$ 6,253,503
Low-Income (Energy Care & WRAP)/UI Helps*	\$ 2,297,873	\$ 419,404	\$ 685,913	\$ 3,403,190	\$ 1,679,916	\$ 274,531	\$ 888,615	\$ 2,843,062	\$ 6,246,252
SUBTOTAL RESIDENTIAL	\$ 12,001,704	\$ 4,910,029	\$ 3,873,548	\$ 20,785,281	\$ 3,123,652	\$ 1,737,516	\$ 4,583,905	\$ 9,445,073	\$ 30,230,354
Energy Blueprint/Energy Conscious Construction *	\$ 14,160,806	\$ 4,079,684	\$ 2,817,477	\$ 21,057,967	\$ (238,441)	\$ -	\$ 4,172,166	\$ 3,933,725	\$ 24,991,692
TOTAL - LOST OPPORTUNITY	\$ 14,160,806	\$ 4,079,684	\$ 2,817,477	\$ 21,057,967	\$ (238,441)	\$ -	\$ 4,172,166	\$ 3,933,725	\$ 24,991,692
Energy Opportunities	\$ 17,971,830	\$ 4,498,377	\$ 4,006,216	\$ 26,476,424	\$ (860,526)	\$ -	\$ 5,671,562	\$ 4,811,036	\$ 31,287,460
O&M									
Services (BOC, Training, RetroX) *	\$ 1,217,249	\$ 211,836	\$ -	\$ 1,429,084	\$ -	\$ -	\$ -	\$ -	\$ 1,429,084
TOTAL - C&I LARGE RETROFIT	\$ 19,189,079	\$ 4,710,213	\$ 4,006,216	\$ 27,905,508	\$ (860,526)	\$ -	\$ 5,671,562	\$ 4,811,036	\$ 32,716,545
Small Business *	\$ 7,816,686	\$ 2,862,377	\$ 1,884,447	\$ 12,563,510	\$ (586,734)	\$ -	\$ 2,501,500	\$ 1,914,766	\$ 14,478,277
SUBTOTAL C&I	\$ 41,166,572	\$ 11,652,274	\$ 8,708,140	\$ 61,526,986	\$ (1,685,702)	\$ -	\$ 12,345,229	\$ 10,659,527	\$ 72,186,513
TOTAL C&LM BUDGET	\$ 53,168,275	\$ 16,562,303	\$ 12,581,688	\$ 82,312,266	\$ 1,437,951	\$ 1,737,516	\$ 16,929,135	\$ 20,104,601	\$ 102,416,867

**THE UNITED ILLUMINATING COMPANY
2008 CONSERVATION & LOAD MANAGEMENT
TABLE C**

PROGRAM NAME	UI Labor	Materials & Supplies	Outside Services	Contractor Labor	Incentives	Marketing	Other (b)	Administrative Expenses	TOTAL
Retail Products *	\$ 164,871	\$ 2,237	\$ 104,525	\$ 60,000	\$ 724,250	\$ 165,000	\$ 2,500	\$ 15,000	\$ 1,238,383
Appliance Retirement *	\$ 21,459	\$ -	\$ 466,301	\$ -	\$ 147,240	\$ 115,000	\$ -	\$ -	\$ 750,000
TOTAL - CONSUMER PRODUCTS	\$ 186,330	\$ 2,237	\$ 570,826	\$ 60,000	\$ 871,490	\$ 280,000	\$ 2,500	\$ 15,000	\$ 1,988,383
Residential New Construction *	\$ 76,152	\$ 4,000	\$ 79,260	\$ -	\$ 199,450	\$ 30,000	\$ -	\$ 7,421	\$ 396,283
Home Energy Solutions*	\$ 173,564	\$ 2,909	\$ 205,039	\$ -	\$ 1,266,063	\$ 300,000	\$ 127,473	\$ 12,425	\$ 2,087,473
Low-Income (Energy Care & WRAP)/UI Helps *	\$ 138,562	\$ 13,529	\$ 372,500	\$ 45,000	\$ 977,160	\$ -	\$ -	\$ 11,649	\$ 1,558,400
SUB-TOTAL RESIDENTIAL	\$ 574,608	\$ 22,675	\$ 1,227,625	\$ 105,000	\$ 3,314,163	\$ 610,000	\$ 129,973	\$ 46,495	\$ 6,030,539
Energy Blueprint / Energy Conscious Construction * (a)	\$ 470,428	\$ 4,500	\$ 83,000	\$ 25,000	\$ 2,212,290	\$ 68,000	\$ 19,000	\$ 39,500	\$ 2,921,718
TOTAL - LOST OPPORTUNITY	\$ 470,428	\$ 4,500	\$ 83,000	\$ 25,000	\$ 2,212,290	\$ 68,000	\$ 19,000	\$ 39,500	\$ 2,921,718
Energy Opportunities	\$ 475,043	\$ 2,500	\$ 240,000	\$ 75,000	\$ 2,433,285	\$ 60,000	\$ 2,500	\$ 134,000	\$ 3,422,328
O&M Services (RFP, BOC, Training, RetroX) *	\$ 43,085	\$ 901	\$ 200,450	\$ -	\$ 110,000	\$ 4,000	\$ 1,000	\$ 2,915	\$ 362,351
TOTAL - C&I LARGE RETROFIT	\$ 518,128	\$ 3,401	\$ 440,450	\$ 75,000	\$ 2,543,285	\$ 64,000	\$ 3,500	\$ 136,915	\$ 3,784,679
Small Business *	\$ 227,594	\$ 2,500	\$ 11,000	\$ 20,000	\$ 1,515,500	\$ 32,000	\$ 1,055	\$ 200,963	\$ 2,010,612
SUBTOTAL C&I	\$ 1,216,150	\$ 10,401	\$ 534,450	\$ 120,000	\$ 6,271,075	\$ 164,000	\$ 23,555	\$ 377,378	\$ 8,717,009
SmartLiving Center *	\$ 49,698	\$ 6,625	\$ -	\$ 120,000	\$ -	\$ -	\$ 152,923	\$ 5,000	\$ 334,246
K-8 Education *	\$ 49,698	\$ 12,000	\$ 112,281	\$ 32,240	\$ 25,000	\$ 47,411	\$ -	\$ 3,572	\$ 282,202
SUBTOTAL EDUCATION	\$ 99,396	\$ 18,625	\$ 112,281	\$ 152,240	\$ 25,000	\$ 47,411	\$ 152,923	\$ 8,572	\$ 616,448
Education and Outreach	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
C&LM Loan Defaults	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,700	\$ -	\$ 4,700
SUBTOTAL PROGRAMS/REQUIREMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,700	\$ -	\$ 49,700
ISO Load Response Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Heater Timer Promotion	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 100,000
SUBTOTAL LOAD MANAGEMENT	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 100,000
Research, Development & Demonstration	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
SUBTOTAL RENEWABLES AND RD&D	\$ -	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
Administration	\$ 403,657	\$ 1,300	\$ 44,543	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 450,000
Planning & Evaluation	\$ 326,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,436	\$ 334,000
Evaluation, Outside Services	\$ -	\$ -	\$ 259,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,000
Information Technology	\$ 42,109	\$ 72,974	\$ 107,208	\$ 14,589	\$ -	\$ -	\$ -	\$ 6,120	\$ 243,000
ECMB	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,000
General Awareness	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
2008 Performance Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 851,235	\$ -	\$ 851,235
SUBTOTAL ADMIN & PLANNING	\$ 772,330	\$ 74,274	\$ 620,751	\$ 14,589	\$ -	\$ 100,000	\$ 851,235	\$ 14,056	\$ 2,447,235
PROGRAM SUBTOTALS									
RESIDENTIAL	\$ 719,064	\$ 39,975	\$ 1,339,906	\$ 233,240	\$ 3,339,163	\$ 782,411	\$ 252,311	\$ 54,067	\$ 6,760,138
COMMERCIAL & INDUSTRIAL	\$ 1,226,090	\$ 11,726	\$ 534,450	\$ 144,000	\$ 6,271,075	\$ 184,000	\$ 58,840	\$ 378,378	\$ 8,808,558
OTHER	\$ 772,330	\$ 74,274	\$ 745,751	\$ 14,589	\$ -	\$ -	\$ 896,235	\$ 14,056	\$ 2,517,235
TOTAL C&LM BUDGET	\$ 2,717,484	\$ 125,975	\$ 2,620,107	\$ 391,829	\$ 9,610,238	\$ 966,411	\$ 1,207,386	\$ 446,501	\$ 18,085,931

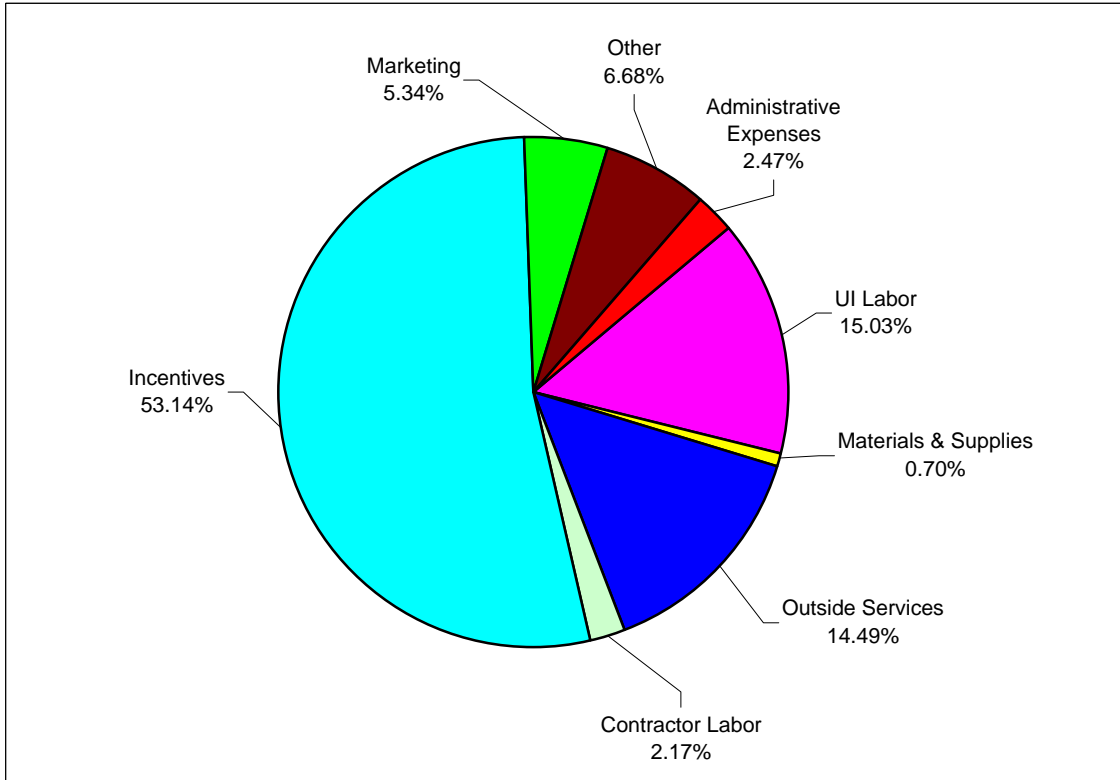
Notes:
(a) Energy Blueprint includes Motors and Cool Choice.

(b) Other expenses include
Performance Management Fee
Smart Living Center Lease
Smart Living Center Utilities
ECSU
Energy Conservation Loan Func
Neighborhood Housing Services
C&LM Loan Defaults
NEEP Participation
Dues
Postage
Telephone Expense

* Joint CL&P and UI Programs.

Totals may vary due to rounding

THE UNITED ILLUMINATING COMPANY 2008 CONSERVATION & LOAD MANAGEMENT C&LM BUDGET BY EXPENSE CLASS



<u>Expense Classes</u>	<u>Budget</u>	<u>% of Budget</u>
UI Labor	\$ 2,717,484	15.03%
Materials & Supplies	\$ 125,975	0.70%
Outside Services	\$ 2,620,107	14.49%
Contractor Labor	\$ 391,829	2.17%
Incentives	\$ 9,610,238	53.14%
Marketing	\$ 966,411	5.34%
Other	\$ 1,207,386	6.68%
Administrative Expenses	\$ 446,501	2.47%
Total	\$ 18,085,931	100.00%

Totals may vary due to rounding

Table D
UI Historical and Projected kW and kWh

Load Savings kW										
RESIDENTIAL	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
	Actual (Estimate)	Actual (Estimate)	Actual (Estimate)	Actual	Actual	Actual	Actual	Goal	Goal	
Retail Products*	562	750	635	639	1,286	1,339	1,158	761	1,224	8,363
Appliance Retirement*	-	-	-	-	636	491	36	-	548	1,711
Customer Initiated Projects	-	-	-	-	-	-	-	-	-	-
Total - Consumer Products	562	750	635	639	1,922	1,830	1,194	761	1,772	10,074
Residential New Construction*	67	62	69	25	173	212	231	210	196	1,244
Home Energy Solutions*	-	132	2,137	368	728	1,061	631	528	1,181	6,766
Low-Income (Energy Care & WRAP/UI Helps)	548	655	597	283	294	416	474	360	409	4,036
Subtotal RESIDENTIAL	1,177	1,608	3,438	1,315	3,117	3,518	2,530	1,860	3,558	22,120
COMMERCIAL & INDUSTRIAL										
C&I LOST OPPORTUNITY										
Energy Blueprint / Energy Conscious Construction *	4,440	5,134	3,761	3,815	4,180	4,367	4,685	2,008	1,975	34,365
Total - Lost Opportunity	4,440	5,134	3,761	3,815	4,180	4,367	4,685	2,008	1,975	34,365
C&I LARGE RETROFIT										
C&I RFP *	-	36	87	521	59	81	-	-	-	784
Energy Opportunities	3,724	4,799	2,467	2,191	3,180	3,850	3,345	1,759	2,661	27,976
O&M (RetroCx, BOC, RFP)	-	-	-	-	-	674	237	210	100	1,221
Municipal Energy & Schools	853	859	1,107	1,317	1,019	427	-	-	-	5,562
Total - C&I Large Retrofit	4,577	5,694	3,661	4,029	4,258	5,032	3,582	1,969	2,761	35,563
Small Business*	554	683	659	1,031	1,035	1,963	1,661	1,340	1,717	10,644
Subtotal C&I	9,571	11,511	8,081	8,875	9,473	11,362	9,927	5,317	6,453	80,571
OTHER - LOAD MANAGEMENT										
ISO Load Response Program Support ^{NOTE}	-	10,925	10,925	14,465	3,975	2,060	3,338	-	-	-
Subtotal Load Management	-	10,925	10,925	14,465	3,975	2,060	3,338	-	-	-
PROGRAM SUB-TOTALS										
Residential	1,177	1,608	3,438	1,315	3,117	3,518	2,530	1,860	3,558	22,120
C&I	9,571	22,436	19,006	23,340	13,448	13,422	13,265	5,317	6,453	80,571
TOTAL	10,748	24,044	22,444	24,655	16,565	16,940	15,795	7,177	10,011	102,691

Lifetime Savings kWh (000's)										
RESIDENTIAL	2000	2001	2002	2003	2004	2005	2006	2007	2008	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Goal	Goal	
Retail Products*	116,542	114,927	87,336	34,208	115,967	111,484	126,122	69,512	91,460	867,558
Appliance Retirement*	-	-	-	-	13,002	12,761	1,306	-	2,062	29,131
Customer Initiated Projects	-	-	-	-	-	-	-	-	-	-
Total - Consumer Products	116,542	114,927	87,336	34,208	128,969	124,245	127,428	69,512	93,522	896,690
Residential New Construction*	3,753	4,538	5,044	5,940	7,412	11,240	15,812	6,593	4,950	65,082
Home Energy Solutions*	-	1,125	18,240	4,389	7,839	8,264	5,866	9,731	26,767	82,221
Low-Income (Energy Care & WRAP/UI Helps)	50,971	60,860	55,500	24,412	17,352	36,581	36,749	28,126	29,528	340,080
Subtotal RESIDENTIAL	171,266	181,250	166,120	68,949	161,572	180,330	185,855	113,963	154,768	1,384,073
COMMERCIAL & INDUSTRIAL										
C&I LOST OPPORTUNITY										
Energy Blueprint / Energy Conscious Construction *	331,701	383,520	280,985	164,910	336,293	343,568	191,708	173,054	179,779	2,385,498
Total - Lost Opportunity	331,701	383,520	280,985	164,910	336,293	343,568	191,708	173,054	179,779	2,385,498
C&I LARGE RETROFIT										
C&I RFP *	-	3,420	8,160	36,210	12,835	10,700	-	-	-	71,325
Energy Opportunities	280,874	383,196	190,038	178,935	278,872	409,048	310,557	140,313	221,498	2,393,331
O&M (RetroCx, BOC, RFP)	-	-	-	-	-	22,061	21,790	20,000	13,000	76,851
Municipal Energy & Schools	63,735	64,110	82,665	63,600	82,451	36,659	-	-	-	393,280
Total - C&I Large Retrofit	344,609	450,726	280,863	278,745	374,158	478,468	332,347	160,313	234,498	2,934,787
Small Business*	79,100	97,600	94,200	53,670	65,987	119,509	76,975	72,003	96,830	756,274
Subtotal C&I	755,410	931,906	656,028	497,325	776,438	941,945	601,030	405,370	511,107	6,076,559
OTHER - LOAD MANAGEMENT										
ISO Load Response Program Support ^{NOTE}	-	-	-	-	-	-	-	-	-	-
Subtotal Load Management	-	-	-	-	-	-	-	-	-	-
PROGRAM SUB-TOTALS										
Residential	171,266	181,250	166,120	68,949	161,572	180,330	185,855	113,963	154,768	1,384,073
C&I	755,410	931,906	656,028	497,325	776,438	941,945	601,030	405,370	511,107	6,076,559
TOTAL	926,676	1,113,156	822,148	566,274	938,010	1,122,275	786,885	519,333	665,875	7,460,632

NOTE: ISO Load Response Program Load Savings kW are included in yearly totals only, not grand totals

CHAPTER TWO: RESIDENTIAL PROGRAMS

CONSUMER PRODUCTS

Residential Retail Products (CL&P & UI)

Objective: The Residential Retail Products program, a joint program of CL&P and UI, pursues the objective of continuing to build awareness, acceptance and market share of ENERGY STAR[®] lighting and appliances.

Target Market: The Companies will target residential customers who purchase new lighting and appliances in retail market channels while also coordinating with the residential remodeling and new construction channels.

Program Description: For 2008, the Companies intend to continue with a multi-pronged effort for resource (savings) acquisition from lighting and appliance products while affecting market transformation. In both the lighting and appliances segments, Negotiated Cooperative Promotions (“NCPs”) have proven to be a useful approach in generating increased stocking and sales at considerably lower cost than traditional coupons and rebates. Such promotions involve a partnership between the Companies and retailers/manufacturers and are structured with underlying memoranda of understanding that tie payment of incentives to the Companies’ receipt of store-level sales data. Coupons and mail-in rebates will be utilized if NCPs are not brought under agreement or on a temporary campaign-oriented basis.

The Companies plan to continue partnering with both manufacturers and retailers to offer education and training regarding the benefits of energy-efficient products to local retail sales staff and consumers. The Companies will also continue to work collaboratively with manufacturers and retailers in the design and placement of point-of-purchase display collateral and will promote the Connecticut CFL tax holiday at retail outlets. The tax holiday is the result of recent Connecticut legislation that was passed in June, 2007: Public Act 07-242, *An Act Concerning Electricity and Energy Efficiency*, waives CT sales tax on compact fluorescent bulbs (“CFLs”).

“In-store promotions” will be pursued to assist retailers in promoting the program and to educate consumers on the positive benefits and quick payback provided by energy-efficient technologies. Additionally, the Companies will offer CFL fundraising opportunities to schools and non-profit organizations.

The Companies also plan to continue implementing retail lighting sales events. At these events, Company vendors offer lighting products for retail sale at community events, fairs, and large customer enterprises. In addition the Companies will produce (online and print) the SmartLiving[™] Catalog with an increased emphasis on the promotion of the smartlivingcatalog.com Web site via bill messaging and inserts.

In 2008, the Companies will not offer an “everyday” in-store appliance rebate as data shows that rebates are not a cost-effective strategy. Instead the Companies will consider limited NCP promotions with retailers and manufacturers (which may or may not include customer rebates) on a case-by-case basis as a means of maintaining a market presence. Promotions will be considered for specific time periods, i.e., Earth Day and to coincide with manufacturer or retailer specific promotions that promote/target the highest tier efficiency within the product category.

Marketing Strategy: This program participates in a regional market transformation initiative coordinated by NEEP. Through this initiative, the Companies have the opportunity to utilize point-of-purchase materials and a general marketing platform custom-developed for the New England and Long Island, NY area, and/or to utilize the national ENERGY STAR® program’s materials and platform

The marketing strategy for the ENERGY STAR® Lighting and Appliance programs will continue to focus on building brand awareness of the unique benefits of energy-efficient products within the Companies’ service territories, with emphasis on SWCT. Specifically:

- Implement mass marketing strategies to support new rebate campaigns and special ENERGY STAR® events
- Identify cooperative opportunities with retailers and manufacturers to create general awareness of the ENERGY STAR® brand, generate sales and extend the message into the community
- Continue to support the national and regional ENERGY STAR® initiatives
- Identify and participate in cross-marketing opportunities with relevant state-wide conservation programs such as eesmarts, Home Energy Solutions, and the UI SmartLiving Center

Incentive Strategy: As the lighting and appliance markets both evolve, the Companies plan to define specific incentive amounts or strategies for the targeted products as the market dictates. However, certain expectations and assumptions have been utilized for planning purposes, including:

2008 base rebate levels are:

- \$10 per interior light fixture, portable lamp, or qualifying ceiling fan with light kits
- NCP Incentives for CFLs varies by wattage and style and ranges from approximately \$1 to \$3 per CFL.

Goals: Refer to standard filing requirement for program goals.

New Program Issues: Lighting NCPs will target the increased market penetration of non-standard (specialty) CFLs which may result in higher per unit rebate amounts, but at the same time should lead to improved range of product stocked at retailers and customer acceptance.

Based on the success of corporate energy and lighting fairs, the Companies will continue to promote these events in 2008. In addition, CFL fundraising opportunities will be offered to schools and non-profit organizations. School CFL fundraisers will be co-promoted through eesmarts to offer schools an additional program element.

Currently, ENERGY STAR® is finalizing the specifications for solid state (i.e., LED) lighting. The Companies will consider their inclusion into the program based on availability and performance. It is anticipated that the ENERGY STAR® label will initially be limited to a small number of indoor fixtures.

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CL&P Standard Filing Requirement

Residential Retail Products (Lighting and Appliances) ^a

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 159	\$ 145	\$ 272	\$ 83	\$ 144	\$ 124
Contractor Staff	<u>\$ 19</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>
Total Labor	\$ 178	\$ 147	\$ 272	\$ 85	\$ 144	\$ 124
Materials & Supplies	\$ 1	\$ 2	\$ 10	\$ 9	\$ 16	\$ 12
Outside Services	\$ 888	\$ 971	\$ 868	\$ 531	\$ 904	\$ 1,072
Incentives	\$ 4,444	\$ 4,079	\$ 3,701	\$ 2,421	\$ 4,226	\$ 3,497
Marketing	\$ 884	\$ 393	\$ 728	\$ 291	\$ 508	\$ 600
Administrative Expenses	\$ 5	\$ 5	\$ 9	\$ 4	\$ 8	\$ 10
Other	<u>\$ 41</u>	<u>\$ 30</u>	<u>\$ 12</u>	<u>\$ 20</u>	<u>\$ 34</u>	<u>\$ 20</u>
Total	\$ 6,440	\$ 5,627	\$ 5,600	\$ 3,361	\$ 5,840	\$ 5,335

a) In 2006, Residential Retail Lighting and Residential Appliances were combined under the umbrella of Residential Retail Products.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	4,866.4
Annual Energy Savings (kWh Reduction Goal)	52,864,061
Lifetime Energy Savings (kWh Reduction Goal)	426,956,174
Annual Cost Rate (\$/kWh)	\$ 0.101
Lifetime Cost Rate (\$/kWh)	\$ 0.012
Electric b/c ratio	9.53
Total Resource b/c ratio	10.43

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CL&P Standard Filing Requirement

Residential Retail Lighting

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 131	\$ 117	\$ 185	\$ 73	\$ 127	\$ 109
Contractor Staff	\$ 14	\$ 2	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 144	\$ 119	\$ 185	\$ 73	\$ 127	\$ 109
Materials & Supplies	\$ 1	\$ 2	\$ 10	\$ 8	\$ 14	\$ 12
Outside Services	\$ 695	\$ 794	\$ 783	\$ 456	\$ 793	\$ 872 a)
Incentives	\$ 3,383	\$ 3,357	\$ 3,341	\$ 2,178	\$ 3,788	\$ 3,497
Marketing	\$ 765	\$ 349	\$ 700	\$ 273	\$ 475	\$ 400 b)
Administrative Expenses	\$ 5	\$ 4	\$ 9	\$ 4	\$ 7	\$ 10 c)
Other	\$ (1)	\$ 26	\$ 12	\$ 15	\$ 26	\$ 20
Total	\$ 4,991	\$ 4,651	\$ 5,040	\$ 3,007	\$ 5,230	\$ 4,920

a) Vendors: Duties include retail implementation, circuit riders, sales staff training, rebate processing and fulfillment NEEP membership; SmartLiving Catalog production and mailing.

b) Includes bill inserts, print ads, radio and direct mail/collateral, Point Of Purchase (POP) Northeast Energy Efficiency Partnership (NEEP) Marketing Materials.

c) Employee expenses including mileage, training, conference attendance and misc.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	4,866.4
Annual Energy Savings (kWh Reduction Goal)	52,864,061
Lifetime Energy Savings (kWh Reduction Goal)	426,956,174
Annual Cost Rate (\$/kWh)	\$ 0.102
Lifetime Cost Rate (\$/kWh)	\$ 0.013
Electric b/c ratio	10.33
Total Resource b/c ratio	11.13

CL&P Standard Filing Requirement

Retail Lighting

Year	Budget	Program Costs		Cost/participant	\$/LT-kWh
		Actual	% of Budget		
2000	\$ 2,463,000	\$ 4,016,000	163%	\$17	0.009
2001	\$ 2,831,000	\$ 4,828,000	171%	\$12	0.008
2002	\$ 2,700,000	\$ 3,484,000	129%	\$10	0.009
		\$ (335,000)			
	Net 2002	\$ 3,149,000	¹		
2003	\$ 2,450,000	\$ 1,256,000	51%	\$12	0.016
2004	\$ 3,300,000	\$ 4,393,000	133%	\$2	0.007
2005 Revised	\$ 3,525,928	\$ 4,990,979	142%	\$3	0.013
2006 Revised	\$ 4,769,287	\$ 4,650,971	98%	\$2	0.011
2007 Revised	\$ 5,040,000	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 3,007,234	60%	\$2	0.011
2007 Y/E Projected	n/a	\$ 5,230,000	104%	\$2	0.011
2008	\$ 4,920,000	n/a	n/a	-	-

Year	Goal - Participation		
	Goal	Actual	% of Goal
2000	150,000	233,558	156%
2001	171,731	410,908	239%
2002	325,557	340,560	105%
2003	235,394	104,246	44%
2004	776,473	1,792,216	231%
2005 Revised	1,008,021	1,444,142	143%
2006 Revised	1,499,192	1,980,791	132%
2007 Revised	1,295,355	n/a	n/a
2007 YTD (Jul)	n/a	1,340,707	104%
2007 Y/E Projected	n/a	2,298,355	177%
2008	1,853,493	n/a	n/a

Goal - Lifetime MWh savings				Goal - Installed kW Savings			
Year	Budget	Actual	% of Budget	Year	Goal	Actual	% of Goal
2000	152,772	438,631	287%	2000	n/a	n/a	n/a
2001	244,030	610,545	250%	2001	n/a	n/a	n/a
2002	366,566	398,613	109%	2002	n/a	n/a	n/a
2003	201,631	78,468	39%	2003	1,391	607	43.6%
2004	354,614	591,781	167%	2004	2,970	5,144	173.2%
2005 Revised	293,530	376,443	128%	2005 Revised	3,382	4,279	126.5%
2006 Revised	367,504	427,603	116%	2006 Revised	3,957	4,703	118.8%
2007 Revised	359,509	n/a	n/a	2007 Revised	3,665	n/a	n/a
2007 YTD (Jul)	n/a	264,599	74%	2007 YTD (Jul)	n/a	2,959	80.7%
2007 Y/E Projected	n/a	461,970	129%	2007 Y/E Projected	n/a	4,977	135.8%
2008	426,956	n/a	n/a	2008	4,866	n/a	n/a

Year	Program Ratios			
	\$/Lifetime kWh	Actual	Plan	Actual
2000	0.016	0.009	n/a	1,688
2001	0.012	0.008	n/a	1,279
2002	0.007	0.008	n/a	1,158
2003	0.011	0.016	1,663	2,069
2004	0.009	0.007	1,111	854
2005 Revised	0.012	0.013	1,043	1,166
2006 Revised	0.013	0.011	1,205	989
2007 Revised	0.014	n/a	1,375	n/a
2007 YTD (Jul)	n/a	0.011	n/a	1,016
2007 Y/E Projected	n/a	0.011	n/a	1,051
2008	0.012	n/a	1,011	n/a

¹ Reflects transfer of 2001 Load Management funds per Docket No. 02-01-22.

CL&P Standard Filing Requirement

Retail Lighting

CL&P Program Notes

Budget/FTE :

0.8

- FTE's for program administration, vendor interaction, sales and field support.

Goal

1,853,493

- Goal is lighting products including bulbs, fixtures and portables and reflects the continued focus on markdowns.
- 2008 goal will continue build off of NCP promotions with an increased focus on specialty bulbs.

Cost/Unit

\$2.65

- Overall cost per product.

\$1.89

- Average incentive cost per unit including products from the Catalog component of the program, coupons and markdowns.

Goal Setting Methodology

- Average weighted incentive cost was calculated based on desired product mix and delivery mechanism; goal was calculated based on available incentive dollars divided by average incentive cost.

Metric Changes

- Program design will continue to pursue NCPs with industry partners that are willing and able to implement markdown promotions and supply adequate Point of Sale data reports.
- Program will continue to move toward more specialty (higher wattage, dimmables, three-ways, etc.) products in 2008.

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CL&P Standard Filing Requirement

Retail Appliances

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor						
NU Labor	\$ 28	28	\$ 87	\$ 10	\$ 17	15
Contractor Staff	<u>\$ 5</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>-</u>
Total Labor	\$ 33	28	\$ 87	\$ 12	\$ 17	15
Materials and Supplies	\$ 0	-	\$ -	\$ 1	\$ 2	-
Outside Services	\$ 193	177	\$ 85	\$ 75	\$ 111	200 a)
Incentives	\$ 1,061	722	\$ 360	\$ 243	\$ 438	-
Marketing	\$ 119	44	\$ 28	\$ 18	\$ 33	200 b)
Administrative Expenses	\$ 1	1	\$ -	\$ 0	\$ 1	-
Other	<u>\$ 42</u>	<u>4</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 8</u>	<u>-</u>
Total	\$ 1,449	976	\$ 560	\$ 354	\$ 610	415

a) Retail implementation of program (secured through competitive bidding process)

1) Point of Purchase (POP) and marketing materials through vendor

2) Vendor duties include:

*Visit, enroll, support and train retailers on an on going basis. Stock stores with POP and marketing materials.

*Plan and implement special events and promotions with retailers and manufacturers.

*Create retailer packets with training materials

*Collect sales data and inventory from retailers

b) Special events and promotions with retailers and manufactures will be planned to maintain market presence.

Marketing may include print media, radio, POP materials, and direct mail.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	N/A 1)
Annual Energy Savings (KWh Reduction Goal)	N/A 1)
Lifetime Energy Savings (kWh Reduction Goal)	N/A 1)
Annual Cost Rate (\$/kWh)	N/A 1)
Lifetime Cost Rate (\$/kWh)	N/A 1)
Electric b/c ratio	N/A 1)
Total Resource b/c ratio	N/A 1)

CL&P Standard Filing Requirement

Retail Appliances

Program Costs

Year	Budget	Actual	% of Budget	Cost/Partic.	\$/LT-kWh
2000	\$ 1,416,000	\$ 1,259,000	89%	\$171	0.049
2001	\$ 863,000	\$ 732,000	85%	\$155	0.045
2002	\$ 1,260,000	\$ 1,674,000	133%	\$64	0.041
2003	\$ 1,600,000	\$ 860,000	54%	\$33	0.053
2004	\$ 900,000	\$ 1,451,000	161%	\$56	0.027
2005 Revised	\$ 1,154,867	\$ 1,449,291	125%	\$71	0.019
2006 Revised	\$ 769,663	\$ 975,790	127%	\$55	0.014
2007 Revised	\$ 559,800	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 354,105	63%	\$101	0.079
2007 Y/E Projected	n/a	\$ 610,000	109%	\$101	0.062
2008	\$ 415,000	n/a	n/a	n/a	n/a

Goal - Participation

Year	Goal (Units)	Actual	% of Goal
2000	8,320	7,383	89%
2001	5,451	4,714	86%
2002	16,444	26,000	158%
2003	22,160	13,813	62%
2004	11,900	26,134	220%
2005	11,435	20,514	179%
2006 Revised	14,047	17,597	125%
2007 Revised	16,500	n/a	n/a
2007 YTD (Jul)	n/a	3,506	21%
2007 Y/E Projected	n/a	6,010	36%
2008 ¹	n/a	n/a	n/a

Goal - Lifetime MWh Savings

Year	Goal (MWh)	Actual (MWh)	% of Goal
2000	23,016	25,736	112%
2001	21,322	16,244	76%
2002	32,945	41,111	125%
2003	51,655	29,791	58%
2004	23,799	54,186	228%
2005 Revised	52,447	77,371	148%
2006 Revised	54,081	67,748	125%
2007 Revised	5,785	n/a	n/a
2007 YTD (Jul)	n/a	4,467	77%
2007 Y/E Projected	n/a	9,913	171%
2008 ¹	n/a	n/a	n/a

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal
2000	n/a	n/a	n/a
2001	n/a	n/a	n/a
2002	n/a	n/a	n/a
2003	4,772	815	17.1%
2004	586	1,195	203.9%
2005 Revised	497	553	111.3%
2006 Budget	365	457	125.3%
2007 Revised	1,182	n/a	n/a
2007 YTD (Jul)	n/a	30	2.5%
2007 Y/E Projected	n/a	1,143	96.7%
2008	n/a	n/a	n/a

Program Ratios

Year	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2000	0.074	0.058	n/a	10,458
2001	0.053	0.053	n/a	9,643
2002	0.038	0.037	n/a	1,568
2003	0.038	0.029	594	1,055
2004	0.038	0.027	1,535	1,214
2005 Revised	0.022	0.019	2,324	2,621
2006 Revised	0.014	0.014	2,111	2,136
2007 Revised	0.097	n/a	474	n/a
2007 YTD (Jul)	n/a	0.079	n/a	11,759
2007 Y/E Projected	n/a	0.062	n/a	534
2008 ¹	n/a	n/a	n/a	n/a

¹ CL&P may participate in select appliance promotions with retailers on a case by case basis in order to maintain a market presence. However, at this point in the evolution of the appliance market, rebates are not considered cost effective and will not be offered as a normal program offering. Thus, there is not goal for Retail Appliances in 2008.

CL&P Standard Filing Requirement

Retail Appliances

CL&P Program Notes

Budget/FTE

0.1 • FTE for program administration, vendor interaction, sales and field support

Goal

n/a

Cost/Unit

n/a

Goal Setting Methodology

n/a

Metric Changes

None

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The United Illuminating Company
Standard Filing Requirement

Retail Products*

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Amended Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ 149,726	\$ 193,513	\$ 98,123	\$ 193,513	\$ 164,871 a)
Contractor Staff	\$ 1,954	\$ 60,000	\$ 687	\$ 10,000	\$ 60,000 b)
Total Labor	\$ 151,680	\$ 253,513	\$ 98,810	\$ 203,513	\$ 224,871
Materials & Supplies	\$ 2,214	\$ 2,237	\$ 989	\$ 2,237	\$ 2,237 c)
Outside Services	\$ 111,139	\$ 87,500	\$ 94,937	\$ 137,500	\$ 104,525 d)
Incentives	\$ 1,215,590	\$ 712,633	\$ 685,048	\$ 712,633	\$ 724,250 e)
Marketing	\$ 165,652	\$ 165,000	\$ 22,428	\$ 165,000	\$ 165,000 f)
Other	\$ 5,024	\$ 2,500	\$ 3,417	\$ 3,500	\$ 2,500 g)
Administrative Expenses	\$ 12,722	\$ 15,000	\$ 7,104	\$ 14,000	\$ 15,000 h)
Total	\$ 1,664,021	\$ 1,238,383	\$ 912,733	\$ 1,238,383	\$ 1,238,383

* Joint CL&P and UI Programs

- a) 1.82 FTEs.
- b) Field services for fairs/events, NCP administrative services.
- c) Forms and supplies for fairs.
- d) Catalog design, incentive fulfillment services.
- e) 370,556 NCP bulbs; 92,000 coupon bulbs; 3,000 fixtures; 250 MEF 2.0 washers @\$40.
- f) POP, coupons/forms, seasonal promotional advertising.
- g) NEEP.
- h) Meals, miles, travel and training.

2008 Goals and Metrics Information:
Savings

Demand Savings (kW)	1,224
Annual Energy Savings (kWh)	12,893,497
Lifetime Energy Savings (kWh)	91,460,165
Annual Cost Rate (\$/kWh)	\$ 0.096
Lifetime Cost Rate (\$/kWh)	\$ 0.014
Cost per kW	\$ 1,012
Electric System B/C Ratio	8.4

The United Illuminating Company LF-26 Standard Filing Requirement

Retail Products

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$1,546	\$1,831	118.4%
2001	\$1,665	\$1,589	95.4%
2002	\$1,379	\$1,303	94.5%
2003	\$1,070	\$592	55.3%
2004	\$1,361	\$1,267	93.1%
2005	\$1,506	\$1,592	105.7%
2006	\$1,521	\$1,664	109.4%
2007	\$1,238		
2007 YTD (Jul)	\$1,238	\$913	73.7%
2007 YE Projected	\$1,238	\$1,238	100.0%
2008	\$1,238		

Goal - Number of Bulbs, Fixtures & Appliances

Year	Goal	Actual	% of Goal Achieved
2000	20,799	29,020	139.5%
2001	62,823	102,148	162.6%
2002	61,459	95,456	155.3%
2003	44,073	40,736	92.4%
2004	233,800	242,338	103.7%
2005	259,685	337,713	130.0%
2006	455,658	442,703	97.2%
2007	335,000		
2007 YTD (Jul)	335,000	424,773	126.8%
2007 YE Projected	335,000	335,000	100.0%
2008	465,806		

Goal - Installed kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	4,487	7,078	157.7%
2001	7,124	9,563	134.2%
2002	4,523	7,997	176.8%
2003	3,747	3,465	92.5%
2004	11,564	12,166	105.2%
2005	11,314	14,968	132.3%
2006	14,695	15,216	103.5%
2007	9,658		
2007 YTD (Jul)	9,658	12,148	125.8%
2007 YE Projected	9,658	12,555	130.0%
2008	12,893		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	404	639	158.2%
2004	1,143	1,286	112.5%
2005	995	1,339	134.6%
2006	1,177	1,158	98.4%
2007	761		
2007 YTD (Jul)	761	969	127.3%
2007 YE Projected	761	989	130.0%
2008	1,224		

Goal - Lifetime kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	76,065	116,542	153.2%
2001	91,689	114,927	125.3%
2002	48,850	87,336	178.8%
2003	47,247	34,208	72.4%
2004	108,108	115,967	107.3%
2005	80,398	111,485	138.7%
2006	113,098	126,122	111.5%
2007	69,512		
2007 YTD (Jul)	69,512	96,702	139.1%
2007 YE Projected	69,512	100,000	143.9%
2008	91,460		

Program Ratios

Year	\$/kWh Target	Actual	\$/LT kWh Target	Actual	\$/kW Target	Actual	Cost/Socket
2000	\$0.345	\$0.259	\$0.020	\$0.016	\$0	\$0	\$63.094
2001	\$0.234	\$0.166	\$0.018	\$0.014	\$0	\$0	\$15.556
2002	\$0.305	\$0.163	\$0.028	\$0.015	\$0	\$0	\$13.650
2003	\$0.286	\$0.171	\$0.023	\$0.017	\$2,649	\$926	\$14.533
2004	\$0.118	\$0.104	\$0.013	\$0.011	\$1,191	\$985	\$5.228
2005	\$0.133	\$0.106	\$0.019	\$0.014	\$1,514	\$1,189	\$6.131
2006	\$0.104	\$0.109	\$0.013	\$0.013	\$1,292	\$1,437	\$3.652
2007	\$0.128		\$0.018		\$1,627		
2007 YTD (Jul)	\$0.128	\$0.075	\$0.018	\$0.009	\$1,627	\$942	\$2.149
2007 YE Projected	\$0.128	\$0.099	\$0.018	\$0.012	\$1,627	\$1,252	\$3.697
2008	\$0.096		\$0.014		\$1,012		

The United Illuminating Company LF-26 Standard Filing Requirement

Program Notes - Residential Retail Lighting

Budget/FTE:

2007 UI labor of 1.82 FTE includes field support, data/financial administration and event participation

Goal:

	Units	Incentive
NCPs @ 16w avg	370,556	\$ 1.35
Coups @16w avg	92,000	\$ 2.00
Fixtures @16w avg	3000	\$ 10.00
CW @ 2.0 MEF	250	\$ 40.00

Cost/kWh (Cost/Unit):

- 1) 2007 cost rates decrease slightly due to overall production increase and incentive reduction
- 2) Cost rates difficult to compare year-over-year:
 - a) Measure mix changes
 - b) Metrics change over time
 - c) Changes to realization rates due to evaluation and market data

Goal Setting Methodology:

Goals are based on a measure mix and production levels based on available funds, market data, and average lighting wattages.

Metric Changes:

Focus will be to continue to support standard spiral CFL with lower incentives and look to increase penetration in specialty CFLS.

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ROOM AIR CONDITIONER REPLACEMENT PROGRAM

Room Air Conditioner Replacement Program (CL&P & UI)

- Objective:** The objective of the Room Air Conditioner Replacement program is to encourage customers to remove old, inefficient window air conditioners and replace them with models that meet the federal ENERGY STAR® standard.
- Target Market:** The Companies will target residential customers who have older, less-efficient window air conditioners.
- Program Description:** The Room Air Conditioner Replacement program is a result of recent Connecticut legislation that was passed in 2007. Public Act 07-242, *An Act Concerning Electricity and Energy Efficiency*, provides rebates for customers to replace window air conditioners that do not meet federal ENERGY STAR® standards with units that do meet these standards. In order to qualify for a rebate, a customer must present an old air conditioner to a retailer for proper environmentally-friendly disposal in accordance with state and/or local regulations.
- The Companies have issued a Request for Proposal (“RFP”) to retailers, distributors and disposal/recycling vendors, and are currently awaiting responses. The responses will help shape the final design of the program and will, among other things, determine which retailer(s) will participate, the length of the program (i.e., season long offering, or weekend “turn-in” events), marketing plans, and the relative size of the program. The Companies will select retailers and/or vendors to participate in the program based on available funding and cost-effectiveness screening. In situations where the “best” proposal is too expensive and not cost-effective, the Companies will work with the ECMB to adjust rebate amounts or program implementation design to strive to reach a cost-effective solution in order to comply with PA 07-242. If the Companies and ECMB can not reach a cost-effective solution, they will notify the DPUC and will allocate the dollars to other programs based on ECMB advisement and DPUC input and approval.
- Marketing Strategy:** It is anticipated that the marketing for this program may be done through print ads, flyers, radio, and the Companies’ websites. The Companies will work with the “best” bidders and to the extent possible, leverage existing marketing channels (e.g., retail flyers) as much as possible to help reduce costs.
- Incentive Strategy:** Public Act 07-242, specifies the following rebate levels:
- \$25 for an ENERGY STAR window air conditioner with a retail price of \$100.00 to \$200.00.

- \$50 for an ENERGY STAR window air conditioner with a retail price greater than \$200.00 but less than \$300.00.
- \$100 for an ENERGY STAR window air conditioner with a retail price of \$300.00 or greater.

The legislation appears to allow changes in the rebate amounts if these rebate amounts are not found to be cost-effective.³ Based on initial program screening, it is possible that some adjustments to incentive amounts will be necessary as the program is marginally cost-effective.

Per Public Act 07-242, rebates are available only to customers who present an old air conditioner to the retailer for disposal. The legislation does not set limits on how many units may be turned in per customer, and is not specific on how many rebates customers may qualify for (*does one turned-in unit equal one rebate?*). From a program design strategy perspective, the Companies believe that it is appropriate to allow one rebate for each unit that is turned in and will limit the total number of rebates that a customer can receive to three. However, the Companies will consider exceptions to these rules on a case-by-case basis.

If necessary, based on the response from the bidders and cost-effectiveness screening, the Companies may adjust the rebate amounts to make the program pass cost-effectiveness screening.

Goals: Refer to standard filing requirement for program goals.

New Program Issues: Because of the timing of the legislation, details of this program will be largely unknown until responses to the RFP are received. In the meantime, the Companies have estimated program costs and savings based on prior turn-in programs that have been offered in recent years. If the final program deviates significantly from these estimates, the Companies will file an amended Room Air Conditioner Replacement program plan with the Department.

³ Public Act 07-242 requires that the AC rebate program approved as part of PA 07-04 be cost-effective. Based on this Act, rebates are set at these levels “unless the board demonstrates that such levels are not cost effective”

CL&P Standard Filing Requirement

Room Air Conditioner Replacement Program

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 a) YTD (Jul)</u>	<u>YE Projected</u>	<u>2008 Budget</u>
Labor						
NU Labor	\$ 83	\$ 16	\$ -	\$ -	\$ -	\$ 64
Contractor Staff	\$ 10	\$ 2	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 93	\$ 18	\$ -	\$ -	\$ -	\$ 64
Materials and Supplies	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ 1,253	\$ 760	\$ -	\$ -	\$ -	\$ 485 b)
Incentives	\$ 627	\$ 411	\$ -	\$ -	\$ -	\$ 948 c)
Marketing	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ 50
Administrative Expenses	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 5
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,034	\$ 1,189	\$ -	\$ -	\$ -	\$ 1,552

a) Program discontinued in 2007.

b) Estimated cost of collecting and recycling units.

c) Estimated incentive for purchase of new units.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	1,149.7
Annual Energy Savings (KWh Reduction Goal)	718,555
Lifetime Energy Savings (kWh Reduction Goal)	4,655,333
Annual Cost Rate (\$/kWh)	\$ 2.160
Lifetime Cost Rate (\$/kWh)	\$ 0.333
Electric b/c ratio	1.04
Total Resource b/c ratio	1.13

CL&P Standard Filing Requirement

Room Air Conditioner Replacement Program

Program Costs

Year	Budget	Actual	% of Budget	cost/partic.	\$/LT-kWh
2003	\$ 700,000	n/a	n/a	n/a	n/a
2004	\$ 3,500,000	\$ 1,447,000	41%	n/a	n/a
2005 Revised	\$ 2,539,286	\$ 2,034,300	80%	\$139	0.054
2006 Revised	\$ 625,000	\$ 1,188,636	190%	n/a	n/a
2007 Revised	n/a	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ -	-	-	-
2007 Y/E Projected	n/a	\$ -	-	-	-
2008	\$ 1,552,000	n/a	n/a	n/a	n/a

Goal - Participation

Year	Goal (units)	Actual	% of Goal
2003	3,952	n/a	n/a
2004	6,258	10,191	162.8%
2005 Revised	16,622	14,682	88.3%
2006 Revised	3,690	7,656	207.5%
2007 Revised	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	-
2007 Y/E Projected	n/a	n/a	-
2008	10,774	n/a	n/a

Goal - Lifetime MWh Savings

Year	Goal (MWh)	Actual (kWh)	% of Goal
2003	25,374	0	0.0%
2004	14,946	22,377	149.7%
2005 Revised	49,626	37,789	76.1%
2006 Revised	7,407	15,977	215.7%
2007 Revised (a)	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	-
2007 Y/E Projected	n/a	n/a	-
2008	4,655	n/a	n/a

Goal - Installed kW Savings

Year	Goal	Actual	%of Goal
2003	699	0	0.0%
2004	580	1,042	179.7%
2005 Revised	1,671	1,437	86.0%
2006 Revised	211	443	209.9%
2007 Revised (a)	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	-
2007 Y/E Projected	n/a	n/a	-
2008	1,150	n/a	n/a

Program Ratios

Year	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2003	0.035	n/a	1,528	n/a
2004	0.067	n/a	1,726	1,389
2005 Revised	0.051	0.054	1,520	1,415
2006 Revised	0.084	n/a	2,962	n/a
2007 Revised	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	-	n/a	-
2007 Y/E Projected	n/a	-	n/a	-
2008	0.333	n/a	1,350	n/a

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CL&P Standard Filing Requirement

Room Air Conditioner Replacement Program

CL&P Program Notes

Budget/FTE

0.5

Goal

10774 units

Cost/Unit

\$144

Goal Setting Methodology

Goal is based on estimated costs and participation rates.

Metric Changes

NA

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The United Illuminating Company
Standard Filing Requirement

Room Air Conditioner Replacement Program*

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Amended Budget</u>	<u>2007 YTD (Aug)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ -	\$ -	\$ -	\$ -	\$ 21,459 a)
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ - b)
Total Labor	\$ -	\$ -	\$ -	\$ -	\$ 21,459
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ - c)
Outside Services	\$ -	\$ -	\$ -	\$ -	\$ 466,301 d)
Incentives	\$ -	\$ -	\$ -	\$ -	\$ 147,240 e)
Marketing	\$ -	\$ -	\$ -	\$ -	\$ 115,000 f)
Other	\$ -	\$ -	\$ -	\$ -	\$ - g)
Administrative Expenses	\$ -	\$ -	\$ -	\$ -	\$ - h)
Total	\$ -	\$ -	\$ -	\$ -	\$ 750,000

* Joint CL&P and UI Programs.

- a) .25 FTEs.
- b) No comment.
- c) No comment.
- d) Recycling/processing cost for 4,908 units.
- e) Incentives for 4,908 units.
- f) POP, Coupons and Forms.
- g) No comment.
- h) No comment.

2008 Goals and Metrics Information:
Savings

Demand Savings (kW)	548
Annual Energy Savings (kWh)	307,913
Lifetime Energy Savings (kWh)	2,062,396
Annual Cost Rate (\$/kWh)	\$ 2.436
Lifetime Cost Rate (\$/kWh)	\$ 0.364
Cost per kW	\$ 1,368
Electric System B/C Ratio	1.0

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RESIDENTIAL NEW CONSTRUCTION

Residential New Construction (CL&P & UI)

- Objective:** The objective of the joint CL&P and UI Residential New Construction program is to reduce the energy use and peak demand in new housing. Related objectives include increasing builder and consumer awareness and understanding of the benefits of energy-efficient building practices, and to effect permanent market movement to more energy-efficient residential construction in the state of Connecticut.
- Target Market:** The Companies will target large and otherwise exemplary new residential construction projects, particularly those that are willing to demonstrate the next generation of energy efficiency. The Companies also plan to continue to support energy improvements in all residential new construction, particularly through efforts to improve building energy code requirements in Connecticut.
- Outreach and education elements will focus on prospective new home-buyers, builders, developers, and other market actors such as architects, building code officials, insulation and HVAC contractors, and real estate agents. Relationships will continue to be fostered with the appropriate agents of single and multi-family housing for low-income families, including Public Housing Authorities and other community development entities.
- Program Description:** For 2008, the Companies plan to redefine the focus of the Residential New Construction program in order to continue to reduce costs and improve the program impacts. Program efforts will focus on working with market leaders to demonstrate the approach and benefits of building homes that minimize the peak load growth on the electric system. This will involve moving builders and consumers beyond ENERGY STAR[®] to high-performing homes that qualify for the Federal Tax Credit and to Zero Energy Homes by incorporating renewable features. Other technologies such as ductless and geothermal heat pumps, combined heat and power systems, and time-of-use rate structures and real time feedback mechanisms may be demonstrated or featured. Where appropriate, Federal Tax Credits, the Clean Energy Fund's Solar PV program, and other funding will be promoted and coordinated with the program offering.
- To address efficiency opportunities for homes not interested or capable of meeting these high-performance criteria, the Companies will work to upgrade the energy elements of the Connecticut residential building code. The Companies plan to propose code upgrades to ENERGY STAR levels

with System Benefit Charge (“SBC”)-funded RESNET raters providing technical compliance assistance to local code officials and jurisdictions.

The Companies also plan to promote prescriptive incentives for efficient heating and cooling equipment and installations. Beyond these heating and cooling incentives, the Companies will offer only modest support for efficiency upgrades from code. Projects planning to meet ENERGY STAR levels will receive limited support. Other prescriptive incentives for measures may be made available depending on the project. Limited support for HERS ratings for ENERGY STAR may be employed. However, most of the funding/support for ratings will be in the form of the code upgrade/RESNET compliance proposal discussed above.

Marketing Strategy: The Companies will package incentives, tax credits and other promotional elements to offer large and otherwise exemplary projects the opportunity to lead and demonstrate the next generation of new construction in Connecticut. Design and construction contests and award programs may be used to stimulate advanced projects.

The Companies will also promote HVAC incentives designed to increase the efficiency of heating and cooling equipment and installations. Outreach to code officials and jurisdictions will be conducted to foster code upgrades and compliance options.

Incentive Strategy: Incentives from multiple parties will be packaged and offered to high-performance project homes that meet the federal tax credit level of efficiency and incorporate renewable features to approach Zero Energy Home performance. Tax credits will be leveraged where possible for building and renewable features.

The same HVAC incentives offered through the Home Energy Solutions program will be available to all residential new construction. Incentives for geothermal heat pump installations will remain at \$500 per ton with a cap of \$3000 per residential installation or \$4,000 per location⁴. In order to qualify for an incentive, the unit must be performance tested by the contractor to verify that it is operating within its design parameters.

Incentives may be made available to jurisdictions willing to lead as an early adopter of ENERGY STAR as code with RESNET raters providing energy compliance.

At this point, the Companies do not plan to offer financial incentives for market-based ENERGY STAR program compliance.

Goals: Refer to Standard Filing Requirements for program goals.

⁴ \$500 per ton incentive was a result of the DPUC Final Decision in Docket No. 05-10-02, June 7, 2006.

New Program Issues: The Residential New Construction program has been in existence for over 12 years. During that time, the Companies have absorbed the cost of providing ratings to homes. For 2008, the Companies plan to let the market take responsibility for this activity with support resulting from the proposal to provide code compliance with raters. Code compliance activity would be sufficient to build the best rater network in the county. This is a dramatic change for the program, but a change that will help improve program cost effectiveness and viability going forward.

Finally, in 2008 the Companies will continue to serve low-income residential new construction projects through the low income (UI Helps/WRAP) programs by utilizing the existing infrastructure of the Residential New Construction program.

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Residential New Construction

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 33	\$ 82	\$ 217	\$ 78	\$ 133	\$ 163
Contractor Staff	\$ 0	\$ 1	\$ -	\$ -	\$ -	\$ -
Total labor	\$ 33	\$ 83	\$ 217	\$ 78	\$ 133	\$ 163
Materials & Supplies	\$ -	\$ -	\$ 3	\$ 1	\$ 3	\$ 3
Outside Services	\$ 574	\$ 582	\$ 950	\$ 274	\$ 470	\$ 192 a)
Incentives	\$ 577	\$ 1,011	\$ 497	\$ 133	\$ 531	\$ 863 b)
Marketing	\$ 2	\$ 8	\$ 23	\$ 8	\$ 17	\$ 30
Administrative Expenses	\$ 1	\$ 1	\$ 5	\$ 1	\$ 3	\$ 5
Other	\$ -	\$ 3	\$ 5	\$ 1	\$ 3	\$ 5
Total	\$ 1,187	\$ 1,688	\$ 1,700	\$ 496	\$ 1,160	\$ 1,261

a) Includes services such as outsourcing of program implementation to a vendor and builder training.

b) Lighting fixtures and cfls, incentives including central AC, geothermal, ducts, insulation etc.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	884.8
Annual Energy Savings (kWh Reduction Goal)	1,877,280
Lifetime Energy Savings (kWh Reduction Goal)	21,012,000
Annual Cost Rate (\$/kWh)	\$ 0.672
Lifetime Cost Rate (\$/kWh)	\$ 0.060
Electric b/c ratio	3.84
Total Resource b/c ratio	4.33

CL&P Standard Filing Requirement

Residential New Construction

Year	Budget	Program Costs		Cost/participant	\$/LT-kWh
		Actual	% of Budget		
2000	\$ 1,744,000	\$ 1,508,000	86%	\$1,797	0.068
2001	\$ 1,315,000	\$ 1,283,000	98%	\$3,534	0.116
2002	\$ 1,400,000	\$ 1,275,000	91%	\$2,087	0.038
2003	\$ 1,655,000	\$ 1,116,000	67%	\$1,622	0.051
2004	\$ 900,000	\$ 767,000	85%	\$1,088	0.084
2005 Revised	\$ 1,320,429	\$ 1,187,496	90%	\$1,197	0.035
2006 Budget	\$ 1,769,000	\$ 1,688,185	95%	\$1,310	0.039
2007 Revised	\$ 1,700,000	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 495,801	29%	\$3,785	0.117
2007 Y/E Projected	n/a	\$ 1,159,714	68%	\$1,771	0.045
2008	\$ 1,261,000	n/a	n/a	-	-

Goal - No. of New Homes Built to Standard

Year	Goal	Actual	% of Goal
2000	686	839	122%
2001	734	363	49%
2002	605	611	101%
2003	1,005	688	68.5%
2004	600	705	117.5%
2005 Revised	932	992	106.4%
2006 Revised	1,421	1289	90.7%
2007 Revised	1,546	n/a	n/a
2007 YTD (Jul)	n/a	131	8.5%
2007 Y/E Projected	n/a	655	42.4%
2008	959	n/a	n/a

Goal - Lifetime MWh savings

Year	Budget	Actual	% of Budget
2000	54,082	22,226	41%
2001	24,924	11,091	44%
2002	27,799	33,911	122%
2003	12,969	21,782	82%
2004	10,891	9,114	83.7%
2005 Revised	17,985	34,399	191.3%
2006 Revised	16,468	43,764	265.8%
2007 Revised	19,791	n/a	n/a
2007 YTD (Jul)	n/a	4,243	21.4%
2007 Y/E Projected	n/a	25,631	129.5%
2008	21,012	n/a	n/a

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal
2000	n/a	n/a	n/a
2001	n/a	n/a	n/a
2002	n/a	n/a	n/a
2003	229	476	207.9%
2004	343	268	78.1%
2005	687	1,885	274.4%
2006 Budget	682	2,225	326.3%
2007 Revised	544	n/a	n/a
2007 YTD (Jul)	n/a	221	40.6%
2007 Y/E Projected	n/a	648	119.1%
2008	885	n/a	n/a

Program Ratios

Year	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2000	0.032	0.068	n/a	5470
2001	0.031	0.081	n/a	5359
2002	0.030	0.027	n/a	2012
2003	0.093	0.051	4,814	2,345
2004	0.083	0.084	2,627	2,862
2005 Revised	0.073	0.035	1,922	630
2006 Revised	0.107	n/a	2,594	n/a
2007 Revised	0.086	n/a	3,125	n/a
2007 YTD (Jul)	n/a	0.117	n/a	2,247
2007 Y/E Projected	n/a	0.045	n/a	1,790
2008	0.060	n/a	1,425	n/a

CL&P Standard Filing Requirement

Residential New Construction

CL&P Program Notes

Budget/FTE

1.3

- FTE for program administration, vendor interaction, sales and field support.

Goal

959

- Homes completed.

Cost/Unit

\$1,315

- Average cost per home.

Goal Setting Methodology

- CL&P will offer code-plus measures to maintain savings and program interest.
- Average cost per home is much lower than comparable programs in surrounding states.

Metric Changes

- Program focus will move towards high performing "zero energy" homes.

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The United Illuminating Company
Standard Filing Requirement

Residential New Construction *

Baseline Assumptions:

Market	Residential new construction				
	<u>2006 Actuals</u>	<u>2007 Amended Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Budget Projections					
Labor					
UI Labor	\$ 119,114	\$ 73,579	\$ 47,561	\$ 73,579	\$ 76,152 a)
Contractor Staff	\$ -	\$ -	\$ 1,386	\$ 1,386	\$ - b)
Total Labor	\$ 119,114	\$ 73,579	\$ 48,947	\$ 74,965	\$ 76,152
Materials & Supplies	\$ 349	\$ 4,000	\$ -	\$ 4,000	\$ 4,000 c)
Outside Services	\$ 89,581	\$ 85,550	\$ (41,057)	\$ 84,164	\$ 79,260 d)
Incentives	\$ 132,987	\$ 195,733	\$ (136,629)	\$ 195,733	\$ 199,450 e)
Marketing	\$ 27,668	\$ 30,000	\$ 6,715	\$ 30,000	\$ 30,000 f)
Other	\$ 960	\$ -	\$ 1,025	\$ 1,025	\$ - g)
Administrative Expenses	\$ 4,700	\$ 7,421	\$ 5,287	\$ 6,396	\$ 7,421 h)
Total	\$ 375,359	\$ 396,283	\$ (115,712)	\$ 396,283	\$ 396,283

* Joint CL&P and UI Programs

- a) .70 FTEs.
- b) No comment.
- c) Forms and supplies.
- d) Inspections and technical assistance for 300 homes.
- e) Efficiency measure upgrades for 300 homes, 50 homes to meet Federal Tax Credit.
- f) General awareness, builder co-op.
- g) No comment.
- h) Meals, miles, travel and training.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	196
Annual Energy Savings (kWh)	550,000
Lifetime Energy Savings (kWh)	4,950,000
Annual Cost Rate (\$/kWh)	\$ 0.721
Lifetime Cost Rate (\$/kWh)	\$ 0.080
Cost per kW	\$ 2,027
Electric System B/C Ratio	2.3

The United Illuminating Company Standard Filing Requirement

Residential New Construction

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$359	\$513	142.9%
2001	\$536	\$497	92.7%
2002	\$424	\$520	122.6%
2003	\$523	\$357	68.3%
2004	\$541	\$606	112.0%
2005	\$841	\$1,140	135.6%
2006	\$644	\$375	58.2%
2007	\$396		
2007 YTD (Jul)	\$396	(\$116)	-29.2%
2007 YE Projected	\$396	\$396	100.1%
2008	\$396		

Goal - Number of Homes

Year	Goal No of Units	Actuals	% of Goal Achieved
2000	100	110	110.0%
2001	127	127	100.0%
2002	106	141	133.0%
2003	120	276	230.0%
2004	400	407	101.8%
2005	500	548	109.6%
2006	500	613	122.6%
2007	300		
2007 YTD (Jul)	300	80	26.7%
2007 YE Projected	300	300	100.0%
2008	300		

Goal - Installed kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	202	226	111.9%
2001	208	208	100.0%
2002	174	230	132.2%
2003	108	297	275.0%
2004	378	385	101.9%
2005	757	1,038	137.1%
2006	588	1,038	176.5%
2007	513		
2007 YTD (Jul)	513	381	74.3%
2007 YE Projected	513	513	100.0%
2008	550		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	23	25	108.7%
2004	170	173	101.8%
2005	318	212	66.7%
2006	175	231	131.9%
2007	210		
2007 YTD (Jul)	210	44	21.0%
2007 YE Projected	210	210	100.0%
2008	196		

Goal - Lifetime kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	3,365	3,753	111.5%
2001	4,338	4,338	100.0%
2002	3,816	5,044	132.2%
2003	2,029	5,940	292.8%
2004	7,283	7,412	101.8%
2005	9,435	11,241	119.1%
2006	7,994	15,812	197.8%
2007	6,593		
2007 YTD (Jul)	6,593	3,767	57.1%
2007 YE Projected	6,593	6,593	100.0%
2008	4,950		

Program Ratios

Year	\$/kWh Target	Actual	\$/LT kWh Target	Actual	\$/kW Target	Actual	Cost/Home
2000	\$1.777	\$2.270	\$0.107	\$0.137	\$0	\$0	\$4,663.64
2001	\$2.577	\$2.389	\$0.124	\$0.115	\$0	\$0	\$3,913.39
2002	\$2.437	\$2.261	\$0.111	\$0.103	\$0	\$0	\$3,687.94
2003	\$4.843	\$1.202	\$0.258	\$0.060	\$22,739	\$14,280	\$1,293.48
2004	\$1.431	\$1.574	\$0.074	\$0.082	\$3,182	\$3,503	\$1,488.94
2005	\$1.111	\$1.098	\$0.089	\$0.101	\$2,645	\$5,377	\$2,080.29
2006	\$1.095	\$0.361	\$0.081	\$0.024	\$3,680	\$1,625	\$611.75
2007	\$0.772		\$0.060		\$1,886		
2007 YTD (Jul)	\$0.772	(\$0.304)	\$0.060	(\$0.031)	\$1,886	(\$2,630)	(\$1,446.41)
2007 YE Projected	\$0.772	\$0.772	\$0.060	\$0.060	\$1,886	\$1,887	\$1,320.94
2008	\$0.721		\$0.080		\$2,027		\$1,320.94

The United Illuminating Company Standard Filing Requirement

Program Notes - Residential New Construction

Budget/FTE:

Staffing level reduced to .70 FTE as budget declines and as relationship with Low-income program becomes closer.

Goal:

300 unit goal reflects budget reduction, shift of low-income new construction to UI Helps program.

Cost/kWh (Cost/Unit):

Relative stability of costs rates reflects decreased UI labor, revised measure mix.

Goal Setting Methodology:

300 unit goal is driven by available budget and estimated vendor and builder incentives.

Metric Changes:

Emphasis is on participation rather than ENERGY STAR certification, with specific interest in Federal Tax Credit Homes, air conditioning and ductwork.

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HOME ENERGY SOLUTIONS

Home Energy Solutions (CL&P & UI)

- Objective: The objective of the Home Energy Solutions (“HES”) program is to reduce total energy use and electric system peak demand through the comprehensive treatment of “high-use” residential dwellings, and through the replacement of inefficient equipment in all homes. HES is an “umbrella” program that is comprised of three components:
- In-Home Energy Services.** *In-Home Energy Services* is the largest component of HES and provides comprehensive in-home energy services to high-use customers. This component of HES is a joint natural gas and electric offering and will be promoted to high-use electric customers, customers with central air conditioning, and/or high-use natural gas customers.
- Heating and Cooling System Efficiency.** The *Heating and Cooling System Efficiency* component of HES provides incentives to increase heating and air conditioning equipment efficiency and to improve system installation quality. Induced replacement (i.e., early retirement) of older, inefficient equipment will be a key market strategy.
- Consumer Financing.** HES provides (will provide) attractive consumer financing for energy improvement projects recommended and/or offered through the program.⁵
- Target Market: HES serves both single family and multi-family homes. In order to ensure cost-effectiveness, the *In-Home Energy Services* component of the program will be offered **only** to high-use electric and gas heating customers. Eligible high-use customers will typically have electric space and water heat, or central air conditioning with natural gas heat. The Companies will establish high-use eligibility criteria that will look to incorporate normalized electric and/or natural gas consumption.
- The *Heating and Cooling System Efficiency* component of HES targets all residential customers adding or replacing central air conditioning systems. Both market-driven replacement upgrades and early retirement of older, inefficient systems will be promoted.
- Program Description: HES provides in-home energy services, incentives for heating and cooling systems, and consumer financing. These program components are summarized below. Also, please refer to previous filings and technical sessions for additional discussion of the program offering.

⁵ The Companies and the ECMB plan to explore, develop, and implement a “best-practice” financing program in 2008 that can efficiently provide most residential customers with access to home energy improvement capital.

The *In-Home Energy Services* component of HES will assist high-use customers with comprehensive home performance solutions. Key measures and services include:

- On-Site Opportunity Assessment
- Customer-Specific Energy Recommendations
- Instrumented Air Sealing and Duct Sealing
- Direct-Install Lighting
- Heating and Cooling System Replacement Incentives
- Appliance Replacement Incentives
- Insulation, Doors and Windows (specs. and loans)
- Power Cost Monitors and TOU Education
- Consumer Financing (TBD – see below)

Multi-family project opportunities will be individually assessed through HES to produce project-specific proposals (letters of agreement) to insure that the project recommendations are appropriate and effective. These proposals may utilize and pull together other programs and offerings (e.g., C&I programs, natural gas programs, tax credit programs, etc.) to deliver comprehensive services to customers.

The *Heating and Cooling System Efficiency* component of HES provides rebates and incentives for the efficient equipment and installation of central air conditioners and heat pumps. Proper performance and efficiency of central air conditioners and heat pumps are linked directly to the design and installation of the system. Therefore, the Companies will increase their efforts to commission systems to ensure and verify that they are properly installed.

To supplement the traditional rebate strategy, the Companies are working with NEEP to develop Negotiated Cooperative Promotions (“NCP”) with manufacturers and distributors of HVAC equipment. The NCP process will directly engage and negotiate with key market actors to develop program elements such as marketing, contractor training, high efficiency equipment incentives, quality installation incentives, and perhaps customer financing options. Inverter-driven ductless heat pumps are a promising technology that may significantly reduce the energy use of customers with electric resistance heat.

In 2007, the Companies tested the feasibility of using these heat pumps to displace electric resistance heat. An evaluation of this effort is underway, and initial customer feedback is positive. Based on the results of the evaluation, the Companies may develop an NCP (and/or offer incentives and/or consumer financing) for the installation of these heat pumps.

The *Consumer Financing* component of HES is undeveloped. Consumer financing products are needed to stimulate consumer actions and co-investment. The Companies have supported and, to a modest degree,

promoted the Energy Conservation Loan Program (“ECLP”) over the years. Nevertheless, program experience indicates that additional financing mechanisms and products are needed to meet consumer needs and expectations. The Companies plan to explore, develop, and implement a “best practice” residential consumer financing program component for HES in 2008.

Marketing Strategy: Most of the program marketing will be direct marketing (mail and telemarketing) to targeted customers. Given the energy situation and other efficiency marketing efforts in Connecticut, the Companies are concerned about oversubscription to the HES program and about serving non-targeted customers.

Incentive Strategy: The incentive strategies for HES are multifaceted due to the various components of the program and the markets served. The incentive portions of the NCPs have yet to be developed and may be a dominant incentive strategy over time.

For the *In-Home Energy Services* component of HES, the “core” customer incentives will be fixed rebate amounts for equipment replacements, and direct installation of air sealing, duct sealing and lighting measures in the home. Consumer financing will be included as an incentive/catalyst. Subsidized consumer financing may also be used as an incentive.

For the *Heating and Cooling System Efficiency* component of HES, the fixed rebate amounts for equipment replacement will be offered to all residential consumers. Participating HVAC contractors may also receive incentives for verified quality installation (i.e., proper airflow and charge).

Recent Connecticut legislation⁶ mandated a \$500 rebate for ENERGY STAR central air conditioning systems (systems with at least a 14 SEER and 11.5 EER). However, the benefit-cost ratio is less than 1.0 for 14 SEER systems based on a \$500 incentive and thus a \$500 rebate for 14 SEER systems is not cost-effective. However, a \$500 incentive is cost-effective for more efficient 15 SEER systems. Based on this finding, the Companies are proposing an alternative incentive structure of \$300 for 14 SEER systems, and \$500 for systems that are 15 SEER or greater. This change (reduced incentive of \$300 for 14 SEER systems) is necessary in order to make the 14 SEER rebate be cost-effective. Since system efficiency is a function of design and installation practice, the Companies will encourage all customers that receive this rebate to have their system(s) verified for quality installation. In addition, the Companies will continue to work on the national level in developing quality installation guidelines for ENERGY STAR to adopt.

Goals: Refer to Standard Filing Requirements for program goals.

⁶ HB 7432, *An Act Concerning Electricity and Energy Efficiency*, June 2007.

New Program Issues:

This program was developed in 2007 and has grown exponentially in a relatively short time. Currently, there are nearly 20 crews who have been trained and are working in the field in HES. As a result of HES efforts, a residential energy efficiency industry is being developed in Connecticut – an industry that will help customers in Connecticut for many years to come. A key program issue will continue to be infrastructure development; particularly if/as Connecticut ramps up towards an Integrated Resource Plan to address the needs of Connecticut residential customers. The Companies anticipate that HES will eventually become a market based program. As such, a formal training and certification program will be developed for technicians in 2008.

As the Companies look to target high-use customers, it is important that those who do not meet these eligibility criteria are not overlooked. Non-qualifying customer will be provided with the appropriate information and education necessary to help them reduce their energy consumption. “HES Lite” will include product offerings through the SmartLiving Catalog, energy-saving tips, online audit tools, and information on other efficiency programs and offerings.

Home Energy Solutions (HVAC, In-Home Services, Financing)

All dollar values are in \$000

Budget Projections	2005 Actuals	2006 Actuals	Revised 2007 Budget	2007 YTD (Jul)	2007 YE Projected	2007 Budget	2008 Budget
Labor							
NU Labor	\$ 78	\$ 181	\$ 389	\$ 218	\$ 405	\$ 389	\$ 608
Contractor Staff	\$ 5	\$ 72	\$ 20	\$ 2	\$ 4	\$ 20	\$ -
Total Labor	\$ 83	\$ 253	\$ 409	\$ 220	\$ 409	\$ 409	\$ 608
Materials & Supplies	\$ 1	\$ 5	\$ 50	\$ 5	\$ 9	\$ 50	\$ 17
Outside Services	\$ 321	\$ 908	\$ 1,308	\$ 462	\$ 859	\$ 1,308	\$ 1,166 a)
Incentives	\$ 1,270	\$ 2,723	\$ 2,909	\$ 1,971	\$ 3,663	\$ 3,069	\$ 6,620 b)
Marketing	\$ 10	\$ 54	\$ 62	\$ 37	\$ 69	\$ 62	\$ 85
Administrative Expense	\$ 0	\$ 3	\$ 10	\$ 3	\$ 5	\$ 10	\$ 11
Other	\$ 0	\$ 14	\$ 152	\$ 25	\$ 46	\$ 152	\$ 56
Total	\$ 1,686	\$ 3,960	\$ 4,900	\$ 2,723	\$ 5,060	\$ 5,060	\$ 8,563

a) Includes administrative costs for home visits, rebate processing fees, CHIF Loan Program.

b) Incentives include \$2.98 million of state mandated incentives as a result of PA 07-242.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	4,610.3
Annual Energy Savings (kWh Reduction Goal)	10,581,042
Lifetime Energy Savings (kWh Reduction Goal)	134,311,605
Annual Cost Rate (\$/kWh)	\$ 0.809
Lifetime Cost Rate (\$/kWh)	\$ 0.064
Electric b/c ratio	2.95
Total Resource b/c ratio	3.00

CL&P Standard Filing Requirement

Home Energy Solutions (HVAC, In-Home Services, Financing)

Year	Program Costs			Cost/Participant	\$/LT-kWh
	Budget	Actual	% of Budget		
2000	\$ -	\$ -	0%	\$0	0.000
2001	\$ 500,000	\$ 262,000	52%	\$488	0.096
2002	\$ 660,000	\$ 760,000	115%	\$321	0.051
2003	\$ 1,500,000	\$ 1,086,000	72%	\$659	0.104
2004	\$ 1,500,000	\$ 1,149,000	77%	\$429	0.047
2005 Revised	\$ 3,424,989	\$ 1,686,246	49%	\$456	0.051
2006 Revised	\$ 2,922,000	\$ 3,959,926	136%	\$352	0.067
2007 Revised	\$ 4,900,052	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 2,723,124	56%	\$1,494	0.065
2007 Y/E Projected	n/a	\$ 5,060,000	103%	\$1,619	0.043
2008	\$ 8,563,000	n/a	n/a	-	-

Year	Goal - Participation		
	Goal	Actual	% of Goal
2000	0	0	0%
2001	1,269	537	42%
2002	1,423	2,366	166%
2003	16,372	1,647	10%
2004	2,029	2,677	132%
2005 Revised	4,525	3,700	82%
2006 Revised	9,341	11,237	120%
2007 Revised	4,877	n/a	n/a
2007 YTD (Jul)	n/a	1,823	37%
2007 Y/E Projected	n/a	3,125	64%
2008	14,170	n/a	n/a

Year	Goal - Lifetime MWh savings			Year	Goal - Installed kW Savings		
	Budget	Actual	% of Budget		Goal	Actual	% of Goal
2000	0	0	0%	2000	n/a	n/a	n/a
2001	6,034	2,735	45%	2001	n/a	n/a	n/a
2002	8,196	14,846	181%	2002	n/a	n/a	n/a
2003	18,944	10,490	55%	2003	3,371	972	28.8%
2004	16,016	24,256	151%	2004	1,481	2,188	147.7%
2005 Revised	51,967	33,275	64%	2005	5,367	2,856	53.2%
2006 Revised	34,351	59,169	172%	2006 Budget	2,500	3,151	126.0%
2007 Revised	73,564	n/a	n/a	2007 Revised	2,579	n/a	n/a
2007 YTD (Jul)	n/a	42,129	57%	2007 YTD (Jul)	n/a	732	28.4%
2007 Y/E Projected	n/a	117,424	160%	2007 Y/E Projected	n/a	3,373	130.8%
2008	134,312	n/a	n/a	2008	4,610	n/a	n/a

Year	Program Ratios			
	\$/Lifetime kWh	Actual	\$/Annualized kW	Actual
2001	0.083	0.096	n/a	1002
2002	0.081	0.321	n/a	698
2003	0.128	0.104	721	1,117
2004	0.094	0.047	1,013	1,182
2005 Revised	0.066	0.051	638	590
2006 Revised	0.085	0.067	1169	1,257
2007 Revised	0.067	n/a	1900	n/a
2007 YTD (Jul)	n/a	0.065	n/a	3,718
2007 Y/E Projected	n/a	0.043	n/a	1,500
2008	0.064	n/a	1857	n/a

CL&P Standard Filing Requirement
Home Energy Solutions (HVAC, Duct Sealing, Lighting)

CL&P Program Notes

Budget/FTE

4.7

• FTE for program administration, vendor interaction, field inspections, program support.

Goal

14,170

• Units serviced includes 4,052 in-home services jobs and 8,715 rebates.

Cost/Unit

\$604

Average cost per unit.

Goal Setting Methodology

HVAC equipment goal was estimated based on size of market and estimated participation rate.

In-home services goal was based on estimated cost of service and available dollars.

Metric Changes

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The United Illuminating Company
Standard Filing Requirement

Home Energy Solutions*

Baseline Assumptions:

Market Unitary replacement HVAC equipment < 25 tons

<u>Budget Projections</u>	2007		2007	2007	2008 Budget
	<u>2006 Actuals</u>	<u>Amended Budget</u>	<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 122,607	\$ 155,394	\$ 90,243	\$ 155,394	\$ 173,564 a)
Contractor Staff	\$ 2,709	\$ -	\$ -	\$ -	\$ - b)
Total Labor	\$ 125,316	\$ 155,394	\$ 90,243	\$ 155,394	\$ 173,564
Materials & Supplies	\$ 1,248	\$ 2,909	\$ 2,124	\$ 2,909	\$ 2,909 c)
Outside Services	\$ 113,405	\$ 63,093	\$ 80,070	\$ 85,000	\$ 205,039 d)
Incentives	\$ 393,949	\$ 476,694	\$ 103,449	\$ 454,787	\$ 1,266,063 e)
Marketing	\$ 142,770	\$ 175,000	\$ 95,956	\$ 175,000	\$ 300,000 f)
Other	\$ 3,145	\$ 126,473	\$ 4,228	\$ 126,473	\$ 127,473 g)
Administrative Expenses	\$ 4,069	\$ 12,425	\$ 4,529	\$ 12,425	\$ 12,425 h)
Total	\$ 783,902	\$ 1,011,988	\$ 380,599	\$ 1,011,988	\$ 2,087,473

* Joint CL&P and UI Programs

- a) 1.56 FTEs.
- b) No comment.
- c) Forms etc.
- d) In-home services audits for 525, Airflow/Charge inspections for 450, contractor training.
- e) In-home services measures for 525 plus 2,336 AC, Airflow/Charge, Tru Flow and HSAT subsidies
- f) Co-op, mass media, PR and bill messaging.
- g) Energy Conservation Loan Fund, Neighborhood Housing Services.
- h) Meals, miles, travel and training.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	1,181
Annual Energy Savings (kWh)	1,789,368
Lifetime Energy Savings (kWh)	26,766,802
Annual Cost Rate (\$/kWh)	\$ 1.167
Lifetime Cost Rate (\$/kWh)	\$ 0.078
Cost per kW	\$ 1,767
Electric System B/C Ratio	2.5

The United Illuminating Company Standard Filing Requirement

Home Energy Solutions

Goal - Program Costs (000's)

Year	Budget	% of Goal	
		Actual	Achieved
2001	\$104	\$229	220.2%
2002	\$248	\$286	115.3%
2003	\$366	\$268	73.2%
2004	\$514	\$423	82.3%
2005	\$1,042	\$673	64.6%
2006	\$745	\$784	105.2%
2007	\$1,012		
2007 YTD (Jul)	\$1,012	\$381	37.6%
2007 YE Projected	\$1,012	\$1,012	100.0%
2008	\$2,087		

Goal - Number of Units

Year	Goal	% of Goal	
		Actual	Achieved
2001	250	176	70.4%
2002	235	804	342.1%
2003	500	610	122.0%
2004	634	745	117.5%
2005	3,400	1,533	45.1%
2006	840	1,051	125.1%
2007	525		
2007 YTD (Jul)	525	47	9.0%
2007 YE Projected	525	525	100.0%
2008	525		

Goal - Installed kWh Savings (000's kWh)

Year	Goal	% of Goal	
		Actual	Achieved
2001	62	75	121.0%
2002	58	1,216	2096.6%
2003	186	231	124.2%
2004	279	415	148.7%
2005	848	517	61.0%
2006	329	455	138.3%
2007	890		
2007 YTD (Jul)	890	191	21.5%
2007 YE Projected	890	890	100.0%
2008	1,789		

Goal - Installed kW Savings

Year	Goal	% of Goal	
		Actual	Achieved
2001	-	-	0.0%
2002	-	-	0.0%
2003	345	368	106.7%
2004	491	728	148.3%
2005	1,490	1,061	71.2%
2006	595	631	106.1%
2007	528		
2007 YTD (Jul)	528	67	12.7%
2007 YE Projected	528	528	100.0%
2008	1,181		

Goal - Lifetime kWh Savings (000's kWh)

Year	Goal	% of Goal	
		Actual	Achieved
2001	932	1,125	120.7%
2002	876	18,240	2082.2%
2003	3,534	4,389	124.2%
2004	5,108	7,839	153.5%
2005	11,076	8,264	74.6%
2006	5,906	5,866	99.3%
2007	9,731		
2007 YTD (Jul)	9,731	1,967	20.2%
2007 YE Projected	9,731	9,731	100.0%
2008	26,767		

Program Ratios

Year	\$/kWh		\$/LT kWh		\$/kW Target	Actual	Cost/ Unit
	Target	Actual	Target	Actual			
2001	\$1.677	\$3.053	\$0.112	\$0.204	\$0	\$0	\$1,301.14
2002	\$4.276	\$0.235	\$0.283	\$0.016	\$0	\$0	\$355.72
2003	\$1.968	\$1.160	\$0.104	\$0.061	\$1,061	\$728	\$439.34
2004	\$1.842	\$1.019	\$0.101	\$0.054	\$1,047	\$581	\$567.79
2005	\$1.229	\$1.302	\$0.094	\$0.081	\$699	\$634	\$439.01
2006	\$2.264	\$1.723	\$0.126	\$0.134	\$1,252	\$1,242	\$745.96
2007	\$1.137		\$0.104		\$1,917		
2007 YTD (Jul)	\$1.137	\$1.993	\$0.104	\$0.193	\$1,917	\$5,681	\$8,097.84
2007 YE Projected	\$1.137	\$1.137	\$0.104	\$0.104	\$1,917	\$1,917	\$1,927.60
2008	\$1.167		\$0.078		\$1,767		\$3,976.14

The United Illuminating Company Standard Filing Requirement

Program Notes - Home Energy Solutions

Budget/FTE:

1.56 FTE for contractor relations/field support, contract administration and data/financial administration.

Goal:

Program assumptions include 1,886 SEER 14, 450 SEER 15 and higher AC, 50 early retirements of A/C and/or electric heat, and 525 comprehensive in-home services participants. Within the in-home services modeling assumptions included CFLs, duct sealing, air sealing and 80% gas customers.

Cost/kWh (Cost/Unit):

Cost rates reflect totally redesigned program/measures so comparisons to prior years is not practical.

Goal Setting Methodology

As a redesigned program the goal setting process reflects a combination of judgment and experience with the 2006 pilot efforts as well as the budget PA 07-702 Central A/C mandated rebates influences program design and goals.

Metric Changes:

Program metrics will consider A/C units rebated, quality installations performed, and numbers of whole house participants by heating fuel.

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WATER HEATER CONTROLS

Water Heater Controls (UI)

- Objective:** The objective of the UI Water Heater Load Control program, consistent with the Department’s directives in the August 30, 2006 Supplemental Decision in Docket No. 05-06-04 (“the Decision”), is to promote and support the installation of UI-owned and maintained load controls on customer-owned electric water heaters.
- Target Market:** Approximately 28% of UI customers (89,000) have electric hot water. Of these customers, approximately 24,000 are participants in UI’s water heater rental program or have customer-owned water heaters with load control devices and are thus already utilizing controls on their water heaters. Of the approximately 65,000 remaining customers, about 35% (22,750) have water heaters with capacities of 80 gallons or greater and it is those customers who will be the target market for this program. Customers with tank sizes less than 80 gallons would be considered as a secondary target since these smaller capacity tanks are not well suited for optimum off-peak operation. Customers with water heaters less than 80 gallons would be advised that their installation may be problematic and referred to UI’s rental program in order to gain the greatest benefit from off-peak load control.
- Program Description:** The program will encourage customers who own their own water heaters to request a load control timer (provided and installed at no cost to the customer) and be moved to Rate RT if not already on it. These controllers, like those utilized in the water heater rental program, would disable the heater’s lower heating element during the on-peak period of 7:00 a.m. to 11:00 p.m. An education/tips package regarding maximizing the benefit of Rate RT will also be provided.
- Consistent with the Decision, the hardware and the initial installation will be rate-based. However, marketing/promotion and subsequent customer service and callbacks will be supported by C&LM funding.
- Marketing Strategy:** Marketing of the program will likely emphasize direct mail and perhaps telephone to water heating customers, as well as general awareness via bill inserts and/or The Source newsletter. Direct marketing will likely pursue the highest users, who will be the first to be migrated to the Rate RT consistent with the mandatory time-of-use rates section of the Decision.
- Incentive Strategy:** The water heater controller will be provided and installed at no cost to the customer. In addition, a key component of the marketing and education activities associated with the program will be to communicate the importance of residential load control as a key strategy in mitigating the peak demand-induced cost penalties incurred by Connecticut customers.

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The United Illuminating Company
Standard Filing Requirement

Water Heater Timer Promotion

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ -	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ -	\$ 55,000	\$ -	\$ 55,000	\$ 55,000
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ -	\$ -	\$ -	\$ -	\$ -
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ 45,000	\$ 650	\$ 45,000	\$ 45,000
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 100,000	\$ 650	\$ 100,000	\$ 100,000

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MULTI-FAMILY INITIATIVE (CL&P & UI)**Multi-Family Initiative (CL&P & UI)**

- Objective:** The purpose of the Companies' Multi-Family ("MFI") Initiative is to maximize measures and savings in multi-family projects by utilizing all programs and offerings that are available and applicable to multi-family customers. The Companies will expand its services available to MFI projects by specifically inserting a MFI aspect into current program offerings and by utilizing a single customer point of contact for each MFI projects.
- Target Market:** The target market is all existing and new MFI buildings. A building is generally considered multi-family if it is more than three connected units; if it has mixed use within the same building; or if it is under control of a property manager, association or housing authority. Examples of MFI properties are:
- Assisted living facilities
 - Dormitories
 - Group homes
 - Apartment complexes
 - High-rise (condos and apartments)
- Description:** To the extent possible, the initiative will utilize existing C&LM Programs and will deliver them to customers under one umbrella as a single offering. To remove barriers and offer customers "one-stop" shopping, a single Program Administrator ("PA") will serve as the primary contact for customers to help facilitate the process and make participation straightforward. The PA will focus on the project comprehensively and engage all stakeholders.
- The MFI for new construction will focus on the building envelope and energy efficient opportunities such as insulation, HVAC, lighting, commissioning and appliances. MFI retrofits will focus on lighting, window air conditioners or existing duct work. All MFI projects will be reviewed for any C&I opportunities that may exist in some multi-family buildings. It is anticipated that most of the savings will be through lighting measures.
- Marketing:** The MFI will be marketed through existing program channels. Targeted marketing may be undertaken and targeted to trade allies, housing associations, property manager, architects, and developers.
- Incentive Strategy:** Financial incentives will be provided through other Fund programs.
- Goals:** Since savings for MFI projects rolls up into other programs, it does not have a specific goal. The savings and costs for this initiative are captured in other programs.

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CHAPTER THREE: COMMERCIAL AND INDUSTRIAL PROGRAMS

C&I NEW CONSTRUCTION

Energy Conscious Blueprint (CL&P & UI)

- Objective:** The objective of the Energy Conscious Blueprint (“ECB”) program is to maximize energy savings for “lost opportunity” projects, at the time of initial construction/major renovation, or when equipment needs to be replaced or added. These opportunities are realized by: 1) introducing energy efficiency concepts to actual customers, architect/engineering firms, contractors, commercial realtors, trade allies, etc., 2) demonstrating the benefits of selecting efficient options during the design stage, and 3) convincing the design community that there is more to be gained for customers by designing for the whole building operation over all the expected operating conditions.
- Target Market:** The ECB program specifically targets C&I customers of all sizes that are planning projects involving new construction, major renovation, tenant fit-out and major equipment replacement, including municipalities.
- Process Reengineering for Increased Manufacturing Efficiency (“PRIME”) audits are available to CL&P industrial customers in the Standard Industrial Classification (“SIC”) classification range of 2000 to 3999. PRIME provides a productivity evaluation to achieve greater manufacturing efficiencies through more streamlined processes and waste minimization, inventory reduction, and reduced floor space requirements. UI offers similar services/assistance to industrial customers, but on a smaller scale through the custom features of ECB.
- Program Description:** The ECB program promotes energy efficiency for C&I new construction, renovation, tenant fit-outs, and equipment replacement/addition projects. The program seeks to increase the energy efficiency of lighting systems, HVAC systems, motors, processes, and other energy components of commercial and industrial buildings or projects.
- This program offers a variety of services and incentives, including technical and financial assistance from design through construction. These services and incentives are based upon the proposed project’s complexity, energy savings potential, scope of work, and the desire of the owner and his/her design team to participate.
- Municipalities are eligible to participate in the ECB program. The same programmatic rules apply to municipal customers as they would to any other commercial customer. No specific budget dollars are set aside for municipal projects. A municipal project’s cost effectiveness and resulting

energy savings should be the same as a project for a similar commercial building.

Projects typically follow one of two tracks: either Prescriptive or Comprehensive. The Prescriptive track is generally for smaller, non-residential buildings or projects that are usually less than 50,000 sq. feet in size, or smaller projects with limited conservation opportunities. The Comprehensive track is generally available for larger, non-residential buildings or projects in early design stages with numerous conservation opportunities and complex energy efficiency options.

In addition, CL&P continues to expand the scope and role of the traditional energy evaluation within the manufacturing sector to include environmental, production, and process issues through PRIME. Through this program, CL&P continues to work directly with industrial customers to improve the energy and manufacturing efficiency of various processes, both existing and planned, through lean manufacturing techniques. Financial assistance is available.

In 2007, CL&P’s Energy Conscious Blueprint program received an “Exemplary Program” recognition award from the ACEEE. CL&P’s PRIME program received an “Honorable Mention” award for its successes.

Marketing Strategy:

Energy Conscious Blueprint is marketed directly to architects, building owners, contractors, customers, engineers, equipment suppliers, service companies, and other trade allies of the “built environment” community.

Focused attempts are made to contact decision makers as early as possible so that energy-saving strategies can be incorporated into designs and equipment selections. Construction reports are used to monitor upcoming projects throughout the state, and to obtain key project contact information.

Marketing for the Companies’ ECB program occurs throughout the year and remains flexible in order to maximize results. Brown bag lunch sessions, selected advertising, memberships, trade shows and sponsorships are also used to leverage contacts or to deliver the program benefits in a cost-effective manner. Program marketing needs typically dictate the schedules and costs. The Companies’ individual marketing plans will be designed to be flexible in order to maximize results. Many of the marketing materials will be jointly produced, allowing CL&P and UI to maximize the “economies of scale” and further enhance cost-effective opportunities. The following table represents the potential strategies and timing.

<u>Strategy/Items</u>	<u>Timing</u>
Brochure Development	As needed
Direct Mail	As needed
Selected Advertising	Intermittently
Trade Shows	TBD

Association /Promotions	As needed
Promotional Items	Ongoing
Mini-Case Studies	TBD
Construction Reports	Ongoing

The Companies' websites, www.cl-p.com/Energy at Work and, www.uinet.com/your_business, will continue to be utilized to showcase successful projects and other relevant program information.

The program employs low-cost giveaways to create a continuous presence and awareness of either the Fund logo or the Fund logo and the program's name, such as golf balls, pens, and screwdrivers.

Incentive Strategy: Incentives are typically based on the energy efficiency of a design and incremental costs between less expensive, standard efficiency equipment and a more expensive, high-efficiency option. Incremental costs are qualified with cost-effectiveness criteria to ensure that enough energy savings are attained to justify the incentive.

Design incentives are also available to encourage Design Teams to integrate designs, as well as improve the overall energy efficiency of their designs by using high-efficiency alternatives and to involve the ECB program as early as possible.

Customers are eligible for direct cash incentives that provide up to 100% of the incremental equipment cost of installing efficient systems and equipment, compared to the cost of code-compliant standard design practice. The program includes incentives for the more common energy component standards (lighting, HVAC, etc.), as well as any other energy-saving technology where the extra costs can be justified by the energy savings. The program encourages customers to go beyond the standards by recognizing the associated increased difficulties and costs.

In addition, the Companies offer custom incentives for implementing measures that create peak load reduction, such as: fluorescent lighting with dimmable ballasts, adding load management capability to standard energy management systems, and thermal energy storage systems.

The following is an example (for illustrative purposes only) of an 112,000 sq. ft. high performance urban elementary school complex which utilizes daylight dimming control system. The incentives are calculated using the prescriptive energy efficiency standards for HVAC, lighting, lighting controls, motors, variable frequency drives, and custom incentives for the daylight dimming control system.

<i>Project specifics include:</i>	
Lighting & Sensors	\$117,000.00
Premium efficiency motors	180.00
HVAC	900.00
VFD's HVAC Fans	12,380.00
VFD's Hot Water Pumps	4,300.00
Daylight Dimming System	<u>12,934.00</u>
Total	<u>\$152,194.00</u>
Cost per sq/ft	\$1.37

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: As a result of significant changes previously made to the State Building Code, uniform understanding and interpretation of the codes and limited enforcement were identified as obstacles to building highly efficient buildings. In 2007, to improve and accelerate the learning process associated with the new and more restrictive requirements of the code, the Companies adopted a new incentive structure to aggressively promote energy efficiency design and technology as a learning tool. The ECB program strives to maximize energy efficiency beyond the base requirements of the State Building Code. The program implementation methodology adopted in 2007 will be continued in 2008 to help further integrate ECB with those projects seeking Leadership in Energy and Environmental (“LEED”) or other advanced building guideline distinctions. As in the past, ECB will continue to promote emerging technologies where feasible and applicable.

As previously noted in Chapter 1, the gas distribution companies and electric distribution companies will partner in 2008 to offer an integrated portfolio of products and services. Integrating gas measures into the existing ECB program will offer customers a more comprehensive package for achieving greater energy efficiencies within their facilities.

New training opportunities will be explored with emphasis on the design professional audience. The Companies will continue to develop and deploy a broad training/outreach schedule for 2008 that incorporates topics such as, but not limited to, the Connecticut Energy Codes and Regulations, Energy Policy Act of 2005, High-Efficiency HVAC, Advanced Lighting I, II and III and Building Automation Systems. In addition, the Companies and the Lighting Research Center will partner to integrate Daylighting into the program and the training schedule. The dates and locations are still to be determined.

CL&P Standard Filing Requirement

Energy Conscious Blueprint

All dollar values are in \$000

Budget Projections	2005 Actuals	2006 Actuals	Revised 2007 Budget	2007 YTD (Jul)	2007 YE Projected	2008 Budget
Labor						
NU Labor	\$ 815	\$ 997	\$ 1,352	\$ 683	\$ 1,208	\$ 1,470
Contractor Staff	\$ 34	\$ 55	\$ -	\$ 21	\$ 37	\$ -
Total Labor	\$ 849	\$ 1,052	\$ 1,352	\$ 704	\$ 1,245	\$ 1,470
Outside Services	\$ 157	\$ 491	\$ 1,320	\$ 241	\$ 426	\$ 838 a)
Materials & Supplies	\$ 7	\$ 5	\$ 10	\$ 6	\$ 11	\$ 9
Incentives	\$ 4,897	\$ 7,653	\$ 9,475	\$ 4,381	\$ 7,747	\$ 7,800 b)
Marketing	\$ 29	\$ 160	\$ 151	\$ 48	\$ 85	\$ 126 c)
Administration Expenses	\$ 27	\$ 44	\$ 62	\$ 21	\$ 37	\$ 48 d)
Other	\$ 15	\$ 44	\$ 47	\$ 27	\$ 47	\$ 29
Total	\$ 5,981	\$ 9,449	\$ 12,417	\$ 5,428	\$ 9,598	\$ 10,320

a) Services include technical assistance, analysis, quality control, and inspections.

Budget reflects the need for ongoing engineering and design expertise to address building code changes with the design and contractor community and for equipment replacement projects.

Includes \$500k for PRIME program services.

b) Incentives paid directly to customers for the installation of cost effective energy conservation measures.

c) Includes marketing to customers, trade allies, and professional organizations to maintain program momentum.

Marketing is also through construction reports, direct mail, advertising, associations, and promotional items.

Development of lighting design templates and materials to promote methodologies for exceeding energy code requirements.

d) Employee expenses including mileage, training, conference attendance, and misc.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	6,292.7
Annual Energy Savings (kWh Reduction Goal)	36,219,720
Lifetime Energy Savings (kWh Reduction Goal)	491,531,083
Annual Cost Rate (\$/kWh)	\$ 0.285
Lifetime Cost Rate (\$/kWh)	\$ 0.021
Electric b/c ratio	6.17
Total Resource b/c ratio	8.60

CL&P Standard Filing Requirement

Energy Conscious Blueprint

Year	Program Costs		% of Budget	\$/LT-kWh ¹
	Budget	Actual		
2000	\$ 7,770,000	\$ 6,884,000	89%	0.013
2001	\$ 7,878,000	\$ 8,193,000	104%	0.011
2002	\$ 7,435,000	\$ 8,189,000	110%	0.011
2003	\$ 5,700,000	\$ 5,431,000	95%	0.007
2004 ³	\$ 6,250,000	\$ 7,288,000	117%	0.012
2005 Revised	\$ 8,125,755	\$ 5,980,886	74%	0.010
2006 Revised	\$ 12,316,230	\$ 9,448,615	77%	0.012
2007 Revised	\$ 12,417,000	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 5,427,978	44%	0.032
2007 Y/E Projected	n/a	\$ 9,598,000	77%	0.019
2008	\$ 10,320,000	n/a	n/a	n/a

Year	Goal - Participation		% of Goal
	Goal ²	Actual	
2000	6,174	5,719	93%
2001	6,362	6,986	110%
2002	5,937	6,897	116%
2003	210	111	53%
2004 ³	117	132	113%
2005 Revised ⁴	216	216	100%
2006 Revised	676	695	103%
2007 Revised	659	n/a	n/a
2007 YTD (Jul)	n/a	261	40%
2007 Y/E Projected	n/a	447	68%
2008	705	n/a	n/a

Year	Goal - Lifetime MWh Savings			Year	Goal - Installed kW Savings		
	Goal (MWh)	Actual (MWh)	% of Goal		Goal	Actual	% of Goal
2000	412,230	511,001	124%	2000	n/a	n/a	n/a
2001	739,115	712,952	96%	2001	n/a	n/a	n/a
2002	605,194	728,424	120%	2002	n/a	n/a	n/a
2003	582,130	355,076	61%	2003 ⁵	8,878	4,025	45.3%
2004 ³	357,198	593,271	166%	2004 ³	5,682	10,592	186.4%
2005 Revised ⁴	622,846	624,220	100%	2005 Revised ⁴	9,579	8,114	84.7%
2006 Revised	991,250	812,823	82%	2006 Revised	9,202	8,771	95.3%
2007 Revised	557,085	n/a	n/a	2007 Revised	7,974	n/a	n/a
2007 YTD (Jul)	n/a	171,054	31%	2007 YTD (Jul)	n/a	2,022	25.4%
2007 Y/E Projected	n/a	500,455	90%	2007 Y/E Projected	n/a	6,720	84.3%
2008	491,531	n/a	n/a	2008	6,293	n/a	n/a

Year	Program Ratios		Plan	Actual
	\$/Lifetime kWh	\$/Annualized kW		
2000	0.019	0.013	n/a	1,003
2001	0.011	0.011	n/a	1,083
2002	0.012	0.011	n/a	768
2003	0.013	0.015	870	1,349
2004 ³	0.017	0.012	1,100	688
2005 Revised ⁴	0.013	0.010	848	737
2006 Revised ⁶	0.012	0.012	1,338	1,077
2007 Revised ⁷	0.022	n/a	1,557	n/a
2007 YTD (Jul)	n/a	0.032	n/a	2,684
2007 Y/E Projected	n/a	0.019	n/a	1,428
2008	0.021	n/a	1,640	n/a

¹ Actual Dollars spent divided by actual life time kWh savings achieved for 2000 to 2002 inclusive.

² Goal for 2000-2002 is incentive dollars.

Goal for 2003-2005 is number of projects.

³ Budget and Plan information based on revised budgets and goals filed on 8/18/04. Reduced to reflect the start-up issues due to the 2003 shutdown.

⁴ Includes committed projects reserved in 2004 and completed in 2005.

⁵ Demand saving goals reflect 1/13/03 goals.

⁶ Includes committed projects reserved in 2004 and 2005 and completed in 2006.

⁷ Includes committed projects reserved in 2005 and 2006 and completed in 2007.

CL&P Standard Filing Requirement

Energy Conscious Blueprint

CL&P Program Notes

Budget/FTE

11.3

- FTEs for Program administration, site inspection, education of design professionals including State building code changes. These change also require an increased effort in marketing and project review wi review with design and contractor community.

Goal

- Demand Savings (kW Reduction Goal) = 6,293 kW
- Lifetime Energy Savings (kWh Reduction Goal) = 491,531,083 kWh

Cost/kWh (Cost/Unit)

- \$/Annualized kW = \$ 1,640 / kW
- \$/Lifetime kWh = \$ 0.021 / kWh

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results from similar projects, program rule changes and coincidence factors.

Metric Changes

- Not applicable.

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The United Illuminating Company
Standard Filing Requirement

Energy Conscious Blueprint * ⁽¹⁾

Baseline Assumptions:

Market C&I new construction, renovation and tenant fit-out program
 Large C&I customers

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Amended Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ 342,559	\$ 415,498	\$ 239,386	\$ 415,498	\$ 470,428 a)
Contractor Staff	\$ 22,221	\$ 25,000	\$ 41,146	\$ 41,146	\$ 25,000 b)
Total Labor	\$ 364,780	\$ 440,498	\$ 280,532	\$ 456,644	\$ 495,428
Materials & Supplies	\$ 6,992	\$ 3,435	\$ 1,726	\$ 3,435	\$ 4,500 c)
Outside Services	\$ 92,213	\$ 76,000	\$ 63,919	\$ 76,000	\$ 83,000 d)
Incentives	\$ 2,641,299	\$ 2,288,185	\$ 2,160,334	\$ 2,288,185	\$ 2,212,290 e)
Marketing	\$ 32,285	\$ 62,500	\$ 17,288	\$ 62,500	\$ 68,000 f)
Other	\$ 16,953	\$ 19,000	\$ 10,724	\$ 19,000	\$ 19,000 g)
Administrative Expenses	\$ 19,155	\$ 32,100	\$ 6,850	\$ 15,954	\$ 39,500 h)
Total	\$ 3,173,676	\$ 2,921,718	\$ 2,541,373	\$ 2,921,718	\$ 2,921,718

* Joint CL&P and UI Program

(1) Energy Blueprint includes rebate initiatives like Motors and Cool Choice

- a) 4.34 FTEs.
- b) Engineering/audit services.
- c) No comment.
- d) Consultant services.
- e) Customer incentives.
- f) Brochure revision, selected advertising, public relations, etc.
- g) No comment.
- h) Employee training, mileage, etc.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	1,975
Annual Energy Savings (kWh)	11,150,789
Lifetime Energy Savings (kWh)	179,778,719
Annual Cost Rate (\$/kWh)	\$ 0.262
Lifetime Cost Rate (\$/kWh)	\$ 0.016
Cost per kW	\$ 1,479
Electric System B/C Ratio	7.2

The United Illuminating Company Standard Filing Requirement

Energy Conscious Blueprint (1,2)

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$2,812	\$2,768	98.4%
2001	\$2,313	\$2,304	99.6%
2002	\$2,083	\$2,019	96.9%
2003	\$2,390	\$1,977	82.7%
2004	\$2,347	\$2,021	86.1%
2005	\$4,045	\$3,787	93.6%
2006	\$3,170	\$3,174	100.1%
2007	\$2,922		
2007 YTD (Jul)	\$2,922	\$2,541	87.0%
2007 YE Projected	\$2,922	\$2,922	100.0%
2008	\$2,922		

Goal - Installed kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	11,022	22,113	200.6%
2001	14,815	25,568	172.6%
2002	12,540	18,731	149.4%
2003	16,908	10,994	65.0%
2004	20,579	22,420	108.9%
2005	24,837	20,122	81.0%
2006	13,628	13,765	101.0%
2007	10,830		
2007 YTD (Jul)	10,830	4,045	37.3%
2007 YE Projected	10,830	10,830	100.0%
2008	11,151		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	4,327	3,815	88.2%
2004	5,891	4,180	71.0%
2005	7,102	4,367	61.5%
2006	2,745	4,685	170.7%
2007	2,008		
2007 YTD (Jul)	2,008	1,000	49.8%
2007 YE Projected	2,008	2,008	100.0%
2008	1,975		

Goal - Lifetime kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	165,338	331,701	200.6%
2001	222,225	383,520	172.6%
2002	188,100	280,965	149.4%
2003	253,620	164,910	65.0%
2004	308,699	336,293	108.9%
2005	424,067	343,568	81.0%
2006	217,936	191,708	88.0%
2007	173,054		
2007 YTD (Jul)	173,054	58,242	33.7%
2007 YE Projected	173,054	173,054	100.0%
2008	179,779		

Program Ratios

	\$/kWh		\$/LT kWh		\$/kW	
	Target	Actual	Target	Actual	Target	Actual
2000	\$0.255	\$0.125	\$0.017	\$0.008	\$0	\$0
2001	\$0.156	\$0.090	\$0.010	\$0.006	\$0	\$0
2002	\$0.166	\$0.108	\$0.011	\$0.007	\$0	\$0
2003	\$0.141	\$0.180	\$0.009	\$0.012	\$552	\$518
2004	\$0.114	\$0.090	\$0.008	\$0.006	\$398	\$484
2005	\$0.163	\$0.188	\$0.010	\$0.011	\$570	\$863
2006	\$0.233	\$0.231	\$0.015	\$0.017	\$1,064	\$677
2007	\$0.270		\$0.017		\$1,455	
2007 YTD (Jul)	\$0.270	\$0.628	\$0.017	\$0.044	\$1,455	2,541
2007 YE Projected	\$0.270	\$0.270	\$0.017	\$0.017	\$1,455	\$1,455
2008	\$0.262		\$0.016		\$1,479	

The United Illuminating Company

Standard Filing Requirement

Program Notes - Energy Conscious Blueprint (1,2)

Budget/(FTE):

- 1) Budget includes 4.34 FTEs for staffing
- 2) 2008 proposed budget is the equivalent of the '07 budget
- 3) 2008 includes higher incentives to motivate the market to exceed codes
- 4) '08 incentives include redesigned lighting incentives

Goal:

- 1) target = 100 projects for 2008
- 2) '08 target of 11,150,789 kWh
- 3) '08 target of 1,975 kW
- 4) '08 planning model is based on recent historical data, program rule changes, baseline changes, and study information
- 5) 2007 actual kW saved is uncharacteristically high - skewed by one project
 - a. remove the one project and the kW decreases to 2,613 or 95% of the goal
- 6) capturing more "lost opportunities" by greater focusing on:
 - a. mid-market customers (100-250kW)
 - b. higher performance alternatives
 - c. process equipment and optimization
- 7) ECB continues to be negatively impacted by a variety of issues
 - a. ECB has adopted lower realization rates, based on recent studies
 - b. ECB has adopted lower peak coincidence values, based on recent studies
 - c. an apparent lack of enforcement for the new code, continues to negatively impact the program

Cost/kWh (Cost/Unit):

- 1) 2008 projected cost rates: annual = \$0.262/ kWh, lifetime = \$.016 / kWh
- 2) 2008 projected \$\$/kW = \$1,479
- 3) higher program costs are anticipated due to continued effects of:
 - a. increased commodity costs, i.e. chillers, lighting
 - b. more stringent baselines (less kWh)
 - c. due to more training and education
- 4) ECB will continue to experience greater negative kWh and kW impacts due to:
 - a. coincidence factors being modified
 - b. net realization rates being applied in accordance with recent studies
 - c. measure life being modified per recent studies
- 5) 2007 actuals cost rate for kW of \$667 is uncharacteristically low - skewed by one project
 - a. remove the one project and the cost rate increases to \$1,215

Metric Changes:

- 1) all savings are reported as net values

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C&I RETROFIT

Energy Opportunities (CL&P & UI)

- Objective:** The objective of the Companies' joint Energy Opportunities ("EO") program is to improve the energy efficiency of a customer's existing facility by capturing retrofit opportunities. These opportunities are realized by: 1) exchanging functioning yet inefficient equipment within the commercial or industrial environment with higher efficiency equipment; 2) retrofitting existing equipment with energy-saving devices, modifications, or controls; and 3) improving a facility's performance.
- Target Market:** EO targets commercial, industrial, municipal, and institutional customers that would benefit from retrofit projects in their facilities with utility approved energy-efficient measures. This program also targets customer segments with unique characteristics and needs not covered by other program offerings.
- Program Description:** The services provided through EO are varied and specifically designed to meet the needs of the individual customer. They may include: co-funded studies determining cost-effectiveness of potential measures, studies qualifying emerging technologies specific to customer initiated projects, and cash incentives helping to defray implementation costs.
- Retrofit projects are defined as those where the customer, who desires to reduce their facility's energy consumption, voluntarily exchanges or modifies inefficient, functioning equipment with high-efficiency alternatives, resulting in energy savings and thus improving the energy use within their facility. The new high-efficiency equipment must meet or exceed efficiency standards where applicable.
- Municipalities are eligible to participate in the EO program. The same programmatic rules apply to municipal customers as they would to other commercial customers. Municipal customers are also eligible for project financing. No specific budget dollars are set aside. A municipal project's cost effectiveness and resulting energy savings should be the same as a project for a similar commercial building. Municipalities are able to utilize the EO program to replace incandescent traffic signals with LEDs.
- In 2007, CL&P's EO program received an "Exemplary Program" recognition award from the ACEEE.
- Marketing Strategy:** Utility personnel will market the EO program to customers through direct contact. Tools such as the Companies' websites, comprehensive information packets, case studies, direct mail, seminars, and trade shows, may be used by Company representatives. When applicable, both Companies will integrate their marketing efforts with federal, state and regional initiatives. Selected advertising, memberships, and sponsorships

are also used to leverage contacts or to deliver the program benefits in a cost-effective manner. Active participation and involvement with the vendor community will influence building trade organizations, vendors, contractors, and energy services companies, to become an extension of C&LM staff by delivering qualified leads for this program.

Marketing for the EO program will occur over the 12-month period as needed. The Companies' individual marketing plans will be designed to be flexible in order to maximize results. Many of the marketing materials will be jointly produced, allowing CL&P and UI to maximize the "economies of scale" and further enhance cost-effective opportunities. The following table represents the potential strategies and timing.

<u>Strategy/Items</u>	<u>Timing</u>
Brochure revision	As Needed
Guidebook revision	As Needed
Direct Mail	As Needed
Selected Advertising	Intermittently
Trade Shows	TBD
Association/Promotions	Intermittently
Promotional Items	Ongoing
Mini-Case Studies	Ongoing

The Companies' websites, www.cl-p.com/Energy at Work and, www.uinet.com/your_business, will continue to be utilized to showcase successful projects and other relevant program information.

The program employs low-cost giveaways to create a continuous presence and awareness of either the Fund logo or the Fund logo and the program's name, such as golf balls, pens, and screwdrivers.

Incentive Strategy:

In 2008, the joint EO program will continue to employ strategies that are designed around the most successful retrofit strategies for meeting the needs of the diverse customer base of both companies. Over the years, flexibility has proven to be vital for implementing cost-effective, energy-efficient projects in both service territories. Prescriptive and custom incentives will be offered under the EO program.

Prescriptive rebates will be offered for smaller typical lighting projects. These rebates are intended to pay prescribed incentives for replacing standard efficiency lighting with energy-efficient lighting equipment/controls. A simple form that is completed by the customer or their contractor will expedite the rebate process. The following is an example of the typical rebate that would be available under the prescriptive path:

Lighting

Existing - (24) 3-lamp T-12 (34 watt bulbs with energy saving magnetic ballasts).

Proposed - (24) 3-lamp T-8 (high-performance bulbs and electronic ballast combination)

Incentive = 24 fixtures X \$20.00/fixture = \$480

Custom incentives will continue to be offered in EO. These incentives will be applicable to a wide, diverse range of energy-saving technologies. Qualifying projects or Energy Conservation Measures (“ECMs”) earn incentives that represent a percentage of the project costs up to a maximum dollar value based on the kWh and peak kW savings. The percentage and value per kWh and kW saved are set to influence implementation and may vary from year to year. The incentive calculations are based on the following: a) energy savings (kWh) and peak demand savings (kW), b) project or ECM cost, c) the simple payback for ECM, d) the measure life, e) age of existing equipment, and f) non-electric benefits.

EO may also employ a maximum incentive cap per customer Federal Tax ID, per customer account, or per project, in order to make funds available to more customers.

The following example illustrates how the custom incentive may be calculated for a typical lighting project. A customer decides to retrofit a warehouse with high bay T5 fluorescent technology and occupancy sensors. The retrofit project consists of 126 fixtures being retrofitted from 1L – 400 w MH fixtures to 4L – F54T5 lamps with two electronic ballasts. In addition, occupancy sensors are installed to provide more control to the lighting. Project specifics include:

	kW	Operating hrs/yr	kWh Usage/yr	Electric Cost/yr
Existing Lights - Uncontrolled	58.6	3000	175,770	\$26,366
Proposed Lights - Controlled	29.5	2100	61,916	\$9,287
Total Savings	29.1	900	113,854	\$17,078

Project Square Footage 45,000

Watts/Sq. Ft. (existing design) 1.30

Project Cost (Incl. Sales Tax) \$37,800

Baseline Watts/sqft¹ 0.80

Watts/Sq.Ft. (proposed design)	0.66
Estimated Incentive	\$18,900
Net Customer Cost	\$18,900

¹ ASHRAE 90.1-2001 w/Addenda

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: The 2007 initiative to impact summer peak demand by identifying and removing old, inefficient chillers from the system was successful in achieving its goals. As a result, the initiative will not be continued in 2008. Customers wishing to replace chillers will be eligible to participate under the regular EO program guidelines.

As previously noted in Chapter 1, the programs are continually moving towards more integrated approaches to making the customer operate in a more energy efficient manner. Comprehensive projects are integral to this approach. Therefore the Companies have developed a “Comprehensive Bonus” whereby retrofit projects in existing buildings may be eligible for a bonus incentive if the project contains at least two measures and the measures are in at least two different end uses. Additionally, the second largest end use must represent at least 10% of the total project energy savings. The bonus incentive for a qualifying project will be the additional amount needed to buy down the project to a 2 year payback as long as the total project Utility Measure Cap is not exceeded. To be eligible, the project simple payback (without utility incentives and before the bonus) must be greater than 2 yrs but less than 10 years.

The market response to the EO program’s prescriptive Lighting Rebate program has shown that valuable energy savings are achievable with readily available standard T8 technologies and their inclusion in the program may benefit Connecticut customers. In 2008, the Companies will re-examine the prescriptive lighting rebate offerings and potentially offer incentives for appropriate standard T8 technologies through the EO program’s prescriptive Lighting Rebate form.

As previously noted in Chapter 1, the gas distribution companies and electric distribution companies will partner in 2008 to offer an integrated portfolio of products and services. Integrating gas measures into the existing EO program will offer customers a more comprehensive package for achieving greater energy efficiencies within their facilities.

To further simplify program delivery, maximize cost-effectiveness and minimize customer confusion, the Demand Reduction program offered in previous program years will be incorporated into the EO program in 2008.

The Companies will continue to develop and deploy a broad

training/outreach program and schedule for 2008 that incorporates topics such as but not limited to; the Connecticut Energy Codes and Regulations, Energy Policy Act of 2005, Energy Basics and Energy Action Planning I and II, High- Efficiency HVAC, Advanced Lighting I, II and III, and Compressed Air Challenges I and II. The dates and locations are still to be determined.

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Energy Opportunities

All dollar values are in \$000

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:					
NU Labor	\$ 971	\$ 960	\$ 647	\$ 1,456	\$ 1,567
Contractor Staff	\$ 24	\$ -	\$ 88	\$ 198	\$ -
Total Labor	\$ 995	\$ 960	\$ 735	\$ 1,654	\$ 1,567
Materials & Supplies	\$ 1	\$ 39	\$ 8	\$ 18	\$ 3
Outside Services	\$ (126) e)	\$ 208	\$ 300	\$ 675	\$ 226 a)
Incentives	\$ 8,026	\$ 8,511	\$ 7,582	\$ 17,065	\$ 13,355 b)
Marketing	\$ 30	\$ 48	\$ 30	\$ 67	\$ 15 c)
Administrative Expenses	\$ 151	\$ 180	\$ 71	\$ 161	\$ 50 d)
Other	\$ 4	\$ 63	\$ 28	\$ 63	\$ 4
Total	\$ 9,081	\$ 10,009	\$ 8,754	\$ 19,703	\$ 15,220

- a) Includes consultant fees for focused studies, system modeling and QA/QC.
- b) Direct customer incentives
- c) Includes marketing to customers, trade allies and engineering firms through general awareness campaigns, print advertisements, leave-behind brochures and trade shows.
- d) Employee expenses including mileage, training, conference attendance and misc.
- e) Credit due to repayment of Municipal Loans

2008 Goals and Metrics Information

Demand Savings (kW Reduction Goal)	8,493
Annual Energy Savings (kWh Reduction Goal)	44,034,334
Lifetime Energy Savings (kWh Reduction Goal)	627,552,917
Annual Cost Rate (\$/kWh)	\$ 0.346
Lifetime Cost Rate (\$/kWh)	\$ 0.024
Electric b/c ratio	5.19
Total Resource b/c ratio	2.75

CL&P Standard Filing Requirement

Energy Opportunities

Year	Budget	Program Costs		% of Budget	\$/LT-kWh
		Actual			
2006 Revised	\$ 8,085,177	\$ 9,081,115		112%	-
2007 Revised	\$ 10,009,000	n/a		n/a	n/a
2007 YTD (Jul)	n/a	\$ 8,753,691		87%	0.016
2007 Y/E Projected	n/a	\$ 19,703,000		197%	0.015
2008	\$ 15,220,000	n/a		n/a	n/a

Year	Goal - Participation		
	Goal	Actual	% of Goal
2006 Revised	686	559	81%
2007 Revised	854	n/a	n/a
2007 YTD (Jul)	n/a	256	30%
2007 Y/E Projected	n/a	439	51%
2008	736	n/a	n/a

Year	Goal - Lifetime MWh savings			Year	Goal - Installed kW Savings		
	Budget	Actual	% of Budget		Goal	Actual	% of Goal
2006 Revised	1,060,246	1,664,677	157%	2006 Revised	9,277	15,295	165%
2007 Revised	677,071	n/a	n/a	2007 Revised	7,659	n/a	n/a
2007 YTD (Jul)	n/a	556,596	82%	2007 YTD (Jul)	n/a	6,534	85%
2007 Y/E Projected	n/a	1,345,282	199%	2007 Y/E Projected	n/a	15,456	202%
2008	627,553	n/a	n/a	2008	8,493	n/a	n/a

Year	Program Ratios			
	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2006 Revised	0.008	0.005	872	594
2007 Revised	0.015	n/a	1,307	n/a
2007 YTD (Jul)	n/a	0.016	n/a	1,340
2007 Y/E Projected	n/a	0.015	n/a	1,275
2008	0.024	n/a	1,792	n/a

CL&P Standard Filing Requirement

Energy Opportunities

CL&P Program Notes

Budget/FTE

12.0 • FTEs for Program Administration, Inspections, etc.

Goal

- Demand Savings (kW Reduction Goal) = 8,493 kW
- Lifetime Energy Savings (kWh Reduction Goal) = 627,552,917 kWh

Cost/kWh (Cost/Unit)

- \$/Annualized kW = \$ 1,792 / kW
- \$/Lifetime kWh = \$ 0.024 / kWh

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results from similar projects and program rule changes. Planning included impacts due to changes in coincidence factors, incentive structure changes and committed costs associated with the accelerated chiller retirement program.

Metric Changes

- Not applicable.

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The United Illuminating Company
Standard Filing Requirement

CLM Energy Opportunities * ⁽¹⁾

Baseline Assumptions:

Market

Retrofit program for C&I customers > 150 kW

<u>Budget Projections</u>	<u>2007</u>		<u>2007</u>	<u>2007</u>	<u>2008 Budget</u>
	<u>2006 Actuals</u>	<u>Amended Budget</u>	<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 358,037	\$ 430,783	\$ 245,458	\$ 430,783	\$ 475,043 a)
Contractor Staff	\$ 22,221	\$ -	\$ 14,323	\$ 25,000	\$ 75,000 b)
Total Labor	\$ 380,258	\$ 430,783	\$ 259,781	\$ 455,783	\$ 550,043
Materials & Supplies	\$ (1,724)	\$ 2,000	\$ 296	\$ 2,000	\$ 2,500 c)
Outside Services	\$ (6,253)	\$ 42,000	\$ 195	\$ 17,000	\$ 240,000 d)
Incentives	\$ 2,549,931	\$ 1,321,585	\$ 2,908,049	\$ 3,321,585	\$ 2,433,285 e)
Marketing	\$ 32,727	\$ 49,879	\$ 3,387	\$ 49,879	\$ 60,000 f)
Other	\$ 3,254	\$ 500	\$ 603	\$ 603	\$ 2,500 g)
Administrative Expenses	\$ 18,946	\$ 85,000	\$ 17,391	\$ 84,897	\$ 134,000 h)
Total	\$ 2,977,139	\$ 1,931,747	\$ 3,189,702	\$ 3,931,747	\$ 3,422,328

(1) EO includes Municipal retrofit projects

- a) 4.44 FTEs.
- b) Engineering / audit services.
- c) No comment.
- d) Consultant services.
- e) Customer incentives.
- f) Brochure revision, selected advertising, public relations, etc.
- g) No comment.
- h) Financing interest, employee training, mileage, etc.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	2,661
Annual Energy Savings (kWh)	17,027,724
Lifetime Energy Savings (kWh)	221,498,457
Annual Cost Rate (\$/kWh)	\$ 0.201
Lifetime Cost Rate (\$/kWh)	\$ 0.015
Cost per kW	\$ 1,286
Electric System B/C Ratio	7.7

The United Illuminating Company LF-26 Standard Filing Requirement

Energy Opportunities (1)

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$2,559	\$3,006	117.5%
2001	\$5,165	\$3,423	66.3%
2002	\$2,350	\$1,271	54.1%
2003	\$2,315	\$1,424	61.5%
2004	\$2,207	\$2,259	102.4%
2005	\$2,800	\$3,917	139.9%
2006	\$2,050	\$2,977	145.2%
2007	\$1,932		
2007 YTD (Jul)	\$1,932	\$3,190	165.1%
2007 YE Projected	\$1,932	\$3,932	203.5%
2008	\$ 3,422		

Goal - Installed kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	9,854	19,863	201.6%
2001	29,321	25,592	87.3%
2002	9,897	13,156	132.9%
2003	18,727	11,929	63.7%
2004	17,699	18,591	105.0%
2005	21,785	24,167	110.9%
2006	11,896	20,704	174.0%
2007	11,070		
2007 YTD (Jul)	11,070	8,545	77.2%
2007 YE Projected	11,070	11,070	100.0%
2008	17,028		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	3,960	2,191	55.3%
2004	4,443	3,180	71.6%
2005	4,966	3,850	77.5%
2006	2,191	3,345	152.7%
2007	1,759		
2007 YTD (Jul)	1,759	1,708	97.1%
2007 YE Projected	1,759	1,759	100.0%
2008	2,661		

Goal - Lifetime kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	147,813	280,874	190.0%
2001	433,695	383,196	88.4%
2002	146,823	190,038	129.4%
2003	280,905	178,935	63.7%
2004	265,488	278,872	105.0%
2005	368,721	409,048	110.9%
2006	183,442	310,557	169.3%
2007	140,313		
2007 YTD (Jul)	140,313	124,980	89.1%
2007 YE Projected	140,313	140,313	100.0%
2008	221,498		

Program Ratios

Year	\$/kWh		\$/LT kWh		\$/kW	
	Target	Actual	Target	Actual	Target	Actual
2000	\$0.260	\$0.151	\$0.017	\$0.011	\$0	\$0
2001	\$0.176	\$0.134	\$0.012	\$0.009	\$0	\$0
2002	\$0.237	\$0.103	\$0.016	\$0.007	\$0	\$0
2003	\$0.124	\$0.119	\$0.008	\$0.008	\$585	\$650
2004	\$0.125	\$0.122	\$0.008	\$0.008	\$497	\$710
2005	\$0.129	\$0.162	\$0.008	\$0.010	\$564	\$1,018
2006	\$0.172	\$0.144	\$0.011	\$0.010	\$936	\$890
2007	\$0.175		\$0.014		\$1,098	
2007 YTD (Jul)	\$0.175	\$0.373	\$0.014	\$0.026	\$1,098	\$1,868
2007 YE Projected	\$0.175	\$0.355	\$0.014	\$0.028	\$1,098	\$2,235
2008	\$0.201		\$0.015		\$1,286	

Notes

- 2000-2002 data from LF-26 filed in 03-01-01
- '03 data reflects budgets approved in 03-01-01
- '04 data represents the revised budget allocations
- '02-'03 Energy Opportunities included RFP and O&M RFP numbers
- '05-'06 EO budget & goal includes potential measures from Retro-Commissioning & other O&M RFP subprograms
- Energy Opportunities includes Municipal retrofit projects in 2006 - 2008
- accelerated chiller carryover projected at 1 projects, accounting for 10% of the expenditures and 3% of the kWh and kW savings

The United Illuminating Company

LF-26 Standard Filing Requirement

Program Notes - Energy Opportunities

Budget/(FTE):

- 1) Budget includes 4.44 FTEs for staffing
- 2) 2008 proposed partial budget is 177% greater than '07 amended budget
- 3) 2008 will include new comprehensive incentives to motivate the market

Goal:

- 1) Target = 150 installed projects in 2008 with 4 being comprehensive
- 2) '08 target of 17,027,724 kWh
- 3) '08 target of 2,661 kW
- 4) Targets impacted by modified coincidence factors and measure life
- 5) net realization rates of 75.8% - 97.8% have been utilized, based on recent studies
- 6) potential Accelerated chiller carryover is included - 1 project
- 7) comprehensive projects are anticipated to account for 10% of the savings
- 8) 08 planning model is based on historical data, program rule changes

Cost/kWh (Cost/Unit):

- 1) 2008 projected cost rates: annual = \$0.201/ kWh, lifetime = \$.0155 / kWh
- 2) 2008 projected \$\$/kW = \$1,286
- 3) higher program costs are anticipated due to:
 - a. due to increased commodity costs, i.e. chillers, lighting
 - b. increased costs due to the comprehensive bonus
 - c. due to more training and education
- 4) EO will experience negative kWh and kW impacts due to:
 - a. coincidence factors being modified per recent studies
 - b. net realization rates being applied in accordance with recent studies
 - c. measure life being modified per recent studies

Metric Changes:

- 1) all savings are reported as net values

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Operation & Maintenance Services (CL&P & UI)

- Objective:** The objective of the Companies' C&I Operations and Maintenance Services ("O&M") program is to achieve and maintain high levels of efficiency of C&I customer equipment and to enhance energy-efficient management behaviors among commercial and industrial customers.
- Target Market:** All C&I customers.
- Program Description:** Historically, this program primarily offered incentives to customers to correct less than optimum O&M practices. The Companies will continue to provide O&M evaluations and recommendations on an as needed basis, with the customer being responsible for implementing the O&M improvements. Examples of some of the technologies currently covered by O&M services include: compressed air system leak repairs, addition or correction of control components for efficient operation, and piping modifications for pressure drop relief.

While these services will still be offered, the program is undergoing changes to provide for a more structured and integrated approach toward enhancing energy efficient management behaviors among commercial and industrial customers.

Within the O&M strategic framework, the program will consider for inclusion in the program the piloting/testing of promising concepts, technologies and services brought forth from the marketplace. The results of these efforts may be used to make incremental improvements to the O&M programs thereby evolving the program to a more comprehensive state that improves the persistence of savings associated with the equipment installed through the core C&I programs over time.

The Companies will continue to sponsor and provide focused training to help customers improve their operations and maintenance activities. A variety of training opportunities will be explored with emphasis being the facility managers as the target audience. The Companies have been successful in identifying and providing training in the efficient operation of building systems to help qualify facility operators and maintenance staff for certification. The Companies have also provided a broader training and outreach program that will continue into 2008. Training will incorporate program topics such as, but not limited to: Certified Energy Manager ("CEM"), Building Operator Certification ("BOC") or equivalent, K-12 school facility maintenance, energy basics and energy action planning, building automation systems, Retrocommissioning and Compressed Air Challenges I and II. In addition, training opportunities will be explored that target improving awareness and energy-efficient management behaviors among commercial and industrial customers.

In addition to the expanded training and education component of the

program, O&M will focus on low cost/no cost opportunities for customers to achieve savings. The program will not include significant capital investments and qualifying measures will typically have measure lives of five years or less.

The Retrocommissioning (“RCx”) pilot initiative previously offered by the Companies within the existing O&M program has become increasingly more successful and thus will continue to be offered as an O&M program component in 2008. The RCx process conducts an in-depth review of a facility’s systems operations. The review focuses on integrating more efficient and effective instruction into the building automation systems. The objective of RCx is to find low-cost/no cost, non-capital energy-efficient measures that will quickly and effectively result in energy savings for the owner of the building. The program targets Connecticut’s large customer facilities in the commercial office market segment, and possibly the large institutional segment. In addition, the Companies will work to further develop an RCx “Lite” program that is more appropriately scaled for medium-sized businesses. In UI’s service territory, customer incentives will be paid and accounted for in the EO program.

Marketing Strategy: The primary marketing strategy for O&M will continue to be direct customer contact to increase awareness of energy efficiency. It is anticipated that the program will also be heavily marketed by contractor community.

An aggressive schedule of training seminars to increase contractor and customer awareness will continue in 2008. Direct mailings, applications and literature for individual seminars will be sent in advance of a seminar’s date.

As the O&M program develops the Companies’ websites, www.cl-p.com/Energy at Work and, www.uinet.com/your_business, will be utilized to showcase successful projects along with training schedules and other relevant program information.

Incentive Strategy: To further align the C&I program offerings statewide, O&M incentives will be adjusted to be consistent with those offered in EO and ECB. However, incentives may be tailored based upon the specific nature of each proposal. In some cases, portions of the selected customer’s project may qualify for incentives under the EO or ECB programs.

In UI’s service territory, customers will receive incentives for evaluations identifying appropriate measures being recommended for implementation from the O&M program.

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: To further the goal of long-term sustainability for Connecticut's businesses and industries, the Companies will continue to work on developing and refining the strategic framework for O&M. It is important to note that the long term vision of enhancing energy efficient management behaviors is a multi-year plan which will require an investment in early years but will ultimately result in corporate ownership of energy management and measurable savings.

To further align the C&I program offerings statewide, O&M incentives will be adjusted to be consistent with those offered in EO and ECB.

As previously noted in Chapter 1, the gas and electric companies will be partners in 2008 offering an integrated portfolio of products and services. Integrating the planned programming offered by the gas companies into the existing EO program will offer customers a complete package for achieving greater energy efficiencies within their facility.

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CL&P Standard Filing Requirement

O&M Services (Roll-Up)

(includes O&M Services and O&M Retro-Commissioning Extension)

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor						
NU Labor	\$ 125	\$ 136	\$ 420	\$ 95	\$ 258	\$ 298
Contractor Staff	\$ 26	\$ 8	\$ 25	\$ 15	\$ 41	\$ -
Total Labor	\$ 151	\$ 144	\$ 445	\$ 110	\$ 299	\$ 298
Materials & Supplies	\$ 20	\$ 5	\$ 17	\$ 1	\$ 3	\$ 11
Outside Services	\$ 285	\$ 262	\$ 679	\$ 85	\$ 232	\$ 510 a)
Incentives	\$ 1,161	\$ 1,007	\$ 2,043	\$ 293	\$ 797	\$ 1,027 b)
Marketing	\$ 7	\$ 9	\$ 42	\$ 15	\$ 40	\$ 17 c)
Administrative Expenses	\$ 0	\$ 3	\$ 35	\$ 2	\$ 6	\$ 20 d)
Other	\$ 5	\$ 5	\$ 23	\$ 4	\$ 11	\$ 7
Total	\$ 1,628 f)	\$ 1,435	\$ 3,284	\$ 510	\$ 1,388	\$ 1,890 e)

a) Consultants for focused studies, quality assurance/quality control (QA/QC) and inspections as necessary

b) Incentives paid directly to customers for the installation of cost effective energy conservation measures

c) Market program to customers, trade allies and professional organizations

d) Employee expenses including mileage, training, conference attendance and misc

e) Includes \$610k O&M Services and \$1.3M Retro commissioning budgets

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	527.7
Annual Energy Savings (KWh Reduction Goal)	8,686,398
Lifetime Energy Savings (kWh Reduction Goal)	122,557,448
Annual Cost Rate (\$/kWh)	\$ 0.218
Lifetime Cost Rate (\$/kWh)	\$ 0.015
Electric b/c ratio	6.92
Total Resource b/c ratio	6.16

CL&P Standard Filing Requirement

O&M Services

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005</u> <u>Actuals</u>	<u>2006</u> <u>Actuals</u>	<u>Revised</u> <u>2007 Budget</u>	<u>2007</u> <u>YTD (Jul)</u>	<u>2007</u> <u>YE Projected</u>	<u>2008</u> <u>Budget</u>
Labor						
NU Labor	\$ 68	\$ 89	\$ 287	\$ 39	\$ 106	\$ 110
Contractor Staff	\$ 17	\$ 7	\$ -	\$ 15	\$ 41	\$ -
Total Labor	\$ 84	\$ 96	\$ 287	\$ 54	\$ 147	\$ 110
Materials & Supplies	\$ 1	\$ 5	\$ 12	\$ 1	\$ 3	\$ 4
Outside Services	\$ 51	\$ 200	\$ 235	\$ 12	\$ 33	\$ 75 a)
Incentives	\$ 1,061	\$ 837	\$ 1,385	\$ 293	\$ 797	\$ 400 b)
Marketing	\$ 5	\$ 9	\$ 25	\$ 13	\$ 35	\$ 10 c)
Administrative Expenses	\$ (1)	\$ 2	\$ 20	\$ 1	\$ 3	\$ 6 d)
Other	\$ -	\$ -	\$ 20	\$ 3	\$ 8	\$ 5
Total	\$ 1,202	\$ 1,149	\$ 1,984	\$ 377	\$ 1,026 e)	\$ 610

- a) Consultants for focused studies, quality assurance/quality control (QA/QC), and inspections as necessary.
- b) Incentives paid directly to customers for the installation of cost effective energy conservation measures.
- c) Market program to customers, trade allies, and professional organizations
- d) Employee expenses including mileage, training, conference attendance and misc.
- e) Includes \$160k for funding development of ISE's K-12 Facility Manager Training Program

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	283.8
Annual Energy Savings (KWh Reduction Goal)	2,441,437
Lifetime Energy Savings (kWh Reduction Goal)	32,194,745
Annual Cost Rate (\$/kWh)	\$ 0.250
Lifetime Cost Rate (\$/kWh)	\$ 0.019
Electric b/c ratio	6.22
Total Resource b/c ratio	4.55

CL&P Standard Filing Requirement

O&M Services

Year	Program Costs			
	Budget	Actual	% of Budget	\$/LT-kWh ¹
2000	\$ 3,747,000	\$ 3,663,000	98%	0.016
2001	\$ 2,421,000	\$ 2,796,000	115%	0.017
2002	\$ 1,204,000	\$ 617,000	51%	0.018
2003	\$ 1,300,000	\$ 451,000	35%	0.044
2004 ³	\$ 963,000	\$ 731,000	76%	0.021
2005 Revised	\$ 2,109,416	\$ 1,627,467	77%	0.017
2006 Revised	\$ 2,156,000	\$ 1,149,265	53%	0.018
2007 Revised	\$ 1,984,000	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 377,340	19%	0.031
2007 Y/E Projected	n/a	\$ 1,026,000	52%	0.015
2008	\$ 610,000	n/a	n/a	n/a

Year	Goal - Participation		
	Goal ²	Actual	% of Goal
2000	3,305	3,093	94%
2001	2,100	2,236	106%
2002	519	306	59%
2003	88	14	16%
2004 ³	124	17	14%
2005 Revised	236	26	11%
2006 Revised ⁵	59	26	44%
2007 Revised	32	n/a	n/a
2007 YTD (Jul)	n/a	7	22%
2007 Y/E Projected	n/a	12	38%
2008	11	n/a	n/a

Year	Goal - Lifetime MWh savings			Year	Goal - Installed kW Savings		
	Goal (MWh)	Actual (MWh)	% of Goal		Goal	Actual	% of Goal
2000	283,896	252,573	89%	2000	n/a	n/a	n/a
2001	185,348	164,295	89%	2001	n/a	n/a	n/a
2002	33,636	33,643	100%	2002	n/a	n/a	n/a
2003	18,182	10,201	56%	2003 ⁴	185	142	76.8%
2004 ³	49,764	35,630	72%	2004 ³	921	689	74.8%
2005 Revised	100,825	97,075	96%	2005 Revised	1,621	1,127	69.5%
2006 Revised	111,853	62,462	56%	2006 Revised	1,618	504	31.1%
2007 Revised	81,616	n/a	n/a	2007 Revised	1,091	n/a	n/a
2007 YTD (Jul)	n/a	12,169	11%	2007 YTD (Jul)	n/a	165	10.2%
2007 Y/E Projected	n/a	69,095	62%	2007 Y/E Projected	n/a	926	57.2%
2008	32,195	n/a	n/a	2008	284	n/a	n/a

Year	Program Ratios			
	\$/Lifetime kWh		\$/Annualized kW	
2000	0.013	0.015	n/a	827
2001	0.013	0.017	n/a	1,099
2002	0.036	0.018	n/a	1,125
2003	0.046	0.044	2,781	3,176
2004 ³	0.019	0.021	0	1,061
2005 Revised	0.021	0.017	1,301	1,444
2006 Revised	0.019	0.018	1,333	2,282
2007 Revised	0.024	n/a	1,819	n/a
2007 YTD (Jul)	n/a	0.031	n/a	2,284
2007 Y/E Projected	n/a	0.015	n/a	1,108
2008	0.019	n/a	2,149	n/a

¹ Actual Dollars spent divided by actual life time kWh savings achieved for 2000 through 2002 inclusive.

² Goal for 2000-2002 is incentive dollars.

Goal for 2003-2005 is number of projects.

³ Budget and Plan information based on revised budgets and goals filed on 8/18/04

⁴ Demand saving goals reflect 1/13/03 goals.

⁵ Includes Retro-Commissioning projects.

CL&P Standard Filing Requirement

O&M Services

CL&P Program Notes

Budget / FTE

2.3 • FTEs for Program Administration, inspections, etc.

Goal

- Demand Savings (kW Reduction Goal) = 284 kW
- Lifetime Energy Savings (kWh Reduction Goal) = 32,194,745 kWh

Cost/kWh (Cost/Unit)

- \$/Annualized kW = \$ 2,149 / kW
- \$/Lifetime kWh = \$ 0.019 / kWh

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results
- Savings were adjusted based on new incentive structure.

Metric Changes

- Not applicable

O&M Retro Commissioning

All dollar values are in \$000

<u>Budget Projections</u>	2005	2006	Revised	2007	2007	2008
	<u>Actuals</u>	<u>Actuals</u>	<u>2007 Budget</u>	<u>YTD (Jul)</u>	<u>YE Projected</u>	<u>Budget</u>
Labor						
NU Labor	\$ 57.2	\$ 47	\$ 133	\$ 56	\$ 152	\$ 188
Contractor Staff	\$ 9.2	\$ 1	\$ 25	\$ -	\$ -	\$ -
Total Labor	\$ 66.4	\$ 48	\$ 158	\$ 56	\$ 152	\$ 188
Materials & Supplies	\$ 18.8	\$ -	\$ 5	\$ -	\$ -	\$ 7
Outside Services	\$ 233.7	\$ 62	\$ 444	\$ 73	\$ 199	\$ 435 a)
Incentives	\$ 100.3	\$ 170	\$ 658	\$ -	\$ -	\$ 627 b)
Marketing	\$ 1.3	\$ -	\$ 17	\$ 2	\$ 5	\$ 7
Administrative Expenses	\$ 0.9	\$ 1	\$ 15	\$ 1	\$ 3	\$ 14 c)
Other	\$ 4.5	\$ 5	\$ 3	\$ 1	\$ 3	\$ 2
Total	\$ 425.9	\$ 286	\$ 1,300	\$ 133	\$ 362	\$ 1,280

a) Fees to 3rd party vendors who will perform retrocommissioning services.

b) Incentives paid to customers for Retrocommissioning measures including facility control modifications that will help enable long term energy savings.

c) Employee expenses including mileage, training, conference attendance and misc.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	243.9
Annual Energy Savings (KWh Reduction Goal)	6,244,961
Lifetime Energy Savings (kWh Reduction Goal)	90,362,702
Annual Cost Rate (\$/kWh)	\$ 0.205
Lifetime Cost Rate (\$/kWh)	\$ 0.014
Electric b/c ratio	7.25
Total Resource b/c ratio	7.18

CL&P Standard Filing Requirement

O&M Retro Commissioning

CL&P Program Notes

Budget /FTE

1.30 • FTE for Program Administration

Goal

- Demand Savings (kW Reduction Goal) = 244 kW
- Lifetime Energy Savings (kWh Reduction Goal) = 90,362,702 kWh

Cost/kWh (Cost/Unit)

- \$/Annualized kW = \$ 5,249 / kW
- \$/Lifetime kWh = \$ 0.014 / kWh

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results.
- Savings were adjusted based on new incentive structure.

Metric Changes

- Not Applicable
- Not Applicable

The United Illuminating Company
EL-25 Standard Filing Requirement

O&M Services * ⁽¹⁾

Baseline Assumptions:

<u>Budget Projections</u>	All C&I customers				
	2006 Actuals	2007 Amended Budget	2007 YTD (Jul)	2007 YE Projected	2008 Budget
Market					
Labor					
UI Labor	\$ 41,141	\$ 42,033	\$ 24,670	\$ 42,033	\$ 43,085 a)
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ - b)
Total Labor	\$ 41,141	\$ 42,033	\$ 24,670	\$ 42,033	\$ 43,085
Materials & Supplies	\$ -	\$ 1,000	\$ -	\$ 1,000	\$ 901 c)
Outside Services	\$ 31,087	\$ 164,000	\$ 9,615	\$ 164,000	\$ 200,450 d)
Incentives	\$ -	\$ 102,318	\$ -	\$ 102,318	\$ 110,000 e)
Marketing	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ 4,000 f)
Other	\$ -	\$ 1,000	\$ 6	\$ 1,000	\$ 1,000 g)
Administrative Expenses	\$ (475)	\$ 5,000	\$ 130	\$ 5,000	\$ 2,915 h)
Total	\$ 71,753	\$ 322,351	\$ 34,421	\$ 322,351	\$ 362,351

* Joint CL&P and UI Program

(1) Includes O&M RFP, RetroCx, Facility Mgr. Training and K-12 Pilot

a) .40 FTE

b) no comment

c) expenses shared by RFP, Training, RetroCx, and K-12 Pilot

d) expenses shared by RFP, Training, RetroCx, and K-12 Pilot

e) no comment

f) expenses shared by RFP, Training, RetroCx, and K-12 Pilot

g) no comment

h) expenses shared by RFP, Training, RetroCx, and K-12 Pilot

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	100
Annual Energy Savings (kWh)	1,300,000
Lifetime Energy Savings (kWh)	13,000,000
Annual Cost Rate (\$/kWh)	\$ 0.279
Lifetime Cost Rate (\$/kWh)	\$ 0.028
Cost per kW	\$ 3,624
Electric System B/C Ratio	3.9

The United Illuminating Company Standard Filing Requirement

O&M Services

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$0	\$0	0.0%
2001	\$100	\$0	0.0%
2002	\$235	\$0	0.0%
2003	\$167	\$70	42.2%
2004	\$182	\$184	101.1%
2005	\$182	\$108	59.3%
2006	\$352	\$72	20.5%
2007	\$322		
2007 YTD (Jul)	\$322	\$34	10.7%
2007 YE Projected	\$322	\$322	100.1%
2008	\$362		

Goal - Installed kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	200	-	0.0%
2004	200	-	0.0%
2005	200	2,206	1103.0%
2006	2,000	1,453	72.7%
2007	2,000		
2007 YTD (Jul)	2,000	-	0.0%
2007 YE Projected	2,000	724	36.2%
2008	1,300		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	34	-	0.0%
2004	23	-	0.0%
2005	23	674	2930.4%
2006	210	237	112.8%
2007	210		
2007 YTD (Jul)	210	-	0.0%
2007 YE Projected	210	210	100.0%
2008	100		

Goal - Lifetime kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	3,000	-	0.0%
2004	2,000	-	0.0%
2005	2,000	22,061	1103.1%
2006	20,000	21,790	109.0%
2007	20,000		
2007 YTD (Jul)	20,000	-	0.0%
2007 YE Projected	20,000	20,000	100.0%
2008	13,000		

Program Ratios

Year	\$/kWh		\$/LT kWh		\$/kW	
	Target	Actual	Target	Actual	Target	Actual
2000	\$0.000	\$0.000	\$0.000	\$0.000	\$0	\$0
2001	\$0.000	\$0.000	\$0.000	\$0.000	\$0	\$0
2002	\$0.000	\$0.000	\$0.000	\$0.000	\$0	\$0
2003	\$0.835	\$0.000	\$0.056	\$0.000	\$4,912	\$0
2004	\$0.910	\$0.000	\$0.091	\$0.000	\$7,913	\$0
2005	\$0.910	\$0.049	\$0.091	\$0.005	\$7,913	\$160
2006	\$0.176	\$0.050	\$0.018	\$0.003	\$1,676	\$455
2007	\$0.161		\$0.016		\$1,533	
2007 YTD (Jul)	\$0.161		\$0.016		\$1,533	
2007 YE Projected	\$0.161	\$0.445	\$0.016	\$0.016	\$1,533	\$1,535
2008	\$0.279		\$0.028		\$3,624	

Notes

1. 2000-2002 data from LF-26 filed in 03-01-01
2. 2003 data reflects budgets approved in 03-01-01
3. 2004 data represents the revised budget allocations
4. Program jointly operated with CL&P
5. O&M RFP contains Administrative costs for RetroCX, BOC, and Envinta

The United Illuminating Company

Standard Filing Requirement

Program Notes - O&M Services

Budget/(FTE):

- 1) budget includes .40 FTEs for staffing
- 2) 2008 budget is 12% greater than the '07 budget.
- 3) 2008 budget houses administrative costs for RFP, BOC, RetroCx, and Envinta
- 4) incentives offered for O&M type measures
- 5) budget includes specialized training costs and the projected customer co-pay
- 6) O&M budget includes the K-12 pilot which accounts for a significant portion

Goal:

- 1) '08 target of 1,300,000 kWh
- 2) '08 target of 100 kW
- 3) marketing focus continues to be SWCT
- 4) any kWh savings from the RetroCx implementation are represented in EO
- 5) any direct savings from EnVinta's implementation are included this program
- 6) any savings from cross-promotional efforts are accounted for in either EO or ECB

Cost/kWh (Cost/Unit):

- 1) 2008 projected cost rates: annual = \$.0279/ kWh, lifetime = \$.028/ kWh
- 2) 2008 projected \$\$/kW = \$3,624
- 3) 2008 kWh and kW targets reduced by 35% and 50% due to program redesign.

Metric Changes:

- 1) all savings are reported as net values

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Small Business Energy Advantage (CL&P & UI)

Objective: The objective of the joint CL&P and UI Small Business Energy Advantage (“SBEA”) program is to provide cost-effective, turnkey C&LM services for small business customers.

Target Market: All C&I customers, with an average 12-month peak demand up to 200 kW in CL&P’s service area, and an average 12-month peak demand up to 150 kW in UI’s service area, are eligible for this program. SWCT will continue to be a major emphasis area.

Program Description: The Companies provide, through a network of approved contractors, direct or turnkey services to maximize energy efficiency operations for customers. These direct services include energy assessments and installation of measures.

As financial constraints are one of the primary barriers for this market, usually there are no up-front customer costs. The Companies pay incentives for relevant energy efficiency measures within cost-effectiveness constraints, and offer an interest-free financing option to credit-qualifying customers for the balance. UI financing will appear as a line item on the customer’s bill. CL&P customers currently will receive a separate bill for the financing and in 2008 new loans will appear as a line item on the customer’s bill when CL&P’s new billing system is available. The loan repayment term, which is determined by the simple payback of the project, is set at a level which normally provides the customer with a positive annual cash flow based upon the estimated energy savings resulting from the installed measures.

Additionally, the State Buildings Initiative will utilize the SBEA contractors and processes to facilitate the audit and installation of specific energy efficient measures in qualifying state owned or leased properties.

The SBEA program also includes an educational component to inform small business customers of the benefits that can be achieved through energy efficiency efforts.

In 2007, CL&P’s SBEA program received an “Exemplary Program” recognition award from the ACEEE. CL&P’s program also received a Silver Innovation Award from the CQIA.

Marketing Strategy: This program will primarily be marketed through the contractor network and targeted direct mail. Where appropriate, the Companies will explore joint marketing opportunities. Pro-active utility marketing for the SBEA program will occur on an as needed basis. The Companies’ marketing plan will be designed to be flexible, in order to maximize results. Many of the

marketing materials will be jointly produced to enhanced cost-effective opportunities. Initially, this will be in the form of printed materials.

The Companies will continue explore a variety of marketing strategies, such as: (1) targeting specific industries and neighborhoods, and (2) working with chambers of commerce, town officials, trade groups, and the Connecticut Department of Economic and Community Development. Based upon the results of exploring these additional avenues, promising markets will be pursued, and programs will be implemented. SBEA also utilizes selected advertising, memberships, and sponsorships to leverage contacts or to deliver the program benefits in a cost-effective manner.

The following represents some of the anticipated strategies, and timing for both the Companies.

<u>Strategy/Items</u>	<u>Timing</u>
Selected Advertising*	As needed
Trade Shows	Intermittent
Case Studies	As needed
Brochure Revision	As needed
Chamber of Commerce Ad	Bi-annually
Promotional Items	On a continual basis

* Selected advertising includes media, newsletters and other strategies with business associations.

CL&P's Web site, www.cl-p.com/Energy at Work/sbea and UI's Web site, www.uinet.com/your_business, will continue to be utilized to showcase successful projects along with other relevant program information.

The program employs low-cost giveaways to create a continuous presence and awareness of either the Fund logo or the Fund logo and the program's name, such as golf balls, pens, and screwdrivers.

Incentive Strategy:

Incentives for lighting and other energy efficiency measures are prescriptive and capped within cost-effectiveness constraints. In some instances, incentives for non-lighting measures are custom-designed within cost-effectiveness constraints. The Companies will continue to evaluate market trends and responsiveness, and make adjustments to participation requirements and incentive levels accordingly.

Financing will be offered with this program as described in the C&LM Financing section.

The following example illustrates the incentive breakdown for a 2007 SBEA project. The example project is from an actual installed commercial customer with an average monthly demand of 36 kW. The installed measures included new compact fluorescent lamps, T8 fixture retrofits,

evaporator fans retrofit, evaporator fan controls, and a novelty cooler control.

Total Project Cost (incl. sales tax)	\$ 15,457.71
Lighting Incentive	\$ 3,344.28
Refrigeration Incentive	\$ 3,484.63
Net Cost to Customer (incl. sales tax)	\$ 8,628.80
Estimated Annual Energy Savings	\$ 7,729.17
Estimated Monthly Energy Savings	\$ 644.00
Monthly Payment (0% @ 14months)	\$ 616.34

Once the loan is repaid, the customer reaps the benefits of future energy savings through lower electric bills. The Companies provide oversight at each step of the process to ensure the customer is well-informed and satisfied with the final installation.

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: The Companies are continually looking to expand the list of eligible cost-effective energy-efficient measures, including refrigeration measures, such as refrigerated case shades and ECM motors. The companies will explore cost-effective demand reduction and load response measures that can be integrated into the SBEA program. In addition, the Companies will work to incorporate comprehensiveness into projects. SWCT will continue to be a focal point for this program.

The Companies will work to smoothly incorporate the State Buildings within the SBEA framework. Approved SBEA contractors and processes will continue to be utilized facilitating the audit and installation of specific energy efficient measures in qualifying state owned or leased properties. In the event larger facilities enroll in the State initiative the SBEA program size criteria will be waived facilitating implementation in CL&P territory. Those facilities located in UI territory will be evaluated on a case by case basis to ensure there is appropriate funding for their SBEA customer sector.

As noted in the Decision for Docket 06-10-02, the Utilities will add training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors in future solicitations.

CL&P Specific Issues: CL&P will have a competitive bid process in late 2007 to select SBEA contractors to provide services for the 2008 and 2009 program. A total of 10 contractors will be selected and CL&P will continue to monitor contractor performance, and make adjustments as necessary. CL&P will work to coordinate comprehensive offerings to both EO and SBEA vendors. As noted in the Decision for Docket 06-10-02, the Utilities

will add training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors.

UI Specific Issues: UI will initiate a competitive bid process during the 4th Quarter of 2007 to select a core of group of vendors whose productivity will be maximized for the 2008 program year.

UI's SBEA program will also explore further opportunities of working with a variety of urban initiatives, such as Empowerment New Haven, and New Haven's Green Initiative. Partnering with these initiatives may be useful in overcoming a variety of obstacles, such as minimizing language barriers and attracting local contractors who are easily recognizable in these "inner-city" neighborhoods/areas. In an effort to minimize potential language barriers, UI anticipates expanding this strategy to include bilingual partnerships with the area's educational institutions and organizations.

The company recognizes the value in air conditioning with relation to the summer peak and will continue to cross promote A/C tune-ups, HVAC equipment upgrades, and load control measures.

Small Business Energy Advantage

All dollar values are in \$000

Customers with a 200kW demand or less or State Building Projects

<u>Budget Projections</u>	<u>2005</u> <u>Actuals</u>	<u>2006</u> <u>Actuals</u>	<u>Revised</u> <u>2007 Budget</u>	<u>2007</u> <u>YTD (Jul)</u>	<u>2007</u> <u>YE Projected</u>	<u>2008</u> <u>Budget</u>
Labor						
NU Labor	\$ 373	\$ 481	\$ 697	\$ 272	\$ 378	\$ 645
Contractor Staff	\$ 40	\$ 30	\$ 20	\$ 24	\$ 33	\$ -
Total Labor	\$ 413	\$ 511	\$ 717	\$ 296	\$ 411	\$ 645
Materials & Supplies	\$ 7	\$ 2	\$ 5	\$ 1	\$ 1	\$ 1
Outside Services	\$ 64	\$ 18	\$ 100	\$ 22	\$ 30	\$ 24 a)
Incentives	\$ 1,737	\$ 6,254	\$ 2,536	\$ 4,596	\$ 6,388	\$ 5,939 b)
Marketing	\$ 19	\$ 22	\$ 42	\$ 35	\$ 48	\$ 43 c)
Administrative Expenses	\$ 507	\$ 690	\$ 500	\$ 494	\$ 686	\$ 808 d) e)
Other	\$ (36)	\$ -	\$ -	\$ (2)	\$ -	\$ -
Total	\$ 2,711	\$ 7,497	\$ 3,900	\$ 5,442	\$ 7,564	\$ 7,460

- a) Software support, technical analysis and 3rd Party pre/post inspection service
- b) Incentives paid for the installation of cost effective energy conservation measures
- c) Market program to customers, trade allies and professional organizations.
- d) Employee expenses including mileage, training, conference attendance and misc.
- e) Primarily due to interest expense payments on the zero % customer loans

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	5,866.9
Annual Energy Savings (KWh Reduction Goal)	25,877,265
Lifetime Energy Savings (kWh Reduction Goal)	334,299,635
Annual Cost Rate (\$/kWh)	\$ 0.288
Lifetime Cost Rate (\$/kWh)	\$ 0.022
Electric b/c ratio	6.04
Total Resource b/c ratio	3.57

CL&P Standard Filing Requirement

Small Business Energy Advantage

Program Costs

Year	Budget	Actual	% of Budget	\$/LT-kWh ¹
2000	\$ 1,525,000	\$ 852,000	56%	0.011
2001	\$ 2,720,000	\$ 2,437,000	90%	0.013
2002	\$ 3,449,000	\$ 2,812,000	82%	0.015
2003	\$ 3,800,000	\$ 2,167,000	57%	0.010
2004 ³	\$ 3,000,000	\$ 3,264,000	109%	0.010
2005 Revised	\$ 3,456,476	\$ 2,710,538	78%	0.012
2006 Revised ^o	\$ 4,300,000	\$ 7,497,147	174%	0.013
2007 Revised	\$ 3,900,200	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 5,442,104	140%	0.016
2007 Y/E Projected	n/a	\$ 7,564,000	194%	0.017
2008	\$ 7,460,000	n/a	n/a	n/a

Goal - Participation

Year	Goal ²	Actual	% of Goal
2000	924	587	64%
2001	1,860	2,023	109%
2002	2,114	1,961	93%
2003	769	505	66%
2004 ³	561	603	107%
2005 Revised	522	523	100%
2006 Revised ^o	489	955	195%
2007 Revised	514	n/a	n/a
2007 YTD (Jul)	n/a	724	141%
2007 Y/E Projected	n/a	570	111%
2008	907	n/a	n/a

Goal - Lifetime MWh Savings

Year	Goal (MWh)	Actual (MWh)	% of Goal
2000	107,466	75,624	70%
2001	197,383	189,039	96%
2002	181,333	192,412	106%
2003	261,691	221,042	84%
2004 ³	217,790	328,965	151%
2005 Revised	202,766	233,266	115%
2006 Revised ^o	284,749	561,280	197%
2007 Revised	198,363	n/a	n/a
2007 YTD (Jul)	n/a	338,620	171%
2007 Y/E Projected	n/a	432,668	218%
2008	334,300	n/a	n/a

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal
2000	n/a	n/a	n/a
2001	n/a	n/a	n/a
2002	n/a	n/a	n/a
2003 ⁴	3,224	2,430	75.4%
2004 ³	2,552	3,354	131.4%
2005 Revised	2,376	2,349	98.9%
2006 Budget	2,916	8,497	291.4%
2007 Revised	3,022	n/a	n/a
2007 YTD (Jul)	n/a	4,681	154.9%
2007 Y/E Projected	n/a	6,114	202.3%
2008	5,867	n/a	n/a

Program Ratios

Year	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2000	0.014	0.011	n/a	1004
2001	0.014	0.013	n/a	1066
2002	0.019	0.015	n/a	1196
2003	0.017	0.010	1,270	892
2004 ³	0.014	0.010	1,175	973
2005 Revised	0.017	0.012	1,455	1154
2006 Revised ^o	0.015	0.013	1,475	882
2007 Revised	0.020	n/a	1,291	n/a
2007 YTD (Jul)	n/a	0.016	n/a	1163
2007 Y/E Projected	n/a	0.017	n/a	1237
2008	0.022	n/a	1,272	n/a

¹ Actual Dollars spent divided by actual life time kWh savings achieved for 2000 to 2005 inclusive. Budget dollars spent divided by life time kWh savings goals for 2006

² Goal for 2000-2002 is incentive dollars.

Goal for 2003-2008 is number of projects.

³ Budget and Plan information based on revised budgets and goals filed on 8/18/04

⁴ Demand saving goals reflect 1/13/03 goals.

⁵ Budget and Plan information based on revised budgets and goals filed on 6/8/06

CL&P Standard Filing Requirement

Small Business Energy Advantage

CL&P Program Notes

Budget / (FTE)

4.9 • FTEs for Program administration, inspections, QA/QC, loan collections, etc.

Goal

907 • Customers - installed projects.
 5,867 • Demand Savings (kW Reduction Goal)
 334,299,635 • Lifetime Energy Savings (kWh Reduction Goal)

Cost/kWh (Cost/Unit)

\$	1,291 / kW	• \$/Annualized kW
\$	0.022 / kWh	• \$/Lifetime kWh

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results.
- Changes were made to incorporate differences incentive structure and coincidence factors.

Metric Changes:

- Not applicable.

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The United Illuminating Company

Standard Filing Requirement

Small Business *

Baseline Assumptions:

Market

Retrofit program for small C&I customers < 150 kW ⁽¹⁾

<u>Budget Projections</u>	<u>2007</u>		<u>2007</u>	<u>2007</u>	<u>2008 Budget</u>
	<u>2006 Actuals</u>	<u>Amended Budget</u>	<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 213,569	\$ 214,899	\$ 128,778	\$ 214,899	\$ 227,594 a)
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ 20,000 b)
Total Labor	\$ 213,569	\$ 214,899	\$ 128,778	\$ 214,899	\$ 247,594
Materials & Supplies	\$ 1,286	\$ 2,200	\$ 3,218	\$ 3,500	\$ 2,500 c)
Outside Services	\$ 10,244	\$ 8,100	\$ 1,723	\$ 8,100	\$ 11,000 d)
Incentives	\$ 1,253,819	\$ 1,020,560	\$ 821,056	\$ 1,420,560	\$ 1,515,500 e)
Marketing	\$ 29,714	\$ 28,098	\$ 10,623	\$ 28,098	\$ 32,000 f)
Other	\$ 578	\$ 455	\$ 250	\$ 455	\$ 1,055 g)
Administrative Expenses	\$ 128,761	\$ 136,300	\$ 88,466	\$ 135,000	\$ 200,963 h)
Total	\$ 1,637,971	\$ 1,410,612	\$ 1,054,114	\$ 1,810,612	\$ 2,010,612

* Joint CL&P and UI Program.

(1) Customer eligibility increased to 150 kW to capture more mid-size market share.

- a) 2.05 FTEs.
- b) No comment.
- c) No comment.
- d) Consultant services.
- e) Customer incentives.
- f) Brochure revision, selected advertising, public relations, etc.
- g) No comment.
- h) Financing interest, employee training, mileage, etc.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	1,717
Annual Energy Savings (kWh)	7,563,809
Lifetime Energy Savings (kWh)	96,830,320
Annual Cost Rate (\$/kWh)	\$ 0.266
Lifetime Cost Rate (\$/kWh)	\$ 0.021
Cost per kW	\$ 1,171
Electric System B/C Ratio	6.2

The United Illuminating Company LF-26 Standard Filing Requirement

Small Business Energy Advantage

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$1,514	\$1,203	79.5%
2001	\$1,327	\$1,595	120.2%
2002	\$1,065	\$997	93.6%
2003	\$1,301	\$846	65.0%
2004	\$922	\$844	91.5%
2005	\$1,350	\$1,386	102.7%
2006	\$1,530	\$1,638	107.1%
2007	\$1,411		
2007 YTD (Jul)	\$1,411	\$1,054	74.7%
2007 YE Projected	\$1,411	\$1,811	128.3%
2008	\$2,011		

Goal - Number Of Audits

Year	Audit Goal	Actual Audits	Project Target	Project Actual	Project/ Audits	Year	Target	Actual	% of Goal Achieved
2000	642	982	225	317	32.3%	2000	\$6,729	\$3,795	56.4%
2001	1,224	1,294	294	258	19.9%	2001	\$4,514	\$6,182	137.0%
2002	1,035	1,406	253	276	19.6%	2002	\$4,209	\$3,612	85.8%
2003	1,102	540	298	148	27.4%	2003	\$4,366	\$5,716	130.9%
2004	851	601	236	237	100.4%	2004	\$3,909	\$3,563	91.1%
2005	1,106	788	307	367	119.5%	2005	\$4,397	\$3,777	85.9%
2006	891	667	344	310	90.1%	2006	\$4,448	\$4,471	100.5%
2007	724		240			2007	\$9,033		
2007 YTD (Jul)	724	528	344	230	66.9%	2007 YTD (Jul)	\$9,033	\$4,583	50.7%
2007 YE Projected	724	724	344	344	100.0%	2007 YE Projected	\$9,033	\$9,033	100.0%
2008	901		340			2008	\$5,914		

Goal - Installed kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	6,417	5,274	82.2%
2001	5,761	6,506	112.9%
2002	4,765	6,279	131.8%
2003	6,250	3,578	57.2%
2004	4,930	4,399	89.2%
2005	6,895	7,590	110.1%
2006	6,733	5,830	86.6%
2007	5,670		
2007 YTD (Jul)	5,670	4,853	85.6%
2007 YE Projected	5,670	5,670	100.0%
2008	7,564		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	1,429	-	0.0%
2003	1,424	1,031	72.4%
2004	802	1,035	129.1%
2005	1,132	1,963	173.4%
2006	1,466	1,661	113.3%
2007	1,340		
2007 YTD (Jul)	1,340	1,470	109.7%
2007 YE Projected	1,340	1,742	130.0%
2008	1,717		

Goal - Lifetime kWh Savings (000's)

Year	Goal	Actual	% of Goal Achieved
2000	96,300	79,100	82.1%
2001	86,400	97,600	113.0%
2002	71,500	94,200	131.7%
2003	93,750	53,670	57.2%
2004	73,950	65,987	89.2%
2005	108,928	119,909	110.1%
2006	100,997	76,975	76.2%
2007	72,003		
2007 YTD (Jul)	72,003	63,270	87.9%
2007 YE Projected	72,003	72,003	100.0%
2008	96,830		

Program Ratios

Year	\$/kWh Target	Actual	\$/LT kWh Target	Actual	\$/kW Target	Actual
2000	\$0.236	\$0.228	\$0.016	\$0.015	\$0	\$0
2001	\$0.230	\$0.245	\$0.015	\$0.016	\$0	\$0
2002	\$0.224	\$0.159	\$0.015	\$0.011	\$745	\$604
2003	\$0.208	\$0.236	\$0.014	\$0.016	\$914	\$821
2004	\$0.187	\$0.192	\$0.012	\$0.013	\$1,150	\$816
2005	\$0.196	\$0.183	\$0.012	\$0.012	\$1,193	\$706
2006	\$0.227	\$0.281	\$0.015	\$0.021	\$1,044	\$986
2007	\$0.249		\$0.020		\$1,053	
2007 YTD (Jul)	\$0.249	\$0.217	\$0.020	\$0.017	\$1,053	\$960
2007 YE Projected	\$0.249	\$0.319	\$0.020	\$0.025	\$1,053	\$1,039
2008	\$0.266		\$0.021		\$1,171	

Notes

1. 2000-2002 data from LF-26 filed in 03-01-01
2. 2003 data reflects budgets approved in 03-01-01

The United Illuminating Company LF-26 Standard Filing Requirement

Program Notes - Small Business Energy Advantage

Budget/(FTE):

- 1) Budget includes 2.05 FTEs for staffing
- 2) 2008 budget is \$500K greater than the '07 budget
- 3) 2008 will include new comprehensive incentives to motivate the market
- 4) Project financing costs reduce available incentive funds
- 5) There have been no defaults in 2007 as of 09/01/07.

Goal:

- 1) Target = 340 installed projects in 2008
- 2) 08 target of 7,563,809 kWh
- 3) 08 target of 1,717 kW
- 4) the market will continue to need stimulation; '08 will have increased \$/kwhr incentive levels
- 5) '08 audit target (901) is in same audit/project ratio as '07, see comment
- 6) increasing the scope of SMB measures to achieve more kWh savings

Cost/kWh (Cost/Unit):

- 1) 2008 projected cost rates per kWh: annual = \$0.26, lifetime = \$0.021
- 2) 2008 projected \$\$/kW = \$1,171
- 3) project financing costs have been budgeted and increase the \$\$/kWh
- 4) adopted new measure life values and coincidence factors for enduses;
- 5) \$/kW is higher due to refrigeration controls and HVAC conservation measures (ie: dehumidification), reducing off peak kW and kWh
- 6) continued higher costs due to ongoing marketing strategy to increase inner city & minority participation

Metric Changes:

- 1) all savings are reported as net values

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CHAPTER FOUR: EDUCATION/OTHER

Museum Partnerships/ SmartLiving Center™ (CL&P & UI)

Objective: The objective of the Museum Partnership/SmartLiving Center program is to educate Connecticut residents about the importance of energy efficiency through educational centers, exhibits and partnerships with museums.

UI's SmartLiving Center in Orange, CT is a "hub" for residential, and to a lesser extent C&I, energy efficiency programs. Services include up-to-date C&LM program and promotion information; information on new technologies; technical assistance; training; and recommendations, guidance, information and education in energy-efficient building techniques and products, in order to transform the home building, lighting and appliance markets over time.

Over the few last years, there has been an effort by UI's SmartLiving Center to participate in the Connecticut Science Center Collaborative. In 2008, UI will continue to increase the level of participation with this group, and other Connecticut science centers, most importantly, the Connecticut Science Center.

CL&P's Museum Partnership program's objective is to expand upon the SmartLiving Center concept to a broader audience by continuing to partner with key educational museums, science centers and other high traffic public venues throughout the State. CL&P plans on further collaboration with these groups to integrate Fund messages and information for workshops, children's activities and exhibits with emphasis on broad Fund program offerings.

CL&P continues to work closely with the Stepping Stones Museum for Children ("SSMC") in Norwalk where it established a permanent Fund exhibit in 2005. The exhibit is geared towards children age 10 and under, and offers interactive activities for children along with providing information and messages for their guardians that visit the museum. SSMC has over 100,000 visitors each year. As a continuation of this partnership, in 2006 and 2007 CL&P and SSMC were able to use the facility as a test site for new energy-efficient technology. Information on the demonstration was provided to visitors along with brochures, tip sheets on how they could be more energy efficient in their homes and businesses.

In 2006, CL&P partnered with the SWCT town of Westport and provided a permanent display for the Town Hall lobby. In November 2006, CL&P also partnered with the WF Kaynor Technical School in Waterbury. An interactive CFL display was provided to the Electrical Department to be displayed and used at all grade levels. In 2008, CL&P plans to reach out to the other Technical Schools around the state.

Another successful CL&P partnership is with the Connecticut Science Center, scheduled to open in 2008. CL&P through the Fund are participating in the development of the Center which would create high visibility for Connecticut's energy efficiency programs. The 160,000 square foot Center should prove to be a popular destination and an educational resource for students, researchers and visitors. The Center is expected to serve approximately 400,000 visitors annually with 100,000 of those visitors being school children. The Fund and the Connecticut Clean Energy Fund ("CCEF") are sponsoring a joint Clean and Efficient Energy exhibit at the Connecticut Science Center.

Target Market:

The UI SmartLiving Center's primary target market includes residential customers and their families, as well as schoolteachers, educators and their students. The target market also includes market actors, such as appraisers, architects, builders, building officials, designers, homeowners, home buyers, mortgage lenders, retailers, and other trade allies. In 2008, all Fund programs will continue to promote the Center as a resource for customers who are in the market for energy efficient products and services, regardless of fuel type.

For the CL&P Museum Partnership program, the target market is: architects, builders, designers, educators/students, homeowners, home buyers, residential customers and their families, and trade allies and businesses.

Program Description:

UI: The UI SmartLiving™ Center is an interactive, professionally staffed facility which serves as a high-profile resource for promoting energy-efficient products, services and ideas to educate customers about energy efficiency. The UI SmartLiving Center is an educational facility featuring training sessions and seminars, special events and tours; all geared toward teaching customers that they can use energy wisely while keeping an eye on the environment and not sacrificing comfort or style. Project seminars are planned which feature such topics as energy-efficient technologies and target "do-it-yourself" homeowners, builders, designers, other industry specialists, teachers and children.

The UI SmartLiving Center features hands-on displays and demonstrations of energy-efficient appliances, lighting technologies, weatherization and new construction practices. The UI SmartLiving Center's knowledgeable staff provides technical assistance and advice related to energy efficiency and conservation.

The UI SmartLiving Center exists as a resource to cross-promote a variety of C&LM programs, efforts of the CCEF, water efficiency activities, and gas efficiency activities. It also complements the local retail marketplace and includes those retailers in promotions and displays at the Center.

Working in conjunction with the *eeSmarts* program, the UI SmartLiving Center will continue to offer educational tours and Family Science Days (“FSD”) to promote energy efficiency messages to students in elementary, middle, high and technical schools, as well as college and university students. Educational tours are available to all age groups, such as kindergarten to adult, schools, classes and after school groups (i.e., Boy Scouts, Girl Scouts, Civic Organizations, etc). Themes for the tours include the origins of energy, energy efficiency, and alternate sources of energy. The tours make use of the UI SmartLiving Center’s interactive displays. The FSDs are opportunities for children and their parents to learn about energy issues, what they can do in their homes to help protect the environment while incorporating fun for the whole family. Other events hosted at the SmartLiving Center include annual Earth Day and Wait til 8 Celebrations.

CL&P: CL&P’s Museum Partnership program incorporates Fund program materials and messages into the activities, interactive displays, workshops, and permanent exhibits at existing educational centers, schools and museums across Connecticut. The Museum Partnership program also promotes the Fund’s *eeSmarts* educational program to its partners.

At the SSMC, children are able to explore a group of interactive exhibits that highlight the science behind energy and electricity, how they are used in our everyday lives, and why it is important to make smart choices and conserve them. Additionally, in 2007, the SSMC served as a training facility for an *eeSmarts* professional development workshop for SWCT teachers. In 2008, two professional development workshops will be held at the SSMC.

At the WF Kaynor Technical School, a hands-on, interactive display allows the school’s students to learn more about different lighting technologies. The Museum Partnership program offers hands-on interactive displays to libraries, centers and museums at Family Science Days, Earth Day events, etc.

For the Connecticut Science Center, CL&P will continue to work with the CCEF and the ECMB on the development, fabrication and installation of the Clean and Efficient Energy exhibit. The Center’s grand opening in Fall 2008 will help showcase the Fund’s educational and program initiatives in teaching the importance of energy efficiency to all Connecticut residents.

Marketing Strategy:

CL&P: CL&P plans to market to consumers and businesses through area museums, science centers, schools, and other public venues, to educate them on the value and importance of energy efficiency. The Fund will promote energy efficiency through displays, workshops, and permanent exhibits that museum personnel will provide to visitors, school groups, teachers, and parents. There are also special events that may be developed to spotlight certain programs, energy efficiency trends and community

collaborations. These special events include Earth Day events, Family Science Days and eco-festivals. Marketing is planned via CL&P's Web site and bill inserts, as well as the museums' newsletters and websites. CL&P plans to market its portable displays to the rest of the Connecticut Technical School system in conjunction with the school system's partnership with the Fund's *eeSmarts* program.

UI: Ongoing/Periodic Activities

- Quarterly "Source" Articles
- Home Show participation
- Promotional mailings for special events
- Quarterly Newsletter

First Quarter 2008

- Direct mail announcing SLC/*eeSmarts* bus reimbursement program and educational tours
- Home Show participation
- On-going seminars and meetings

Second Quarter 2008

- Earth Day celebration
- On-going seminars and meeting
- Summer (HVAC/Cooling) Energy Savings Campaign

Third Quarter 2008

- Joint participation in C&LM community events and fairs
- Weatherization and conservation campaign
- FSD
- Wait til 8

Fourth Quarter 2008

- Change a Light
- FSD
- On-going seminars and meetings

Goals: Refer to Standard Filing Requirements for Program goals.

New Program Issues: **UI:** Budget constraints have forced elimination of nearly all marketing and incentive funds for the UI SmartLiving Center. As such, the Center will be virtually entirely dependent on the other C&LM programs, CCEF, and civic/government organizations to generate both awareness and traffic.

As CCEF, and potentially the gas utilities, expand their education and outreach efforts, the Center stands ready to work closely with these organizations to foster their acceptance and embrace of the facility as a resource for their endeavors.

CL&P: CL&P places a special emphasis on SWCT locations. In October 2005, a permanent exhibit was installed at the Stepping Stones Museum for Children in Norwalk. This museum averages over 100,000 visitors per year. In 2006, the partnership continued through workshops and demonstrations. CL&P also partnered with the Town of Westport and WF Kaynor Technical School (student population of approximately 758) to promote energy efficiency to residents and students. At the school, the display not only promotes energy efficiency but also may peak their interest in energy efficiency as a topic to study and a possible career opportunity. In 2008, CL&P will continue to pursue new opportunities for educating Connecticut residents.

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CL&P Standard Filing Requirement

SmartLiving Center® - Museum Partnerships

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 25	\$ 62	\$ 41	\$ 36	\$ 92	\$ 44 a)
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 25	\$ 62	\$ 41	\$ 36	\$ 92	\$ 44
Outside Services	\$ 53	\$ 13	\$ 24	\$ (4)	\$ -	\$ 20 b)
Materials & Supplies	\$ -	\$ 2	\$ 13	\$ 1	\$ 2	\$ 12 c)
Fees & Incentives	\$ -	\$ -	\$ 12	\$ -	\$ -	\$ 13 d)
Marketing	\$ 3	\$ 3	\$ 5	\$ -	\$ -	\$ 5 e)
Administrative Expense	\$ 1	\$ 4	\$ 5	\$ 5	\$ 6	\$ 6
Other	\$ (0)	\$ 3	\$ -	\$ -	\$ -	\$ -
Total	\$ 81	\$ 87	\$ 100	\$ 38	\$ 100	\$ 100

- a) Includes CL&P Administration of Science Center Project.
- b) Creative support for museum projects.
- c) Includes printing/design costs for educational materials.
- d) Includes sponsorships for museum/public facilities exhibits and workshops.
- e) Includes Direct mail/collateral and grassroots/PR.

2008 Goals and Metrics Information

The SLC does not have any kW or kWh savings metrics

Demand Savings (kW reduction Goal)	N/A
Annual Energy Savings (KWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

CL&P Standard Filing Requirement

SmartLiving Center® - Museum Partnerships

Not a goals based program.

SmartLiving Center® - Museum Partnerships

CL&P Program Notes

Budget/FTE

- 0.3** • FTEs for program administration
Including all expenses, except outside services, for administering the new CCSE.

Goal

- Not applicable.

Cost/Unit

- Not applicable.

Goal Setting Methodology

- Not applicable.

Metric Changes

- Establish a long-term presence at one museum/school.

The United Illuminating Company
Standard Filing Requirement

SmartLiving Center

Baseline Assumptions:

Market UI residential customers, appliance retailers, builders, developers, realtors

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ 23,130	\$ 44,653	\$ 27,620	\$ 44,653	\$ 49,698 a)
Contractor Staff	\$ 116,991	\$ 120,000	\$ 80,211	\$ 120,000	\$ 120,000 b)
Total Labor	\$ 140,122	\$ 164,653	\$ 107,831	\$ 164,653	\$ 169,698
Materials & Supplies	\$ 17,858	\$ 11,983	\$ 4,991	\$ 5,000	\$ 6,625 c)
Outside Services	\$ 2,212	\$ -	\$ 4,037	\$ 4,037	\$ - d)
Incentives	\$ 1,080	\$ -	\$ -	\$ -	\$ - e)
Marketing	\$ 3,130	\$ -	\$ 5,000	\$ 5,000	\$ - f)
Other	\$ 125,974	\$ 152,923	\$ 73,452	\$ 152,923	\$ 152,923 g)
Administrative Expenses	\$ 3,236	\$ 5,000	\$ 1,538	\$ 2,946	\$ 5,000 h)
Total	\$ 293,612	\$ 334,559	\$ 196,849	\$ 334,559	\$ 334,246

- a) No comment
- b) Day-to-Day staffing of Center
- c) Tours supplies, office supplies
- d) No comment
- e) No comment
- f) Dependency upon other programs
- g) Rent, utilities, trade services (AC, phone, internet, dumpster etc.)
- h) Meals, miles, travel and training

Goals and Metrics Information:

of Visitors

2008
10,000

The United Illuminating Company Standard Filing Requirement

SmartLiving Center

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal
			Achieved
2000	\$300	\$307	102.3%
2001	\$524	\$836	159.5%
2002	\$423	\$392	92.7%
2003	\$531	\$345	65.0%
2004	\$478	\$370	77.4%
2005	\$428	\$410	95.8%
2006	\$286	\$294	102.8%
2007	\$335		
2007 YTD (Jul)	\$335	\$197	58.8%
2007 YE Projected	\$335	\$335	99.9%
2008	\$334		

Goal - Number of Customers Served

Year	Goal	Actual	% of Goal
			Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	5,000	7,977	159.5%
2003	11,340	6,221	54.9%
2004	8,500	7,565	89.0%
2005	10,000	11,141	111.4%
2006	10,000	10,392	103.9%
2007	10,000		
2007 YTD (Jul)	10,000	7352	73.5%
2007 YE Projected	10,000	10,000	100.0%
2008	10,000		

The United Illuminating Company Standard Filing Requirement

Program Notes - SmartLiving Center

Budget/FTE:

1/2 FTE for contract administration, financial administration and strategic oversight

Goal:

10,000 customer goal

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***eesmarts*[™] (CL&P & UI)**

Objective: The *eesmarts*[™] program is a joint energy education program of CL&P and UI. The purpose of the program is to develop an energy-efficient ethic among all school age students in Connecticut, encouraging them to incorporate energy-efficient practices and behaviors into their lives at home and at school.

For 2008, the *eesmarts* program has three primary objectives:

Objective 1: *eesmarts* will continue to emphasize and promote teacher training. Teacher training will focus on science concepts as well as applications of *eesmarts*.

Objective 2: *eesmarts* program material distribution will continue to be restricted to administrators, curriculum directors, and trained teachers.

Objective 3: Program curriculum material will be supportive of Connecticut State Department of Education science framework and inquiry-based teaching methods, and updates to the curriculum will specifically focus on improving science content.

Target Market: For 2008, the *eesmarts* program will continue to target its efforts in educating Connecticut's schoolchildren about the importance of energy-efficient behaviors.

UI will continue to target school districts in its 17-town territory. As in 2007, CL&P will continue to target specific school districts in its service territory. These school districts will include: Cheshire, Danbury, Hartford, Meriden, Monroe, New Britain, Norwalk, Stamford and Waterbury. CL&P will continue to focus on middle school curriculum and limited implementation of elementary school units (Grades 4-5). CL&P and UI will also continue their partnership with Connecticut's Technical School System.

Program Description: *eesmarts* is an energy efficiency and clean energy learning initiative. *eesmarts* also partners with the CCEF in making children aware of available clean energy alternatives.

As a result of lessons learned in 2005 operations and a direct result of an evaluation performed by a third-party vendor, numerous improvements were implemented in 2006 and 2007. These improvements helped the program meet its immediate and long-term objectives and will continue in 2008.

One of the more noteworthy program improvements are in the *eesmarts* teacher training workshops. This teacher training focuses on science and

the utilization of *eesmarts* curriculum materials. Program materials will be distributed to districts and teachers who participate in teacher training—either through Professional Development (“PD”) workshops for school districts or Continuing Education Unit (“CEU”) workshops for individual teachers. The Companies will continue to promote training workshops in 2008.

Distribution of eesmarts Curriculum Materials

In 2006-2007 and continuing in 2008, teachers who receive *eesmarts* program materials must have, or plan to, participate in the program’s PD or CEU workshops. In addition, teachers must submit an informal contract—the Curriculum Request Agreement (“CRA”). The CRA must be signed by the participating teacher and a school administrator (i.e., principal, assistant principal, district curriculum director). By signing the CRA, the teacher agrees to utilize the *eesmarts* program materials, administer student assessment and return their teacher evaluation and their student’s results.

eesmarts Teacher Training Workshops

As mentioned, *eesmarts* will offer two types of teacher training opportunities—custom workshops for school districts (PD workshops) and general education training for individual teachers in utility-focused towns (CEU workshops). These workshops will be mandatory for all elementary school and middle school teachers who receive *eesmarts* program materials. Individual exceptions will be made for middle school teachers with prior science knowledge and training. All teachers must submit a signed CRA to obtain curriculum materials.

PD Workshops—These workshops will be offered to school districts and educational organizations. They will be specifically tailored to align with city/town/district curriculum plans. They will be designed to improve a teacher’s understanding of science and how to incorporate *eesmarts*’ lessons and activities into the city/town/district’s curriculum framework and with the Connecticut State Department of Education Framework.

CEU Workshops—These workshops will be offered to individual teachers and will not be specifically tailored to each individual teacher’s city/town/district’s curriculum plans. These workshops are designed to improve a teacher’s understanding of science and how to teach science in the classroom. Lessons and hands-on activities will be demonstrated that support the Connecticut State Department of Education Framework.

eesmarts Curriculum Materials

In 2007, updated *eesmarts* curriculum materials for Grades 4-5 were made available and distributed to Connecticut’s classrooms. Updates included changes in design formats and updating the comprehensive teacher

guidebooks with new lessons and information. Teacher guidebooks will provide teachers with detailed lessons and background information on energy, energy efficiency and clean renewable energy sources.

The updated *eesmarts* middle school curriculum's 12 lessons built around energy systems, energy efficiency, energy transformation and systems now include lessons regarding clean, renewable energy. In addition, *eesmarts* will continue to have the annual middle school essay contest. This contest allows students and teachers to reflect on the major scientific principles and public policies that revolve around energy efficiency and clean, renewable energy—such as global warming and the depletion of fossil fuels. Also, partnerships with the Connecticut State Science Fair are in progress.

Outreach and the Science Education Vehicle

The program will continue to offer educational tours at the SmartLiving™ Center in Orange, CT. In 2008, the opening of the Connecticut Science Center in Hartford will serve as a new site for teachers and students to learn about clean and efficient energy topics. With the Fund's funding of a Clean and Efficient Energy Exhibit, visitors will be able to see how a sustainable, renewable and energy-efficient city is built. In addition, the *eesmarts* program will offer limited on-site programs to participating school districts.

Outreach will be limited to participation and sponsorship of just a few education conferences throughout the state. Recruitment of school districts will be limited to the PD workshop vendors and their education contacts. Individual teacher requests will be handled by the CL&P and UI Program Administrators.

In 2008, the Science Education Vehicle (“SEV”) program, offered by the Connecticut Science Center, will begin its outreach to classroom across the state. *eesmarts* ‘on-site efforts will be enhanced by the inclusion of *eesmarts* curriculum and materials in the SEV’s on-site program.

Additional Educational Resources

A list of additional resources and lessons are made available to teachers in the *eesmarts* program materials and on *eesmarts*’ Web site, www.eesmarts.com. Referrals to the SEV and the Connecticut Science Center will be made linked on the Web site when they become operational in 2008.

In 2007, CL&P and UI received a Silver Connecticut Innovation Prize from the CQIA for their *eesmarts* program.

Marketing Strategy:

Ongoing/Periodic Activities

- Outreach to new and participating educators via the PD workshops vendor

- Attendance at conferences, direct contact and through the SEV program
- News features on www.eesmarts.com, events at the SmartLiving Center and in the Companies bill inserts
- Joint participation at C&LM community events, Earth Day celebrations, book readings (UI)
- Promotion of Spring 2008 essay contest
- *eesmarts* elementary school curriculum public relations

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: As stated, the *eesmarts* program has undergone, and will continue to undergo, significant changes to make it a more effective energy-efficient educational program for Connecticut's schoolchildren. Moving from the placement of curriculum materials in classrooms to leading professional teacher workshops will result in significant changes in program implementation, evaluation and the attainment of established goals.

Due to alterations in the SmartLiving Center budget, *eesmarts* bus tour reimbursement program costs will be budgeted under the *eesmarts* budget.

CL&P Standard Filing Requirement

K-8 Education

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 7	\$ 19	\$ 31	\$ 13	\$ 51	\$ 42
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 7	\$ 19	\$ 31	\$ 13	\$ 51	\$ 42
Materials & Supplies	\$ 0	\$ -	\$ 10	\$ 1	\$ 4	\$ 10
Outside Services	\$ 235	\$ 139	\$ 143	\$ 29	\$ 114	\$ 132 a)
Marketing	\$ -	\$ 1	\$ 14	\$ 8	\$ 31	\$ 14 b)
Administrative Expense	\$ 0	\$ 1	\$ 2	\$ 1	\$ 4	\$ 2
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 243	\$ 160	\$ 200	\$ 52	\$ 204	\$ 200

a) Educational Consultant: PIMMS (Wesleyan University). Conduct teacher training workshops and promote curriculum.
Curriculum Vendor: WB Meyer. Fulfillment of curriculum requests.

b) Includes bill inserts, mailings to curriculum directors and principal/pilot programs.

2008 Goals and Metrics Information

The K-8 Program does not have a kW or kWh savings metric.

Demand Savings (kW Reduction Goal)	N/A
Annual Energy Savings (kWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

Goal 1: Number of Workshops

10 Workshops

Goal 2: Session Attendance

240 participants for General Workshops

Goal 3: Curriculum Placement (majority at Workshops)

CL&P: 400 units

CL&P Standard Filing Requirement

K-8 Education

Year	<u>Goal - # Curriculae Delivered</u>		
	Goal	Actual	% Achieved
2001	n/a	n/a	n/a
2002	n/a	314	2
2003	n/a	n/a	n/a
2004 ³	1400	2,013	144%
2005 Revised	800	1,443	180%
2006 Revised	600		0%
2007 Revised	600		
2007 YTD (Jul)	n/a	2	0%
2007 Y/E Projected	n/a	2	0%
2008	n/a	n/a	n/a

Year	<u>Goal - Participation</u>		
	Goal	Actual	% of Goal
2001	n/a	n/a	n/a
2002	n/a	n/a	n/a
2003	n/a	n/a	n/a
2004 ³	n/a	n/a	n/a
2005 Revised	n/a	n/a	n/a
2006 Revised	n/a	n/a	n/a
2007 Revised	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	n/a
2007 Y/E Projected	n/a	n/a	n/a
2008	n/a	n/a	n/a

Year	<u>Goal - Budget</u>		
	Budget	Actual	% of Goal
2001	\$ 200,000	\$ 159,000	80%
2002	\$ 270,000	\$ 215,000	80%
2003	\$ 300,000	\$ 249,000	83%
2004 ³	\$ 210,000	\$ 62,000	30%
2005 Revised	\$ 254,944	\$ 243,000	95%
2006 Revised	\$ 202,500	\$ 159,987	79%
2007 Revised	\$ 200,000	n/a	n/a
2007 YTD (Jul)	n/a	\$ 51,840	26%
2007 Y/E Projected	n/a	\$ 204,000	101%
2008	\$ 200,000	n/a	n/a

Year	<u>Program Ratios</u>				
	<u>\$/Lifetime kWh</u>		<u>\$/Annualized kW</u>		
	Plan	Actual	Plan	Actual	
2001	n/a	n/a	n/a	n/a	
2002	n/a	n/a	n/a	n/a	
2003	n/a	n/a	n/a	n/a	
2004 ³	n/a	n/a	n/a	n/a	
2005 Revised	n/a	n/a	n/a	n/a	
2006 Revised	n/a	n/a	n/a	n/a	
2007 Revised	n/a	n/a	n/a	n/a	
2007 YTD (Jul)	n/a	n/a	n/a	n/a	
2007 Y/E Projected	n/a	n/a	n/a	n/a	
2008	n/a	n/a	n/a	n/a	

¹ Program began in 2001.

² 2002 is first year with any reportable data.

³ Budget and Plan information based on revised budgets and goals filed on 8/18/04.

CL&P Standard Filing Requirement

K-8 Education

CL&P Program Notes

Budget/FTE

0.3

- FTE for Program Administration
- 2008 budget reflects focus on grades 6-8 curriculum and reduced state K-5 implementation.

Goal

- Not applicable

Cost/Unit

- Not applicable

Goal Setting Methodology

- Not applicable

Metric Changes

4

- Professional Development Workshops Conducted for Teachers.

6

- Joint Professional Development Workshops Conducted for Teachers with UI.

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The United Illuminating Company
Standard Filing Requirement

K-8 Education *

Baseline Assumptions:

Market Primary and secondary schools throughout UI service territory

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007</u>	<u>2007</u>	<u>2008 Budget</u>
			<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 44,384	\$ 44,653	\$ 28,074	\$ 44,653	\$ 49,698 a)
Contractor Staff	\$ 70,137	\$ 32,240	\$ 19,500	\$ 32,240	\$ 32,240 b)
Total Labor	\$ 114,521	\$ 76,893	\$ 47,574	\$ 76,893	\$ 81,938
Materials & Supplies	\$ 25,309	\$ 12,000	\$ 2,922	\$ 5,072	\$ 12,000 c)
Outside Services	\$ 121,118	\$ 116,307	\$ 38,652	\$ 116,307	\$ 112,281 d)
Incentives	\$ 9,887	\$ 25,000	\$ 11,239	\$ 25,000	\$ 25,000 e)
Marketing	\$ 30,391	\$ 47,411	\$ 3,095	\$ 47,411	\$ 47,411 f)
Other	\$ 1,804	\$ -	\$ 374	\$ 500	\$ - g)
Administrative Expenses	\$ 6,222	\$ 3,572	\$ 5,857	\$ 10,000	\$ 3,572 h)
Total	\$ 309,252	\$ 281,183	\$ 109,713	\$ 281,183	\$ 282,202

* Joint CL&P and UI Programs

- a) No comment.
- b) Transitional field outreach support.
- c) Supplies for on-site and professional development activities.
- d) Warehousing, shipping, professional development services.
- e) SmartLiving Center tours.
- f) Promotional supplies, targeted marketing of updated curriculum materials.
- g) No comment.
- h) Meals, miles, travel and training.

2008 Goals and Metrics Information:

Curriculum Units Under Request Agreements	340
General/Custom Workshop	10
General/Custom Workshop Number of Attendees	240

The United Illuminating Company Standard Filing Requirement

K - 8 Education

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal
			Achieved
2000	\$363	\$392	108.0%
2001	\$427	\$298	69.8%
2002	\$377	\$855	226.8%
2003	\$427	\$266	62.3%
2004	\$319	\$223	69.9%
2005	\$416	\$324	77.9%
2006	\$302	\$309	102.3%
2007	\$281		
2007 YTD (Jul)	\$281	\$110	39.0%
2007 YE Projected	\$281	\$281	100.1%
2008	\$282		

Goal - Number of Customers Served

Year	Goal	Actual	% of Goal
			Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	38	619	1628.9%
2003	38	696	0.0%
2004	600	830	138.3%
2005	600	974	162.3%
2006	300	367	122.3%
2007	340		
2007 YTD (Jul)	340	75	22.1%
2007 YE Projected	340	340	100.0%
2008	340		

The United Illuminating Company Standard Filing Requirement

Program Notes - K - 8 Education

Budget/FTE:

1/2 FTE for contract administration, direct contact with education community, oversight of curriculum and professional development redesigns.

Goal:

Redefined goals reflect 2006 program evaluation and outputs of collaborative curriculum redesign effort and are based on available budgets

Metric Changes:

Curriculum placed will be secondary to "open" CEU workshops and school/district specific professional development

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SPECIAL NEEDS

Low-Income – CL&P WRAP and UI Helps (CL&P & UI)

- Objective: The objectives of the Companies' low-income programs, CL&P's Weatherization Residential Assistance Partnership ("WRAP") and UI Helps are:
- To provide comprehensive weatherization, energy conservation and education services to low-income customers in order to reduce their energy burden
 - To make utility bills more affordable, and houses more energy-efficient and comfortable.
- Target Market: Customers with the following criteria: (a) income that is at or below 60% of the median income, (b) energy burden (percent of total annual income spent on energy) that is high and (c) have not received weatherization services in the prior 18 months.
- The Companies can also target financially challenged customers facing other issues that may interfere with their ability to take advantage of conservation services. Examples of these customers include group living settings, such as residential treatment facilities, group homes, halfway houses, and shelters.
- Program Description: The program may offer a full range of energy conservation measures to address inefficient lighting, water heating, inefficient heating equipment, refrigeration and insufficient insulation. Measures may include (where applicable and cost-effective): CFLs, lighting fixtures, water heater wraps or replacement low-flow shower-heads, low-flow faucet aerators, waterbed insulated covers, door sweeps, thermostats, duct sealing, weatherization and insulation, energy-efficient air conditioners, energy-efficient refrigerators and freezers, broken window replacement, and, for WRAP, heat pump, burner and furnace repairs/replacements. CL&P customers that are all-electric heat can be considered for replacement of single-pane windows with double-pane Low E Argon 0.35-0.30 windows. These windows would require a co-pay from the landlord or property owner.
- The Neighborhood Canvassing program provides weatherization services to financially challenged customers in targeted communities. Services can include CFLs, low-flow showerheads, low-flow faucet aerators, waterbed insulated covers, energy-efficient torchieres, table lamps and ENERGY STAR-qualified room air conditioners and refrigerators. CL&P customers requiring additional weatherization services will be referred to WRAP for a follow-up visit and UI customers with electric heat may receive blower door-directed air sealing at the time of initial canvassing or at a later date.

The program coordinates CL&P and UI funded services with those funded by the State and the Department of Energy. Some conservation services are funded by The Connecticut Natural Gas Corporation, Southern Connecticut Gas Company and Yankee Gas Services Company. CL&P services are administered and coordinated by CL&P's WRAP Unit. UI's Program Administrator coordinates these services to low-income communities through its vendor and/or the local Community Action Agency ("CAA") in conjunction with the local gas company. Such coordination enables CL&P and UI to leverage their outreach to financially challenged communities and to serve more families.

The following services may be delivered by contractors who have been selected through either a competitive bidding process or by a CAA:

- Conduct a fuel-blind Energy Audit or walk through needs analysis survey of the household
- Identify causes of high electricity use related to lighting and appliances
- Identify solutions to high-use problems by working cooperatively with customers in their homes
- Install all cost-effective energy saving measures including those listed above
- Educate customers on use and care of conservation measures to ensure continued savings
- Provide budget and credit counseling when appropriate and requested
- "Piggy-back" service delivery whenever possible to services being delivered through public or utility funding, to reduce administrative costs as well as the inconvenience to the customer with multiple home visits
- Upon request, conduct periodic energy conservation workshops to reinforce education provided during home visits
- Conduct neighborhood canvassing to targeted areas to maximize program participation

Energy use education can be provided to every household visited and budget management and counseling may be provided when needed and requested. CL&P can also send a newsletter ("Help Line"), which contains energy education, conservation tips, safety information, and other useful resource listings to participants. CL&P and UI may also provide training for the network of CAAs that deliver direct services.

Intake can be conducted by several entities including CL&P and UI staff, the Special Assistance Unit within CL&P and UI's Collections Department,

CAAs, UI's program delivery vendor and the Department of Social Services. Infoline also refers customers to these intake organizations.

The Companies target and outreach via extensive mailings to all identified hardship coded customers through out their service territories. This mailing includes a concentrated effort in SWCT. They continue to work closely with the CAAs' energy departments, Department of Social Services, social service agencies, public housing agencies, and the like to identify new clients who qualify for the low income program. WRAP applications will be made available and provided to these newly identified customers by the CAAs' intake workers.

CAAs

CL&P and UI have agreements with most of the CAAs within their respective service areas to offer expanded services to low-income customers. These services include:

- Working with the CAAs to develop educational materials to be provided to customers at the time of audits and installations by CAAs or subcontractors. The materials will focus on the end uses that require the highest electricity use in each home, including lighting, heating, cooling and appliances. Customers will be informed about the best ways to manage these uses more efficiently.
- CAAs will continue to expand their outreach activities in order to increase participation by customers not traditionally served.
- CAAs will continue to refer customers, if eligible, to CL&P (NUSTART and Matching Payment Program) and UI (Matching Payment and Forgiveness Programs) for appropriate payment assistance, winter protection, and/or to the appropriate human service agency for non-energy-related services.
- CAAs will provide fuel assistance funds if a customer is eligible and will follow up with all referred customers with telephone calls or home visits, if necessary, to ensure appropriate service delivery.

Marketing Strategy: The following initiatives can be undertaken pursuant to market low-income weatherization programs:

- Both CL&P and UI continue to provide updated information regarding low-income programs to Infoline to enable Infoline to make direct referrals for services to customers for conservation measures. Specifically, build on Infoline's visibility and marketing of the 2-1-1 emergency help telephone number. (Both Companies still refer customers to 2-1-1 for assistance when a customer is in need of a service neither company provides).
- Expand outreach to CAAs, social service agencies, senior citizen organizations, family welfare agencies, and public housing

authorities. This expanded outreach enables the program to reach the severely financially challenged families. The program currently works closely with both landlords and property management companies to increase participation in the programs.

- Landlords with low-income tenants are required to grant permission for contractors and subcontractors to provide services for tenants in their buildings. Landlords are informed of the weatherization services being provided and very often assist in scheduling the work. Landlords often encourage additional tenants to participate in the programs.
- The programs market multi-family lighting retrofit and weatherization programs to landlords and property management companies. Landlords and property management company staff are directly involved in the execution of weatherization programs by assisting subcontractors in notifying tenants of weatherization projects, gaining access to unoccupied units, and accepting delivery of, and storing, project materials.
- Program personnel make presentations to property management companies and landlords to educate them about CL&P's WRAP and UI's UI Helps programs.
- The Companies have been working with the Connecticut Housing Finance Authority ("CHFA"). The CHFA has numerous low-income properties throughout the state of Connecticut. This partnership provides a direct connection between the Programs and local housing authorities/landlords.
- The programs also work closely with community organizations that assist in providing low-income housing. The WRAP program has partnered with organizations such as Habitat for Humanity, Rebuilding Together in Hartford and neighbor associations to provide conservation measures for their homes. The UI Helps program has partnered with the City of New Haven and Neighborhood Housing Services of New Haven, Inc. to over a series of "Saving Energy 101" workshops to elderly and income-eligible groups throughout New Haven. The programs have also provided services to numerous shelters and community living residences as part of an ongoing effort to assist low-income customers and nonprofit housing programs.
- The Companies' Program Administrators provide recruitment listings of identified hardship customers and identified low-income housing units for vendor and CAA.

Specific marketing tactics for low-income customers may include the following:

- The Companies will continue to participate in community events for financially challenged and elderly customers to promote participation in our low-income programs.
- The Companies will continue an initiative launched in 2005 to build relationships with municipal housing authorities and other low-income and elderly service organizations. UI will also coordinate these activities in conjunction the SmartLiving Center.
- CL&P will continue its Senior Center Information Sessions to educate and recruit seniors for the WRAP program.

Incentive Strategy: Incentives are designed to pay for 100 percent of all measures that are cost effective regardless of heating or domestic hot water fuel source. Electric measures included in the programs are lighting, low-cost water measures and replacing tenant-owned refrigerators and room air conditioners to maximize the potential energy savings. There is a co-pay requirement for landlord owned refrigerators. WRAP and UI Helps include incentives for comprehensive weatherization and insulation. In some instances WRAP will provide incentives for heating system repairs and replacements.

Goals: Refer to Standard Filing Requirements for program goals.

New Program Issues: The Companies have been actively implementing areas that the 2006 evaluation noted. For example, CL&P has increased outreach to non-English speaking communities; specifically targeted electrically heated homes and high bill homes for services; provided CFL pin-based replacement bulbs; and increased communication and coordination with other state agencies and providers of low income programs, to name a few. UI has proactively taken steps to coordinate with both the program staff at DSS and the CAAs to offer leveraged services. In addition, UI and SCG staffs are coordinating efforts to leverage services and funds of DSS/DOE, SCG and UI Helps to offer a comprehensive delivery of service. CL&P and UI are active participants in the statewide efforts addressing the energy needs of low-income households including staff participation on LIEAB's Conservation and Weatherization subcommittee. UI has increased its participation in the DSS Weatherization Director's Forum. The last C&LM decision also allowed UI to fund non-electric weatherization measures in oil heated homes.

Other recommendations of the evaluation dealt with policy matters such as what is the best way to structure the program—serve many customers with abbreviated services, serve fewer customers with very comprehensive measures or a combination of the two. These topics will be further evaluated by the Companies and the ECMB and its consultants in 2008.

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CL&P Standard Filing Requirement

Low-Income Program (WRAP)

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 380	\$ 349	\$ 503	\$ 291	\$ 485	\$ 650
Contractor Staff	\$ 154	\$ 118	\$ 100	\$ 19	\$ 32	\$ 15
Total Labor	\$ 534	\$ 467	\$ 603	\$ 310	\$ 517	\$ 665
Outside Service	\$ 466	\$ 442	\$ 389 a)	\$ 285	\$ 475	\$ 740 a)
Material & Supply	\$ 3	\$ 5	\$ 25	\$ 10	\$ 16	\$ 20
Incentives	\$ 3,651	\$ 4,335	\$ 4,836	\$ 2,970	\$ 4,946	\$ 5,300
Marketing	\$ 10	\$ 41	\$ 100	\$ 19	\$ 32	\$ 100
Administrative Expense	\$ 10	\$ 7	\$ 29 b)	\$ 9	\$ 14	\$ 15 b)
Other	\$ 8	\$ 2	\$ 18	\$ -	\$ -	\$ -
Total	\$ 4,683	\$ 5,299	\$ 6,000	\$ 3,603	\$ 6,000	\$ 6,840

a) Actual materials and labor done by Community Action Agencies and/or vendor.

b) Employee expenses including mileage, training, conference attendance and misc.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	1,372.9
Annual Energy Savings (KWh Reduction Goal)	12,667,376
Lifetime Energy Savings (kWh Reduction Goal)	135,001,799
Annual Cost Rate (\$/kWh)	\$ 0.540
Lifetime Cost Rate (\$/kWh)	\$ 0.051
Electric b/c ratio	2.22
Total Resource b/c ratio	3.07

CL&P Standard Filing Requirement

Low-Income Program (WRAP)

Year	Program Costs			Cost/participant	\$/LT-kWh
	Budget	Actual	% of Budget		
2000	\$ 5,000,000	\$ 4,406,000	88%	\$653	0.042
2001	\$ 5,000,000	\$ 5,036,000	101%	\$754	0.040
2002	\$ 4,420,000	\$ 4,716,000	107%	\$783	0.033
2003	\$ 4,024,000	\$ 3,181,000	79%	\$864	0.038
2004 ²	\$ 4,250,000	\$ 4,591,000	108%	\$524	0.034
2005 Revised	\$ 5,891,143	\$ 4,682,547	79%	\$477	0.044
2006 Revised	\$ 5,850,000	\$ 5,298,638	91%	\$506	0.050
2007 Revised	\$ 6,000,000	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 3,603,312	60%	\$570	0.061
2007 Y/E Projected	n/a	\$ 6,000,000	100%	\$564	0.054
2008	\$ 6,840,000	n/a	n/a	-	-

Year	Goal - Participation		
	Goal	Actual	% of Goal
2000	6,000	6,749	112%
2001	5,866	6,675	114%
2002	4,900	6,022	123%
2003	6,094	3,683	60%
2004 ²	6,694	8,765	131%
2005 Revised	7,517	9,818	131%
2006 Revised	10,192	10,481	103%
2007 Revised	10,636	n/a	n/a
2007 YTD (Jul)	n/a	6,327	59%
2007 Y/E Projected	n/a	10,636	100%
2008	13,100	n/a	n/a

Year	Goal - Lifetime MWh savings			Year	Goal - Installed kW Savings		
	Budget	Actual	% of Budget		Goal	Actual	% of Goal
2000	160,261	104,812	65%	2000	n/a	n/a	n/a
2001	107,844	125,527	116%	2001	n/a	n/a	n/a
2002	86,326	144,198	167%	2002	n/a	n/a	n/a
2003	101,614	84,526	83%	2003 ³	531	427	80.4%
2004 ²	115,905	135,997	117%	2004 ²	626	652	104.2%
2005 Revised	113,022	107,224	95%	2005 Revised	828	806	97.3%
2006 Revised	88,603	105,089	119%	2006 Budget	1,299	1,110	85.4%
2007 Revised	94,961	n/a	n/a	2007 Revised	1,442	n/a	n/a
2007 YTD (Jul)	n/a	59,444	63%	2007 YTD (Jul)	n/a	523	36.3%
2007 Y/E Projected	n/a	111,073	117%	2007 Y/E Projected	n/a	1,573	109.1%
2008	135,002	n/a	n/a	2008	1,373	n/a	n/a

Year	Program Ratios		Plan	Actual
	\$/Lifetime kWh	\$/Annualized kW		
2000	0.031	0.042	n/a	8407
2001	0.046	0.040	n/a	6375
2002	0.051	0.033	n/a	7,450
2003	0.039	0.038	8,176	7,450
2004 ²	0.037 ¹	0.034	6,790	7,041
2005 Revised	0.052	0.044	7,115	5,811
2006 Revised	0.066	0.050	4,503	4,774
2007 Revised	0.063	n/a	4,161	n/a
2007 YTD (Jul)	n/a	0.061	n/a	6,892
2007 Y/E Projected	n/a	0.054	n/a	3,815
2008	0.051	n/a	4,982	n/a

¹ Lifetime savings rate reflects a change in refrigerator assumptions from 2003-2004.

Lifetime savings rate would be 0.29 if 2003 assumptions were used.

² Budget and Plan information based on revised budgets and goals filed on 8/18/04.

³ Demand saving goals reflect 1/13/03 goals.

CL&P Standard Filing Requirement

Low-Income Program (WRAP)

CL&P Program Notes

Budget/FTE		
5.0		• FTE for program administration, vendor interaction, sales and field support
Goal		
13,100		• Customers Served
Cost/Unit		
\$522		• Average cost per customer (based on historical performance).

Goal Setting Methodology

- Goal was based on available dollars and average cost per customer

Metric Changes

- None

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The United Illuminating Company
Standard Filing Requirement

Low-Income (Energy Care & WRAP/UI Helps) *

Baseline Assumptions:

Market

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Amended Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ 109,434	\$ 144,885	\$ 77,793	\$ 144,885	\$ 138,562 a)
Contractor Staff	\$ -	\$ 45,000	\$ 3,500	\$ 45,000	\$ 45,000 b)
Total Labor	\$ 109,434	\$ 189,885	\$ 81,293	\$ 189,885	\$ 183,562
Materials & Supplies	\$ 12,593	\$ 13,529	\$ 4,391	\$ 13,526	\$ 13,529 c)
Outside Services	\$ 461,570	\$ 372,500	\$ 285,903	\$ 372,500	\$ 372,500 d)
Incentives	\$ 661,025	\$ 636,337	\$ 485,920	\$ 636,337	\$ 977,160 e)
Marketing	\$ 396	\$ -	\$ 100	\$ 100	\$ - f)
Other	\$ -	\$ -	\$ -	\$ -	\$ - g)
Administrative Expenses	\$ 4,537	\$ 11,649	\$ 4,037	\$ 11,552	\$ 11,649 h)
Total	\$ 1,249,555	\$ 1,223,900	\$ 861,644	\$ 1,223,900	\$ 1,558,400

* Joint CL&P and UI Programs.

- a) 1.70 FTEs.
- b) Vendor administrative/office expenses.
- c) Forms, educational materials.
- d) Services for 100 new construction units, 4,200 in-home services.
- e) Incentives for 100 new construction units, 4,200 in-home services incl. 225 refrigerators and 225 A/C replacement.
- f) No comment.
- g) No comment.
- h) Meals, miles, travel and training.

2008 Goals and Metrics Information:

Savings

Demand Savings (kW)	409
Annual Energy Savings (kWh)	3,821,690
Lifetime Energy Savings (kWh)	29,528,140
Annual Cost Rate (\$/kWh)	\$ 0.408
Lifetime Cost Rate (\$/kWh)	\$ 0.053
Cost per kW	\$ 3,814
Electric System B/C Ratio	2.2

The United Illuminating Company Standard Filing Requirement

UI Helps

Goal - Program Costs (000's)

Year	Budget	Actual	% of Goal Achieved
2000	\$1,542	\$1,795	116.4%
2001	\$1,519	\$1,500	98.7%
2002	\$1,235	\$1,168	94.6%
2003	\$1,117	\$799	71.5%
2004	\$773	\$803	103.9%
2005	\$1,473	\$1,086	73.7%
2006	\$1,328	\$1,250	94.1%
2007	\$1,224		
2007 YTD (Jul)	\$1,224	\$862	70.4%
2007 YE Projected	\$1,224	\$1,224	100.0%
2008	\$1,558		

Goal - Number of Customers Served

Year	Goal	Actual	% of Goal Achieved
2000	4,859	6,452	132.8%
2001	6,500	7,720	118.8%
2002	5,000	7,078	141.6%
2003	7,204	5,377	74.6%
2004	4,300	4,722	109.8%
2005	6,500	8,603	132.4%
2006	6,500	6,116	94.1%
2007	5,200		
2007 YTD (Jul)	5,200	2,646	50.9%
2007 YE Projected	5,200	5,200	100.0%
2008	5,200		

Goal - Installed kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	4,000	5,097	127.4%
2001	5,135	6,086	118.5%
2002	3,877	5,550	143.2%
2003	3,601	2,779	77.2%
2004	2,954	4,053	137.2%
2005	4,327	5,130	118.6%
2006	4,248	4,785	112.6%
2007	3,822		
2007 YTD (Jul)	3,822	2,448	64.1%
2007 YE Projected	3,822	3,822	100.0%
2008	3,822		

Goal - Installed kW Savings

Year	Goal	Actual	% of Goal Achieved
2000	-	-	0.0%
2001	-	-	0.0%
2002	-	-	0.0%
2003	292	283	96.9%
2004	253	294	116.2%
2005	444	416	93.7%
2006	458	474	103.5%
2007	360		
2007 YTD (Jul)	360	246	68.3%
2007 YE Projected	360	360	100.0%
2008	409		

Goal - Lifetime kWh Savings (000's kWh)

Year	Goal	Actual	% of Goal Achieved
2000	40,027	50,971	127.3%
2001	51,350	60,860	118.5%
2002	38,773	55,500	143.1%
2003	31,597	24,412	77.3%
2004	14,700	17,352	118.0%
2005	15,631	36,581	234.0%
2006	31,969	36,749	115.0%
2007	28,126		
2007 YTD (Jul)	28,126	23,829	84.7%
2007 YE Projected	28,126	28,126	100.0%
2008	29,528		

Program Ratios

Year	\$/kWh Target	Actual	\$/LT kWh Target	Actual	\$/kW Target	Actual	Cost/ Customer
2000	\$0.386	\$0.352	\$0.039	\$0.035	\$0	\$0	\$278.21
2001	\$0.296	\$0.246	\$0.030	\$0.025	\$0	\$0	\$194.30
2002	\$0.319	\$0.210	\$0.032	\$0.021	\$0	\$0	\$165.02
2003	\$0.310	\$0.288	\$0.035	\$0.033	\$3,825	\$2,823	\$155.05
2004	\$0.262	\$0.198	\$0.053	\$0.046	\$3,055	\$2,731	\$170.06
2005	\$0.340	\$0.212	\$0.094	\$0.030	\$3,318	\$2,611	\$126.24
2006	\$0.313	\$0.261	\$0.042	\$0.034	\$2,900	\$2,638	\$204.38
2007	\$0.320		\$0.044		\$3,400		
2007 YTD (Jul)	\$0.320	\$0.352	\$0.044	\$0.036	\$3,400	\$3,503	\$325.64
2007 YE Projected	\$0.320	\$0.320	\$0.044	\$0.044	\$3,400	\$3,400	\$235.37
2008	\$0.408		\$0.053		\$3,814		\$299.69

The United Illuminating Company Standard Filing Requirement

Program Notes - UI Helps

Budget/FTE:

1.7 FTE to provide direct contact with landlords, contract administration/vendor oversight, and financial/data administration

Goal:

Program is designed around 5100 existing homes of which 450 have electric heat and 150 have electric hot water; 100 new construction units

Cost/kWh (Unit/Cost):

Cost rates experience considerable change due to addition of new construction such that comparisons to prior years is of marginal value
Funding of non-electric measures in oil heated homes

Goal Setting Methodology

Goal is driven by expected number of new construction units based on New Construction program history, with the balance of budget allocated to direct install services with measure mix and costs based on historical data

Metric Changes

New construction units and relationship-building between the program and low income support organization involved in new construction/rehabilitation are new

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Conservation & Load Management Financing (CL&P & UI)

- Objective:** The objective of the joint CL&P and UI C&LM Financing program is to provide interest-free financing to a broader base of the C&I sector inclusive of small businesses and municipalities, enabling these customers, in conjunction with the existing incentive offerings, to implement cost-effective energy efficiency projects.
- Target Market:** The primary target market consists of two distinct groups of commercial and industrial customers, small businesses and municipalities within both Companies' service territories. The Companies have modified the definition of "small business" in order to increase service to the smaller mid-size customers. Therefore, UI defines its small businesses as those customer accounts that experience a 12-month average peak demand of up to 150 kW or less; CL&P uses 200 kW as the maximum criteria. Municipal customers are a well-defined group including all of the accounts paid for by municipal governments. UI intends to explore impacts of offering financing to larger C&I customers in 2008. In addition, UI intends to explore the residential market as a secondary target audience.
- Program Description:** Many obstacles must be addressed en route to educating these customers as to the benefits of energy efficiency. These obstacles include financial limitations, time constraints, decision-making policies, and a general lack of awareness of the benefits of energy-efficient measures. Offering a financing option such as this program to qualified customers mitigates some of these obstacles, allowing customers to participate and enhance their operations by reducing energy costs.
- This financing program is designed to supplement the existing incentive structures by offering interest free financing to small businesses and municipalities, as ordered by the Department in its May 28, 2003 Decision in Docket No. 03-01-01. The Companies' financing mechanism enables the Companies to possibly provide financing to customers in an aggregate amount greater than would be possible if only C&LM revenues were used as the source of funds. The Companies provide the funds to make loans to customers and charge the Fund only for certain costs related to the financings. First, the Fund is the source of interest, which is paid to the Companies on the aggregate principal amount of loans outstanding at an annual rate equal to each Company's weighted cost of capital. For purposes of this program, the applicable interest rate for new loans is reviewed from time to time, but at least annually, and adjusted as appropriate. Second, unlike other financing programs that would terminate electric services for non-payment of loans, the Fund is also used to fund a Loan Default reserve account to compensate for any defaulted and charged-off loans. The amount of compensation is limited to the outstanding principal balance of the customer's loan.

The Companies have received the Department's approval, under CGS §16-43(b), to lend moneys to qualified customers on the terms and conditions described in the section headed "Incentive Strategy" below, including the provision of loans with repayment periods of one year or more.

- Marketing Strategy:** The C&LM Financing program is marketed to eligible C&I customers including small business and municipal customers through marketing channels that are currently used in our C&LM programs. The primary marketing methodologies are direct customer contact and direct mail. There is no specific timeline associated with this program because it follows the existing marketing plans for small businesses and municipalities.
- Incentive Strategy:** The Companies offer customers interest free financing so that the customer's share of project costs can be billed to customers as a line item on their electric bills and paid with a single check. Currently CL&P's financing program requires separate billing. The plan for 2008 is to continue to offer this financing program. The terms and conditions of the C&LM Financing program include the following:
1. Maximum cumulative amount outstanding (between small businesses and municipality projects) is \$20 million over three years for CL&P projects and \$4.8 million over three years for UI projects.
 2. Maximum term for loans is 36 months for Small Business projects and 36 months for municipal and proposed projects.
 3. Maximum dollar amount eligible for financing is \$65,000 per project for UI projects. Maximum dollar amount eligible for financing is \$100,000 per project for CL&P projects.
 4. Minimum dollar amount eligible for financing is \$500 per project. If the amount is less than \$500 it defaults to a one time receivable.
 5. The source of the funding principal for the loan is from the Companies.
 6. Interest is paid to the Companies at the Department approved weighted cost of capital from C&LM funds.
- Goals:** The primary goal for this program is to provide small business style financing to a broader base of C&I customers while achieving the same customer response as with the previous program offerings. For municipal and larger C&I projects, the goal is to create general awareness and acceptance of this program. Controls are in place to ensure the amount of outstanding loans in any given year will not exceed one-third of the allocated funds.
- New Program Issues:** Municipalities who participate in current C&LM retrofit programs are eligible for financing if they qualify. In response to the Department's request, the Companies addressed the legal issues surrounding the financing proposal in briefs submitted to the Department on October 1, 2003. The

Companies request the Department to approve the C&LM Financing program proposal under Conn. Gen. Stat. §16-43(b).

UI Specific Issues: In addition to the Municipal and Small Business sectors, the Company will be exploring the impacts of extending financing to larger qualified C&I customers and also Residential Customers, who participate in current C&LM retrofit programs in 2008. This financing option would only be available for eligible retrofit projects.

Small Industrial and Commercial Conservation Loan (CL&P)

- Objective:** The objective of the CL&P Small Industrial and Commercial Conservation Loan program is to provide third party financing for customers who would otherwise find it difficult to fund C&LM measures.
- Target Market:** Small industrial customers, defined as less than 100 employees in CL&P's service territory within SIC 2000 – 3999, and have been in business for three years. Small commercial customers, defined as having an average demand of 350 kW or less over the past 12 months and within SIC 4000-9000 and have been in business for three years.
- Program Description:** Interest-free third party loans from a minimum of \$5,000 to a maximum of \$100,000 per customer for energy-efficient equipment replacements only. Application requirements are made through Account Executives, PAs or the customer's contractors. CL&P provides program support and quality assurance.
- A third party provides loans and assumes all risks associated with repayment. The interest portion of the loan should continue to be funded by a past conservation loan fund contribution which buys down the interest to zero percent. This program is not applicable with ECB and SBEA programs as these programs (excluding ECB) are possibly eligible for interest-free financing under CL&P's Financing program. The maximum loan payment period is six years (based on a simple payback).
- Marketing Strategy:** Encourage a higher market penetration of energy-efficient equipment by providing financing which supplements other program incentives for small C&I customers. Eligible customers involved with CL&P's C&I programs will be advised of loan participation requirements upon qualification of their intended conservation projects.
- New Program Issues:** While this program is self-funding, available funds should be adequate for 2008, based upon past participation levels. If demand for funds is found to be excessive, the program may be terminated.

LOAD MANAGEMENT

ISO-NE Load Response Program (CL&P & UI)

- Objective:** The objective of the joint CL&P and UI ISO-NE Load Response program (“Load Response program”) is to provide support and financial and technical assistance to customers who are interested in participating in ISO-NE Load Response programs (the Demand Response program and the Price Response program). The Demand Response program mandates load curtailments from customers who enroll and provides enhanced system reliability during peak system load conditions. The Price Response program helps to mitigate high Locational Marginal Prices throughout the year.
- Target Market:** C&I customers capable of enrolling 100 kW of curtailable load, either at a single site or by aggregating multiple facilities, are eligible for this program.
- Program Description:** This Load Response program is designed to promote customer enrollment in one of several ISO-NE-operated load response programs. CL&P and UI provide enrolling customers with the ISO-NE-required internet-based communications system. CL&P and UI also provide enrolling customers with a one-time set-up incentive of \$400 - \$1,500 to cover costs for data, phone, or metering connections.
- Utilizing a current Department of Environmental Protection (“DEP”) Permit, customers may run emergency generators to reduce load on the grid under emergency conditions. CL&P and UI provide direction on operating emergency generators in compliance with CT air quality requirements during Demand Response events.
- Marketing Strategy:** The Load Response program will be marketed directly by CL&P and UI through face-to-face sales contacts and through participation in C&I Load Management Services or other C&LM program participation. The principal customer contact for the Load Response program is the CL&P or UI Account Executive. Marketing tools include written program descriptions for customers. Also, CL&P and UI may conduct a Load Response program seminar, if appropriate, in late spring 2008 to highlight program changes for the coming year.
- Incentive Strategy:** Under the Load Response program, incentives are provided by ISO-NE as part of its load response program. CL&P and UI offer enrolling customers a one-time set-up incentive of \$400-\$1,500 to cover costs for data, phone or metering connections. Additionally, CL&P provides supplemental incentives to customers at \$80/kW-year which are partially offset by ISO-NE Transition Period payments.

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Load Management

ISO-NE Response Program Support

All dollar values are in \$000

<u>Budget Projections</u>	2005 <u>Actuals</u>	2006 <u>Actuals</u>	Revised <u>2007 Budget</u>	2007 <u>YTD (Jul)</u>	2007 <u>YE Projected</u>	2008 <u>Budget</u>
Labor:						
NU Labor	\$ 175	\$ 135	\$ 164	\$ 54	\$ 240	\$ 100
Contractor Staff	\$ 18	\$ 19	\$ -	\$ 4	\$ 15	\$ -
Total Labor	\$ 193	\$ 154	\$ 164	\$ 58	\$ 255	\$ 100
Materials & Supplies	\$ 2	\$ -	\$ 3	\$ -	\$ -	
Outside Services	\$ 168	\$ 102	\$ 180	\$ 50	\$ 200	\$ 50 a)
Incentives (Supplemental Payments)	\$ 1,042	\$ 974	\$ 1,123	\$ (34)	\$ -	\$ 319 b) c)
Marketing	\$ 2	\$ 3	\$ 5	\$ 7	\$ 30	\$ 5 d)
Administrative Expenses	\$ 5	\$ 3	\$ 5	\$ 8	\$ 32	\$ 5 e)
Other	\$ -	\$ 6	\$ 3	\$ 1	\$ 5	\$ 1
Total	\$ 1,412	\$ 1,242	\$ 1,483	\$ 90	\$ 522	\$ 480

- a) Includes communications software usage fees and meter maintenance fees.
- b) Incentives (Supplemental payments) are for Demand Response, offset by ISO-NE Transition Period Payments
ISO-NE Transition Period and ISO-NE ODR Payments are increasing, offsetting more of program costs.
- c) Incentives paid to customers for facility upgrades that help enable load response.
- d) Dollars for providing the participants with the latest program information and refresher training
- e) Employee expenses including mileage, training, conference attendance and misc.

2008 Goals and Metrics Information

Demand Savings (kW Reduction Goal)	10,000
Annual Energy Savings (kWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

CL&P Standard Filing Requirement

Load Management

ISO-NE Load Response Supplemental Payments & ISO-NE Response Program Support

Year	<u>Program Costs</u>		% of Budget	\$/MW
	Budget	Actual		
2000	\$ 1,799,000	\$ 2,750,000	153%	
2001	\$ 1,270,000	\$ 2,750,000	217%	
2002	\$ 1,908,000	\$ 1,722,000	90%	n/a
2003	\$ 2,805,000	\$ 2,437,000	87%	n/a
2004 ¹	\$ 350,000	\$ 140,000	40%	n/a
2005 Revised	\$ 2,513,893 ²	\$ 1,411,800	56%	\$23,238
2006 Revised ^o	\$ 1,400,000	\$ 1,241,601	89%	\$52,664
2007 Revised	\$ 1,483,167	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 89,626	6%	\$5,367
2007 Y/E Projected	n/a	\$ 522,000	35%	\$31,257
2008	\$ 480,000	n/a	n/a	n/a

Year	<u>SWCT Goal - MW Enrollment</u>		% of Budget
	Budget	Actual	
2002	n/a	n/a	n/a
2003 ³	20	17	85%

Year	<u>nonSWCT Goal - MW Enrollment</u>		% of Budget
	Budget	Actual	
2002	n/a	n/a	n/a
2003 ³	20	25	125%

Year	<u>Statewide Goal - MW Enrollment</u>		% of Budget
	Budget	Actual	
2004 ¹	16 ⁴	29.9	187%
2005 Revised	10 ⁴	61	608%
2006 Revised ^o	32	24	74%
2007 Revised	20	n/a	n/a
2007 YTD (Jul)	n/a	17	n/a
2007 Y/E Projected	n/a	17	n/a
2008	14 ⁵	n/a	n/a

Year	<u>Program Ratios</u>		<u>\$/Annualized kW</u>	
	<u>\$/Lifetime kWh</u>		Plan	Actual
	Plan	Actual		
2002	n/a	n/a	n/a	n/a
2003	n/a	n/a	\$70	\$58
2004 ¹	n/a	n/a	\$22	\$5
2005 Revised	n/a	n/a	\$251	\$23
2006 Revised ^o	n/a	n/a	\$32	n/a
2007 Revised	n/a	n/a	\$74	n/a
2007 YTD (Jul)	n/a	n/a	n/a	5
2007 Y/E Projected	n/a	n/a	n/a	31
2008	n/a	n/a	34	n/a

¹ Budget and Plan information based on revised budgets and goals filed on 8/18/04

² Includes Supplemental Price Response Pilot Program

³ Prior to 2004 goals were split between SWCT and nonSWCT.

⁴ ISO-NE Response Program Support (Includes both Demand and Price Response)

⁵ Includes Savings for Demand Response (10,000 kW) and Price Response (4,000 kW).

⁶ Budget and Plan information based on revised budgets and goals filed on 6/8/06

CL&P Standard Filing Requirement

Load Management

CL&P Program Notes

Budget / (FTE)

0.8 • FTE for Program Administration

Goal

- NA

Cost/kWh (Cost/Unit)

- NA

Goal Setting Methodology

- NA

Metric Changes

- NA

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Power Factor Improvement Program (CL&P)

- Objective:** The Power Factor Improvement program addresses the power factor of eligible Rate 55 customers who, in 2008, will have their demand charges billed on the basis of kVA instead of kW.
- Target Market:** In 2007, the Power Factor Improvement program focused on the remaining eligible commercial and industrial customers on Rate 57 & 58. It is anticipated that the implementation of kVA billing for Rate 55 will occur in July of 2008 followed by Rate 56 in July of 2009.
- In 2008, the Power Factor Improvement program targets industrial customers on Rate 55 who had a trailing 12-month average power factor value, coincident with peak kW (during the on-peak period), that was less than 0.82.
- kVA billing for Rates 55 & 56 customers has not been implemented. It is anticipated that the Power Factor Improvement Program will resume in 2008 pending the approval of kVA billing for Rate 55 and Rate 56 customers.
- Program Description:** The Power Factor Improvement program offers prescriptive incentives to its eligible customers to raise the power factor at their respective facilities to the rate class average point (revenue neutral). The incentive offsets the cost of capacitors required for power factor improvement.
- Marketing Strategy:** Generally, CL&P uses two approaches for marketing the Power Factor Improvement program, as appropriate. First, CL&P personnel can be utilized to call on target market customers. Second, vendors and manufacturer representatives generate leads by calling on eligible customers.
- Incentive Strategy:** Under the Power Factor Improvement program, customer incentives are based on 50% of the installed cost of capacitors and ancillary equipment necessary to improve the power factor to a revenue-neutral level or \$60 per kVAR, whichever is less. The capacitors can be identified in terms of the total kVAR necessary to accomplish the desired improvement. Incentives can be provided, including the cost of ancillary equipment, such as harmonic filters, switches or extraordinary installation expenses.
- Goals:** CL&P has designed its Power Factor Improvement program to free-up system load (kW) and mitigate the potential negative rate impacts on customers with below-average power factors.

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Power Factor Improvement Program

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 48	\$ 37	\$ 63	\$ 9	\$ 16	\$ 53
Contractor Staff	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 53	\$ 37	\$ 63	\$ 9	\$ 16	\$ 53
Materials & Supplies	\$ 2	\$ -	\$ 2	\$ -	\$ -	\$ 2
Outside Services	\$ 3	\$ 1	\$ 5	\$ 1	\$ 2	\$ 3 a)
Incentives	\$ 418	\$ 78	\$ 79	\$ 72	\$ 130	\$ 286 b)
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
Administrative Expenses	\$ 2	\$ 2	\$ 1	\$ 1	\$ 2	\$ 2
Other	\$ 0	\$ 6	\$ -	\$ -	\$ -	\$ 2
Total	\$ 477	\$ 124	\$ 150	\$ 83	\$ 150	\$ 350

a) Fees for consultants to assess power factor data analysis reports and project applications submitted by power factor vendors, conduct post installation inspections and provide general technical support.

b) Incentives paid to customers to install power factor correction equipment.

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	N/A
Annual Energy Savings (KWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

CL&P Standard Filing Requirement

Power Factor Improvement Program

Year	<u>Program Costs</u>			
	Budget	Actual	% of Budget	\$/MW
2004 ¹	\$ 350,000	\$ 33,000	9%	n/a
2005 Revised	\$ 867,420	\$ 477,007	55%	\$30,972
2006 Revised	\$ 650,000	\$ 123,615	19%	-
2007 Revised	\$ 150,000	n/a	n/a	n/a
2007 YTD (Jul)	n/a	\$ 83,000	55%	-
2007 Y/E Projected	n/a	\$ 150,000	100%	-
2008	\$ 350,000	n/a	n/a	n/a

Year	<u>Goal - MW Enrollment</u>		
	Budget	Actual	% of Budget
2004 ¹	9	11.630	129%

Year	<u>Goal - MW Installed</u>		
	Budget	Actual	% of Budget
2004 ¹	9	1	6%
2005 Revised	5	15	302%
2006 Revised	9	n/a	n/a
2007 Revised	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	n/a
2007 Y/E Projected	n/a	n/a	n/a
2008	n/a	n/a	n/a

Year	<u>Program Ratios</u>			
	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2004	n/a	n/a	n/a	n/a
2005 Revised	n/a	n/a	n/a	n/a
2006 Revised	n/a	n/a	n/a	n/a
2007 Revised	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	n/a	n/a
2007 Y/E Projected	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a

¹ Budget and Plan information based on revised budgets and goals filed on 8/18/04

CL&P Standard Filing Requirement

Power Factor Improvement Program

CL&P Program Notes

Budget / (FTE)

0.4 • FTEs.

Goal

- For 2008, projects will target eligible Rate 55 customers.

Cost/kW (Cost/Unit)

- NA

Goal Setting Methodology

- NA

Metric Changes

- NA

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RESEARCH, DEVELOPMENT AND DEMONSTRATION (CL&P & UI)

- Objective:** The objective of the Joint-Utility Research, Development and Demonstration (“RD&D”) program is the advancement of new energy-efficient measures and more cost-effective and efficient renewable energy. CL&P and UI participate in the one common RD&D program.
- Target Market** Under the RD&D program, the market will be limited to energy efficiency and distributed resources RD&D projects funded in previous years. CL&P will continue to administer ongoing projects. No new RD&D projects will be funded in 2008. However, limited funding is available for continuation of ongoing projects.
- Program Description:** The RD&D program will continue active participation with the on-going multi-year fuel cell technology advancement project being performed by GenCell Corporation (formerly Allen Engineering). The GenCell program has leveraged co-funding from the CCEF), the DOE and others. GenCell Corporation of Southbury, Conn., is located within SWCT. GenCell’s fuel cell development program is in direct support of resolving the capacity constraints in SWCT.
- The RD&D program will also continue active participation on the Daylight Dividends Program Steering Committee during 2008. The Daylight Dividends 2-yr continuation program is a joint research and development program led by the Rensselaer Polytechnic Institute (“RPI”) Lighting Research Center (“LRC”). Partnership sponsor members include New York State Energy Research and Development Authority (“NYSERDA”), The Fund Joint-Utility RD&D Program administered by CL&P, Efficiency Vermont, and the Whole Foods Store. The Steering Committee reviews existing programs, research results and technological barriers to effective, energy-efficient use of day-lighting, and sets priorities for project activities to be undertaken to overcome these barriers and/or knowledge gaps. Current activities of the Daylight Dividends Research program may be reviewed at their Web site: www.daylightdividends.org.
- Engineering and marketing support may be provided for RD&D projects previously funded to help them acquire alternative funding, review their reports, and help commercialize their projects to the extent possible.
- Goals:** The goal of the RD&D program is to maximize prior-year investments of RD&D project funding, and assist with leveraging additional funding from other sources for follow-on development and/or commercialization activities.
- New Program Issues:** The 2008 RD&D program funding level does not accommodate the RFP solicitation of new energy-saving or distributed resource projects for project funding consideration.

The role of the joint-utility RD&D program has been expanded to provide on-going technical support of the ECMB Roadmap Process. Technical reviews are provided for evaluation of new products or technologies that are submitted to the ECMB for consideration of their potential for inclusion in an existing C&LM Program. The RD&D program will review and assess the proposed new product or technology for its feasibility, appropriateness, potential effectiveness, and cost effectiveness and provide recommendations to the ECMB. Reviews are prepared by the joint utility RD&D program staff, with input from utility program administrators, ECMB consultants, and others as appropriate. Review oversight is provided by the RD&D program's Policy Working Group ("PWG").

CL&P Standard Filing Requirement

Research, Development and Demonstration

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005</u> <u>Actuals</u>	<u>2006</u> <u>Actuals</u>	<u>Revised</u> <u>2007 Budget</u>	<u>2007</u> <u>YTD (Jul)</u>	<u>2007</u> <u>YE Projected</u>	<u>2008</u> <u>Budget</u>
Labor:						
NU Labor	\$ 67	\$ 66	\$ 140	\$ 60	\$ 215	\$ 105 a)
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 67	\$ 66	\$ 140	\$ 60	\$ 215	\$ 105
Marketing and Materials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ 556	\$ (92)	\$ 240	\$ (33)	\$ (33)	\$ 235 b)
Fees and Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Expense	\$ 3	\$ 3	\$ 10	\$ 2	\$ 8	\$ 10
Other	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -
Total	\$ 626	\$ (23)	\$ 400	\$ 29	\$ 190	\$ 350

a) Includes NU Labor in support of Heat Pump Water Heater program closeout

b) Daylight Dividends Program Steering Committee with LRC **\$50K**;
Engineering consultant(s) due diligence reviews & site visits as required **\$20K**;
Anticipated continuation of one or more on-going RD&D projects - subject to
RD&D Program Staff, and Policy Working Group (PWG) review, recommendation
and ECMB funding approval of **\$165K**.

Note: The UI contribution of \$73,651 will be added to the CL&P budget of \$350K.
This provides a total of \$423,651 available for this joint program.

2008 Goals and Metrics Information - The RD&D Program does not have a KW or kWh savings metric.

Demand Savings (kW Reduction Goal)	N/A
Annual Energy Savings (KWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

Note: The goal is to maximize prior-year investments of RD&D project funding, and assist with leveraging additional funding from other sources for follow-on development and/or commercialization activities

Research, Development and Demonstration

Not a goals based program.

RD&D Program

CL&P Program Notes

Budget / (FTE)

0.8 • FTE for program administration of Research, Development and Demonstration activities.

Goal

- To maximize prior-year investments of RD&D project funding, and assist with leveraging additional funding from other sources for follow-on development and/or commercialization activities.
- To provide on-going technical review support of the Energy Conservation Management Board (ECMB) Roadmap process. Technical reviews are provided for evaluation of new products or technologies that are submitted to the ECMB for consideration of their potential for inclusion in an existing C&LM program.

Cost/kWh (Cost/Unit)

- Not applicable.

Goal Setting Methodology

- Not applicable.

Metric Changes

- The RD&D program does not have a kW or kWh savings metric.

The United Illuminating Company
Standard Filing Requirement

Research, Development & Demonstration

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor					
UI Labor	\$ -	\$ -	\$ -	\$ -	\$ -
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ -	\$ -	\$ -	\$ -	\$ -
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ 69,530	\$ 125,000	\$ 6,400	\$ 125,000	\$ 125,000
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	\$ 33	\$ -	\$ -	\$ -	\$ -
Total	\$ 69,563	\$ 125,000	\$ 6,400	\$ 125,000	\$ 125,000

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OTHER PROGRAMS (CL&P & UI)

CL&P Administration

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>Revised 2007 Budget</u>	<u>2007 YTD (Jul)</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 346	\$ 609	\$ 364	\$ 394	\$ 957	\$ 543 a)
Contractor Staff	\$ 104	\$ 108	\$ 123	\$ (2)	\$ -	\$ -
Total Labor	\$ 450	\$ 717	\$ 487	\$ 392	\$ 957	\$ 543
Materials & Supplies	\$ 8	\$ 6	\$ 26	\$ 1	\$ 3	\$ 26
Outside Services	\$ 11	\$ 2	\$ 32	\$ 229	\$ 556	\$ 84
Incentives	\$ 0	\$ -	\$ -	\$ 4	\$ 9	\$ -
Marketing	\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 4	\$ 14	\$ 18	\$ 7	\$ 16	\$ 17 b)
Administration	\$ 26	\$ 9	\$ 62	\$ 9	\$ 19	\$ 50 c)
Total	\$ 511	\$ 748	\$ 625	\$ 642	\$ 1,560	\$ 720

a) Budget includes Business Management FTE's

b) Budget includes industry association expenses and sponsorship fees

c) Employee expenses including mileage, training, conference attendance and misc

The United Illuminating Company
Standard Filing Requirement

Administration

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007</u>		<u>2008 Budget</u>
			<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 355,342	\$ 286,301	\$ 172,320	\$ 286,301	\$ 403,657
Contractor Staff	\$ -	\$ -	\$ 2,062	\$ 2,062	\$ -
Total Labor	\$ 355,342	\$ 286,301	\$ 174,382	\$ 288,363	\$ 403,657
Materials & Supplies	\$ 26,771	\$ 1,300	\$ 10,830	\$ 10,830	\$ 1,300
Outside Services	\$ 68,468	\$ 65,658	\$ 58,687	\$ 65,658	\$ 44,543
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 6,429	\$ -	\$ 1,603	\$ 1,603	\$ -
Other	\$ 5,464	\$ -	\$ 3,237	\$ 3,237	\$ -
Administrative Expenses	\$ 1,191	\$ 500	\$ 502	\$ 502	\$ 500
Total	\$ 463,665	\$ 353,759	\$ 249,241	\$ 370,193	\$ 450,000

CL&P Planning (a)

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005</u> <u>Actuals</u>	<u>2006</u> <u>Actuals</u>	<u>Revised</u> <u>2007 Budget</u>	<u>2007</u> <u>YTD (Jul)</u>	<u>2007</u> <u>YE Projected</u>	<u>2008</u> <u>Budget</u>
Labor:						
NU Labor	\$ 946	\$ 606	\$ 410	\$ 162	\$ 341	\$ 465
Contractor Staff	\$ 121	\$ 5	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 1,067	\$ 611	\$ 410	\$ 162	\$ 341	\$ 465
Outside Services	\$ 890	\$ 488	\$ 70	\$ -	\$ -	\$ -
Materials & Supplies	\$ 9	\$ 3	\$ 8	\$ 1	\$ 2	\$ 5
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 5	\$ 14	\$ -	\$ -	\$ -	\$ -
Administration	\$ 15	\$ 19	\$ -	\$ 5	\$ 10	\$ 5
Other	\$ 22	\$ 4	\$ -	\$ 14	\$ 29	\$ 5
Total	\$ 2,009	\$ 1,139	\$ 488	\$ 182	\$ 382	\$ 480

a) Beginning in 2007, Planning and Evaluation activities are being separately identified.

CL&P Standard Filing Requirement

Evaluation (a)

All dollar values are in \$000

<u>Budget Projections</u>	<u>2007 YTD (Jul)</u>	<u>Revised 2007 Budget</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:				
NU Labor	\$ 167	\$ 168	\$ 395	\$ 260
Contractor Staff	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 167	\$ 168	\$ 395	\$ 260
Outside Services	\$ 34	\$ 642	\$ 80	\$ 470
Materials & Supplies	\$ 4	\$ -	\$ 9	\$ -
Incentives	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 2	\$ -	\$ 5	\$ 5
Administration	\$ 7	\$ -	\$ 17	\$ 10
Other	\$ 6	\$ 2	\$ 14	\$ 5
Total	\$ 220	\$ 812	\$ 520	\$ 750

a) Beginning in 2007, Planning and Evaluation activities are being separately identified.

The United Illuminating Company
EL-25 Standard Filing Requirement

Planning & Evaluation

<u>Budget Projections</u>	<u>2007</u>		<u>2007</u>	<u>2007</u>	<u>2008 Budget</u>
	<u>2006 Actuals</u>	<u>Amended Budget</u>	<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 309,293	\$ 315,856	\$ 153,147	\$ 315,856	\$ 326,564
Contractor Staff	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 309,293	\$ 315,856	\$ 153,147	\$ 315,856	\$ 326,564
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Outside Services	\$ 48,237	\$ 271,000	\$ 20,869	\$ 260,558	\$ 259,000
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ -	\$ -	\$ 3,797	\$ 3,797	\$ -
Other	\$ 9,276	\$ -	\$ 6,645	\$ 6,645	\$ -
Administrative Expenses	\$ 2,116	\$ 6,484	\$ 399	\$ 6,484	\$ 7,436
Total	\$ 368,922	\$ 593,340	\$ 184,857	\$ 593,340	\$ 593,000

Information Technology

All dollar values are in \$000

<u>Budget Projections</u>	<u>2005 Actuals</u>	<u>2006 Actuals</u>	<u>2007 YTD (Jul)</u>	<u>Revised 2007 Budget</u>	<u>2007 YE Projected</u>	<u>2008 Budget</u>
Labor:						
NU Labor	\$ 555	\$ 750	\$ 355	\$ 133	\$ 675	\$ 202
Contractor Staff	\$ 148	\$ 142	\$ 55	\$ 65	\$ 105	\$ 50
Total Labor	\$ 703	\$ 892	\$ 410	\$ 198	\$ 780	\$ 252
Outside Services	\$ 75	\$ 881	\$ 374	\$ 1,267	\$ 711	\$ 1,213 a)
Materials & Supplies	\$ 23	\$ 6	\$ -	\$ 25	\$ -	\$ 25
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	\$ 12	\$ 34	\$ 104	\$ 10	\$ 197	\$ 10
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 812	\$ 1,813	\$ 888	\$ 1,500	\$ 1,688	\$ 1,500

a) Includes NU IT labor support charged to C&LM for Day-to-day support of desktop hardware and operating system software, including problem resolution and repairs. Also includes enhancements to existing applications in response to changing business requirements or NU computing infrastructure; Development of new applications to support new C&LM programs and reporting requirements. The C&LM Tracking and Reporting Initiative is also included.

The United Illuminating Company
Standard Filing Requirement

Information Technology

<u>Budget Projections</u>	<u>2006 Actuals</u>	<u>2007 Budget</u>	<u>2007</u>		<u>2008 Budget</u>
			<u>YTD (Jul)</u>	<u>YE Projected</u>	
Labor					
UI Labor	\$ 40,156	\$ 40,684	\$ 24,001	\$ 40,684	\$ 42,109
Contractor Staff	\$ -	\$ 14,589	\$ -	\$ -	\$ 14,589
Total Labor	\$ 40,156	\$ 55,273	\$ 24,001	\$ 40,684	\$ 56,698
Materials & Supplies	\$ 72,096	\$ 74,256	\$ 43,363	\$ 74,256	\$ 72,974
Outside Services	\$ 153,445	\$ 107,208	\$ 105,157	\$ 121,797	\$ 107,208
Incentives	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 1,650	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Expenses	\$ 4,253	\$ 6,120	\$ 82	\$ 6,120	\$ 6,120
Total	\$ 271,600	\$ 242,857	\$ 172,603	\$ 242,857	\$ 243,000

CHAPTER FIVE: ACTIVITIES IN SOUTHWESTERN CONNECTICUT (SWCT)

In the 2008 Plan, the Companies will begin to re-evaluate their SWCT focus. The Companies have historically provided targeted efforts for the priority towns, as designated by ISO-NE, in the Norwalk-Stamford sub-area and to two additional towns in UI's territory (Stratford and Shelton) that are partially supplied from the Norwalk-Stamford critical sub-area. This group of towns is referred to as the Norwalk-Stamford sub-area by ISO-NE.⁷ The remaining SWCT region⁸ was also the focus of past C&LM program emphasis. Within this secondary region, an additional priority was placed on the city of Danbury and its surrounding area.

Beginning in the summer of 2002 and continuing through 2007, the Fund programs took specific actions to alleviate potential electricity shortages and reduce congestion in SWCT. The Department first addressed these issues in Docket No. 02-01-22. In the 2008 Plan, the Companies propose to change focus and instead treat Connecticut as a whole versus the geographic targeting of past years. This change is due in part to the outstanding savings gained in 2006 of 76 MWs from the Fund programs, 235 MWs from Energy Independence Act programs (primarily ISO-NE Demand Response) and the completion of a new transmission line for Connecticut from Bethel to Norwalk. These activities all significantly contributed to ISO-NE and FERC designating Connecticut as part of the price zone shared by the other New England states. This decision will dramatically reduce the FMCC costs levied at the state.

For the remainder of 2007, the Companies will continue focusing many of the Fund programs and activities to support that critical region, to enhance reliability and to reduce FMCCs. These activities target the 54 towns of SWCT in the Companies' service territories, and provide focused efforts in the 16 priority towns of the Norwalk-Stamford sub-area as designated by ISO-NE, while maintaining adequate Fund program implementation statewide. CL&P continues to fully staff the C&LM office it opened in Stamford in 2004 to provide additional and local support to the targeted critical towns in lower Fairfield County.

⁷ The CL&P Norwalk-Stamford sub-area is comprised of Darien, Greenwich, New Canaan, Norwalk, Redding, Ridgefield, Stamford, Weston, Westport and Wilton.

The UI Norwalk-Stamford sub-area is comprised of Bridgeport, Easton, Fairfield, Trumbull, Stratford and Shelton.

⁸ The CL&P SWCT towns, exclusive of the Norwalk-Stamford sub-area, include: Beacon Falls, Bethany, Bethel, Branford, Bridgewater, Brookfield, Cheshire, Danbury, Meriden, Middlebury, Monroe, Naugatuck, New Fairfield, New Milford, Newtown, Oxford, Prospect, Roxbury, Seymour, Sherman, Southbury, Southington, Waterbury, Watertown, Wolcott, and Woodbury.

The UI SWCT towns, exclusive of the Norwalk-Stamford sub-area, include: Ansonia, Derby, East Haven, Hamden, Milford, New Haven, North Branford, North Haven, Orange, West Haven, and Woodbridge.

Wallingford, while located within the SWCT geographic area, is served by the Municipal Electric Co, and does not contribute to the Fund.

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CHAPTER SIX: COST BENEFIT ANALYSIS

Introduction

For this Plan, the Companies have continued to use common cost-effectiveness screening tools and consistent values or similar assumptions for key variables, including: avoided cost of energy; avoided cost of generation capacity; avoided cost of distribution capacity; avoided cost of transmission capacity; impact on avoided capacity costs; avoided cost of fossil fuels; discount rate; and inflation rate. These avoided costs are based on a new regional avoided cost study completed this year for New England utilities by Synapse Energy Economics.

The Companies use the Connecticut PSD in order to reflect 2008 program changes and the results of recent program evaluations. Use of common cost-effectiveness testing methodologies and savings assumptions allows the Department, the ECMB and others to compare the benefits, costs, and benefit/cost ratios (“BCRs”) of both Companies on an “apples to apples” basis.

Benefit-Cost Tests

For the analysis of the proposed 2008 programs, the Companies used the same two tests: the **Electric System Test** and the **Total Resource Test**. The Electric System Test compares the present value of future program electric system savings to the cost of the program. The Total Resource Test compares the present value of future electric system and other customer savings to the total of the conservation expenditures and customer costs necessary to implement the programs. While certain programs may have low BCRs when assessed by the Electric System Test, the Total Resource Test provides a more comprehensive measure of the overall economic impact since such programs may often have some value that is not recognized in the Electric System Test such as fossil fuel or water savings. Table B (Chapter 1) shows the BCRs for each the programs and sectors; Table B-1 shows the composition of the electric and non-electric benefit for each program and sector.

In the simplest sense, the benefit of a conservation measure is the net present value of the avoided costs (i.e., value of the savings) associated with the net savings of that measure over the life of the measure. The savings is the “net savings,” as defined in the PSD⁹ and is in real dollars. Therefore, the savings includes impact factors and realization rates that result from evaluation studies. Likewise, the life (years) of a measure is defined in the PSD and is based on either the technical life of the measure or study results.

In 2007 the Companies participated in a regional Avoided Cost Study with other New England states. The Study, *Avoided Energy Supply Costs in New England*¹⁰, modeled Connecticut as three separate geographic zones: Norwalk/Stamford region, Southwest Connecticut, and non-Southwest Connecticut. Avoided costs were produced for each of those three zones as well as Connecticut statewide averages. The Avoided Cost Study (“ACS”) found that market prices and out-of-market costs varied only slightly across these three sub-areas. CL&P and UI are using Connecticut statewide average avoided costs. The avoided energy costs from ACS are approximately 40% higher than the comparable values from the last study which was conducted in 2005. The major factors underlying

⁹ The UI and CL&P PSD are filed annually as part of the Companies’ C&LM Plan. The PSD is a centralized reference of savings (energy, capacity and non-electric) assumptions used by the Companies.

¹⁰ *Avoided Energy Supply Costs in New England: 2007 Final Report Synapse Energy Economics, Inc.* August 10, 2007

the differences are higher projections for natural gas prices, predicted CO₂ regulation compliance costs, and retail supply margins.

ACS also quantified a price reduction benefit associated with energy efficiency. The DRIPE¹¹ benefit is the reduction of energy and capacity market prices that results from reductions in demand as a result of conservation efforts. The DRIPE impact tends to increase the electric benefit by approximately 15 – 20% depending on the energy saving characteristics of the measure. While the DRIPE effects are very complex, and to some degree controversial, the ACS recommends that they should be included in benefit-cost screening. The Companies present BCRs including the DRIPE impact in Table B. Table B-1 shows the DRIPE impact broken out separately.

The following economic indicators were used by the Companies for screening the 2008 Programs:

- **Discount Rate:** The discount rate is the interest rate used to discount the value of future savings in a standard, present worth economic analysis. A higher rate discounts the present value of future savings more deeply than a lower rate. Thus higher rates result in lower BCRs and lower rates result in higher BCRs. For 2008, the Companies used the same discount rate for both tests, which was the Prime Rate, the rate that banks charge their best customers. A rolling, five-year average of 5.5 percent from the Federal Reserve Web site was used.
- **Inflation Rate:** The inflation rate is used to adjust the discount rate in future years. The Financial Trend Forecaster Web site was used as a reference source. A consumer price index for all items in U.S. cities was used to calculate a five-year rolling average inflation rate of 2.3 percent.

The following avoided costs are used by the Companies when calculating Electric BCRs for the 2008 Programs. Avoided costs used to screen the programs are in 2008 dollars.

- **Electric Energy Prices:** The Electric Energy Prices used by the Companies are from ACS. Consistent with ISO New England, energy prices are divided into the following four time periods:
 - Winter Peak: October – May, 6:00 a.m. – 10:00 p.m., weekdays excluding holidays.
 - Winter Off-Peak: October – May; 10:00 p.m. – 6:00 a.m., weekdays. Also all Weekends and ISO defined holidays.
 - Summer Peak: June – September, 6:00 a.m. – 10:00 p.m., weekdays excluding holidays.
 - Summer Off-Peak: June – September; 10:00 p.m. – 6:00 a.m., weekdays. Also all Weekends and ISO defined holidays.

¹¹ DRIPE is an acronym for “Demand Reduction Induced Price Effect”; DRIPE is the benefit associated with lower energy and capacity prices as a resulting from conservation efforts.

The following table shows statewide electric energy avoided costs that are used in the 2008 filing.

Table 1 – 2008 ACS Connecticut Avoided Electric Energy Costs
Values are in 2008 dollars.

Year	Winter Peak Energy (\$ per kWh)	Winter Off-Peak Energy (\$ per kWh)	Summer Peak Energy (\$ per kWh)	Summer Off-Peak Energy (\$ per kWh)
2008	\$0.113	\$0.085	\$0.109	\$0.083
2009	\$0.106	\$0.081	\$0.109	\$0.075
2010	\$0.104	\$0.077	\$0.106	\$0.073
2011	\$0.099	\$0.073	\$0.105	\$0.070
2012	\$0.100	\$0.074	\$0.109	\$0.071
2013	\$0.095	\$0.068	\$0.103	\$0.067
2014	\$0.097	\$0.068	\$0.102	\$0.068
2015	\$0.094	\$0.068	\$0.102	\$0.067
2016	\$0.096	\$0.070	\$0.104	\$0.069
2017	\$0.099	\$0.072	\$0.108	\$0.071
2018	\$0.097	\$0.072	\$0.106	\$0.071
2019	\$0.096	\$0.070	\$0.107	\$0.070
2020	\$0.098	\$0.073	\$0.111	\$0.071
2021	\$0.099	\$0.073	\$0.112	\$0.071
2022	\$0.102	\$0.073	\$0.116	\$0.073
2023	\$0.104	\$0.074	\$0.118	\$0.074
2024	\$0.105	\$0.076	\$0.119	\$0.075
2025	\$0.107	\$0.077	\$0.121	\$0.076
2026	\$0.108	\$0.078	\$0.123	\$0.077
2027	\$0.110	\$0.079	\$0.125	\$0.078

- Electric Generation Capacity Prices:** Avoided Generation Capacity prices are associated with demand savings which is coincident with system peak. For the purpose of calculating BCRs, coincident system peak savings is based on the average capacity savings that takes place during the ISO definition of Seasonal Summer Peak Savings, i.e., average peak savings that takes place when the system exceeds at least 90% of the latest 50-50 forecasts (weather driven extremes).

Table 2 – 2008 ACS Connecticut Avoided Capacity Costs
Values are in 2008 dollars.

Year	Summer Generation (\$ per kW-Year)
2008	\$0.00
2009	\$0.00
2010	\$62.01
2011	\$111.84
2012	\$125.13
2013 –2027 (annual value)	\$132.88

- **DRIPE:** The DRIPE values are based on small incremental decreases in market prices as a result of lower energy and capacity demand due to conservation and load management efforts. While conservation efforts may only have a very small impact on price, the absolute dollar amount is significant when that lower price is applied to all energy and capacity being purchased in the market. DRIPE impacts are projected to dissipate over time as the market adjusts to the new lower energy and capacity requirements. Thus the DRIPE avoided costs for energy extend through 2011, and the DRIPE avoided capacity costs end in 2013.

Table 3 – 2008 ACS Connecticut DRIPE Capacity and Energy Avoided Costs
Values are in 2008 dollars

Year	Capacity DRIPE (\$ per kW)	WP Energy DRIPE (\$ per kWh)	WOP Energy DRIPE (\$ per kWh)	SP Energy DRIPE (\$ per kWh)	SOP Energy DRIPE (\$ per kWh)
2008	\$0.00	\$0.017	\$0.014	\$0.034	\$0.017
2009	\$0.00	\$0.050	\$0.040	\$0.103	\$0.052
2010	\$73.80	\$0.047	\$0.038	\$0.100	\$0.051
2011	\$143.50	\$0.029	\$0.023	\$0.061	\$0.031
2012	\$92.25	\$0	\$0	\$0	\$0
2013	\$41.00	\$0	\$0	\$0	\$0

- **Transmission and Distribution:** The Companies use a value of approximately \$54 per kW-year to represent avoided distribution and transmission costs. This value is similar to what the value used the past two years and was based on a methodology developed by ICF Consulting as part of the 2005 Avoided Cost Study.¹²
- **Environmental Regulations:** The avoided costs associated with complying with emissions standards are embedded in the avoided electric cost values above. These costs represent direct costs associated with various emissions that would be reflected in the calculation of bid prices and making commitment dispatch decisions. For example, the direct cost of installing scrubbers to comply with new mercury emissions limits are included in the avoided energy prices.

In addition to the electric benefits, the Total Resource BCRs include the following avoided costs (these are NOT included in the Electric System BCR):

- **Fossil Fuel Savings:** Fossil fuel avoided costs are calculated for oil, natural gas, and propane. Oil, natural gas and propane avoided costs are from ACS.
- **Water Savings:** Water is valued at approximately \$0.005 per gallon.
- **Other Non-Resource Benefits:** Savings that result from reduced maintenance, avoided cost of replacement, etc. This is primarily used when screening CFLs to quantify the additional bulb cost savings that result due to CFLs having long lives, such as the value of avoiding future incandescent bulb purchases.

¹² *Avoided Energy Supply Costs in New England*, ICF Consulting, December 2005

- Value of Reduced Emissions:** The emissions avoided costs represent the environmental benefits associated with the reduced emissions of NO_x, SO_x, CO₂, and mercury. These represent projected environmental costs, such as costs that are not yet internalized. These avoided costs are above and beyond the direct costs (included in the avoided energy costs) associated with complying with emissions regulators. The values shown below are average values per kWh saved and were derived in ACS.

Table 4 – 2008 Connections Emissions Avoided Costs
Values are in 2008 dollars

Year	Average Emissions Value (\$ per kWh)
2008	\$0.039
2009	\$0.037
2010	\$0.037
2011	\$0.037
2012	\$0.033
2013	\$0.031
2014	\$0.030
2015	\$0.029
2016	\$0.027
2017	\$0.026
2018	\$0.025
2019	\$0.023
2020	\$0.022
2021	\$0.021
2022	\$0.020
2023	\$0.020
2024	\$0.020
2025	\$0.020
2026	\$0.020
2027	\$0.020

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CHAPTER SEVEN: PROGRAM EVALUATION

The Companies have a long history of providing quality Fund programs to Connecticut energy consumers. An integral part of creating, delivering and maintaining quality programs is performing independent evaluations of programs and the markets they serve. The Companies have performed approximately 200 evaluation studies on their C&LM programs since the late 1980s.

The Companies recognize the importance of conducting thorough, timely, and independent evaluations. Evaluations provide reporting of the results and value of energy efficiency programs to regulatory bodies and their consultants, utility management, program planners and administrators. Evaluation studies also provide confirmation and input on key parameters affecting program design and savings, including measure lives, baselines, and market characteristics.

In 2006, there was a decrease in the Evaluation budget compared to 2005 due to a decrease in evaluation needs. The 2005 budget saw a substantial increase in order to allow the Companies to perform many of the evaluation activities which had been postponed in 2003 and 2004 due to the State's suspension of overall energy efficiency funding. As a result of the increase in evaluation activities in 2005, the Companies' 2006 evaluation needs returned to more normal levels. The level of Evaluation activities continued to be moderate for 2007 due to the greater amount of evaluation work performed in 2005. In addition, a consolidation of programs resulted in fewer overall programs requiring evaluation. These two factors resulted in the 2007 evaluation budget being lower than in the prior year. As in past years, the 2007 evaluation budget is targeted to the highest-priority studies in order to maximize value of dollars to be spent. Requirements for the FCM are also driving increased evaluation. The budget requirements for these evaluations are tempered by the ability to complete many of them in cooperation with other utilities in the region.

For 2008, the Companies' evaluation plans are for increased evaluation activities and budgets due to three factors. First, there is a new need for evaluation studies to support the M & V activities associated with the upcoming ISO-NE FCM. The Companies filed M&V plans with ISO-NE to support their bids into FCA-1, the first FCM auction. Those plans are largely based on supporting data that will be generated from evaluation studies. Secondly, a portion of increased evaluation study activity and budgets is attributable to the need to obtain data on new energy efficiency technologies and program opportunities, including ductless heat pumps and direct load control. Lastly, increased evaluation activity for 2008 is due to the need to perform updated studies on factors such as free-ridership which are performed on a periodic basis.

There are three major benefits to performing evaluations. First, through careful market evaluations, the Companies identify and understand the most effective ways to influence key market players. Evaluations are also used to determine the efficacy of programs, provide for improved program delivery and increase customer satisfaction. Lastly, the evaluation process is a critical tool to

measure energy savings as well as other key attributes of each program to allow optimum program design and careful management of consumer conservation funds.

Several types of evaluations are conducted to monitor program performance, including impact, process and baseline evaluations, as well as market assessments. Impact evaluations verify the magnitude of energy savings and determine if efficiency measures were properly installed. Process evaluations verify the effectiveness of program delivery. Baseline evaluations and market assessments survey overall market conditions related to efficiency products and services including current standard practices, average efficiency of equipment, consumer purchasing practices and identification of market barriers. Each of these evaluations provides the Companies with critical information that is used in the program planning process.

During the evaluation planning process, the Companies consider many factors, including, but not limited to: the maturity level of the program, the stability of results, market conditions, recent or planned program changes and the cost and energy savings associated with the program. The Companies also work in a broad regional manner when planning evaluation activities for the upcoming program year. Through collaboration with regional agencies and utilities with similar interests, the two Companies take full advantage of opportunities to gather information in the most cost-effective manner. Occasionally, opportunities to participate in evaluation studies are unforeseen and therefore are not included in the planning process. If an unplanned opportunity proves to be in the best interest of Connecticut customers, the utilities will commit resources to those efforts as well. The Companies have an ongoing working relationship with the ECMB consultants to identify specific areas for evaluation and for conducting the evaluation studies through third party contractors.

In 2005, the ECMB developed an expanded process for the selection and content of third party program evaluations to assure independence from the Companies. The ECMB formed an Evaluation Committee to work directly with an Energy Conservation Evaluation Consultant. In 2006, the ECMB Consultant's role in the evaluation process was defined as: a) Evaluation planning in conjunction with the Companies and budget allocation; b) Co- development of the RFP with the Companies; c) review and score proposals in conjunction with the Companies and provide recommendations to the ECMB Evaluation Committee on the evaluation proposals; d) development of the final work plan that satisfies the needs of the Companies; e) interim reviews of all work products; final approval of all deliverables and final reports.

Table 7-1 indicates evaluation studies planned for commencement in 2007 and Table 7-2 indicates evaluation studies under consideration for 2008.

2006 Completed Evaluation Studies	Type
<i>Residential</i>	
CL&P WRAP and UI-Helps Low Income	Process

<i>Commercial / Industrial</i>	
Municipal Program - 2004 and 2005	Impact
Custom Services - 2004	Impact
C&I Free Ridership and Spillover Study - 2004	FR and SO
CL&P PRIME	Impact
Retro-commissioning	Impact & Process
Coincidence Factor Study - 2005	CF
CT and MA Utilities Lighting Hours of Use In Schools Baseline - 2005 and 2005	Baseline

2007 Planned Evaluation Studies	Type
Residential	
ES Homes/ Residential New Construction Study - baseline/process study of what builders are really building and why builders participate; do builders value the Energy Star or are Companies just giving them money for what they already would do anyway.	Baseline & Process
WRAP and UI-Helps Low Income Market Assessment - The companies anticipate this study being a possible recommendation coming out of the low income process evaluation underway as of the time of this plan's filing. To be answered - Who should qualify, who is out there? For the customers served thus far, what is happening to the measures originally installed?	Market Assessment
HVAC Tune-Up program impact evaluation - Determine what the Honeywell tool based tune-ups actually save in kW and kWh. Participant/non-participant research; on-site assessments.	Impact
Residential and Small Commercial Load Control & Direct Load Control Study: to encompass all potentially viable technologies, including A/C, pool pumps, pool heaters, etc.	Market, process and technical implementation study.
Residential "Whole House Approach" Study: This study will look at what other utilities are doing for the Whole House approach vs less comprehensive approaches. It will also look at how successful a whole house approach may be with builders and homeowners.	Baseline & Market Charicterization
eeSmarts Needs Assesment: a follow-up to the process evaluation completed in 2006 to identify gaps in knowledge, curricula, training, etc.	Needs Assessment

Commercial / Industrial	
Energy Conscious Blueprint & Energy Opportunities Market Baseline Study for PY 2006: Vendor bids received 02/02/07. Expect PO award on or before 02/19/07.	Market Assessment
EO Process Evaluation PY 2006	Process
C&I Free Ridership and Spillover Study for PY 2006	Impact
Small Business Energy Advantage Impact Study of PY 2006: Energy and Coincidence factors of measures. Also a market assesment/potential of What has been done, what is left?	Impact & Market Assessment
C&I Measue Persistence of Savings Study	Impact
CT Maximun Potential Study (GDS): similar to study completed in 2004, this will examine maximum savings and demand savings assuming expanded C&LM funding levels.	Market Assessment

2007 Planned Evaluation Studies	Type	Estimated Cost to CT Utilities	Study Parameters	RFP Release (month)	Project Start	Need Information
Residential						
Residential Lighting:	Persistence of technology (measure life)	\$71,300	Regional Study to examine persistence of CFLs and fixtures. Study will inventory all efficient lighting during site visits to assess how many bulbs are still in use (and # added beyond the direct or indirect install), how many stored, reasons for removals	Awarded to Nexus	August/Sept	January, '08
	Preparatory Study: Sample collection	\$30,000	Create a database of lighting markdown customers willing to participate in future studies. Design likely to involve providing an incentive to customers electing to participate and then assembling a database of these customers. MA plans to participate.	Sept	November	
	Impact	\$125,000	Winter and summer demand and annual usage information, What Sockets are on at peaks and what sockets are CFLs going into? What sockets are left to fill? Requires lighting loggers analyzed by room location. MA and VT to participate. Costs continue into 08.	Sept	November	
Ductless Heat Pump Phase 1	Impact & Customer Acceptance	\$100,000	Winter peak and energy information. Customer acceptance and experience with the technology.	Sept	November	Feb - Mar

TOTAL ESTIMATED COST - Residential		\$326,300				
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2007 Planned Evaluation Studies	Type	Estimated Cost	Study Parameters	RFP Release (month)	Project Start (month)	Need Information
Commercial / Industrial						

Energy Conscious Blueprint Market Study	Market Assessment	\$61,190	Market work that gauges awareness in the design community of the new code and of how to meet it. Assessment of how to deliver services to maximize savings.	Late April, Early May Proposals in 5/23	July	February
Market Opportunities in Existing Buildings	Roof Top Unit Replacement	\$75,000	Natural replacement rates, potential for accelerated replacement. Savings potential. Barriers to implementation.			
	Lighting Remodeling/ Retrofit/ Renovation	\$150,000	Amount of T12 and older T8 building space still available for retrofit. Amount of high pressure sodium and older lighting technologies in outdoor locations.			
EO Process and Market Evaluation PY 2006	Market Assessment Barriers to Participation	\$60,000	Strategic approaches to engage non-participants & to get more comprehensive; where are we going with EO in the light of CT's future challenges? Why are most participating customers not fully implementing measures? Staged Approach.	August	October	May '08
C&I Lighting Peak Impacts and Coincidence (CT/ SPWG/and Follow up by RLW)	Peak Impact and Coincidence	\$75,000	High. Regional study on additional information needs for FCM (building type, measure type, 100/200 kW split).	NA	April to late September	April to late September
TOTAL ESTIMATED COST - C&I		\$421,190				

TOTAL 2007 Studies		\$747,490				
Past Studies Paid in 2007		\$106,400				
TOTAL DOLLARS		\$853,890				
Other						
Regional Avoided Cost Study	Avoided Cost		In progress			

2008 Proposed Evaluation Studies	Type	Estimated Cost CT Utilities - Potential Regional Studies Estimated at Shared Cost.	Study Parameters	RFP Date	Project Start	Need Information By	Notes
Residential							
Ductless Heat Pump	Impact & Customer Acceptance	\$100,000	Summer impacts and annual energy effects. Customer acceptance and experience with the technology.	N/A Study Continues with Summer		September, '08	
Residential Central Air Conditioning Impacts and Load Shapes	Impact	\$80,000	Summer load shapes for FCM for Central A/C. Regional study. MA doing limited study now.	March	May	September, '08	
Early Implementation Review of Whole House Approach	Field Review	\$75,000	Need data review to look at early program to assess adoption rate, measures installation, costs. Customer surveys to look at satisfaction issues.	February	April	June, '08	
Whole House measures	Impact	\$75,000	Add on to CAC study to assess whole house measures while in houses to collect CAC info. Billing analysis and customer satisfaction. May need to be part Regional and part CT only. Assess satisfaction with process and results of whole house approach.	March	May	October, '08	
New Construction, Energy Star	Market Assessment	\$120,000	New Construction. Drivers leading to choice of HVAC systems and other efficiency measures in the new construction market. Typical equipment choices for new homes and incremental cost between chosen system and more efficient system. Collect data for use in simulation models for impact analysis.	April	June	December, '08	
Residential and Small Commercial Load Control & Direct Load Control Study: to encompass all potentially viable technologies, including A/C, pool pumps, pool heaters, etc., and user interface and info/control strategies	Best practices, market, process and technical implementation study.	\$80,000	Comparative analysis and research to determine parameters of future programs. Want information on how many customers would be willing to accept load control and what incentives might be needed. Expect that technologies and customer acceptance will change quickly over the next few years.	January	March	July, '08	

TOTAL ESTIMATED COST RESIDENTIAL		\$530,000				
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2008 Proposed Evaluation Studies	Type	Estimated Cost CT Utilities - Potential Regional Studies Estimated at Shared Cost.	Study Parameters	RFP Date	Project Start	Need Information By
Commercial/Industrial						
Market Opportunities Study: Emerging and Under-utilized Measures. Some Aspects may be Part of Maximum Potential Study	Market Assessment	\$150,000	Technologies should include solid state lighting, high performance display lighting, advanced HVAC, etc. Examine viability of including high performance building/system designs in programs.			
ECB-EO Large Facilities	Impact - Energy, Peak and Load Shapes	\$50,000	Metering and Inspections at facilities with large expected savings. Ensure measures still in place and operating as planned. May be done as part of program cost or as separate study. Requires return to facility 1-2 years after original installation complete. Priced as In-House Study. If outside study, \$200,000 estimate.	November	January	July
ECB -EO Small Facilities	Impact - Load Shapes, Peak and Energy	\$100,000	Study of the Load Shape and Demand Impacts of Various Prescriptive Measures. Energy Savings. May have Regional Component			
Retrocommissioning Update and Process Followup	Process, Market Followup	\$75,000	Process update of revised approach and customer targeting, reviewing recent projects. Also followup on first projects to assess measure installation and any additional actions.			
C&I HVAC Peak Impacts and Coincidence	Peak Impact - Load Shapes	\$70,000	Load shapes for FCM. Regional . Systems and measures will include rooftop and package units			

C&I Measure Persistence of Savings Study	Impact	\$75,000	Examine persistence of measures and rates of business turnover in program participants. May be useful as a regional study and priced as regional. Estimate \$250,000 if stand-alone	November, '07	January, '08	
TOTAL ESTIMATED COST C&I		\$520,000				
GRAND TOTAL		\$1,050,000				

2009-10 Planned Evaluation Studies	Type	Estimated Cost CT Utilities - Potential Regional Studies Estimated at Shared Cost.	Study Parameters	RFP Date	Project Start	Need Information By
Residential						
WRAP and UI-Helps Low Income Process	Process Assessment of Program Redesign	\$80,000	Program design is expected to provide more comprehensive services. Study to examine the effectiveness of the changes.			2009
WRAP and UI-Helps Low Impact Analysis- Maybe combined with Process Study	Impact	\$100,000	Billing Analysis reflecting newer, more comprehensive program			2009?
Emerging Potential Studies	Market Assessment	\$100,000	Determine what new opportunities may provide cost effective savings. Load shapes of baseline for promising approaches.			2009
Load Shape Studies for New Measures (\$150,000 each)	Impact	\$300,000	After implementation of new measures, determine savings impacts. Assume 2 Potential Measures			2009-10
Process and Customer Acceptance	Process Assessment of New Program Design	\$85,000	For new programs			2010
HVAC Installations Existing Houses	Impact and Market Assessment	\$100,000	Baseline equipment choices for retrofit situations. Cost differential between chosen systems and more efficient systems.			2009

eeSmarts	Process Assessment of Program Redesign	\$75,000	Program has been redesigned to focus on teacher training and to better align materials with science standards. Study will examine the effectiveness of these changes.			2010
TOTAL Residential		\$840,000				

2009-10 Planned Evaluation Studies	Type	Estimated Cost CT Utilities - Potential Regional Studies Estimated at Shared Cost.	Study Parameters	RFP Date	Project Start	Need Information By
Commercial/Industrial						
C&I Free Ridership and Spillover Study for PY 2006	Impact	\$50,000	Tentatively scheduled as a regional study.			Start in '08 - Cost in 09
Emerging Potential Studies	Market Assessment	\$150,000	Determine what new opportunities may provide cost effective savings. Load shapes of baseline for promising approaches.			2009-2010
Demand and Coincidence Studies for New Measures (each)	Impact	\$125,000	After implementation of new measures, determine savings impacts.			2010
Small Business Energy Advantage Impact Study of PY 2007: Energy and Coincidence factors of measures. Also a market assessment/potential of what has been done, what is left?	Impact & Market Assessment	\$100,000	Priority impact work through Market Opportunities study will be important for future resource potential considerations.	NA	NA	2009
Process and Customer Acceptance	Process Assessment of New Program Design	\$85,000	For new programs			2010
TOTAL C&I		\$510,000				
TOTAL Residential and C&I		\$1,350,000				

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CHAPTER EIGHT: IT INITIATIVE (CL&P)

The objective of the C&LM IT Tracking and Reporting Initiative is to develop and implement an improved, automated tracking and reporting system in accordance with the DPUC's directive to develop a comprehensive presentation of tracking data for each C&LM program as part of the annual filings. This initiative is required to meet increasing financial and reporting requirements by the Department, such as the SFR. These improvements are also designed to improve the operating efficiency of the CL&P staff. The project also intends to fulfill the Department's requirement that all tracking entries of C&LM projects should be traceable and cross-referenced to the PSD Manual—a detailed comprehensive documentation of all claimed resource costs and savings corresponding to individual C&LM technologies. The project is expected to result in improved accountability and independence in the process of tracking, monitoring and verification of C&LM information.

The Initiative includes plans to create a central data repository accessible to all C&LM personnel, streamline the current environment, and create the most efficient and consistent business procedures possible. The overall project has several phases. The Initiative project team issued a Request for Information (“RFI”) in 2005, inviting vendors to submit their qualifications for implementing the project. Based on the information received, the project team then selected the most qualified vendors and invited them—via a Request for Proposal (“RFP”), to submit bids to complete Phase I, Requirements. This first phase mapped the current business processes and tracking systems, and was initiated in 2005 and completed in 2006.

In 2006, the following detailed Initiative activities were completed:

- Through the RFP process, a vendor (CGI-AMS) was selected to develop the “Business Requirements Specifications” for the C&LM Tracking and Reporting System. This included workshops with the business users and NU IT personnel. A prioritization of requirements exercise, facilitated by the vendor, resulted in a management decision to designate the development of residential (non-low income) and small business programs code modules as Phase II of the project. First phase actual expenditures total approximately \$500K for this task representing both outside services (vendor-CGI-AMS costs) and internal labor (NU IT and C&LM).
- Subsequent to the Business Requirements Specification completed above, an RFP was issued to perform the requirements validation, design and build activities of the system for the Residential programs and SBEA program. The project team evaluated the vendor proposals and selected PCC Technologies, based in Bloomfield, CT to deliver this phase. PCC Technologies reviewed the Business Requirements Specification document, identified gaps, and created the Functional Requirements Document and the system data model. These activities were used to feed the Design and Build phases of the project. The vendor commenced development of the four code segments this phase is comprised of: general system design, system administration, residential programs and small business program functionality. Development of the Residential and SBEA system components was essentially

completed in 2006 with unit, system integration, and user accepting testing following immediately after in 2007. 2006 spending for this Phase was approximately \$1M, representing both outside services (vendor-PCC Technologies costs) and internal labor (NU IT and C&LM) and was within the allocated budget.

In 2007, the following detailed Initiative activities were either completed or initiated:

- Continued development and completion of the general system design, system administration, Residential, and small business program functionality. 2007 Spending is projected to be \$1.1M. This includes the activities of data conversion, testing remediation, and post-production support representing both outside services (vendor-PCC Technologies costs) and internal labor (NU IT and C&LM). This is expected to be completed by year-end 2007.
- Detailed Functional Requirements of the system expansion to include the C&I and Low Income C&LM programs. The Low Income portion of the Detailed Functional Requirements was completed in the 3rd Quarter 2007 and C&I portion is currently in process and is expected to be completed by early 4th Quarter 2007. Spending for this phase is estimated to cost approximately \$300K and is within the 2007 budget.
- Design, Build and Implementation of the Low Income segment is anticipated to begin in 2007. The total cost of this Release is estimated at \$800K, representing both vendor and NU labor, with a portion (up to 25%) expected to occur in 2007.

In 2008, the following detailed Initiative activities are planned:

- The Design, Build, and Implementation of the Low-Income segment to be completed in 2008. The total cost of this Release is estimated at \$800K, representing both vendor and NU labor. 2008 will receive the balance of costs not incurred in 2007. This amount is estimated to be up to 75% of the \$800K.
- Initiation of the Design, Build, and Implementation of the C&I System Release. C&LM expects to have this price estimate later in 2007 when vendor pricing is received following the Detailed Functional Requirements Phase. However, based on Small Business, Residential and Low Income segments, the initial estimate for budgeting purposes is in the \$1M range.
- Initiation of the Detailed Functional Requirements for C&LM's Load Response program and all of the remaining interfaces with NU systems (i.e., Accounts Payable, Unvouchered Liabilities), Key Performance Indicator ("KPI") Reporting and Central Reporting Systems. These enhancements will improve C&LM's ability to meet increased reporting requirements for ISO-NE's "Other Demand Resource" reporting, Class III Renewable Energy Credits, etc.

DISCONTINUED PROGRAMS

Community Based Program (CBP)

All dollar values are in \$000

<u>Budget Projections</u>	2005 <u>Actuals</u>	2006 <u>Actuals</u>	Revised <u>2007 Budget</u>	2007 <u>YTD (Jul)</u>	2007 <u>YE Projected</u>	2008 a) <u>Budget</u>
Labor:						
NU Labor	\$ 82	\$ 79	\$ 77	\$ 58	\$ 95	\$ -
Contractor Staff	\$ 10	\$ 1	\$ -	\$ -	\$ -	\$ -
Total Labor	\$ 92	\$ 80	\$ 77	\$ 58	\$ 95	\$ -
Outside Services	\$ -	\$ 2	\$ -	\$ 3	\$ 5	\$ -
Materials & Supplies	\$ 3	\$ 1	\$ 5	\$ 6	\$ 10	\$ -
Incentives	\$ -	\$ -	\$ -	\$ 25	\$ 41	\$ -
Marketing	\$ 61	\$ 108	\$ 122	\$ 38	\$ 63	\$ -
Other	\$ 4	\$ 3	\$ 6	\$ 4	\$ 7	\$ -
Administrative Expenses	\$ 8	\$ 7	\$ 15	\$ 3	\$ 5	\$ -
Total	\$ 168	\$ 201	\$ 225	\$ 137	\$ 225	\$ -

a) Program discontinued in 2008. Community Based Initiatives will continue within other residential and C&I programs.

2008 Goals and Metrics Information

N/A

CL&P Standard Filing Requirement

Community Based Program (CBP)

CL&P Program Notes

Budget/FTE

0.0

• FTE

Program Discontinued

Goal

- Not applicable.

Cost/kWh (Cost/Unit)

- Not applicable.

Goal Setting Methodology

- Not applicable.

Metric Changes

- Not applicable.

CL&P Standard Filing Requirement

Community Based Program (CBP)

CL&P Program Notes

Budget/FTE

0.0

• FTE

Program Discontinued

Goal

- Not applicable.

Cost/kWh (Cost/Unit)

- Not applicable.

Goal Setting Methodology

- Not applicable.

Metric Changes

- Not applicable.

Demand Reduction

All dollar values are in \$000

All size Commercial and Industrial customers

<u>Budget Projections</u>	2005 <u>Actuals</u>	2006 <u>Actuals</u>	Revised <u>2007 Budget</u>	2007 <u>YTD (Jul)</u>	2007 <u>YE Projected</u>	2008 <u>Budget</u>	a)
Labor							
NU Labor	\$ 9	\$ 8	\$ 98	\$ 3	\$ 77	\$ -	
Contractor Staff	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Labor	\$ 9	\$ 8	\$ 98	\$ 3	\$ 77	\$ -	
Outside Services	\$ 3	\$ 1	\$ 25	\$ 2	\$ 51	\$ -	
Materials & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Incentives	\$ 49	\$ 3	\$ 268	\$ -	\$ -	\$ -	
Marketing	\$ 1	\$ -	\$ 5	\$ -	\$ -	\$ -	
Administrative Expenses	\$ 0	\$ -	\$ 2	\$ -	\$ -	\$ -	
Other	\$ -	\$ 1	\$ 2	\$ -	\$ -	\$ -	
Total	\$ 62	\$ 13	\$ 400	\$ 5	\$ 128	\$ -	

a) Program Incorporated into Energy Opportunities Program in 2008

2008 Goals and Metrics Information

Demand Savings (kW reduction Goal)	N/A
Annual Energy Savings (kWh Reduction Goal)	N/A
Lifetime Energy Savings (kWh Reduction Goal)	N/A
Annual Cost Rate (\$/kWh)	N/A
Lifetime Cost Rate (\$/kWh)	N/A
Electric b/c ratio	N/A
Total Resource b/c ratio	N/A

CL&P Standard Filing Requirement

Demand Reduction

Program Costs

Year	Budget	Actual	% of Budget
2003	\$ 250,000	n/a	n/a
2004 ²	\$ 100,000	\$ 119,000	119%
2005 Revised	\$ 406,286	\$ 62,067	15%
2006 Revised ³	\$ 407,000	\$ 12,663	3%
2007 Revised	\$ 400,000	n/a	n/a
2007 YTD (Jul)	n/a	\$ 4,554	1%
2007 Y/E Projected	n/a	\$ 128,000	32%
2008	\$ -	n/a	n/a

Goal - Participation

Year	Goal	Actual	% of Goal
2003	n/a	n/a	n/a
2004 ²	n/a	n/a	n/a
2005 Revised	88	4	4.5%
2006 Revised ³	61	1	1.6%
2007 Revised	26	n/a	n/a
2007 YTD (Jul)	n/a	0	0.0%
2007 Y/E Projected	n/a	0	0.0%
2008	n/a	n/a	n/a

Goal - MWh Savings

Year	Goal (MWh)	Actual (MWh)	% of Goal
2003	n/a ¹	n/a	n/a
2004 ²	5,463	9,623	176.1%
2005 Revised	21,014	1,886	9.0%
2006 Revised ³	1,709	25	n/a
2007 Revised	7,700	n/a	n/a
2007 YTD (Jul)	n/a	0	0.0%
2007 Y/E Projected	n/a	0	0.0%
2008	n/a	n/a	n/a

Goal - Installed kW Savings

Year	Goal	Actual	%of Goal
2003	n/a	n/a	n/a
2004 ²	160	263	164.4%
2005 Revised	616	160	26.0%
2006 Budget	330	43	n/a
2007 Revised	445	n/a	n/a
2007 YTD (Jul)	n/a	0	0.0%
2007 Y/E Projected	n/a	0	0.0%
2008	n/a	n/a	n/a

Program Ratios

Year	\$/Lifetime kWh		\$/Annualized kW	
	Plan	Actual	Plan	Actual
2003	n/a	n/a	n/a	n/a
2004 ²	0.018	0.012	625	452
2005 Revised	0.019	0.033	660	388
2006 Revised ³	0.024	0.508	1,233	294
2007 Revised	n/a	n/a	n/a	n/a
2007 YTD (Jul)	n/a	n/a	n/a	n/a
2007 Y/E Projected	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a

¹ Included in Load Management for 2003

² Budget and Plan information based on revised budgets and goals filed on 8/18/04

³ Budget and Plan information based on revised budgets and goals filed on 6/8/06

CL&P Standard Filing Requirement

Demand Reduction Program

CL&P Program Notes

Budget / (FTE)

- FTEs. **0.0**
- Demand Reduction is included in EO

Goal

- Included in Energy Opportunities

Cost/kWh (Cost/Unit)

- Included in Energy Opportunities

Goal Setting Methodology

- The 2008 planning model is based on 2006 actual results and new realization rates.

Metric Changes

- Not Applicable.

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2007 Public Comment Matrix

Richard Strauss

Organization: Connecticut Academy of Science & Engineering (CASE)

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Strauss noted how Public Act 07-242, the recent Connecticut energy act, included certain suggestions (sections 87(b), 88 & 100) made in CASE's study *on Energy Alternatives and Conservation*. These included televised real-time energy alerts that would inform people of energy emergencies and advise them on ways to reduce loads in order to prevent blackouts. While funding for this in the new bill under Public Awareness was rescinded in an implementor bill,¹ this funding was later restored under an appropriations bill. OPM had expressed an interest in this concept. He also noted they advanced the concept for the Summer Rewards programs that provides customers with credits if they reduce their use by given percentages between July and September. He hopes such behavior-based mechanisms can raise energy efficiency to a new level of public awareness. He offered CASE as being ready to work with the ECMB and DPUC to make these ideas a reality.

Companies' Position: The Companies look forward to working with a variety of Connecticut stakeholders in advancing new ideas relating to energy and energy efficiency and encourages CASE to actively participate in many of the regulatory proceedings the energy bill contemplates. The Companies also appreciate CASE's offer to work with the DPUC and the ECMB and would also like CASE to engage the Companies with any new energy efficiency or load management ideas that they believe can be brought forward through the CEEF programs the Companies offer.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Marie MacDonald/Jennifer Boyd

Organization: Connecticut Public Television

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: CPTV is requesting \$526,000 to produce and air a 10 part series on energy and will also have a "town meeting" section. The shows will concentrate on a format similar to "This Old House" that will also deal with new construction

¹ The reemergence of this funding in an appropriations bill came to light only after Mr. Strauss made his presentation to the ECMB.

2007 Public Comment Matrix

(as well a retrofit) and spotlight what can be done to improve energy efficiency. This will include simple tips on caulking, compact fluorescent lighting as well as Energy Star rated appliances. They will work with a point person from the CEEF and use Connecticut projects. Each show will be broadcast 5 times in a 12 month period. A web site will accompany the show from where vignettes from episodes can be downloaded for viewing and will also contain complementary technical information. CPTV supplied detailed information on the number of times CEEF logos, messages and other points of recognition would be made.

Companies' Position: The Companies believe that the proposal brought forth by CPTV is an excellent communication medium and a practical approach to addressing a comprehensive educational series on energy efficiency for residential consumers. In keeping with the Companies approach of delivering integrated electric and gas programs such as Home Energy Solutions, the Companies believe this series can provide information on energy efficiency tips and measures that not only address electric savings, but also natural gas and oil savings, and renewable technologies as well. The Companies strongly believe that this effort should be funded in 2008 and believe that this is one of the types of initiatives contemplated by the energy efficiency and marketing outreach campaign included in Public Act 07-242. The Companies would recommend that this effort be funded through monies created under Docket 07-06-60. The Companies will work with CPTV, the Department, the gas companies, and the Connecticut Clean Energy Fund in developing the program's content to ensure that the underlying messages complement CEEF program offerings.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Frank Fennell

Organization: Opto Generic Devices (OGD)

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Fennell recounted that OGD did previously contact the ECMB for consideration of the OGD product for the C&I programs but then decided to concentrate on another marketing strategy. He noted that they have adopted a new strategy for this year which includes a request for reconsideration of their product. The device, called an adaptive climate controller, is a non-complex control that basically provides an even speed for the motor(s) associated with operation of some HVAC equipment that prevents power spikes associated with starting motor-driven equipment.

Companies' Position: The Companies have already begun reviewing this technology through the RD&D working group. The RD&D Policy Working Group

2007 Public Comment Matrix

(PWG) will work with this organization to ascertain the merit of any energy efficiency claims. Once the review and assessment are complete, the ECMB will be provided with the results of the analysis. If the energy efficiency claims are validated, the Companies can include the technology this product represents in energy efficiency programs as appropriate.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Jay Johnston/Terry Rich

Organization: BOC/A-Ray Services

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: They are looking for guidance on how they may fit in with existing programs for their product which allows anaerobic digesters to operate more efficiently with less power requirements via a chemical reaction with the fats, oils and greases that lessen their effects on slowing up the treatment process. There are certain hardware cost (\$1,500 to \$2,500) associated with the product but most of the cost is for the treatment chemical products.

Companies' Position: The Companies are currently working with BOC/A-Ray Services to evaluate this technology and its potential energy savings. Once the review is complete, and as appropriate, this technology will be incorporated into the Companies energy efficiency programs and their corresponding incentive structure.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Ron Katz

Organization: Connecticut Science Center

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Katz thanked the ECMB for its continuing support. He reported they expect the last steel to be in place by August 14th and the glazing to be in place by the end of the year. On the energy aspects of the building, he said they expect the structure to be 30% better than code [at the time] and 27% more efficient than ASHRAE 90.1. This was, in large part, thanks to the efforts of CL&P in conjunction with Fuss and O'Neill who identified 10 significant points of savings not including exhibit lighting. In addition, he related that they expect

2007 Public Comment Matrix

approximately 70,000 kWh from photovoltaics and additional power from a fuel cell. He also discussed the progress on the clean energy exhibit and the challenges it has presented to be both informative while interesting.

Companies' Position: The Companies have been working with the Science Center's design team throughout the design of the new Science Center and are supportive of the Science Center's efforts to construct a very energy efficient building. The Companies have also been actively involved in the design of the energy efficiency exhibits planned at the Science Center. We believe that an energy efficient design in conjunction with the energy efficiency and renewable exhibits under development will provide a comprehensive and sustainable energy efficiency and educational message.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Jonathan Edwards

Organization: Smartpower

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Edwards recapped the past activities of SmartPower in relation to its activities in Connecticut with the CCEF and multiple foundations to promote clean energy in the voluntary market [Clean Energy Options in CT] and their 20% by 2010 campaign that now has 51 communities as Clean Energy Communities. They are interested next in promoting what they term SmartPower 2.0, a new direction aimed at energy efficiency. If Connecticut is chosen as the state under which to advance this new program, they hope to bring to the table approximately \$600,000 per year for three years. They are seeking discussions on whether Connecticut would be interested in participating in these efforts that will include a large and diverse number of stakeholder groups such as business, ISO NE, environmental, energy and public interest NGOs and the Northeast Climate protection Partnership.

Companies' Position:: The Companies would welcome the opportunity to work with Smartpower on this endeavor and to assess the integration of the Companies energy efficiency programs with this offer. The Department may also wish to consider this request for funding under Docket 07-06-60 DPUC Review of the Statewide Energy Efficiency and Outreach Marketing Program.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

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Name: George Benedetti

Organization: Honeywell

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Benedetti provided information on ControlLinks, a new gas/oil boiler digital control mechanism by Honeywell that eliminates the less precise mechanical linkages commonly in use. He said this provides enhanced safety, less maintenance and greater reliability and fuel savings with attendant environmental improvements. He cited typical fuel consumption improvement in the 2% to 8% range with paybacks frequently less than one year. One specific case study provided reduced energy costs by 30%. He requested consideration of ControlLinks for inclusion in future programs and for specific financial incentives for the product as an inducement for customers.

Companies' Position: As indicated by Mr. Benedetti, this technology is primarily a mechanism for saving fossil fuels (e.g., gas and oil) and is not appropriate for inclusion in the electric energy efficiency programs. However, Mr. Benedetti was directed to the pilot natural gas C&I energy efficiency programs being offered in 2008 by Connecticut's natural gas distribution companies where this technology may be more appropriately considered.

ECMB Position: The ECMB Position will be filed with the Department at a later date.



2007 Public Comment Matrix**Name:** William McDonough**Organization:** Bon Aqua**Method/ Date of Contact:** Public Input Meeting of July 11, 2007

Request: Mr. McDonough first approached the Board in year 2000 requesting recognition for his product to be used in the C&I programs operated by United Illuminating Co. He had already been accepted by CL&P and received funding on projects. Mr. McDonough also approached the DPUC in Docket 01-01-14 and in their decision of September 19, 2001, it was stated:

... WJM goes on to state that although CL&P has qualified this system for funding within its C&LM programs, UI has not. WJM believes, that since the Department has directed the Companies to develop joint C&LM programs, that UI should qualify the Bon Aqua system for funding within its C&LM programs. ...

The Department has directed the Companies to develop joint programs. To the extent that either CL&P or UI can demonstrate that a technology is cost effective, the technology should be included in the C&LM programs of both utilities. The Bon Aqua system demonstrates a cost benefit ratio of 2.0, and as such qualifies for inclusion in the C&LM offerings. Therefore, UI is directed to include this technology in its programs. ...

Mr. McDonough re-contacted the ECMB in 2007 in April 2007 noting that none of his applications for use in the UI territory has been approved since that 2001 decision and he was again seeking that programs be made identical. Some dialogue has taken place between Mr. McDonough and UI personnel but resolution has not yet been to his satisfaction.²

Companies' Position: The Companies have aligned their strategies to fund technical reviews of projects. This alignment has resolved Mr. McDunough's issue.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Mark Falade/Harry Cullinane

Organization: Robur**Method/ Date of Contact:** Public Input Meeting of July 11, 2007

Request: Mr. Falade has already been "in the pipeline" having approached the Board at its June 13, 2007 meeting to discuss the desired eligibility of the Robur gas fired absorption chiller for the electric energy efficiency programs and specifically for two applications in Glastonbury. He maintains that part of the

² All correspondence on this issue from October 30, 2000 onward is available on request from the Technical Coordinator.

2007 Public Comment Matrix

reason it has not been made eligible is that the technology is not engine driven but notes it has a COP for cooling of .6375 and has the ability to produce a cooling effect with no gas input due to a flywheel cooling effect. Discussions are underway with CL&P on the technology with the possibility of some incentives for partial load operations.

Companies' Position: A COP of .6375 is significantly less than that of a vapor compression chiller which is the subject of the current pilot. The Companies are presently exploring any part-load efficiency merit this technology has to offer.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Nathan Guedalia

Organization: Equidex Energy

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Guedalia requested the ECMB provide approval for his Equidex lighting management system which he explained was required by the University of Connecticut before they would consider it for use.

Companies' Position: An evaluation has already confirmed that this technology can save energy and this technology is eligible for incentives under current CEEF programs. While neither the ECMB or the Companies do not endorse any particular product, UCONN can be made aware of this information for future reference.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

Name: Henry Link

Organization: Enviro Energy Connections

Method/ Date of Contact: Public Input Meeting of July 11, 2007

Request: Mr. Link asked the ECMB to support the applications by CPTV and SmartPower since he believes the public awareness and education aspects are very important. He also believes it would be advantageous to publicize more successful case studies.

2007 Public Comment Matrix

Companies' Position: The Companies agree with Mr. Link's recommendation on the two proposals he cited and on the development of case studies. The Companies develop case studies as part of their program marketing. The Department may wish to consider funding the two specific proposals Mr. Link cited under Docket 07-06-60 DPUC Review of the Statewide Energy Efficiency and Outreach Marketing Program.

ECMB Position: The ECMB Position will be filed with the Department at a later date.

ECMB Resolutions

The Resolutions of the ECMB on the CL&P and UI Conservation and Load Management Plan for 2008 will be filed with the Department at a later date.

ORDER RESPONSES

Company Responses to Decision 06-10-02 Orders

In its May 23, 2007 Decision in Docket 06-10-02, DPUC Review of The Connecticut Light and Power Company and United Illuminating Company Conservation and Load Management Program for 2007 (“Decision”), the Department issued a series of Orders and compliance dates. The following information provides the Companies responses to those Orders and, where appropriate, refers to the associated document of record.

Orders

- 1. On or before June 15, 2007, the Companies shall submit revised budgets that take into account final carryover funds and the Companies’ budget reallocations due to Department program and budget adjustments.**

On June 15, 2007, CL&P and UI each submitted revised budgets which took into account final carryover funds and the additional programs authorized in Docket No. 05-07-14PH01, Decision dated December 28, 2005, and the Companies’ budget reallocations due to Department directed program and budget adjustments.

- 2. On or before June 15, 2007, the Companies shall submit finalized year-end actual budgets and performance management fees for each program for final approval by the Department.**

CL&P

On May 11, 2007 CL&P filed the 2006 final year end performance report of annual budget, expenditures and energy savings for each C&LM program, and the 2006 final Management Incentive Performance Indicators and Incentive Matrix.

UI

The 2006 actual performance management fee matrix was filed on June 15, 2007 for final approval along with the 2006 C&LM Programs, Docket 05-07-14 PH01 EIA Programs and the DG Capital Grants Program actual budgets and expenditures.

- 3. On or before June 15, 2007, the Companies shall provide comprehensive and up-to-date information regarding their C&I program training sessions on their web sites; an email registration option; contact person, phone number and email address, and links to other organizations such as ISE and NEEP, that regularly conduct related seminars.**

CL&P

On June 15, 2007, CL&P provided comprehensive and up-to-date information regarding their C&I program training sessions on their web sites; an email registration option; contact person, phone number and email address, and links to other organizations such as ISE and NEEP, that regularly conduct related seminars. The Company's website has been enhanced to include past, scheduled and planned training seminars. In addition, a link from the main "Energy Efficiency at Work" web page to a web page that identifies (and links to) other institutions that offer related training has been deployed.

UI

On June 15, 2007, UI provided comprehensive and up-to-date information regarding their C&I program training sessions on their web sites; an email registration option; contact person, phone number and email address, and links to other organizations such as ISE and NEEP, that regularly conduct related seminars. The Company's website has been enhanced to include past, scheduled and planned training seminars.

- 4. In or before June 15, 2007, the Companies shall issue a letter, as described herein, to towns that are known to have incandescent traffic signals.**

CL&P

CL&P updated the letter from its 2006 mailing to reflect current program offerings and, via the Company's Account Executives, has sent the letter to the towns. A copy of the letter was provided to the Department with its June 15, 2007 filing.

UI

UI sent a mailing to its Municipalities, facilitated by the Account Managers, identifying the opportunities available with converting their remaining incandescent traffic signals to LEDs. A copy of the letter was provided to the Department with its June 15, 2007 filing.

- 5. No later than June 15, 2007, the Companies shall submit the data and the source documents for each of the data points used in the screening analysis and the formula(s) used to calculate project and program cost effectiveness.**

On June 15, 2007, the Companies provided to the Department the background information, the screening analysis and the formula(s) used to calculate project and program cost effectiveness.

- 6. On or before June 21, 2007, the Companies shall file revisions to the direct load program.**

On June 21, 2007 the Companies filed with the Department an update on the Direct Load Control Program. Subsequently, on July 2, 2007 the Companies filed an additional update on the program status.

- 7. No later than 14 days after receiving an FCM financial assurance commitment, each Company shall submit an itemization of all costs associated with providing financial assurances under the FCM requirements, and documentation that the financial instrument chosen was the result of a competitive process and that the least cost option was chosen.**

As of this filing, the Companies have not received an FCM financial assurance commitment. Upon receipt of such commitment, the Companies will comply with this directive.

- 8. No later than July 30, 2007, the Companies shall:**
 - A. Provide the discount rates (and an explanation of how they were determined) used by other program administrators in New England, and recommend possible alternative discount rates for the next annual filing.**
 - B. report the cost effectiveness of 2007 programs using the current discount rate, the respective Companies' cost of capital and any alternative discount rate that the Companies propose**

On July 30, 2007, the Companies' provided the Department with a report on the progress made towards compliance with this directive.

- 9. On or before July 30, 2007, The Companies shall work toward implementing better coordination between SBEA and EO vendors and to add training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors. The Companies shall report on their efforts in the next annual filing.**

On July 30, 2007, the Companies reported on their efforts to coordinate between SBEA and EO vendors. As noted in Chapter Three of this filing, the Companies are adding training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors.

- 10. On or before July 30, 2007, the Companies shall submit a plan to implement an energy efficiency hotline with the goal of having the hotline operational on or before October 15, 2007.**

On August 15, 2007, the Companies submitted a plan to implement an energy efficient hotline with the goal of having the hotline operational on or before October 15, 2007.

- 11. On or before July 30, 2007, the Companies shall report on the potential to fund a low interest loan program through CHIF.**

On July 30, 2007, the Companies filed with the Department a report on the potential to fund a low interest loan program through CHIF.

- 12. On or before August 15, 2007, the Companies shall report to the Department the results of the ECMB review of the Department proposed Pilot O&M Program for K-12 Schools.**

On August 22, 2007, the Companies reported to the Department that the ECMB's Education Committee had reviewed and approved the proposed Pilot O&M Program for K-12 Schools presented by the Institute for Sustainable Energy (ISE).

- 13. In the 2009 C&LM filing, the Companies shall submit a follow-up evaluation of the eeSmarts™ program.**

The Companies will submit a follow-up evaluation of the eeSmarts™ program in the 2009 C&LM filing.

- 14. In the next annual C&LM filing, the Companies shall report on an implementation plan for the Retrocommissioning Projects to coordinate efforts and/or funding with the regulated gas companies.**

As noted in Chapter One of this filing and in the O&M Program description, the gas distribution companies and electric distribution companies will partner in 2008 to offer an integrated portfolio of products and services. Integrating gas measures into the existing program will offer customers a more comprehensive package for achieving greater energy efficiencies within their facilities.

- 15. In the next annual C&LM filing, the Companies will report on efforts to implement better coordination between SBEA and EO vendors. The Companies shall work toward implementing better coordination between SBEA and EO vendors and add training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors.**

On July 30, 2007, the Companies reported on their efforts to coordinate between SBEA and EO vendors. As noted in Chapter Three of this filing, the Companies are adding training and proficiency in EO program screening as a requirement for the RFP selection of SBEA vendors. (Note: This is the same as Compliance Order No. 9)

- 16. In the next annual C&LM filing, the Companies will report on strategies to develop more opportunities to deliver O&M programs for C&I customers to improve their O&M efficiency.**

Please refer to the section titled "Operations & Maintenance ("O&M") Services Program," in Chapter One of this filing.

- 17. In the next annual C&LM filing, the Companies shall submit the findings of the ECMB regarding the inclusion of global metrics as part of the management incentive structure.**

Per DPUC Decision on July 27, 2007, this will be required for the 2009 filing.

- 18. The Companies shall include a needs assessment if they propose additional funding beyond that provided by the C&LM charge in 2008. Also included in the filing shall be electric system benefit cost ratios and the cost on a \$/kW and \$/kWh basis for each program.**

Please refer to Appendix A of this filing.

Company Response to Decision 05-10-02 Order No. 2

- 2. The Companies shall include in the annual filing the average monthly balance of unspent C&LM funds and monthly actual and year-end estimated calculation of interest payments on the balance of the unspent C&LM funds, calculated at each Company's respective average rate of return.**

Attachments 1 and 2 to this Exhibit provides CL&P's and UI's (respectively) average monthly balance of unspent C&LM funds and monthly actual and year-end estimated calculation of interest payments on the quarterly balance of the unspent C&LM funds, calculated at the Company's average rate of return.

2007 Carrying Charges Summary

	<u>@ 12/31/06</u>	<u>Jan</u>	<u>Feb</u>	<u>Q1 March</u>
Monthly C&LM Balance	\$ 2,045,795	\$ 3,812,821	\$ 4,874,145	\$ 5,312,277
Average C&LM Balance				\$ 3,679,036
Accumulated Deferred Income Tax	39.87500%			<u>\$ 1,467,016</u>
Net Balance				\$ 2,212,020
Quarterly Rate of Return *				2.8750%
Total First Quarter Carrying Charges				\$ 63,596
		<u>Apr</u>	<u>May</u>	<u>Q2 June</u>
Monthly C&LM Balance		\$ 5,394,605	\$ 4,217,947	\$ 1,031,143
Average C&LM Balance				\$ 3,171,710
Accumulated Deferred Income Tax	39.87500%			<u>\$ 1,264,719</u>
Net Balance				\$ 1,906,991
Quarterly Rate of Return *				2.8750%
Total Second Quarter Carrying Charges				\$ 54,826
		<u>Jul</u>	<u>Aug</u>	<u>Estimate Q3 September</u>
Monthly C&LM Balance		\$ (780,026)	\$ (911,685)	\$ (875,817)
Average C&LM Balance				\$ 77,663
Accumulated Deferred Income Tax	39.87500%			<u>\$ 30,968</u>
Net Balance				\$ 46,695
Quarterly Rate of Return *				2.8750%
Total Third Quarter Carrying Charges				\$ 1,342
		<u>Estimate Oct</u>	<u>Estimate Nov</u>	<u>Estimate Q4 December</u>
Monthly C&LM Balance		\$ (2,282,592)	\$ (4,922,706)	\$ (7,341,001)
Average C&LM Balance				\$ (4,108,409)
Accumulated Deferred Income Tax	39.87500%			<u>\$ (1,638,228)</u>
Net Balance				\$ (2,470,181)
Quarterly Rate of Return *				2.8750%
Total Fourth Quarter Carrying Charges				\$ (71,018)
Total Year End Estimated Carrying Charges				\$ 48,746

**11.50% annual pretax ROR per Docket No 03-07-02

Estimate Assumptions

1. 2007 C&LM total spending estimated to be \$63M.
2. 2007 CL&P earned Performance Incentive estimated to be \$4.0M.
3. Year end Reserve Account balance estimated to be (\$10M).

**Attachment 2
UI Interest Calculation on CLM Fund Balance**

	C&LM Fund Cumulative Balance	C&LM Fund Running Balance Tax Affected (2006: 40.85%) (2007: 39.875%)	Interest Rate*	Interest
2003: January	1,191,353.70		11.80%	5,857.49
February	1,966,095.23		11.80%	15,524.12
March	477,736.93		11.80%	12,015.51
April	213,267.88		11.80%	3,397.44
May	1,110,772.48		11.80%	6,509.87
June	2,017,969.99		11.80%	15,382.98
July	3,461,910.70		1.01%	2,306.12
August	4,014,197.79		1.03%	3,208.50
September	5,002,054.66		1.00%	3,756.77
October	5,850,089.75		1.00%	4,521.73
November	6,953,660.45		1.01%	5,368.24
December	6,806,709.58		1.03%	5,905.49
2004: January	7,102,899.99		1.02%	5,911.58
February	8,046,215.43		1.00%	6,312.13
March	8,579,925.73		0.98%	6,789.01
April	9,341,573.83		0.97%	7,243.27
May	9,736,065.39		0.97%	7,710.55
June	9,720,913.51		11.84%	95,987.76
July	9,876,524.00		11.84%	96,680.69
August	9,593,191.36		11.84%	96,050.60
September	8,993,746.72		11.84%	91,695.56
October	7,569,826.49		11.84%	81,713.63
November	7,352,918.65		11.84%	73,618.88
December	7,115,053.17		11.84%	71,375.33
2005: January	7,116,627.65		11.67%	69,201.55
February	7,130,686.17		11.67%	69,277.56
March	7,125,904.06		11.67%	69,322.67
April	7,011,488.36		11.67%	68,743.07
May	6,835,084.77		11.67%	67,328.96
June	6,571,986.52		11.67%	65,191.88
July	6,345,178.61		11.67%	62,809.72
August	5,947,163.03		11.67%	59,771.51
September	5,688,023.32		11.67%	56,576.09
October	5,086,020.06		11.67%	52,388.79
November	4,299,404.43		11.67%	45,636.63
December	960,217.68		11.67%	25,574.91
2006: January	1,288,154.13	664,955.96	10.17%	5,635.50
February	1,466,966.34	814,826.88	10.17%	6,905.66
March	1,362,194.27	836,724.25	10.17%	7,091.24
April	1,485,963.48	842,342.65	10.17%	7,138.85
May	1,208,566.42	796,907.22	10.17%	6,753.79
June	1,091,682.47	680,298.61	10.17%	5,765.53
July	1,255,015.72	694,035.99	10.17%	5,881.96
August	1,185,922.47	721,907.47	10.17%	6,118.17
September	1,310,766.76	738,395.84	10.17%	6,257.90
October	1,259,440.80	760,138.89	10.17%	6,442.18
November	(713,314.11)	161,516.97	10.17%	1,368.86
December	(887,516.85)	(473,445.76)	10.17%	(4,012.45)
2007: January	(990,595.87)	(564,607.64)	9.99%	(4,700.36)
February	(1,116,626.57)	(633,483.75)	9.99%	(5,273.75)
March	(2,456,558.06)	(1,074,188.63)	9.99%	(8,942.62)
April	(3,639,310.60)	(1,832,570.52)	9.99%	(15,256.15)
May	(2,167,778.45)	(1,745,756.15)	9.99%	(14,533.42)
June	(1,817,186.68)	(1,197,980.14)	9.99%	(9,973.18)
July	(3,407,008.32)	(1,570,523.62)	9.99%	(13,074.61)
TOTAL				(10,406.91)

*Period January 1, 2003 - June 30, 2003 - pre-tax allowed weighted cost of capital.
 Period July 1, 2003 - May 31, 2004 - short-term borrowing interest rate.
 (Weighted Average Temporary Cash Investments in Money Market Fund)
 Period June 1, 2004 forward - pre-tax allowed weighted cost of capital.

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EXHIBIT CL&P/UI-4
(All Monetary Values in Thousands of Dollars)

THE CONNECTICUT LIGHT AND POWER COMPANY

2008 Management Incentive Performance Indicators and Incentive Matrix

CL&P and the ECMB recognize that having clear indicators and metrics of performance are helpful in delivering quality programs to Connecticut consumers. The following is a table of performance and incentive metrics developed by the utilities with input from the ECMB, the Board consultants and the Department. These performance and incentive metrics apply to the programs delineated in this Plan. The projected CL&P Performance Incentive is **\$3,214,225.00** and is based on achieving **100%** of all performance targets and earning an incentive of **5%** of the total C&LM program budget of **\$64,284,509.00** as shown on Table A (exclusive of ECMB costs, management incentives and audit costs). The actual earned amount will be calculated on a sliding scale based on the percent of goal achieved and the actual total expenditures, based on the following performance range:

-Performance Incentive Illustration-		
<u>Performance %</u>	<u>Pretax Incentive</u>	<u>Pre-tax Incentive</u>
Minimum		
70	2%	\$1,285,690
80	3%	\$1,928,535
90	4%	\$2,571,380
100	5%	\$3,214,225
110	6%	\$3,857,071
120	7%	\$4,499,916
130	8%	\$5,142,761
Maximum		
Incentive Basis Budget	\$64,284,509	

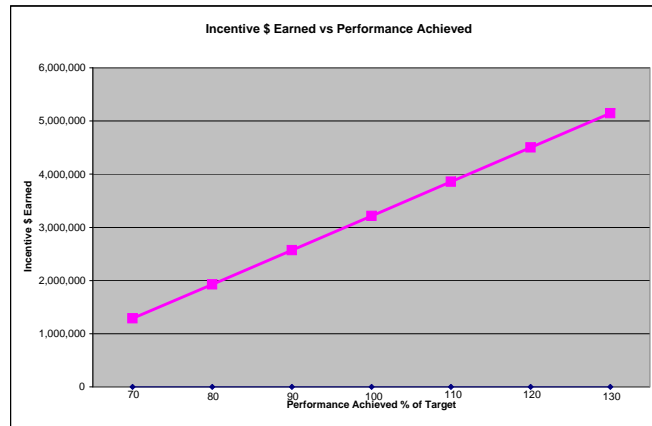


EXHIBIT CL&P/UI-4
(All Monetary Values in Thousands of Dollars)

SECTOR Program		Performance Indicators				Incentive Metrics				
						Incentive Metric	Target Goal	Weight	Incentive	
RESIDENTIAL										
		Program Name	LT-kWh	kW	% (1)					
Residential Programs (Sector Level) Sector Budget	\$23,551	Retail Products	426,956,174	4,866	53.6%	Sum of Electric System Benefit from Residential programs	Electric System Benefit from Residential programs \$97,680	0.170	\$546,418	
		Appliance Retirement	4,655,333	1,150	2.8%					
		New Construction	21,012,000	885	3.9%					
		HES	134,311,605	4,610	23.0%					
		Low-Income	135,001,799	1,373	16.6%					
		Total	721,936,911	12,884						
		Savings Rate	\$ 0.10033 / kWh	\$ 1,959.59 / kW						
		Savings	\$ 72,433	\$ 25,247						
		(1) percent of target goal								
Net Electric System Benefit - Res.		Electric System Benefit less Program Costs				\$74,130		\$74,130	0.170	\$546,418
Home Energy Solutions	\$8,563	Electric Savings LTKWh :	134,311,605			Energy Savings included in appropriate sector level metric	Develop and implement a formal training and certification program for HES vendors.	0.02	\$64,285	
		Demand Savings kw :	4,610							
		Develop a base of qualified home energy technicians in Connecticut.								
K-8 Education	\$200	Provide custom Professional Development Workshops for teachers.				Develop and deploy teacher curriculum training	Conduct 10 teacher Professional Development Workshops	0.005	\$16,071	
		Provide jointly with UI, Professional Development Workshops for teachers.					Workshop attendance of 240 teachers.	0.005	\$16,071	

EXHIBIT CL&P/UI-4
(All Monetary Values in Thousands of Dollars)

SECTOR Program	Performance Indicators	Incentive Metrics			
		Incentive Metric	Target Goal	Weight	Incentive
Residential New Construction	\$1,261 Electric Savings LTKWh : 4,655,333 Demand Savings kw : 1,150 Increase the number of homes that reach the Federal Tax Credit criteria and thereby increase availability of external funding. Decrease peak kw impact by implementing quality installation verification (QIV) on homes including verification of sizing (Manual J), charge, and air flow. Work with local building official(s) to incorporate Energy Star into routine code compliance. Develop "Model town" with HERS raters to perform Energy Code Inspections on behalf or in conjunction with the local building official(s).	Energy Savings included in appropriate sector level metric			
		Tax Credit Homes	Complete 200 Homes that meeting Federal Tax Credit Criteria	0.005	\$16,071
		QIV verification with sizing	Perform system QIV including proper sizing on 25% of all new homes.	0.005	\$16,071
		Alternative code compliance	50% of new single family homes in "model town" being under contract as Energy Star.	0.005	\$16,071
Low-Income	\$6,840 Electric Savings LTKWh : 135,001,799 Demand Savings kW : 1,373 Focus efforts on low income Lost Opportunity market segment. Number of participants and broadened outreach. Increase coordination and cost share of program participants with DSS/DOE and Natural Gas Programs	Energy savings included in appropriate sector level metric			
		Efficient Refrigerators	1000 Refrigerator Replacements	0.005	\$16,071
		Number of Low-Income program participants	13,100 Customers Served	0.005	\$16,071
		Number of cost share/coordinated Low Income program participants	6,500	0.01	\$32,142
Retail Products	\$6,887 Electric Savings LTKWh : 426,956,174 Demand Savings kW : 4,866 Number of products/sales rebated. Develop alternative channels for the purchase of CFL bulbs.	Energy savings included in appropriate sector level metric			
		Non-standard mix for cooperative promotions	Achieve 375,000 non-standard CFL product mix (dimmables, reflectors, fixtures, Hi wattage (>23) spirals, etc)	0.015	\$48,213
		Drug and/or Grocery chain involvement	5 new drug and/or grocery NCP offerings	0.005	\$16,071

EXHIBIT CL&P/UI-4
(All Monetary Values in Thousands of Dollars)

SECTOR Program	Performance Indicators	Incentive Metrics			
		Incentive Metric	Target Goal	Weight	Incentive
Small Business	\$7,460 Electric Saving LTKWh : 334,299,635 Demand Saving kW : 5,867 1) With UI, jointly provide training programs (including Cross Training in non-lighting control devices) with contractors/vendors 2) SBEA vendors cross-market leads for EO and ECB to all SBEA customers. 3) Provide follow-up contact to all participating SBEA customers for participation in EO and ECB programs within one year of SBEA program participation. 4) Number of "Comprehensive" projects consisting of 2 or more end uses	Energy savings included in appropriate sector level metric			
		Hold 4 joint meetings with UI and contractors	0.002	\$6,428	
		The contractors will provide 130 combined cross market referrals.	0.001	\$3,214	
		Conduct an annual mailing explaining C&I programs to SBEA program participants.	0.001	\$3,214	
		8 Comprehensive projects completed	0.002	\$6,428	
Number of small business projects	Completed Projects: 907	0.002	\$6,428		
O&M	\$1,890 Conduct joint training sessions with UI targeting facility management through O&M practices and procedures		Conduct 3 Joint Training Sessions with UI	0.002	\$6,428
Total of Incentives				1.000	\$3,214,225

THE UNITED ILLUMINATING COMPANY
2008 Management Incentive Performance Indicators and Incentive Matrix

Provided below is the 2008 Incentive Matrix with Performance Indicators.

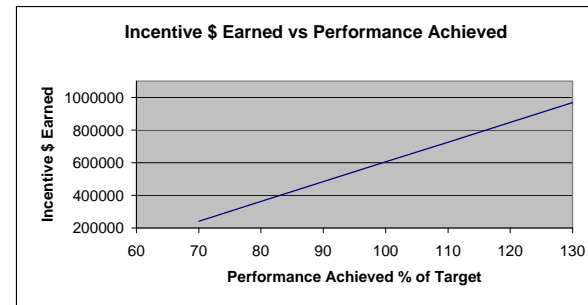
The weights applied to each of the individual and sector level metrics were developed in collaboration with ECMB consultants. The Utility Performance Incentive is \$851,235.

This calculated is based on achieving 100% of all performance targets and earning a target incentive of 5% of C&LM budgets (not including ECMB costs, Audit Costs or Management Incentive).

The actual incentive earned will be determined by the performance achieved in each of the Incentive Metrics identified below, based on the following Performance Index:

<u>Performance %</u>	<u>Pretax Incentive</u>	<u>Pre-tax Incentive</u>
70	2%	\$340,494
80	3%	\$510,741
90	4%	\$680,988
100	5%	\$851,235
110	6%	\$1,021,482
120	7%	\$1,191,729
130	8%	\$1,361,976
Total Original Budget*		\$17,024,696

*Does not include Incentive, ECMB costs and Audit



				Incentive Metric	Target Goal	Weight	Incentive
	\$ 6,030,539	Residential Products & Services Lifetime kWh	91,460,165		Electric System Benefit from all Res programs		
		Residential Products & Services kW	1,224		Total Electric System Benefit:		
		Appliance Retirement Lifetime kWh	2,062,396				
		Appliance Retirement kW	548				
		Homes Lifetime kWh	4,950,000		\$20,785,281		
		Homes kW	196				
		Home Energy Solutions Lifetime kWh	26,766,802				
		Home Energy Solutions kW	1,181				
		Low Income Lifetime kWh	29,528,140				
		Low Income kW	409				
		Total Residential Lifetime kWh	154,767,503				
		Total Residential kW	3,558				
		Present Value of Res Lifetime kWh	\$0.0958				
		Present Value of Res Lifetime kW @ Customer Meter	\$1,673.20				
		Total Res Lifetime kWh @ Present Value Factor	\$14,832,491				

SECTOR Program		Performance Indicators		Incentive Metrics			
				Incentive Metric	Target Goal	Weight	Incentive
Home Energy Solutions	\$ 2,087,473	Jointly with CL&P, develop a base of qualified home energy technicians in Connecticut.			Develop and implement a formal training and certification program for HES vendors.	0.02	\$17,025
Residential Retail Products	\$ 1,238,383	Electric savings LT kWh: 91,460,165		Number of lighting products/sales	Achieve 92,000 No. of non-std lighting products/sales (dimmables, reflectors, and 3-way bulbs, CFL's >23W)	0.01	\$8,512
		Demand Savings kW: 1,224		Energy savings included in sector			
				Increase market penetration of CFLs in Grocery and Drug Retailers	Implement 5 New NCPs statewide within Grocery and Drug retail channels	0.01	\$8,512
K - 8 Education	\$ 282,202	Professional Development Sessions			10 Professional Development Sessions/Workshops	0.01	\$8,512
Low-Income	\$ 1,558,400	Electric savings LT kWh: 29,528,140		Energy savings included in appropriate sector level metric			
				Number of refrigerators replaced	225	0.005	\$4,256
				Number of Room A/C Replaced	225	0.005	\$4,256
		Increase coordination and cost share of program participants with DSS and Natural Gas Programs		Number of cost share/coordinated Low Income program participants	675	0.01	\$8,512
All Other Residential Programs		Electric savings		Energy savings included in appropriate sector level metric			

SECTOR Program		Performance Indicators		Incentive Metrics			
				Incentive Metric	Target Goal	Weight	Incentive
COMMERCIAL & INDUSTRIAL (C/I)							
All C/I Programs (Sector Level) Sector Budget	\$ 8,717,009	Energy Blueprint Lifetime kWh	179,778,719	Total Electric System Benefit from all C&I programs.	Electric System Benefit from all C&I programs Total Electric System Benefit: \$61,526,986	0.2725	\$231,961
		Energy Blueprint kW	1,975				
		Energy Opportunities Lifetime kWh	221,498,457				
		Energy Opportunities kW	2,661				
		O&M (RetroCx, BOC, RFP)	13,000,000				
		O&M RFP kW	100				
		Small Business Lifetime kWh	96,830,320				
		Small Business kW	1,717				
		Total C&I Lifetime kWh	511,107,496				
		Total C&I kW	6,453				
		Present Value of C&I Lifetime kWh	\$0.0936				
		Present Value of C&I Lifetime kW @ Customer Meter	\$2,118.36				
		Total C&I Lifetime kWh @ Present Value Factor	\$47,857,304				
		Total C&I kW @ Present Value Factor	\$13,669,681				
		Total Electric System Benefit	\$61,526,986				
The net Electric System Benefit from all C&I programs:	\$52,809,977						
All C/I Programs (Sector Level) Sector Budget		Total Net Electric System Benefit from all C&I programs.	\$52,809,977	Total Electric System Benefit from all C&I	0.2725	\$231,961	

SECTOR Program		Performance Indicators		Incentive Metrics			
				Incentive Metric	Target Goal	Weight	Incentive
Small Business	\$ 2,010,612	Electric Savings LT kWh: 96,830,320 Demand Savings kW: 1,717		energy savings included in appropriate sector level metric Number of small business participants	340 Projects	0.002	\$1,702
Energy Conscious Blueprint	\$ 2,921,718	1) Number of ECB projects that exceed the new construction State Energy Code lighting baseline by 30% or more. 2) Conduct joint training sessions with CL&P targeting the A/E and Design Community on a variety of subjects relating to Integrated Design and High Performance Buildings. 3) Develop a definition of Integrated Design and develop a mechanism for tracking facilities identified as "intergrated designs" with respect to code and comprehensiveness.			10 projects Exceed Lighting Code by 30% Conduct 6 joint Training Sessions with CL&P	0.005 0.005	\$4,256 \$4,256
Energy Opportunities	\$ 3,422,328	1) Number of EO lighting projects that exceed State Energy Code 15% or more. 2) Number of comprehensive projects consisting of two or more end-uses. 3) Implement a mechanism for tracking the performance of custom lighting with respect to code and comprehensiveness of projects.			10 projects Exceed Lighting Code by 15% 4 installed projects which are defined as being comprehensive	0.005 0.005	\$4,256 \$4,256
Small Business		1) Conduct joint training sessions with CL&P for all SBEA vendors addressing high efficiency technologies, program delivery and assessments. 2) SBEA vendors cross market leads to all SBEA customers for EO and ECB programs. 3) Provide follow-up contact to all participating SBEA customers for participation in EO and ECB programs within one year of SBEA program participation. 4) Number of comprehensive projects consisting of two or more end-uses.			Conduct 4 joint sessions with CL&P SBEA vendor provide a minimum of 40 combined cross market referrals Conduct annual mailing explaining C&I programs to SBEA program participants.	0.002 0.002 0.002	\$1,702 \$1,702 \$1,702
O&M RFP Includes funds for programs that may result from the public input	\$ 362,351	1) Conduct joint training sessions with CL&P targeting effective facility management through O&M practices and procedures.			Conduct 3 joint sessions with CL&P		

SECTOR Program		Performance Indicators		Incentive Metrics			
				Incentive Metric	Target Goal	Weight	Incentive
All Other C&I Programs		Electric Savings		Electric Savings include in appropriate sector level metric			
Non-Electric Benefits		Dollar savings associated with fossil fuel savings, water savings, maintenance savings, labor savings and any other identified benefit.	\$500,000 in benefits				
Total Incentive \$ Residential and C&I						1.0000	\$851,235

Appendix A

PA 05-01

Connecticut Energy Independence Act

Public Act 05-01, An Act Concerning Energy Independence, June Special Session, (the “Act”) was signed by Governor Rell on July 22, 2005. The goal of the Act is to provide Connecticut with additional means of addressing rising electric prices faced by the state’s citizens and businesses. The Act recognizes that the region’s competitive generation market, which is administered by ISO-New England (“ISO-NE”), has experienced and will continue to experience cost pressures that ultimately are passed on to Connecticut electric consumers as Federally-Mandated Congestion Charges (“FMCCs”). The Act authorized the Department of Public Utility Control (Department) to implement various initiatives to encourage new resources and programs that create customer savings. Customers recognize EIA programs as a viable means of reducing their monthly energy bills as evidenced by increased program participation. In 2008, the third year of these programs, the need still continues to fund these short-term programs to bridge the gap during ISO-NE’s Transition Period Market. This need is expected to continue a minimum until the Forward Capacity Market implementation date of June 1, 2010.

This Act established several initiatives to reduce electric power supply costs caused by inadequate transmission and generation infrastructure, and exacerbated by new wholesale power market rules approved or under consideration by the Federal Energy Regulatory Commission (“FERC”). The Act created incentives for customers to install “Customer Side Distributed Resources” on their premises. “Customer Side Distributed Resources” include generating facilities and conservation and load management measures.

Section 12(a) of the Act directs the Department to pursue development of near-term measures that reduce FMCCs and to implement such measures as soon as possible. Under the Act, near-term measures may include, but are not limited to, demand response programs, other distributed resources, and contracts between an electric distribution company and an owner of generation resources. To address this directive, the Department opened Docket 05-07-14PH01, Investigation of Measures to Reduce Federally Mandated Congestion Charges and, pursuant to a procedural order issued by the Department on July 25, 2005, the electric distribution companies were directed to file implementation plans describing the manner in which various near-term measures to reduce FMCCs could be deployed.

On September 2, 2005, the companies each filed with the Department implementation plans describing the manner in which various near-term measures could be deployed. In developing these plans, the Companies drew from their many years of experience gained from implementing existing conservation and load management programs. The Department subsequently approved the deployment of the near-term Conservation and Load Management measures described below.

The Companies and the ECMB propose continuing the 2006 and 2007 near-term measures for 2008, with the modifications noted in the descriptions below. In 2008, the Companies’ near-term ISO-NE load response programs will provide 449.23 MW of peak demand load response at a cost of \$32.8M with an average cost of \$73,010/MW.

In 2008, CL&P’s near-term ISO-NE load response programs anticipate providing 375.33 MW of peak demand load response at a cost of \$28.5M (average cost of \$75,865/MW) and UI’s near-

term ISO-NE load response programs expect to provide 73.9 MW of peak demand load response at a cost of \$4.3M (average cost of \$58,511/MW).

In 2008, as in 2007, the Companies' ISO-NE load response program costs will be included in FMCCs. The FMCC costs will be net of any Installed Capacity (ICAP) payments received for assets enrolled in ISO-NE load response programs by the Companies and third party providers.

- **ISO-NE Load Response Programs**

- The **Load Curtailment Program** is based on the ISO-NE Load Response Program and is designed for customers that can reduce peak demand by 100 kW or more, either at a single site or through aggregation of multiple facilities. This program is designed to actively promote customer enrollment in the ISO-NE operated demand response programs through load-reducing actions such as switching off non-critical loads or setting forward cooling temperature set points. Customers are paid an incentive to curtail load in response to ISO-NE initiated Demand Response events. The program offers customers a one time incentive payment to off set the costs of setting-up data, phone, or metering connections for an internet-based communications system utilized by ISO-NE for enrolling participants. Supplemental incentives of up to \$80/kW-year are also offered in exchange for a commitment to curtail load during Demand Response events initiated by ISO-NE.
- **Emergency Generation** is also used as a demand response resource in the ISO-NE Load Response Program for customers that can reduce peak demand by 100 kW or more through the operation of emergency generation either at a single site or through an aggregation of multiple facilities. Emergency generators can be used during ISO-NE demand response events. The program identifies and enlists customers with emergency generators in Connecticut to use their emergency generator's capability and to make a commitment to reduce their electricity consumption by a minimum of 100 kW within 30 minutes of being called upon by ISO-NE to participate in a demand response event. The program offers customers a one time incentive payment to off set the costs of setting-up data, phone, or metering connections for an internet-based communications system utilized by ISO-NE for enrolling participants. Supplemental incentives of up to \$80/kW-year are also offered in exchange for a commitment to curtail load during Demand Response events initiated by ISO-NE.
- **GAP RFP Assistance Contracts** are designed to assist ISO-NE GAP RFP vendors in achieving their contractual requirements. Since Connecticut's energy costs would increase as a result of ISO-NE GAP RFP vendors failing to fulfill their contractual obligations, this support helps ensure ISO-NE GAP RFP providers are successful in achieving their contracted load reductions. The Companies are uniquely positioned to enhance the value of ISO-NE GAP RFP programs through marketing assistance, supplemental contracts, etc, with existing ISO-NE GAP RFP vendors. The Companies have worked with interested ISO-NE GAP RFP vendors and developed plans and entered into agreements to provide various marketing strategies, tactics and promotional options to support achievement of their ISO-NE GAP RFP contractual obligations.
- **3rd Party Vendor Contracts (CL&P only)** provide additional load response resources over and above those resources contractually obligated under the ISO-NE GAP RFP.

- **Gas Efficiency Program (CL&P only)**
 The Gas Energy Efficiency Program is a pilot program to reduce FMCC charges by providing reductions in electrical consumption and peak load through the use of efficient gas cooling technologies instead of electrical cooling equipment. The primary technology used is natural gas engine-driven chillers. The pilot program is being implemented through CL&P's existing Energy Opportunities and Energy Conscious Blueprint programs. While the pilot program will end in 2007, per the Department's letter of August 23, 2007, customers installing qualified natural gas engine driven chiller equipment will receive incentives of up to \$900 per kW saved provided a Letter of Agreement is signed by December 31, 2007 and the equipment is installed in their facilities by December 2008.
- **General Awareness Program**
 The General Awareness program educates the general public regarding the magnitude of the energy problem being faced by Connecticut consumers, the cost associated with it or the steps that individuals could take to reduce system demands generally, and specifically during periods of peak demand. The Department, recognizing the need for specific initiatives to educate the general public regarding these issues, authorized the deployment of a general awareness campaign built on the Companies existing and successful "Wait 'til 8" campaign. The program is designed to increase awareness among all customers about the cost and impact that peak demands place on the state's electric system, as well as informing these customers as to the strategies that can be employed to address peak demand and cost. The program makes customers aware of rate design options, various conservation and load management programs available to customers and actions that individuals can take to address this problem.
- **Direct Load Control Program**
 Order No. 8 in Docket 05-07-14PH-01 required the Companies to submit a detailed plan for a Direct Load Control ("DLC") Program to be offered to residential and small commercial and industrial ("C&I") customers. The original plan was filed in March 2006 and subsequently re-filed with an added tariff feature. The Program will benefit Connecticut's electric customers and distribution system by providing a means of reducing peak kW demand and address a market segment largely ignored by the previously described load response programs. Placed on hold by the DPUC in December 2006, the Department eventually approved the Program in May 2007 as part of its Decision in Docket 06-10-02. The Program will be funded through the Energy Independence Act.

The DLC Program will enroll residential and small non-residential customers up to approximately 200 kW to reduce kW demand during ISO-New England ("ISO-NE") critical peak periods. This objective will be primarily accomplished through the use of remote control technologies to provide real-time load curtailment of central air conditioning. The DLC Program will also be available for dispatch to provide direct benefits to Connecticut's electric distribution system through targeted kW demand reductions.

Program Description:

The first twelve (12) months of the Program is planned as a "pilot" period, during which costs, customer enrollments and performance will be evaluated against projections to identify

subsequent refinements. The plan calls for a long-term program, with a ten year duration in order to minimize average cost per kW-year. An initial five-year ramp-up is planned, followed by a five-year level-enrollment period.

The Program will provide enrolling customers one-way DLC switches and possibly the option of programmable DLC thermostats that gives the customer thermostat control via the internet. The selected DLC load control service provider(s) will use an internet-based software program capable of initiating a wireless signal to remotely curtail the HVAC loads of participants during ISO-NE critical peak periods.

Marketing Strategy:

The Companies will market the Programs to customers through bill inserts, targeted direct mail, their websites, cross-program promotional campaigns, seminars, trade shows and face-to-face meetings. Utility personnel will use marketing approaches such as Company websites, comprehensive information packets, case studies, direct mail, seminars, and trade shows. Both Utilities will leverage customer contacts arising from program participation in residential and small C&I conservation and load management (C&LM) program participation. Marketing outreach will occur over the twelve month calendar year at specific intervals. Marketing efforts are expected to become more aggressive as the Programs unfold and penetration increases.

Customer incentives are also planned as part of the marketing strategy. Customers will be paid a one-time incentive amount to encourage enrollment and maximize enrollment rates; as well as on-going tariffed bill credits to reward continued participation.

Current DLC Program Status

The Companies expect to complete negotiations with the selected DLC switch vendor by October 1, 2007 and, soon thereafter, file the associated contract for DPUC approval. In parallel, CL&P and UI are evaluating the possibility of awarding a second contract to allow inclusion of DLC thermostats in the Program. Assuming DPUC provides its authorization of contracts by the end of 2007, the Companies plan to launch the DLC Program to customers during the second quarter of 2008.

Attachment 1 to this Appendix provides a summary table of costs and demand savings for both companies as well the Standard Filing Requirements tables for the ISO-NE Load Response and Direct Load Control Programs.¹

¹ The ECMB has not reviewed the specific costs, MW savings, and allocation of EIA efforts proposed for 2008 that are summarized in Attachment 1. The ECMB will review and comment on this information as part of the supplemental filing.

The Connecticut Light and Power Company
PA-05-01 Energy Independence Act

C&LM Program Summary

	CL&P 2007 Y/E Estimate	UI 2007 Y/E Estimate	CL&P/UI 2007 Y/E Estimate	CL&P 2008 Proposed	UI 2008 Proposed	CL&P/UI 2008 Proposed
EIA Program Expenditures						
General Awareness	\$ 253,744	\$ 60,000	\$ 313,744	\$ 255,000	\$ 60,000	\$ 315,000
ISO-NE Load Response Programs Note 1	\$ 22,937,128	\$ 2,461,805	\$ 25,398,933	\$ 28,474,049	\$ 4,323,945	\$ 32,797,994
Gas Efficiency	\$ 6,644		\$ 6,644	\$ 7,900	\$ -	\$ 7,900
Residential HVAC		\$ 324,000	\$ 324,000			\$ -
Direct Load Control	\$ 112,448	\$ 275,845	\$ 388,293	\$ 1,000,000	\$ 700,000	\$ 1,700,000
Energy Opportunities		\$ 2,041,625	\$ 2,041,625			\$ -
Total	\$ 23,309,964	\$ 5,163,275	\$ 28,473,239	\$ 29,736,949	\$ 5,083,945	\$ 34,820,894

Cumulative MWs

General Awareness	0.00	0.00	0.00	0.00	0.00	0.00
ISO-NE Load Response Programs Note 1	300.68	38.40	339.08	375.33	73.90	449.23
Gas Efficiency	0.11		0.11	0.11		0.11
Residential HVAC		0.02	0.02			0.00
Direct Load Control	0.28	1.50	1.78	7.00	5.00	12.00
Energy Opportunities		1.67	1.67			0.00
Total Cumulative MWs	301.07	41.59	342.66	382.44	78.90	461.34

All Near Term Measures - Average Cost per MW	\$ 77,423	\$ 124,147	\$ 83,094	\$ 77,756	\$ 64,435	\$ 75,478
ISO-NE Load Response Programs - Average Cost per MW	\$ 76,285	\$ 64,110	\$ 74,906	\$ 75,865	\$ 58,511	\$ 73,010

Note 1: ISO Load Response comprised of ISO Load Response - Curtailment,
ISO Load Response - Emergency Generation, GAP RFP Assistance Contracts
and Third Party Load Response Contracts. Costs are net of ISO-NE Transition Period Payments.

**The Connecticut Light and Power Company
PA-05-01 Energy Independence Act**

ISO Load Response Programs (1)

	<u>2006</u> <u>Year End</u> <u>Actuals</u>	<u>2007</u> <u>Year End</u> <u>Projected</u>	<u>2008</u> <u>Proposed</u> <u>Budget</u>
<u>Costs</u>			
Labor	\$ 335,820	\$ 460,129	\$ 463,500
Outside Services	\$ 148,353	\$ 657,461	\$ 670,000
Contractor Labor	\$ 21,576	\$ 50,269	\$ 55,000
*Customer Incentives (\$80/ kW Year)	\$ 12,351,328	\$ 17,248,143	\$ 21,078,299
Marketing	\$ (26,608)	\$ (92,176)	\$ 15,000
Other	\$ 2,750	\$ -	\$ -
Administrative	\$ 11,611	\$ 15,112	\$ 16,000
Sub-total Program Expenses	<u>\$ 12,844,830</u>	<u>\$ 18,338,938</u>	<u>\$ 22,297,799</u>
**CL&P Incentive	<u>\$ 5,479,676</u>	<u>\$ 4,598,190</u>	<u>\$ 6,176,250</u>
Total Program Expenses	\$ 18,324,506	\$ 22,937,128	\$ 28,474,049
 MW - Cumulative	 218	 301	 375

Note 1: ISO Load Response comprised of ISO Load Response - Curtailment,
ISO Load Response - Emergency Generation, GAP RFP Assistance Contracts
and Third Party Load Response Contracts

The United Illuminating Company
EL-25 Standard Filing Requirement
2008

EI - Load Curtailment

<u>Budget Projections</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
	<u>Actuals</u>	<u>YE Projected</u>	<u>Budget</u>
Labor			
UI Labor	\$ 33,251	\$ 24,677	\$ -
Contractor Staff	\$ 4,421	\$ -	\$ -
Total Labor	\$ 37,672	\$ 24,677	-
Materials & Supplies	\$ 1,609	\$ 12,973	\$ 34,500
Outside Services	\$ 97,457	\$ 212,999	\$ 391,000
Incentives	\$ 332,032	\$ 1,868,033	\$ 4,692,000
Marketing	\$ 25,364	\$ -	\$ -
Other	\$ 111,319	\$ 949,900	\$ 1,847,500
Administrative Expenses	\$ (4,838)	\$ (606,777)	\$ (2,641,055)
Total	\$ 600,615	\$ 2,461,805	\$ 4,323,945

Goals and Metrics Information:

Savings	<u>2007</u>	<u>2008</u>
Demand Savings (kW)	38,400	73,900

**The Connecticut Light and Power Company
PA-05-01 Energy Independence Act**

Direct Load Control

	<u>2006</u>	<u>2007</u>	<u>2008</u>
	<u>Year End</u>	<u>Year End</u>	<u>Proposed</u>
	<u>Actuals</u>	<u>Projected</u>	<u>Budget</u>
<u>Costs</u>			
Labor	\$ -	\$ 60,000	\$ 50,000
Outside Services	\$ -	\$ 25,000	\$ 362,000
Contractor Labor	\$ -	\$ -	\$ -
*Customer Incentives	\$ -	\$ 10,448	\$ 380,000
Marketing	\$ -	\$ 10,000	\$ 40,000
Other	\$ -	\$ -	\$ -
Administrative	\$ -	\$ -	\$ -
Sub-total Program Expenses	\$ -	\$ 105,448	\$ 832,000
**CL&P Incentive	\$ -	\$ 7,000	\$ 168,000
Total Program Expenses	\$ -	\$ 112,448	\$ 1,000,000
MW - Cumulative	0.00	0.28	7.00

Program Description:

Direct Load Control is a C&LM EIA initiative in which demand (kW) is reduced through the control devices which reduce load utilized on equipment such as Air Conditioning.

Cost Descriptions & Notes:

Labor: Program Administrative Labor (employee time charged to plan and administer the program)
 Outside Services: Costs to vendors and third party contractors, including estimated Set-Up Fees
 *Customer Incentives: Based on \$75/customer install-residential & \$150/customer install-commercial
 Marketing: Costs to market the program, includes cut sheets, pamphlets, brochures, etc.
 Other: Other Costs to plan and administer the program such as teleconference calls, etc.
 Administrative Expenses: Includes travel, meals, mileage, cell-phone reimbursement, etc.
 **CL&P Incentive is based on \$25/kW-year

The United Illuminating Company
EL-25 Standard Filing Requirement
2008

El - Direct Load Control

<u>Budget Projections</u>	<u>2006</u> <u>Actuals</u>	<u>2007</u> <u>YE Projected</u>	<u>2008</u> <u>Budget</u>
Labor			
UI Labor	\$ -	\$ -	\$ -
Contractor Staff	\$ -	\$ -	\$ -
Total Labor	\$ -	\$ -	\$ -
Materials & Supplies	\$ -	\$ -	\$ -
Outside Services	\$ -	\$ 130,000	\$ 308,500
Incentives	\$ -	\$ 108,345	\$ 266,500
Marketing	\$ -	\$ -	\$ -
Other	\$ -	\$ 37,500	\$ 125,000
Administrative Expenses	\$ -	\$ -	\$ -
 Total	 \$ -	 \$ 275,845	 \$ 700,000

Goals and Metrics Information:

Savings	<u>2007</u>	<u>2008</u>
Demand Savings (kW)	1,500	5,000