

Exhibit CL&P/UI 2

Resolutions of the ECMB on the CL&P and UI Conservation and Load Management Plan for the 2003-04

I. ECMB Supporting Resolution

The Energy Conservation Management Board (ECMB or Board) was established by Connecticut General Statute Sec. 16-245m. This section established a three-mill charge to be assessed on each kilowatt-hour of electricity sold in the service territories of The Connecticut Light and Power Company (CL&P) and United Illuminating Company (UI) beginning in the year 2000. (CL&P and UI are collectively referred to as the Companies) The Act established an 11 member board to advise and assist these two investor-owned utilities in the state in developing annual Conservation and Load Management (C&LM or DSM or energy efficiency) plans. The Companies are responsible for collecting the charge, submitting their plans for Department of Public Utility Control (Department) approval, and administering cost-effective programs.

The Board and the Companies have worked diligently and cooperatively over the past five and one-half years in assessing the energy efficiency needs of the State of Connecticut and developing plans to address those needs, including soliciting public opinion and comments on the Companies' draft proposals. There were challenging ramp-up issues in 2000 and 2001. For 2002, the efforts were focused more towards increasing commonality and other issues between UI and CL&P and other issues for a sustained level of effort. The plan(s) for 2003 and 2004 sought to maximize the cost-effective use of reduced funding when faced with budget reductions tied to the state budget deficit while ensuring that adequate resources were allocated to Southwest Connecticut to mitigate the congestion situation. The plan for 2005 not only builds upon those past priorities, but also further consolidates and refines programs operated by the two companies and integrates numerous suggestions from the OCC consultants. The plan includes a renewed emphasis on evaluation as well as initiatives to increase the public presence of the Fund and to promote an energy efficiency ethic.

II. Programs

The Companies and the ECMB have developed and the Companies are implementing several different programs to accomplish the state's energy efficiency goals. Recognizing that each customer sector has its own needs and traditional market barriers, CL&P and UI have developed a mix of programs to provide customers with the resources and motivations to avail themselves of modern energy efficiency technologies. Except as noted in this or other applicable resolutions, the ECMB supports CL&P's and UI's plans which describe these programs.

III. The Companies' Planned Southwestern Connecticut Focus in 2003-2004

The Board is supportive of continuing a significant effort in 2005 to help relieve potential shortfalls of electricity in Southwestern Connecticut (SWCT.) In 2002, the Board passed an extensive resolution on the SWCT which is still an active tenet of the Board's intent.

The Board has reviewed the Companies' plan for SWCT in Chapter 5 of the 2005 Plan and finds it to be consistent with the Board's previous resolution.

IV. Budget Allocation

Except as noted in this or other applicable resolutions, CL&P and UI have developed the proposed budget allocation with the Board, and the ECMB believes that, from an overall perspective, the Companies' proposed allocation to specific programs is appropriate. The budget balances the diverse objectives of the plan, serves the various customer groups, and meets the legislative mandate.

The ECMB is committed to achieving greater parity between revenues and budgets for each customer class, as well as geographic parity, with each contributing customer sector and area of the state receiving an equitable share of benefits for their contribution to the fund. To the extent customer classes or geographic areas receive a disproportionate share of C&LM funds for a period of time, future expenditures should be adjusted such that, when viewed over time, both customer class and geographic parity has been established and maintained. CL&P and UI will each track expenditures for programs by class and subclass (where feasible) and geographic area so information is available in the future to ensure parity.

The Board is aware that the Companies may need to vary the actual expenditures within programs during the implementation of the programs. For many reasons, such as start-up difficulties or market response, CL&P or UI may need to reallocate dollars from one program to another to meet its expenditure and energy savings targets. The Board expects that CL&P and UI will inform Board members in a timely manner of budget adjustments and reallocations during 2005.

V. Common Programs between CL&P and United Illuminating

The ECMB believes that CL&P and UI have worked effectively to create common programs for the 2005. The ECMB and its consultants have worked with the Companies since 2000 to develop common formats for most programs to reduce confusion to customers and lower the cost of administration. The ECMB supports these common programs and applauds the efforts of the Department to further increase interaction between the two companies to achieve commonality.

VI. Third Party Program Delivery

Over the last three years, the ECMB has pursued the topic of third party program delivery with the Companies, such that new programs have been developed for third parties to plan and implement conservation initiatives. Examples include the Commercial and Industrial RFP program, the Community Based Program, and the O&M RFP program. The Board is supportive of these programs and continues to seek ways to increase participation by third parties and non utility delivery options.

VII. Government Entities Requesting Program Funding

C&LM funding for government participation in programs should not supplant funding previously supplied by government or funding more appropriately supplied by public funds. Participation in C&I programs by government entities is appropriate to the extent it meets the standards applied to other C&I customers.

VIII. Institute for Sustainable Energy

The Institute for Sustainable Energy (Institute) at Eastern Connecticut State University (ECSU) was established to assist in the development and promotion of sustainable energy programs and practices, as well as the advancement of sustainable energy consumption. The ECMB believes the Institute can be a valuable resource to Connecticut and New England in that it has the potential to provide independent research, study and public education regarding sustainable energy and energy conservation.

The ECMB recommends future payments to the Institute should be released contingent upon demonstrations by the Institute of acceptable quarterly performance in the public setting of ECMB meetings. The ECMB has worked with the Institute to prepare more specific milestones consistent with this resolution and will continue to work with the Institute to closely align the Institute's activities with the mission of the Fund.

IX. Performance Metrics and Indicators

The ECMB has continually supported the establishment of achievable but strenuous performance goals for each program. The Board believes it is most appropriate to base many of the incentive metrics on energy and demand savings given the primary objective of the programs, and considering that savings are closely linked to participation and based on prior evaluation results. The goal-setting exercise for this coming year's incentive has been carefully conducted and reviewed. Coupled with a renewed emphasis on evaluation, the goals should provide an effective set of metrics by which to reward company performance.

X. Environmental Issues

Part of the overall goal of the C&LM fund is to reduce pollution and improve air quality. The C&LM programs are a significant factor in avoiding detrimental greenhouse gas emissions and have provided the most effective program to that end in meeting the goals as set forth by the Governor's Steering Committee on Climate Change. The ECMB fully supports these goals and believes the Companies should promote the environmental benefits of its programs to customers. The programs produce environmental results by reducing the rate of growth in electric demand and avoiding emissions that would otherwise be produced through additional generation.

XI. Role of Non-electric Energy Savings for Programs

It is the sense of the ECMB that the primary goal of Conn. Gen. Stat. Sec. 16-245m is to promote efficient use of electricity in Connecticut. The statute permits this goal to be achieved through a variety of approaches, including implementing programs to transform markets for products and services that consume electricity and by investing in high efficient electrical equipment at consumer facilities.

In accordance with past practice, electric distribution companies may implement cost-effective programs that include non-electrical energy saving measures for low-income customers. Electric distribution companies may seek approval for electrical energy efficiency initiatives that provide incentives for non-electrical energy saving measures to other consumer groups, such as those contained in Public Act 04-129 concerning indoor air quality for schools, but only if they continue to meet cost-effectiveness standards. Such incentives should not exceed 10% of the electric distribution company's annual program budget for energy efficiency. No incentive payments should be paid for fossil fueled cooling or water heating. Electric distribution companies are further encouraged to seek the financial participation of gas companies and oil dealers in jointly implementing programs that improve the efficiency of fossil fuels.

XII. Energy Efficiency and Renewable Energy

The ECMB believes that it is appropriate for the Companies to provide limited support for renewable resources. Although the ECMB agrees the primary intent of the Fund is to promote electrical energy efficiency and conservation, renewable energy supports cleaner air and seeks environmental improvement in the power sector. These projects should pass appropriate cost-benefit tests. The ECMB also encourages appropriate program linkages with the Connecticut Clean Energy Fund which has the primary responsibility for promoting renewable sources of energy.

XIII. Cost-Benefit Analysis

For 2005, the Companies continue to screen their plans under both the electric system test and the total resource test. The Board finds that it has been helpful to have programs reviewed under each test. The Board acknowledges that the Department has utilized an electric system test in the past, and that electric-energy savings and costs are essential criteria of cost-effectiveness analysis. The Board further notes, however, that certain programs, such as low-income, new residential construction (Energy Star) and Residential HVAC and Appliances are designed to capture benefits in addition to electric energy savings that are best represented under the total resource test. Accordingly, the Board recommends that the Department continue to allow the companies the flexibility of utilizing the total resource test where appropriate.

XIV. Load Management and Peak Savings

Because the Board is aware of the need for renewed emphasis for energy efficiency programs and load management to contribute to peak load reductions, the value of capacity should be included as a component of cost-effectiveness testing. In addition, the value associated with peak demand reduction should be commensurate with those seen in the emerging market rather than based upon previous utility cost of service determinations. It should be made clear that the sole use of such values should be in relation to C&LM program cost-effectiveness studies and does not affect the status of prior stranded cost determinations. The Board has reviewed the new joint cost effectiveness accomplishments of the Companies and supports these efforts.

XV. ECMB Award Resolution

The ECMB shall present an annual conservation and load management award.

XVI. Energy Efficiency for Marketing Purposes

The ECMB's considerations regarding the use of the term "energy efficiency" for marketing purposes does not limit the use of that term with respect to the allocation of the C&LM funds for a broad array of cost-effective conservation and load management programs and market transformation initiatives for state consumers.

XVII. Time of Use Rates

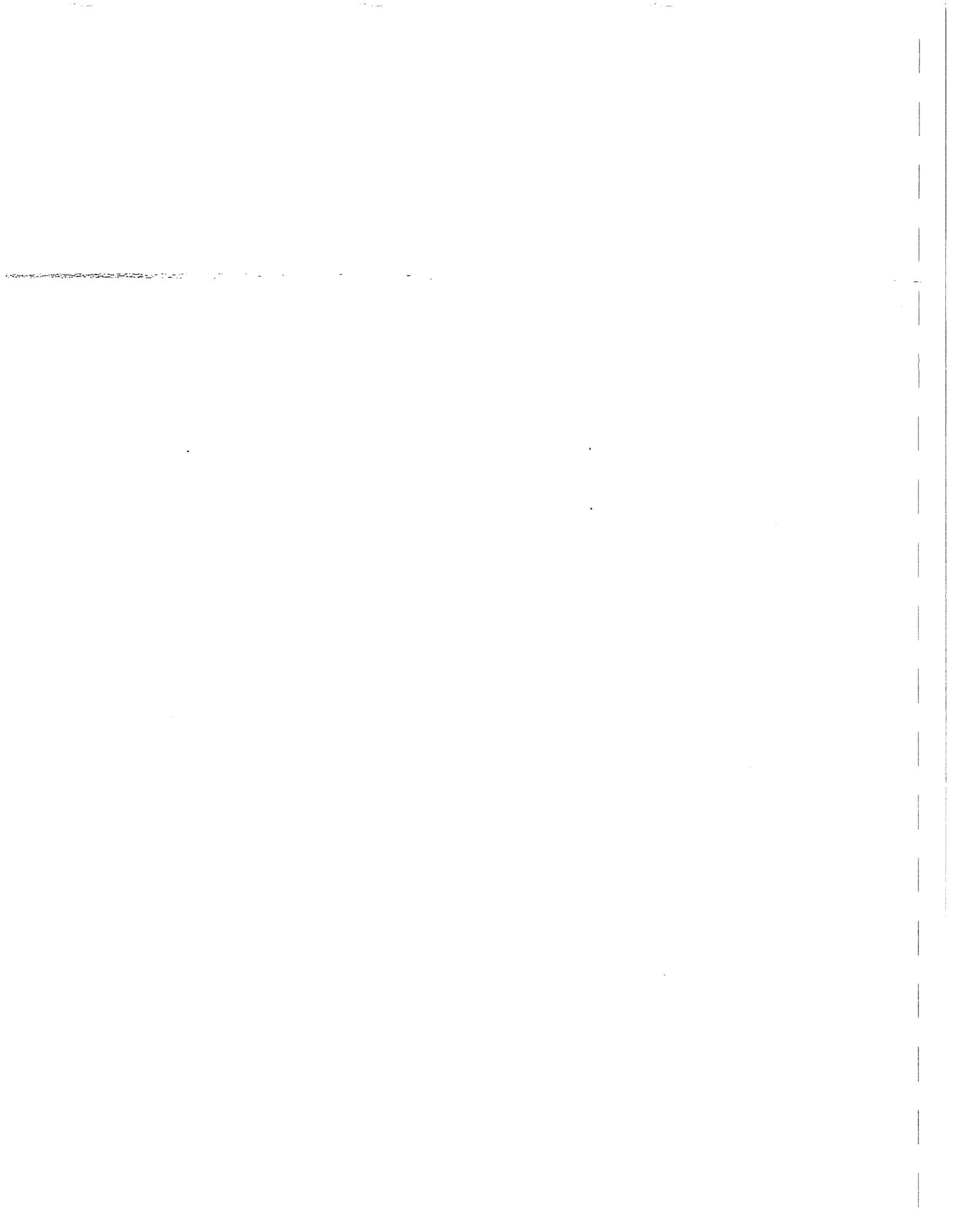
The ECMB is aware of various directives the Department has provided to the Companies regarding the inclusion of Time of Use rates in the 2003-2004 Plan. While the Board believes there can be some positive benefits from Time of Use rates, under more tightly constrained budgets than in previous years expenditures for such initiatives should not be included in the budget of the C&LM funds. Further, the current Time of Use Rates were not designed as a load management mechanism.

XVIII. Load Response Program

Load response programs play an important role in the state of Connecticut and especially Southwestern Connecticut, and the Board supports effective load response initiatives. However, C&LM funds should not be used to provide direct or supplemental load response payments to end-use customers or marketers participating in the ISO-NE Load Response Programs, except for the Pilot Program proposed in the 2005 Plan. The C&LM fund should be used to promote and help provide infrastructure for load management.



Exhibit CL&P/UI 3



Company Responses to Decision 03-11-01 Orders

In its February 4, 2004 Decision in Docket 03-11-01 Phase 1, the Department issued a series of Orders and compliance dates. In its July 28, 2004 Decision in Docket 03-11-01 Phase 2, the Department issued an additional 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 – Phase 1

- 1. On or before March 31, 2004, and quarterly thereafter, each Company shall submit a filing indicating the average quarterly balance of unspent C&LM funds at each Company's respective average rate of return.**

The Companies filed quarterly reports on March 31, 2004 and July 30, 2004. On October 29, 2004, the Companies filed a motion to extend the filing of the third quarter 2004 report until such time as the Department rules on the Companies' petition.

- 2. On or before April 15, 2004, as discussed herein, CL&P shall submit final reports regarding the HPWH studies that it is conducting.**

CL&P filed a request on March 10, 2004 to use \$64,419 of unallocated carry-over funds towards a four month extension of the WaterSaver Demonstration project. On March 16, 2004, the Department approved this allocation. CL&P filed a final report on the project on April 6, 2004 and will forward a revised copy of the report at the completion of the additional four month period.

- 3. The Companies shall continue to use the SmartLiving name in C&LM promotional materials.**

The Companies have continued to use the SmartLiving name on the SmartLiving Catalog and the UI SmartLiving Center.

- 4. On or before October 1, 2004, in the next C&LM filing, the Companies must modify the Performance Incentive for eesmarts to include a classroom participation metric as discussed herein.**

UI put out an RFP for eesmarts Sales Implementation in August. The winning vendor, Competitive Resources Inc (CRI), has goals built into its contract that are reflected in the current plan.

- 5. The Energy Star New Construction Building Option Package shall include mandatory measures, as discussed herein.**

The requirements for the Energy Star New Construction Building Option Package include programmable thermostats, energy efficient lights and bulbs.

6. **On or before March 31, 2004, and quarterly thereafter, CL&P shall submit a quarterly progress report regarding its Community Based Program during 2004. This report shall include program goals, kW and kWh goals.**

The Companies filed their first quarterly report on March 26, 2004 and have provided additional quarterly reports on July 30, 2004 and October 31, 2004.

7. **To the extent that the ECMB, the Companies and DPW reach formal agreement on the delegation of C&LM responsibilities with regard to buildings used by the State, the Companies shall submit any written documentation to the Department.**

The Companies filed a written document with the Department on July 29, 2004 regarding the delegation of C&LM responsibilities regarding State buildings.

8. **On or before April 1, 2004, CL&P shall submit a description of the final Power Factor Correction Program as well as an estimate of the cost to improve the power factor for Rate 57 customers that qualify under the program.**

CL&P filed a description of the Power Factor Correction Program on March 24, 2004. On April 1, 2004 the Department ordered CL&P to submit a revised response to Order #8 reflecting the customer's annual average power factor. The original description was based on a customer having one qualifying event in a year. CL&P filed the revised description on April 16, 2004.

9. **On or before March 1, 2004, CL&P and UI shall submit a description of the renewable incentives, contact person(s) and a mailing list totaling at least one hundred manufacturers, retailers and interested parties of renewable energy technologies. By March 10, 2004, the Companies shall send all interested persons on this list a letter describing the renewable incentive. CL&P and UI shall also include information about their renewable incentives to all customers as a bill stuffer once during 2004.**

The Companies filed on March 1, 2004 a description of proposed renewable incentives and a mailing list of interested parties. The letter describing the renewable incentive was mailed March 10, 2004 to all interested parties on the aforementioned list. A bill stuffer on the renewable incentives is scheduled to be distributed in December 2004.

10. In the next C&LM filing, CL&P shall submit the all-in financing cost for loans in the Small Industrial Loan program vs. financings at the Company's overall rate of return.

An example of the financing costs for a loan granted under the Company's Small Industrial Loan Program compared to the financing costs for the same loan amount under the Company's overall rate of return is illustrated below:

	Company X		Actual Interest Rate	Actual Cost
	Amount of Loan	Term of Loan		
Small Business Energy Advantage Loan	\$ 14,730	24	11.67%	1,856.99
Small Commercial & Industrial Loan (Small C&I)	\$ 14,730	24	<u>7.18% Note 1</u>	<u>964.91</u>
Difference between loans			4.49%	892.08
Note 1	The actual interest rate for Small C&I loans will vary based on the following factors: T-Bill plus 5.25% for the under 25K loans T-Bill plus 4.8% for over 25K to 100K T-Bill plus 3.95% for over 100K			
	T Bill Rates (Note 2)	1.93		
	Loan Amount (\$5K < \$25K)	<u>5.25</u>		
		7.18		
	Length of term (# of months)	24		

Note 2 T-Bill rates are variable and subject to change as per federal guidelines. The rate has changed significantly since these loans have begun. The average T-Bill rate in October, 1999 was 4.84% compared to 1.67% as of 10/04. The actual T-bill rate used by Citicorp also varies based on term of loan.

11. On or before April 1, 2004, as discussed herein, the Companies shall submit a revised retail appliance pick-up program that targets refrigerators that are being replaced in SWCT.

The Companies filed on March 31, 2004 a revised retail appliance pick-up program description that will initially target SWCT.

12. On or before April 21, 2004, the Companies shall submit their plans to operate the stand-alone refrigerator pick-up program as discussed herein.

The Companies filed on April 21, 2004 plans to operate a stand-alone refrigerator pick-up program.

13. On or before August 30, 2004, the Companies shall submit a report regarding the stand-alone refrigerator pick-up program as discussed herein.

The Companies filed on August 30, 2004 a report on the Stand-Alone Refrigerator Pick-up Program.

14. **On or before April 21, 2004, the Companies shall submit their plans to operate the air-conditioner turn-in program as discussed herein.**

The Companies filed on April 21, 2004 plans to operate an air-conditioner turn-in program.

15. **On or before August 30, 2004, the Companies shall submit a report regarding the air-conditioner turn-in program as discussed herein.**

The Companies filed on August 30, 2004 a report on the Air-Conditioner Turn-in Program.

16. **The Companies shall remove any requirements in any program that limits the amount or percentage of funding a customer can contribute toward funding a C&LM project.**

There are no requirements in any of the Companies' programs that limit the amount or percentage of funding a customer can contribute toward funding a C&LM project.

17. **The Companies shall establish incentives for appliance pick-up and turn-in programs as discussed herein.**

The incentives for appliance pick-up and turn-in programs have been established and are described in the Incentive section of the Appliance Retirement section of Chapter Two.

18. **The Companies shall remove any requirements in the Appliance Retirement Program that customers must purchase new appliances for either the customers or the retailers to receive incentives for turning in their air conditioners or refrigerators.**

The Companies have removed any purchase requirements for 2004.

19. **The Companies shall include a clock thermostat, energy efficient lighting fixtures, where appropriate, and compact fluorescent light bulbs and appliance rebates as approved in the Energy Star Appliance Program to all homes participating in the Energy Star Residential New Construction Program.**

The Companies Energy Star Residential New Construction Program will have an increased emphasis on energy efficient lighting and programmable thermostats. Requirements for these measures are described in Order #5. The Companies have recently begun offering CFL Packages to builders during construction.

- 20. The ECMB shall reexamine the screening model with the hope of achieving consensus among the rate departments and other officials of CL&P and UI. The Companies shall report these findings and make any modifications at the time of its next annual C&LM filing.**

While time-of-use (TOU) rates may result in some change in customer behavior, they are voluntary and do not have the ability to lock in the savings like a conservation measure. Their ability to reduce coincident peak load and provide a system benefit is questionable. For instance, a more efficient air conditioner will save energy and reduce load over the life of the equipment. On the other hand, time-of-use rates represent a customer choosing some level of discomfort or inconvenience in exchange for lower rates. Their impact when they are needed most (90 degree ambient temperature) could be compromised. Therefore, it would be inappropriate to use the C&LM screening tool to evaluate TOU impacts.

- 21. On or before April 1, 2004, the Companies shall submit a report regarding the CFL buy down pilot as discussed herein.**

The Companies filed on March 31, 2004 a joint report on the Residential Lighting "Buy-Down" Pilot.

- 22. At such time that the ECMB may approve the fuel cell project as discussed in Section II.K herein, the Companies shall submit a detailed description of such project for final Department approval.**

At the September 7, 2004 meeting, the ECMB did not approve the fuel cell project.

- 23. In the 2005 Plan, the Companies shall submit loan default information on the Conservation and Load Management Financing program and the (CL&P) Small Industrial Conservation Loan program. This information shall include but not be limited to customer class, amount of loan and amount of default.**

The following is the default information for the CL&P Small Commercial and Industrial (Small C&I) and Conservation & Load Management (C&LM) Financing loan programs.

Under the original Small C&I program, one loan has defaulted since the program's inception in 1997. The amount of the default was \$9,585. The loan program was revised in 2000. Since that time, C&LM has used a 3rd party financing company who provides the capital for new loans. The 3rd party assumes all loan risks. C&LM funds are used to buy down the interest expense.

Under the C&LM Financing program, five loans have defaulted since 2000. The loans were issued through the Small Business Energy Advantage loan program (now incorporated into the C&LM Financing Program). The total amount of the known defaults is \$41,452. In addition, \$216,173 in outstanding loans is currently over 90 days past due and subject to default. The balance over 90 days past due will continue to grow if customers do not become current.

In order to mitigate the amount of loan defaults and recover C&LM funds from delinquent customers, a new loan default collection process was developed in 2004. The recovery process involves NU's Credit & Collections, Sundry Billing and C&LM staff. At the time a loan is determined to be uncollectible it will be written off to C&LM expense and transferred to an outside collections agency. Any defaults recovered by the agency will be returned to the C&LM fund, net of the agency's fee.

Since the inception of the C&LM Financing Program, UI's Small Business Energy Advantage Program has experienced zero loans defaults.

Loans Written-Off YTD 2004 (9/04)

Customer Name	Program	Customer Class	Event Date	Total Loan Booked	Amount Due Total Billed/Default amount	Category of Write-off
Customer A	Small C&I Loan	Small Industrial	06/07/2000	\$ 17,695.00	\$ 9,584.70	Out of Business

Customer B	SBEA	Small Industrial	04/07/2003	\$ 45,680.00	\$ 34,260.02	Chapter 11
Customer C	SBEA	Small Commercial	04/10/2003	\$ 2,239.80	\$ 2,146.47	Out of Business
Customer D	SBEA	Small Retail	06/19/2001	\$ 5,755.86	\$ 2,376.24	Out of Business
Customer E	SBEA	Small Retail	01/16/2002	\$ 2,413.90	\$ 707.52	Chapter 11
Customer F	SBEA	Small Retail	01/16/2002	\$ 11,769.88	\$ 1,961.68	Out of Business
Sub-Total SBEA				\$ 67,859.44	\$ 41,451.93	
Total Defaults				\$ 85,554.44	\$ 51,036.63	

24. In its next C&LM filing, the Companies shall report on the feasibility of establishing a program to control electric water heaters, as discussed herein.

Over the years CL&P and UI have implemented C&LM programs to control the usage of electric water heaters during "on peak" periods. These programs have utilized various technologies with varying degrees of success. There are some programs still in operation and some that have been terminated.

CL&P has used two types of "on peak" water heater controls in past programs. Due to the high costs associated with verification that water heaters are actually being controlled as designed, CL&P believes it is impractical to restart the program. As demonstrated in the earlier programs, control devices installed on the water heaters can be removed without CL&P knowledge. The inability to verify (or high cost to periodically inspect) functionality of the water heater controls was one of the primary reasons why CL&P eliminated the water heater control rate.

In UI's service territory there are approximately 46,000 electric water heaters. Of this population, UI has approximately 50% of these electric water heaters on time clocks and an off-peak water heating rate. Of these 24,000 water heaters, about 50% are UI owned within the UI Water Heater Rental program. UI has deployed meter based time clocks which make the control devices inaccessible. As with any "off peak" water heating program, UI's program offers minimal energy savings and the real benefit is the load shifting ability and possible rate savings for a customer in conjunction with an "off-peak" or "time of use" rate.

A water heater control program would primarily benefit peak load reduction and that benefit would be marginal at approximately 0.50 kW. Energy (kWh) savings would only occur briefly as a result of the heating element not energizing to bring water temperature back to the thermostat setting. In the absence of an off-peak water heating rate or a time-of-use energy rate it is a logical assumption that customers agreeing to have their water heaters shut down during the day would likely be those that require little hot water during peak hours. As a result, the savings per controlled water heater would be in the range of \$5 - \$10 per year based on the minimal time required for the heating element to be energized to bring water temperature back to set point after it was lowered by stand-by losses. In many cases an oversized water heater may need to be installed so that adequate water volume/mass is available to ensure the water heater doesn't experience excessive heat loss and require even more electricity for re-heating.

RADIO CONTROLS

A water heater's heating elements are normally wired to thermostats. When the water temperature drops below a predetermined set-point, the thermostat calls for heat by energizing the heating element until the thermostat set-point is reached. The thermostat then deenergizes the heating element. The radio control installed by CL&P was placed between the thermostat and the bottom heating element of the water heater. Its purpose was to receive a remotely sent radio signal and

either de-energize the heating element or prevent it from energizing. The signal would be sent during times of high peak demand on the distribution system and would result in minimal kWh savings and approximately 0.50 kW reductions. CL&P's cost for the radio control equipment and its installation averaged approximately \$125/unit. To provide monitoring through a recording technology that the water heater is being properly controlled would cost approximately \$300 - \$400 per water heater plus approximately \$5/month for verification of the control data. Based on the Company's past experience with this technology it is concerned about the feasibility of quality control and reliably confirming that the radio control receivers remain in place and operational.

TIME CLOCKS

CL&P had an older time switch technology where the customer's electrician installed a separate meter socket just for a time switch provided by CL&P or special meter socket for a combination meter/switch installation that controlled an 80 gallon or larger water heater.

For all UI water heater rental customers on the off-peak water heating rate, the tank and meter based time clock are owned and installed by UI. The time clock being integral to the meter and UI offering a time of use rate has minimized customer tampering issues.

Another method is for the customer to have an electrician install their own time clock or switch between the breaker box and the water heater. The device would be permanently set to cut power to the water heater during peak load hours. Time clocks that are currently available have ten years of battery back-up in case of power outage so that the scheduled is maintained. There are also units available that are permanently pre-programmed and tamper proof. The time clock method might be most attractive to customers on a time of use rate.

Orders – Phase 2

- 1. On or before September 1, 2004, the Companies shall submit information to the Department, demonstrating how TR benefits are marketed comprehensively by Company employees and/or vendors for each program that has substantial non-electric savings. The Companies shall market total resource benefits to customers for those programs and projects that have substantial non-electric benefits.**

CL&P filed on August 27, 2004 information demonstrating how Total Resource Benefits are marketed. Included in this filing were examples of web pages and brochures that promote TR benefits.

- 2. CL&P, in consultation with the ECMB, shall evaluate the marketing its C&I retrofit programs under the name of Energy Opportunities. The 2005 C&LM filing will reflect these findings.**

CL&P has reorganized its C&I retrofit programs and they are working with the ECMB consultants and UI on the renaming issue. A name change could jeopardize CL&P's relationship with existing C&I New Construction program participants. A decision is expected by the middle of 2005.

- 3. In the 2005 C&LM filing, CL&P, in consultation with the ECMB, shall evaluate the benefits and make recommendations pertaining to consolidating the administration of some of the Company's C&I programs.**

CL&P, working with the ECMB, and the ECMB consultants, has consolidated the administration of several C&I programs for 2005. Specifically, the O&M RFP and O&M Retro Commissioning Pilot will be administered through the O&M Services program and the PRIME and Demand Reduction programs will be administered through the Custom Services program. These changes will enable consolidation of administrative costs and efforts along with marketing strategies. Joint program brochures and training/information sessions will also be conducted using this consolidated approach. In addition, CL&P will continue to work with the ECMB, the ECMB consultants and UI in 2005 to identify additional areas for C&I program consolidation and program renaming as described in the response to Phase 2 Order #2.

- 4. For the 2006 C&LM filing, the Companies shall adopt the OCC Consultant's matrix as a guide to developing specific cross-sector performance incentives as well as the targets and milestone events within the residential and C&I programs as discussed herein.**

Order 4 will be addressed in the Companies' 2006 C&LM filing.

- 5. For the 2006 C&LM filing, the Companies shall, in consultation with the ECMB, develop a joint tracking analysis report for each C&LM program.**

Order 5 will be addressed in the Companies' 2006 C&LM filing.

- 6. For the 2006 C&LM filing, the Companies shall, in consultation with the ECMB, develop a joint TRM.**

Order 6 will be addressed in the Companies' 2006 C&LM filing.

7. **For the 2005 C&LM filing, the Department recommends that the ECMB develop a process that assures independence from the Companies in the selection and content of third party program evaluations.**

On September 21, 2004, the ECMB selected an evaluation committee which will be involved in the selection and content of third-party program evaluations.

8. **Effective with the date of this Decision, the Companies are directed to send third party evaluation reports to the Department at the time of their completion.**

The Companies have and will continue to comply with this order.

9. **For the 2006 C&LM filing, the Companies shall integrate and reference third party evaluation results into the annual goal-setting, annual tracking documentation and TRM, as appropriate.**

This will be addressed in the 2006 C&LM filing.

10. **On or before January 1, 2005, the Companies shall implement a joint toll-free phone number as discussed herein.**

The Companies are asking for an extension time to comply with this Order to work within the timeframe of the new logo initiative being developed by the ECMB to maximize brand awareness and customer education. There are added efficiencies to combining these activities.

11. **On or before April 1, 2005, as discussed herein, the Companies, in consultation with the ECMB, shall implement a Conservation Fund logo. The logo shall be used in all C&LM marketing material beginning in 2006.**

Through consultation with the ECMB, the Companies have developed an RFP for the development of a Conservation Fund logo has been developed. The Companies intend to begin using this new logo in early 2005.

12. **On or before August 18, 2004, the Companies shall submit a final budget for 2004 as discussed herein.**

The Companies filed a final revised C&LM budget for 2004 on August 18, 2004.

Exhibit CL&P/UI 4



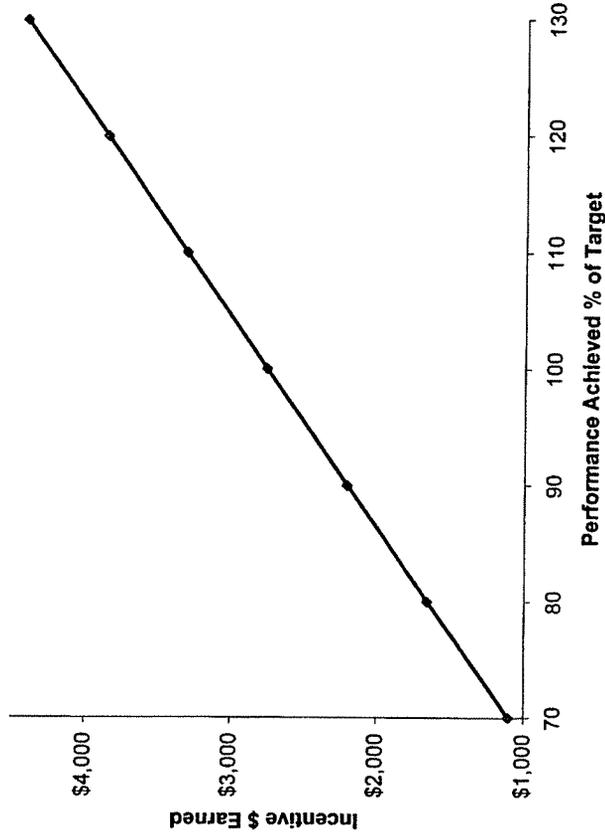
THE CONNECTICUT LIGHT AND POWER COMPANY

2005 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 **\$2,753** and is based on achieving **100%** of all performance targets and earning an incentive of **5%** of the total C&LM program budget of **\$58,196** as shown on Table A (exclusive of ECMB costs, management incentives and audit costs). The C&LM program budget used in this calculation does not include C&LM funds allocated to State payments as mandated by State legislation. 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 % Minimum	-Performance Incentive Illustration-	
	Pretax Incentive	Pre-tax Incentive
70	2%	\$1,101
80	3%	\$1,652
90	4%	\$2,202
100	5%	\$2,753
110	6%	\$3,303
120	7%	\$3,854
130	8%	\$4,404
Maximum		
Incentive Basis Budget		\$55,054

Incentive \$ Earned vs Performance Achieved



(All Monetary Values in Thousands of Dollars)
Totals may vary due to rounding

SECTOR Program	Performance Indicators					Incentive Metrics		
	Program Name	LT-kWh	kW	% (1)	Incentive Metric	Target Goal	Weight	Incentive
RESIDENTIAL Residential Programs (Sector Level) Sector Budget	\$16,214	293,203,018	3,378	43.6%	Sum of Electric System Benefit from Residential programs \$36,376	Electric System Benefit from Residential programs	0.170	\$468
		38,601,798	365	5.4%				
		48,858,277	1,645	11.4%				
		17,706,886	676	4.5%				
		44,335,134	4,579	22.3%				
		95,925,473	703	12.7%				
		727,312	0.3	0.1%				
		539,357,899	11,347					
		Savings Rate \$ 0.03779 / kWh \$ 1,409.32 / kW						
		Savings \$ 20,384 \$ 15,992						
	(1) percent of target goal							
Net Electric System Benefit - Res.							0.170	\$468
Community-Based Program (CBP) (Multi-sector but listed in residential)	\$250						0.005	\$14
Residential HVAC	\$2,922							
SmartLiving Centers and Displays	\$250				Develop outreach activity partnerships	3 outreach activity partnerships developed	0.005	\$14
Appliance Retirement	\$2,500					Fifty percent refrigerators retired from SWCT towns	0.010	\$28
eeSmarts	\$251				Classrooms enrolled in eeSmart curriculum	Curriculum sets deployed: 800	0.005	\$14

(All Monetary Values in Thousands of Dollars).
Totals may vary due to rounding

SECTOR Program	Performance Indicators		Incentive Metrics		
	Incentive Metric	Target Goal	Weight	Incentive	
Residential New Construction	<p>\$1,300</p> <p>Electric Savings LTKWh : 17,706,866 Demand Savings kw : 676</p> <p>Facilitate the quality implementation of and compliance with the code through training support, plan review and rating % of new housing market</p> <p>Emphasize new code implementation strategies in SWCT towns including working with building code officials</p> <p>Customer and market actor awareness of Energy Star Homes standard</p>	<p>Energy Savings included in appropriate sector level metric</p> <p>13% of market share</p> <p>20 CFL / fixtures per home</p>	<p>0.010</p> <p>0.010</p>	<p>\$28</p> <p>\$28</p>	
Residential Appliances	<p>\$850</p> <p>Energy Savings LTKWh : 38,601,798 Demand Savings kW : 365</p> <p>Awareness, attitudes and behavior of retailers</p> <p>Customer awareness and knowledge of Energy Star appliances</p> <p>NEEP regional indicators</p>	<p>Energy Savings included in appropriate sector level metric</p> <p># of Window A/C units sold through negotiated cooperative promotions distinct from A/C turn-in events: 1,635</p>	<p>0.010</p>	<p>\$28</p>	
Low Income	<p>\$5,000</p> <p>Electric Savings LTKWh : 95,925,473 Demand Savings kW : 703</p> <p>Number of participants and broadened outreach</p>	<p>Energy savings included in appropriate sector level metric</p> <p>Number of Low Income program participants</p> <p>6,380</p>	<p>0.010</p> <p>0.010</p>	<p>\$28</p> <p>\$28</p>	

(All Monetary Values in Thousands of Dollars)
Totals may vary due to rounding

SECTOR Program	Performance Indicators			Incentive Metrics			
	Incentive Metric	Target Goal	Weight	Incentive Metric	Target Goal	Incentive	
Residential Lighting	\$3,522	Electric Savings LTKWh : 293,203,018	Customer and market actor awareness and knowledge of Energy Star lighting NEEP indicators Number of lighting products/sales rebated	Energy savings included in appropriate sector level metric	Achieve 5% non-standard CFL product mix (dimmbables, reflectors, fixtures, etc) for cooperative promotions	0.010	\$28
		Demand Savings KW : 3,378		Non-standard mix for cooperative promotions			
COMMERCIAL & INDUSTRIAL (C&I)							
C/I Programs (Sector Level) Sector Budget	\$28,352	Program Name	LT-kWh	kW	% (1)		
		New Construction	573,896,439	8,927	35.5%		
		Custom Services	422,277,863	5,406	24.1%		
		Express Services	112,307,374	1,887	7.2%		
		O&M Services	99,150,461	1,594	6.2%		
		Municipal	107,733,881	659	4.9%		
		RFP	202,440,633	1,973	10.5%		
		O&M RFP	7,200,000	120	0.5%		
		Small Business	199,629,336	2,340	11.0%		
		Total	1,724,635,987	22,907			
		Savings Rate	\$ 0.03686 / kWh	\$ 1,822.40 / kW			
		Savings	\$ 63,568	\$ 41,746			
		(1) percent of target goal					
Net Electric System Benefit C&I		Electric System Benefit less Program Costs		\$76,962		0.270	\$743
Energy Conscious Construction	\$7,450	Conduct educational seminars for Architect and Engineering Companies. Presentations will also highlight code changes and subsequent ECC program changes.					

(All Monetary Values in Thousands of Dollars)
Totals may vary due to rounding

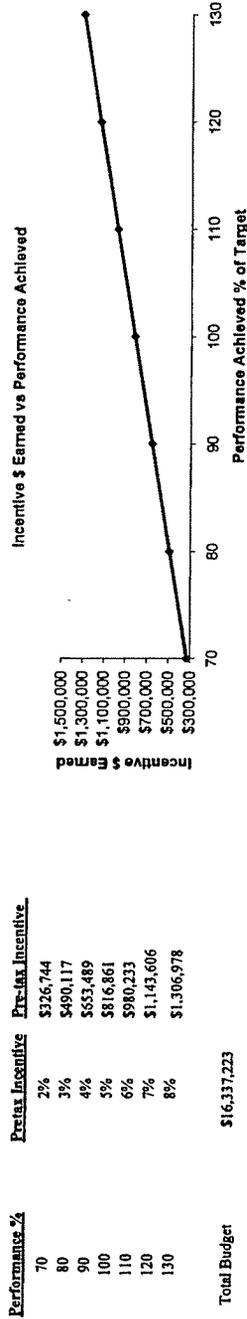
SECTOR Program	Performance Indicators		Incentive Metrics			
			Incentive Metric	Target Goal	Weight	Incentive
Small Business	\$3,403	Electric Saving LTKWh : 199,629,336 Demand Saving kW : 2,340	Energy savings included in appropriate sector level metric			
O&M RFP	\$537	Electric Savings LTKWh : 7,200,000 Demand Saving kW : 120 Monitor pilot program performance	Number of small business projects	Completed projects : 522	0.020	\$55
C&I RFP	\$2,910	Electric Savings LTKWh : 202,440,633 Demand Saving kW : 1,973 Number and diversity of third party participants Comprehensiveness of projects and end-uses addressed	Energy savings included in appropriate sector level metric			
Load Management Programs	\$1,654	Customer participate in the ISO New England Load Response Program Customer and MW participation in Price Response Program Power Factor Demand Reduction Program The Electric System Benefit which results from the following : Lifetime Electric Saving LTKWh : 20,689,641 Demand Saving kW : 606 Savings Rate \$ 0.04170 / kWh \$ 1,321.65 / kW Savings \$ 863 \$ 801	Energy savings included in appropriate sector level metric			
Total of Incentives					1.000	\$2,753

(All Monetary Values in Thousands of Dollars)
Totals may vary due to rounding



THE UNITED ILLUMINATING COMPANY
2005 Management Incentive Performance Indicators and Incentive Matrix

Provided below is the 2005 Performance Indicators and Incentive Matrix. These revisions were required due to the significant program changes resulting from the 2003 budget crisis. The weights applied to each of the individual and sector level metrics were developed in collaboration with ECMB consultants. The Utility Performance Incentive is \$816,86. This calculated based on achieving 100% of all performance targets and earning a target incentive of 5% of C&LM budgets (not including ECMB 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 Incentive:



Total Budget \$16,337,223

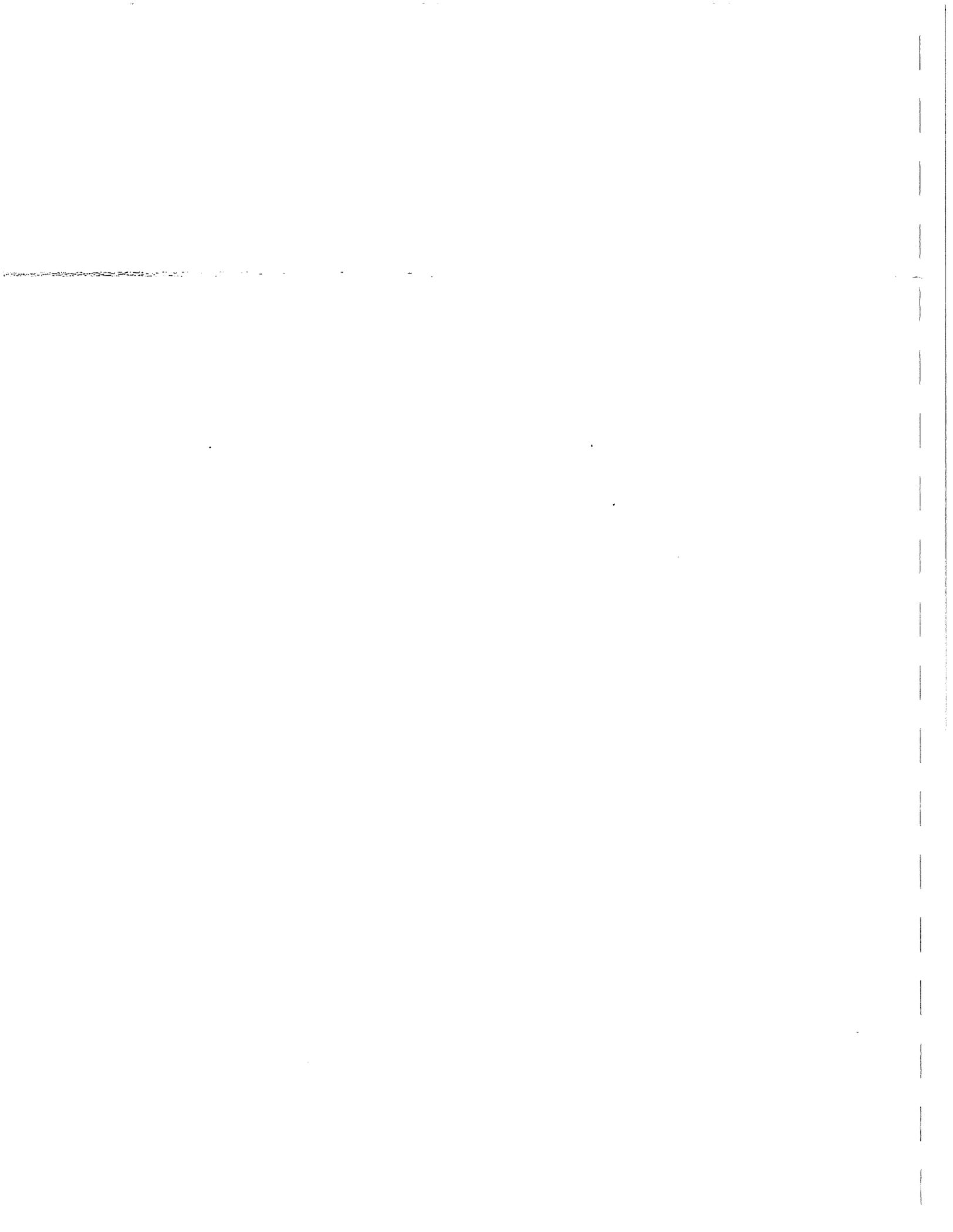
SECTOR Program	Performance Indicators	Incentive Metrics		
		Incentive Metric	Target Goal	Weight
RESIDENTIAL All Residential Programs (Sector Level) Sector Budget	Lighting Lifetime kWh	65,460,000	Electric System Benefit from all Res programs Total Electric System Benefit.	0.165
	Lighting kW	812		
	Appliances Lifetime kWh	14,937,930		
	Appliances kW	183		
	Appliance Retirement Lifetime kWh	17,080,000		
	Appliance Retirement kW	831		
	Homes Lifetime kWh	9,435,300		
	Homes kW	318		
	Res HVAC Lifetime kWh	11,075,800		
	Res HVAC kW	1,490		
	Low Income Lifetime kWh	15,630,550		
	Low Income kW	444		
	Total Residential Lifetime kWh	133,619,580		
	Total Residential kW	4,078		
Present Value of Res Lifetime kWh	\$0.0376			
Present Value of Res Lifetime kW @ Customer Meter	\$1,120.85			
Total Res Lifetime kWh @ Present Value Factor	\$5,017,688			
Total Res kW @ Present Value Factor	\$4,570,367			
Total Electric System Benefit	\$9,588,054			
Electric System Benefit Less Program Cost	\$4,480,315			
Net Electric System Benefit		\$4,480,315		\$134,782

SECTOR Program		Performances Indicators	Incentive Metrics			
			Incentive Metric	Target Goal	Weight	Incentive
Community-Based Program (CBP) (Multi-sector but listed in residential)	\$95,641	Electric Savings	Energy savings included in appropriate sector level metric			
Residential New Construction	\$541,432	Electric Savings LT kWh: 9,435,300 Demand Savings kW: 318 % of new housing market: 42% Facilitate the quality implementation of and compliance with the code through training support, plan review and rating	Energy savings included in appropriate sector level metric	Number of Homes: 40% of market (Estimated 500)	0.02	\$16,337
Residential New Construction		% of sockets in new homes have efficient lighting				
Residential Lighting	\$906,428	% of reflectors and dimmable bulbs				
Residential Appliances	\$405,480	Electric savings LT kWh: 14,937,930 Demand Savings kW: 183 Awareness, attitudes and behavior of retailers Customer awareness and knowledge of Energy Star appliances NEEP regional indicators	Energy savings included in appropriate sector level metric			
Residential HVAC	\$950,000	# of tuneups				
Residential HVAC		# of equipment replaced				
Residential HVAC		# of commissionings				
Low Income	\$1,073,149	Electric savings LT kWh: 15,630,550 Number of participants and broadened outreach	Energy savings included in appropriate sector level metric			
Smart Living Center (Multi-sector but listed in residential)	\$428,085	Educational Activities to raise awareness of energy efficiency	Number of Low Income program participants	6,500	0.02	\$16,337
All Other Residential Programs		Electric savings	Visitors to the center for events, tours, seminars or general information	10,000	0.02	\$16,337
			Energy savings included in appropriate sector level metric			

SECTOR Program	Performance Indicators	Incentive Metrics		
		Incentive Metric	Target Goal	Weight
COMMERCIAL & INDUSTRIAL (C/I) All C/I Programs (Sector Level) Sector Budget	Energy Blueprint Lifetime kWh 424,067,090 Energy Blueprint Lifetime kW 7,102 Energy Opportunities Lifetime kWh 368,721,496 Energy Opportunities Lifetime kW 4,966 O&M RFP Lifetime kWh 2,000,000 O&M RFP Lifetime kW 23 RFP Lifetime kWh 56,703,125 RFP Lifetime kW 551 Municipal Energy Lifetime kWh 50,973,720 Municipal Energy Lifetime kW 832 Small Business Lifetime kWh 108,927,989 Small Business Lifetime kW 1,132 Total C&I Lifetime kWh 1,011,393,420 Total C&I kW 14,605 Present Value of C&I Lifetime kWh \$0.0355 Present Value of C&I Lifetime kW @ Customer Meter \$1,581.54 Total C&I Lifetime kWh @ Present Value Factor \$35,854,244 Total C&I kW @ Present Value Factor \$23,098,263 Total Electric System Benefit \$58,952,507 Electric System Benefit Less Program Cost \$50,219,000	Total Electric System Benefit from all C&I programs. Total Electric System Benefit: \$58,952,507	0.28	\$228,721
Net Electric System Benefit	Electric Savings LT kWh: \$6,703,125 Demand Savings kW: 551 Number and diversity of third parties participating	Energy savings included in appropriate sector level metric	0.28	\$228,721
RFP Program	\$422,128			

SECTOR Program	Performance Indicators	Incentive Metrics			
		Incentive Metric	Target Goal	Weight	Incentive
Small Business	<p>Electric Savings LT kWh: 108,927,989</p> <p>Demand Savings kW: 1,132</p>	Energy savings included in appropriate sector level metric	307 Projects	0.02	\$16,337
O&M RFP	<p>Electric savings (but no estimate of planned savings pilot program)</p> <p>Effectiveness of selected proposals and program(s)</p>	Number of small business participants			
ISO Load Response Program	<p>Customers participate with peak loads of 100 kW to 2 MW in the ISO New England Load Response Program</p>	No savings metric but includes costs in eligible funding for incentive basis			
All Other C&I Programs					
eeSmarts Deployment	<p>Provide energy educational materials to our schools</p>	Energy savings included in sector level metric	Curriculum sets deployed 600	0.01	\$8,169
Non-Electric Benefits	<p>Dollar savings associated with fossil fuel savings, water savings, maintenance savings, labor savings and any other identified benefit</p>	Classrooms enrolled in eeSmarts curriculum			
Total Incentive \$ Residential and C&I					\$816,861

Exhibit CL&P/UI 5



2005 CL&P/UI DSM PROGRAM SUMMARY

Program	Target Market	Incentive	Program Features
Residential Programs ENERGY STAR Retail Products	All residential customers.	Point-of-sale retail promotions, special events and a mail order lighting component. Designed to influence customer buying decisions for energy-efficient bulbs, fixtures and appliances.	Promotion and education of ENERGY STAR lighting and appliance products to residential customers and retailers.
Appliance Retirement	Residential customers in Southwest Connecticut.	Free pick-up of working but inefficient secondary refrigerators and freezers. Retail component for room air conditioners will have rebates to replace existing/working units with an ENERGY STAR model.	Promotion and education of ENERGY STAR appliances to residential customers in Southwest Connecticut. Provide environmentally appropriate demanufacture and recycle of inefficient appliances.
Residential Customer Initiated Projects	Any customer, organization, group or individual who contracts with the Companies to provide energy savings for an approved residential project with a minimum \$25,000 project incentive request.	Incentives are intended to be market-driven in that bidders (or potential participants) request the incentive level that is needed to implement a retrofit or replacement energy-efficient project.	Competitive procurement of bids from residential customers, ESCos, and trade allies for implementation.
Residential New Construction	Residential customers with newly constructed homes statewide.	Incentives for high-efficiency HVAC equipment, home performance and energy-efficient lighting products.	Builder training, home inspections and rebates for electric energy-saving equipment and measures.
Residential Heating & Cooling	Residential customers installing central air conditioning.	Prescriptive incentives for installing energy-efficient central air conditioners and heat pumps. Additional incentives for these systems if they are performance tested (tune-up/commissioning).	Seminars for installation contractors and equipment incentives for installation or servicing of energy efficient central air conditioning or heat pumps.
Commercial & Industrial Programs (C&I) C&I New Construction/ Energy Blueprint	New C&I buildings, planned remodeling, large renovation projects.	Between 50% - 100% of incremental cost.	Equipment, system and design incentives for installation of energy efficient electric measures.
Express Services (CL&P)	All C&I customers: Lighting - all customers Motors - up to 200 HP; HVAC - up to 30 tons.	Incentives are prescriptive and typically pay 100% of incremental cost.	Simple, expeditious application process.
C&I RFP	C&I customers with an average demand greater than 200 kW & residential customers.	Bidder requests incentive as part of competitive process.	Competitive procurement of bids from C&I customers, ESCos, and trade allies for studies and implementation.
Custom Services (CL&P)	All C&I customers.	Typically 100% of incremental cost (prescriptive or "Upgrade" incentives) or 50% of installed cost ("Add-On" incentives)	Focused studies for customers who have a specific project in mind. Incentive: are paid for those measures that are cost-effective. Implementation of these measures is by the customer.
PRIME (CL&P)	Industrial manufacturers with average demand of 350 kW to 1500 kW.	100% of event contracted cost	Focused study of manufacturing processes for increased manufacturing efficiency and reduced energy consumption.

2005 CL&P DSM PROGRAM SUMMARY

Program	Target Market	Incentive	Program Features
O&M Services (CL&P)	All C&I customers.	Up to 50% of installed cost, 100% in Southwest Connecticut	Focused studies of Operation and Maintenance processes for increased efficiency and reduced energy consumption. Incentives are paid for those measures that are cost-effective.
O&M RFP	All C&I customers.	Program provides information and training. Direct incentives will result from the energy efficiency projects that are developed.	Implementation of two, third-party programs which will lead to sustained energy savings in facility O&M.
Retro-commissioning Pilot	Select group of 5 customers (one UI and four CL&P).	Incentives will be provided to cover 100% of approved investigation and implementation costs.	Determining the dynamics (energy-savings potential, costs and programmatic development issues) of Retro-commissioning energy-efficiency services.
Small Business Energy Advantage	All C&I customers, excluding municipal and government accounts - up to 200 kW (CL&P) and up to 150 kW (UI) of average peak demand.	Prescriptive incentives - Lighting: Capped at 50% of installed cost; HVAC: Prescriptive O&M incentives; Refrigeration: Capped at 50% of installed cost.	On-site assessment and installation of cost-effective electric energy measures. Zero percent loan available to qualified customers for customer costs.
Energy Opportunities(EO) (UI)	All C&I customers, excluding municipal accounts - greater than 150 kW of average peak demand.	Variable cash incentives capping at 50% of the installed costs.	Program encourages customers to retrofit their facilities with cost effective energy efficient equipment and technologies. Services are designed to meet the needs of the individual customer.
Other			
SmartLiving Center™	Residential customers and their families, educators/students, homeowners, home buyers, architects, builders, designers, trade allies and businesses.		CL&P's "museum partnership" will incorporate C&LM program materials and messages into activities, interactive displays and permanent exhibits at existing facilities, such as museums, Science centers and other high traffic public venues. UTs existing facility in Orange will continue to be fully utilized for schools, groups and the general public.
ee smarts	Boards of Education, school principals, teachers, and parents as a way of reaching and educating Connecticut schoolchildren.		Develop an energy-efficiency ethic among youngsters encouraging both students and their parents to incorporate energy conservation practices into their schools and homes. Provide follow-up support to participating schools/teachers.
Residential Audits	Non-low income residential customers using electric or oil heat.		On-site home energy audits, including low-cost, unbiased, fuel neutral, information on ways to lower energy consumption. Cost-effective lighting and electric water heating measures (low-flow shower heads, pipe wrap, etc) are also be offered.
Community Based	Government officials, educational groups, economic development organizations, business groups, retailers, trade allies and civic organizations with the town(s).	Financial incentives are provided via the array of other C&LM programs.	To increase energy efficiency awareness throughout the communities, increasing participation in all of the Companies' conservation programs and to transform the communities from passive consumers of energy to informed consumers of a finite resource.
Low Income (WRAP & UI Helps)	Low-income residents with incomes at or below 200% of the Federal Poverty Guideline	Full incremental cost of conservation measures.	Provides thermal weatherization, efficient lighting, domestic hot water measures, heating system replacements and repairs (via Community Action Agencies and/or WRAP) and the replacement of qualifying high-energy-use refrigerators and/or room air conditioners.

2005 CL&P DSM PROGRAM SUMMARY

Program	Target Market	Incentive	Program Features
Municipal (CL&P)	All municipal buildings.	Up to 50% of installed cost. Incentives may include zero percent financing options as well.	Installation of all cost-effective electric energy conservation measures. Zero percent financing is available for qualifying projects. Services are specifically designed for municipal needs.
Municipal Energy (UI)	All municipal buildings.	Variable EO incentive structure is used. Incentives may include zero percent financing options as well.	Installation of cost-effective electric energy conservation measures. Zero percent financing is available for qualifying projects. Services are specifically designed for municipal needs.
Energy Conservation Loan	Owners of single and multi-family buildings, having an average annual income below 150% of the median income in Connecticut.	Low-interest loans for residential energy conservation work	State-administered loans granted to finance installations of energy conservation measures.
Conservation & Load Management Financing	C&I customers, small business customers, municipalities and the residential sector through the Customer Initiated Projects Program.	Offer zero-percent financing and allow the customer's share of project cost can be paid in tandem with his or her utility bill.	To provide zero-percent or interest-free financing to the Companies' small business and municipal customers and participants of CL&P's Residential Customer Initiated Projects program enabling these customers, in conjunction with the existing incentive offerings, to implement cost-effective energy-efficiency projects.
Small Industrial & Commercial Conservation Loan (CL&P)	Smaller industrial customers, defined as less than 100 employees. Small commercial customers, defined as having an average kW demand of 350 or less over the past 12 months.	Zero-percent financing	Interest-free loan at \$5,000 minimum up to a maximum of \$100,000 per customer for energy-efficient equipment replacements only.
Load Management Programs	All C&I customers with at least 100 kW of curtailable load.	The incentive budget for 2005 will be used for recorder installation payments made to new program participants.	Maintain the ability of participants to reduce load during periods of system capacity deficiency or high wholesale electric energy pricing.
Power Factor Improvement (CL&P)	CL&P customers who are provided electricity through Rate 57 and Rate 58 tariffs that have 12-month average power factors below the approved qualification thresholds.	Incentives for qualifying projects will be 50% of the cost for improving 12-month average power factor values from their existing level to the revenue neutral value.	Technical and financial incentive support for improvement of power factor at qualifying facilities.
Demand Reduction (CL&P)	C&I customers who are capable and willing to control kW demand during peak times through real-time monitoring and control.	Incentives for qualifying projects will be the lesser of \$500/kW or 50% of installed cost in Southwest Connecticut and \$300/kW or 50% of installed cost outside of Southwest Connecticut.	Incentives for cost-effective projects which provide peak load kW (or kW an kWh) reductions in commercial, industrial and large residential complex applications.
Renewable Incentives	All customers.	Incentives provided on a case-by-case basis including photovoltaic, wind, and fuel cell applications, which involve an overall electric energy efficiency improvement for the site.	Promotion of renewable energy.

