

Frequently Asked Questions

1 What is the timeframe for the *PeakSmart* program?

The program runs each year from June 1 through September 30, when electricity usage is at its highest in New England.

2 What is the minimum amount of load that a customer must be willing to reduce to qualify for this program?

To receive compensation through the *PeakSmart* program, the participant must reduce energy usage by at least 100 kW or 10 percent of their average monthly peak load, whichever is larger.

3 Does the load need to come from a single source?

No. The source can be a single piece of equipment or the collective sum of several pieces of equipment or processes.

4 Can customer-owned generators qualify for this program?

Customer-owned generators can be part of this program only if the customer has all necessary emission permits to allow operation during non-emergency periods.

5 How often would you expect to request energy reduction through this program, and how long would the reduction period last?

It's not possible to predict with any accuracy. However, in 2006, participants were asked to reduce energy on two occasions: once for three hours and once for five hours.

6 What if the participant doesn't reduce their energy usage to the full amount described in the Service Agreement?

If the participant doesn't reduce their energy usage to the full amount described in the Service Agreement, it will affect the percent of the New Hampshire energy price that is credited to the participant. All credits will be based on actual performance by hour.

7 Can a customer who is currently under contract with PSNH or another entity for interruptible service qualify for this program?

No, they can not.



Public Service
of New Hampshire

The Northeast Utilities System



PeakSmart

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There are many things we all love about life here in New Hampshire. Our air is clean. Our forests are green. Our communities are strong. We're there for our neighbors. And our corporate citizens lead the way.

These qualities come together in *PeakSmart*, a program where local businesses set the example for corporate responsibility by helping to prevent energy shortages on days of extremely high demand for electricity.

PeakSmart is a promise to the people of New Hampshire from our largest electricity customers that the lights will be on when they need them. These corporate leaders volunteer to relieve pressure on the electric system by reducing energy usage by a prearranged amount on peak days.

We are asking you to join them.

Feeling the Heat

Most days of the year, consumers' electricity usage is pretty uniform. However, in certain situations (e.g. during a heat wave), consumers demand significantly more electricity than normal, creating a "peak demand" situation.

This summer, on days of peak electricity usage, PSNH customers will demand over 35 percent more energy than they did on the highest peak days in 1996. Few new power plants have been built in New England to keep up with this growth, which means that, when electricity usage reaches an extreme level, the region may not have enough power supply available to meet consumer demand. On these peak days, a series of measures are taken throughout the region to prevent an energy shortage. Large electricity customers, in particular, can help to prevent energy shortages by participating in a voluntary program like PSNH's *PeakSmart* program.

How the PeakSmart Program Works

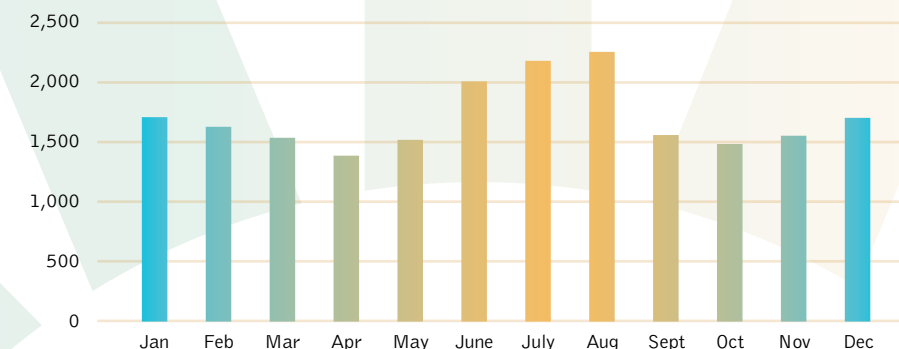
PeakSmart is a program for PSNH's large electricity customers that is aimed at reducing energy usage when: A) regional demand for electricity threatens to exceed the supply (usually during the hottest days of the year); or, B) when the real-time energy price for New Hampshire approaches 20 cents per kilowatt-hour (a strong indicator that the region is nearing a peak load situation).

If either of these situations occurs, PSNH may contact customers enrolled in *PeakSmart* to request energy reduction. When you enroll in the *PeakSmart* program:

- 1 PSNH works with you to develop a customized plan for temporarily reducing energy usage at your facility (e.g. by turning off certain lights, reducing use of certain equipment, etc.)
- 2 On days when the NH energy price or regional demand for electricity reaches the designated threshold, you may receive a call from PSNH asking you to temporarily reduce your energy usage according to the plan
- 3 If you decide to participate at that time, you will be compensated by PSNH according to: your level of energy reduction; and the energy price in effect during the hours you were asked to reduce your energy usage

For more information, contact your PSNH Account Executive or call PSNH at 1-800-662-7764.

2006 Peak Demand in New Hampshire



Who Benefits from this Program?

The quick answer is "everybody." By reducing your energy usage at critical times, you help to conserve the planet's natural resources, earn financial incentives for your business, and prevent a potential energy shortage that could negatively impact the entire region.

Who Can Participate?

To enroll in the *PeakSmart* program, participants must receive delivery service under PSNH's Rate GV or Rate LG, and energy service from PSNH. Participants must enter into a Service Agreement with PSNH, and must be able to reduce energy usage by 100 kilowatts (or 10 percent of their average monthly peak load; whichever is larger) during the *PeakSmart* program timeframe of June through September.

You Control the Energy Reduction

It is important to note that the *PeakSmart* program is voluntary. When PSNH calls to ask for your participation, you decide the method by and extent to which you reduce your energy usage for the given timeframe.

Entering into a Service Agreement with PSNH through this program does not obligate you to take any measures when called upon. However, PSNH encourages its customers to take action on peak days when notified.

Program Details

Compensation: PSNH will credit customer accounts for participating based on a sliding scale, determined by the actual amount of energy reduction as compared to the amount of energy reduction outlined in each customer's *PeakSmart* Service Agreement. Credits will be based on the actual relief provided in kilowatt-hours during those hours that the energy reduction is requested.