

Gas Efficiency Incentive-Penalty Mechanism

Target	
Target from 06 IRP therms	1,062,000

A	B	C	D	E	F
Incentive Range (Based on program target - 1.062M '06 IRP)	Therms Saved (bottom of threshold)	% of Base Target	Total incentive	\$ per Therm Savings Achieved	
> 130.0%	1,380,600	130%	\$138,060	0.1300	Each additional 10% achieved is rewarded by a 10% higher \$ per therm payment on all the 1.062M therms.
120.0 - <130.0%	1,274,400	120%	\$127,440	0.1200	
110.0 - <120.0%	1,168,200	110%	\$117,882	0.1100	
100.0 - <110.0%	1,062,000	100%	\$106,200	0.1000	
80.0 - <100.0% dead band					
A	B	C	D		
Penalty Range	Therms Saved	% of Incentive Target	Penalty for Therms Not Achieved		
70.0 - <80.0%	849,600	80%	\$20,000		
60.0 - <70.0%	743,400	70%	\$30,000		
50.0 - <60.0%	637,200	60%	\$40,000		
<50.0%	531,000	50%	\$50,000		