

CONSERVATION INCENTIVE PROGRAM
Quarterly Program Status Report
And Annual Report of
Program Results through March 31, 2010
Case 07-G-0141
Submitted to the New York State Department of Public Service
May 15, 2010

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I. Introduction

A. Case History

On September 20, 2007 the Commission issued its Order Adopting Conservation Incentive Program (“CIP Order”)¹ for National Fuel Gas Distribution Corporation (“Distribution” or “Company”). The CIP Order required, among other things, that the Company submit its timetable for the implementation of the 2007-08 Conservation Incentive Program (“CIP”) by October 1, 2007, (CIP Order, Page 13, Ordering paragraph 2). Distribution submitted a timetable on October 1, 2007. Included in the timetable was an entry for the submission of an initial report to the New York State Department of Public Service including a program description and measurement and verification (“M&V”) plan by November 30, 2007, (“initial report”), as well as quarterly status reports beginning May 30, 2008.

On October 19, 2009 the Commission issued its Order Approving The Continuation of National Fuel Gas Distribution Corporation’s Conservation Incentive Program With Modifications (“2009 CIP Order”)². The 2009 CIP Order, among other things, modified certain aspects of the Company’s CIP. The Company filed a reporting timeline in its CIP Evaluation plan submitted to the Commission on December 15, 2009. This report is the Program Annual Report for program results through March 31, 2010 identified in the CIP Evaluation plan timeline.

¹ Case 07-G-0141 - Proceeding on the Motion of the Commission as to the Rates, Rules, and Regulations of National Fuel Gas Distribution Corporation for Gas Service, Order Adopting Conservation Incentive Program, issued and effective September 20, 2007.

² Case 07-G-0141 - Proceeding on the Motion of the Commission as to the Rates, Rules, and Regulations of National Fuel Gas Distribution Corporation for Gas Service, Order Approving The Continuation of National Fuel Gas Distribution Corporation’s Conservation Incentive Program With Modifications, issued and effective October 19, 2009.

B. Report Overview

This report summarizes the status of the Company's CIP as of March 31, 2010. Included in this report is an update of the status of the M & V plan. As explained in the initial report and this May 2010 quarterly report, the Company anticipates that the M & V plan will be modified to incorporate suggestions from Staff and other parties. Also, it is anticipated that additional modifications will be made to incorporate insights being developed in the currently ongoing Commission investigation into development of a statewide energy efficiency initiative.³

A number of the Company's CIP initiatives are being administered by New York State Energy Research and Development Authority ("NYSERDA") through that authority's existing programs.

II. Program Goal

Distribution has developed the CIP to foster more efficient use of natural gas on its system. The CIP Order recognized that "The CIP calls for the more efficient use of natural gas resources and it is consistent with the State's policy to encourage energy conservation." (CIP Order, p. 2). Distribution designed its CIP in conjunction with its proposed revenue decoupling mechanism ("RDM"). The Company's RDM is consistent with the guidelines established by the Commission for implementation of RDMs.⁴

A major challenge in the design of energy efficiency programs for Western New York is to promote the efficient use of energy in such a manner that it can be used as a strength when encouraging economic development in the region, among other things.

Further, the benefits of natural gas, both on an economic and environmental basis, should encourage the expansion of access to natural gas supplies to homes and businesses in Western New York.

III. CIP General Description

The CIP proposed by Distribution and approved by the Commission has three major components: (1) appliance rebates, (2) Low Income Usage Reduction Program ("LIURP"), and (3) general energy efficiency outreach initiative. Each of these programs and their subcomponents will be further described in detail later in this report. Included in those descriptions will be a planned M&V plan for each initiative.

The information to be provided for each program will be organized as follows:

³ Case 07-M-0548 - Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Order Instituting Processing, issued and effective May 16, 2007.

⁴ Cases 03-E-0640 and 06-G-0746, RDM Proceeding, Order Requiring Proposals for Revenue Decoupling Mechanisms (issued and effective April 20, 2007).

- 1) Program Name
- 2) Program Description
- 3) General Program Goals
- 4) Program Information
- 5) Program Reporting
 - a. Internal
 - b. External
- 6) M&V Analysis
 - a. General Description of Method Utilized for Determining Cost and Benefit
 - b. Data Summary including:
 - i. Cost Measurement
 - ii. Calculation of Usage Savings over Life of Efficiency Measure
 - iii. Natural Gas Supply (“NGS”) Costs
 - iv. Discount Rate Utilized for Discounting Future Benefits
 - v. Cost Escalator utilized for NGS Costs
 - vi. Western New York Benefit Variables
 - vii. Societal Benefit Variables
 - c. Savings Calculation Approach
 - i. Account Specific
 - ii. Sampling
 - iii. Base Line
 - d. Net Impact Evaluation
 - i. Free Ridership
 - ii. Spillover
 - iii. Snapback
 - e. Avoided Emissions Calculation

It should be recognized that Distribution envisions the CIP as an evolutionary program. That is, as knowledge is gained as to the effectiveness of various components of the program, it is likely that modifications will be made to individual components so that the overall benefits of the CIP are maximized. It is anticipated that future quarterly reports will identify successes and potential improvements in program design. Those quarterly reports may also include recommended changes to effectively meet the overall goal of the CIP.

IV. M&V Plans

A. General Description of M&V Plans

This report provides a preliminary estimate of the cost and benefits of the Company’s CIP to date. This report reflects the first twenty-seven months of operation of the Company’s CIP. This report also will present a pre and post equipment installation consumption analysis for residential customer rebates.

The M&V plan includes a number of cost benefit analyses including: (1) Total Resource Cost Test (“TRC”), (2) Total Resource Cost Test – Western New York (“TRC-WNY”), and (3) Societal Test. The program results are provided (1) in total, (2) in summary of various program “portfolios”, and (3) on an individual program basis. The table below summarizes program results to date in total and for the various program portfolios. Individual program results will be summarized in the individual program sections presented later in this report. Appendix E provides the detailed M&V program results.

Program M&V Summary Based on Deemed Savings Assumptions Included in the Company’s Base Rate Case 07-G-0141				
	Total	Residential	Non Residential	Outreach
Base				
TRC	2.47	2.35	1.96	5.10
TRC-WNY	3.71	3.49	2.92	7.98
Societal Test	3.89	3.67	3.07	8.36
Adjusted				
TRC	2.22	2.11	1.90	4.13
TRC-WNY	3.33	3.14	2.83	6.54
Societal Test	3.49	3.29	2.97	6.85

The measurement of the cost and benefits of energy efficiency programs proceeds along a continuum of complexity. The TRC is perhaps the simplest to understand and implement while the Societal Test can be the most complex. Various additional measurements are added to the TRC leading up to a complete Societal Test. The three cost benefit analyses will be presented for each component of the CIP program.

The TRC utilized in this report will measure the cost expended under the program by the Company and customers for each initiative to the overall savings in customer costs. The NGS costs exclude the delivery and minimum charge rates billed to customers since in the long run these costs are not avoided.

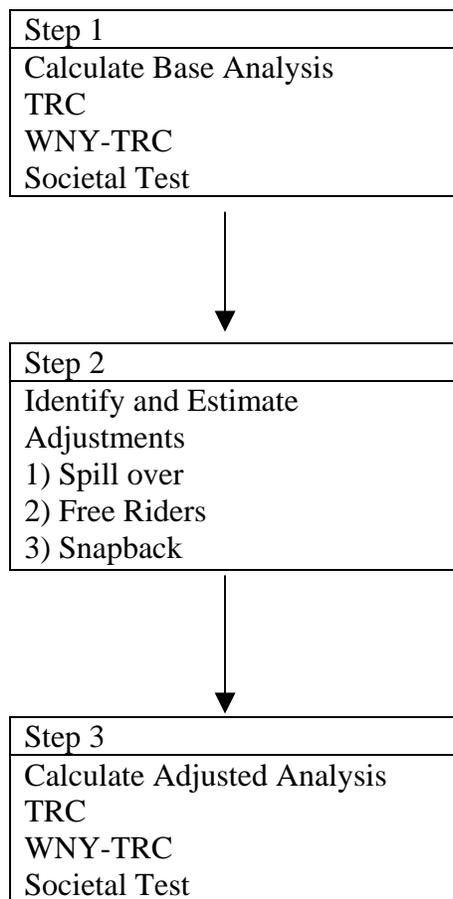
The TRC –WNY attempts to quantify the specific regional benefits derived from the specific CIP initiatives. For example, the LIURP will reduce the consumption of natural gas by low-income customers. That will be achieved by improving the energy efficiency of low-income customer homes. The cost of that program will largely consist of the efforts of local contractors in installing energy efficiency applications. The payments for energy efficiency improvements to local contractors effectively utilizes energy dollars that otherwise would have left the service territory with payments to local contractors that will largely stay in the service territory. The overall net savings of customers will also have a beneficial ripple effect on the WNY economy. The calculation of WNY expenditure multipliers and WNY income multipliers will be explained in Appendix F. The TRC-WNY is an attempt to quantify these benefits.

The Societal Test takes the TRC-WNY one step further by measuring the environmental benefits of the individual CIP initiatives and other societal costs and

benefits that may result from these energy efficiency initiatives. The Company developed an estimate of the societal benefits associated with reduced CO2 emissions. The societal benefit of \$15 per ton CO2 reduction was provided by the Commission in Appendix 3, page 2 of its June 23, 2008 Order in Case 07-M-0548.

The Company employed three general steps in its M&V analysis. The first step was the determination of a base analysis. The base analysis would utilize specific and discrete program results associated with changes in energy efficiency behavior of participating customers.

Figure 1 – Summary of the General Steps Employed in the M&V Analysis



The Company employed a deemed savings approach for determining savings under the program to date. A TRC test has also been calculated for the residential rebate program based on a customer pre and post equipment installation consumption analysis. A summary of this information will be presented in the residential rebate section of this report.

Deemed savings apply stipulated values of savings for installed or promoted energy efficiency initiatives. Deemed savings calculations apply accepted savings amounts for an application or initiative to determine the amount of actual energy savings. A more detailed description of the deemed savings approach utilized in this preliminary estimate of cost and benefits will be provided in the description of individual programs. There are two sources of deemed savings that were considered for use in this report: (1) deemed savings estimates utilized in the Company's last base rate case where the CIPs was first approved by the Commission, and (2) savings estimates from the TecMarket Works Standard Technical Manual⁵. In order to be consistent with the results presented in previous quarterly reports, the deemed savings TRC scores presented in the tables of this report utilize the deemed savings estimates included in the Company's last base rate case. The Company anticipates that, based on the feedback from interested parties, that future reports will incorporate the TecMarket manual deemed savings value. The pre and post equipment installation analysis identified changes in annual weather normalized consumption for residential customers installing energy efficient appliances under the CIP rebate initiative. Appendix I provides a summary of the pre and post equipment installation consumption analysis.

The Company utilized a projection of the average natural gas supply costs for the upcoming year of approximately \$12.00 per Mcf. As has been demonstrated during the recent past, the market prices of natural gas can be extremely volatile. Long range projections of natural gas prices can be dramatically off base. The \$12.00 per Mcf price of natural gas utilized in this study is equal to the trend of natural gas prices experienced by customers from October 2003 through December 2009 and has been used in previous quarterly reports. The price trend has been updated through March 2010 and presented on the graph included in the last page of Appendix E. As can be seen from this graph, recent declines in prices have dropped the historical trend to approximately \$11.00 per Mcf. In order to maintain continuity with previous quarterly reports the Company has not updated the \$12.00 per Mcf price variable included in the base analysis of Appendix E. Lines 246 through 257 of Appendix E provide a sensitivity analysis for the price variable. If the more recent lower prices for natural gas continue, the Company will likely update the price trend variable in future quarterly reports. The potential volatility of key variables utilized in the M&V analysis highlights the importance of sensitivity analysis to gauge the robustness of program results over a reasonable range of values for key variables in the analysis.

Step 2 would identify and estimate adjustments to the base analysis. These adjustments would include estimates of: (1) spillover, (2) free ridership, and (3) snapback. Spillover results when there are additional customer behavioral changes that produce a positive increase in energy efficiency on the part of the customer. For example, under the residential rebate program, the Company will inform customers of NYSERDA's whole house energy audit initiative. To the extent that customers receiving

⁵ New York Standard Approach for Estimating Savings from Energy Efficiency Programs, Single Family Residential Measures, December 16, 2009
Prepared for New York Department of Public Service by TecMarket Works ("Standard Technical Manual").

a rebate under the Company's CIP become aware of NYSERDA's whole house energy audits, and such audits result in increased savings, this would be considered a spillover benefit of the Company's CIP. Free riders are customers that would have implemented the program measure or practice in the absence of the CIP. Snapback occurs when customers actually increase their energy consumption due to reductions in the cost of energy. For example, increases in consumption can result when prices decline due to energy saving initiatives. In the pre and post equipment installation consumption analysis the snapback adjustment is set to zero because any snapback effect would be included in post equipment installation consumption.

The third step will add the results of the base analysis from Step 1 to the estimated adjustments in Step 2, to provide the final analysis of program results.

The Company believes that the measurement and evaluation analysis will evolve as more information is developed over the years. The Company will not only attempt to identify unique measurement issues associated with its programs, it will also strive to include pertinent information and best practices identified in other energy efficiency initiatives, including: (1) the New York Energy Efficiency Proceeding (Case 07-M-0548), (2) the National Action Plan for Energy Efficiency ("NAPEE"), (3) the North American Energy Standards Board ("NAESB"), (4) the National Association of Regulatory Commissioners ("NARUC"), and (5) other state initiatives.

B. Status of Data Development for M&V Plan

The Company has developed a preliminary report based on the program results to date. The Company has developed preliminary M&V results using four broad categories of data: (1) customer specific impact data from Company developed data bases, (2) M&V information that it believes is consistent with the requirements being developed through the statewide energy efficiency initiative (Case 07-M-0548), (3) M&V information consistent with that utilized in the New York Energy SmartSM Program, Evaluation and Status Report, Year Ending December 31, 2007, Final Report, March 2008 ("Energy SmartSM evaluation"), and (4) a sensitivity analysis on key variables. A brief description of each of these four broad categories of information follows.

1. Customer Impact Data from Company Developed Data Bases

The Company has developed a "before and after" consumption analyses for individual residential customers that are participating in the Company's rebate programs. A summary of the results for the rebate program is provided in the residential rebate section of this report. In this report the Company has also continued to provide deemed savings values as well as annual customer participation and cost information experienced to date to develop a preliminary estimate of the costs and benefits of the program.

The Company is also tracking the changes in consumption for the Company's service classifications subject to the revenue decoupling mechanism ("RDM") approved

by the Commission in the Company's last base rate case. This information is summarized in the table below.⁶

Summary of Revenue Decoupling Usage per Account Information (Mcf/Account)		
	SC 1	SC 3 *
Case 07-G-0141 Imputed RDM Usage per Account	106.910	414.31
Consumption at Start of CIPs Program 12 ME 12/2007	107.837	404.17
Consumption 12 ME 12/2009	102.54	386.49
* SC 3 actual data adjusted for actual TC 1.1 and 2.0 migrations to date.		

2. M&V Information Consistent with The Requirements Being Developed Through the Statewide Energy Efficiency Initiative

On June 23, 2008, the Commission issued its Order Establishing Energy Efficiency Portfolio Standard and Approving Programs (“EEPS Program Order”), in Case 07-M-0548. On August 7, 2008, Staff issued Evaluation Guidelines for incorporation into gas energy efficiency programs as required by the EEPS Program Order. TecMarket Works has prepared for staff the New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs dated March 25, 2009. On January 4, 2010 the Commission issued its Order Approving Certain Commercial and Industrial; Residential; and Low-Income Residential Customer Energy Efficiency Programs With Modifications. Included in that January 4, 2010 Order was reference to an updated New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs, Single Family Residential Measures, dated March 16, 2009. In order to be consistent with the results presented in previous quarterly reports, the deemed savings and appliance life estimates used in the TRC scores presented in the tables of this report utilize the deemed savings estimates included in the Company's last base rate case. The Company anticipates that, based on the feedback from interested parties, that future reports will incorporate the TecMarket manual deemed savings and appliance life values. It is the Company's understanding that an updated TecMarket Manual is being developed and may soon be issued.

The table below provides estimated deemed savings from the current TecMarket manual for the Company's residential rebate programs. The table provides summaries of deemed savings from the Standard Technical Manual, deemed savings based on the savings estimates included in the Company's last base rate case (“NFGDC Deemed” savings estimates), and savings calculated through the Company's pre-post consumption analysis. Also included in the table are the estimated appliance lives presented in the

⁶ The information presented in this table is normalized for adjustments to service classification consumption for the “best rate” requirement in the Company's tariff. The “best rate” requirement is a statutory requirement that certain accounts (i.e., religious and veteran organizations) be placed in the service classification that would provide them with the lowest (“best”) annual bill. In order to effectuate this provision, the Company annually reviews the bills for qualifying accounts and adjusts their service classifications as needed. In the Company's last rate case, a rate design change was effectuated such that this year's “best rate” review resulted in a significant migration of accounts. The table above eliminates the effect of this migration in order to provide a more consistent “before and after” analysis of consumption changes.

Company’s last base rate case and appliance measure life estimates included in the latest TecMarket Manual.

Summary of Residential Rebate Savings Estimates						
	Heating Systems			Thermostats	Hot Water Systems	
	Forced Air Furnace	Water Boilers	Steam Boilers		Tank	Tankless
NFGDC Deemed (Dth) ⁷	23.3	19.8	19.0	2.5	5.6	11.7
NFGDC Appliance Life (Years)	17	17	17	17	14	14
Tec Market Manual (Dth) ⁸	26.0	28.7	24.7	10.4	3.0	7.0
Tec Market Manual Appliance Life (Years)	20	25	25	11	---	20
NFG Pre Post Analysis (Dth)	13.3			5.7	4.2	7.1

3. M&V Information Consistent with the Energy \$martSM Evaluation

The Energy \$martSM evaluation includes an analysis of macroeconomic impacts. Consistent with the Energy \$martSM evaluation, the Company has utilized IMPLAN Pro® Version 2.0 to develop macroeconomic multipliers for its service territory. The development of these multipliers is provided in Appendix F. Also included in this evaluation is a measurement of environmental benefits. As mentioned previously the Company utilized Commission provided CO2 cost per ton information and AGA lbs CO2 per Mmbtu of natural gas in determining societal cost savings from the CIP.

4. Sensitivity Analysis on Key Variables

As mentioned previously, the potential volatility of key variables utilized in the M&V analysis highlights the importance of sensitivity analysis to gauge the robustness of program results over a reasonable range of values for key variables in the analysis. Pages 13 through 19 of Appendix E provide a sensitivity analysis for key variables included in the M&V analysis.

V. Summary of Programs

A. Low Income Usage Reduction Program (“LIURP”)

1. Description

⁷ Based on deemed savings provided in the Company’s last base rate case.

⁸ Based on TecMarket manual formulas and formula variable values for the Company’s service territory.

LIURP is a weatherization program for low-income customers. Participants receive a heating system check, an energy audit, installation of weatherization, infiltration reduction, natural gas usage reduction measures and consumer education. The program design is consistent with, and is being administered as part of, NYSERDA's EmPower New YorkSM ("EmPower) program, and contractors will follow procedures and guidelines developed for that program. Households receiving gas efficiency services paid for by Distribution will be evaluated for electric reduction measures to be paid for by NYSERDA with System Benefits Charge ("SBC") funds.

2. Goals

Conserve energy, reduce residential energy bills, and improve the health, safety, and comfort levels for participating households. Also reduce the incidence and risk of pay delinquencies and the costs associated with uncollectible accounts, late payment collections, and termination of service expenses. Measures installed will be cost effective and pay for themselves through energy savings in a specified time frame.

3. Program Information

a. Eligibility

Customers meeting the following criteria will be eligible to participate in the Company's LIURP:

- Preferred status to participants in Low Income Customer Affordability Assistance Program ("LICAAP").
- Income less than or equal to 60% New York State median income (HEAP eligible).
- Active account and residency in the premises for at least one year prior to weatherization.
- High consumption - minimum of 132 Mcf (start with 180 – 200+ Mcf or thousand cubic feet) per year.
- Owners and tenants eligible.
- Must be a single-family dwelling or two units if each has its own meter and both meet eligibility requirements.

b. Administrative Tasks Related to Start-Up

- NYSERDA negotiated and modified existing EmPower contracts, including budgets and statements of work with current Program Implementer, Honeywell International ("Honeywell"), and current Quality Assurance ("QA") Contractor, CSG Services, to include activities related to LIURP.
- NYSERDA modified current EmPower Contractor and Vendor Agreements for use in LIURP. NYSERDA procured contracts from area contractors and vendors, is monitoring contractor eligibility and has established a payment system for participating contractors.

- NYSERDA has modified the online tracking system, CRIS, the EmPower software tool, EmPCalc, and the online Contractor Portal to accommodate changes required for the inclusion of LIURP in the EmPower system.
- NYSERDA has modified current EmPower forms and integrated Distribution forms to accommodate LIURP.

c. Ongoing Administrative Tasks

- NYSERDA will reassess and enhance program procedures on an ongoing basis, ensuring that practices are consistent with standards of the Building Performance Institute (“BPI”) and best practices as followed by contactors participating in EmPower. Forms, guidelines, software, and other materials will be modified as needed. NYSERDA program staff will consult with Counsel and Contract Management as needed to ensure that the program is implemented correctly.
- NYSERDA will monitor program progress and expenditure levels to ensure that program objectives are met within budget allocations. NYSERDA will conduct weekly meetings with the Program Implementer, and maintain daily contact as needed, to ensure that the program is progressing as required.
- NYSERDA will conduct weekly and monthly meetings with the QA Contractor, and maintain daily contact as needed, to ensure that QA procedures are being followed in accordance with the contract, and that QA issues are being resolved.
- NYSERDA and NYSERDA Program Implementer will meet with contractors on a regular basis, both on-site and by teleconference, to ensure that contractors understand and are following program procedures, and to elicit feedback regarding the program.
- NYSERDA will conduct an annual review of pricing to ensure that fees are appropriate, and provide financial support to the New York State Weatherization Director’s Association for their bulk purchase bidding procedure. NYSERDA will ensure that appliance pricing is consistent with this bid.
- NYSERDA will conduct periodic reviews of the database to ensure quality of data entry.
- NYSERDA will develop and process incentives for contractors who participate in the program and become BPI accredited. These incentives will consist of 75% reimbursement of BPI contractor fees for training, accreditation and quality assurance.
- NYSERDA will collaborate with the Weatherization Assistance Program to ensure consistency between programs and to maximize opportunities for collaboration, thereby allowing for enhanced worksopes.
- NYSERDA will modify energy efficiency and financial management workshops currently provided in Distribution service territory to include information related to Distribution low income programs.
- At Distribution’s request, NYSERDA shall permit Company personnel to monitor and participate in these administrative tasks.

- NYSERDA will use its best efforts to accommodate an interface platform with Distribution’s customer information systems to assure the proper transfer of customer information necessary to perform the obligations hereunder.

d. Process

- Distribution generated referrals from:
 - LICAAP
 - HEAP status/consumption report
 - CAC/Outside Agencies/Other
- Distribution screens for:
 - 12-month consumption history. Must be more than 132 Mcf (Ideally, 180-200+ Mcf initially).
- NYSERDA Program Implementer Screen for eligibility:
 - NYSERDA Program Implementer is sending a cover letter from Distribution with a LIURP/EmPower application to each potential participant. A second application will be sent if the first is not returned within a reasonable time frame.
 - Upon receipt of completed application NYSERDA Program Implementer will examine potential for natural gas energy efficiency services funded through Distribution, and determine eligibility for electric reduction services funded through the SBC and available to low-income electricity customers of National Grid and New York State Electric and Gas Corporation.
 - If the customer is a tenant, NYSERDA Program Implementer will send a letter (on Distribution letterhead) to landlord outlining requirements and soliciting landlord participation. Upon receipt of satisfactory landlord agreement, the customer may be accepted for energy services.
 - If the customer resides in a multifamily home (three units or greater), the customer will be ineligible for gas efficiency measures.
- If not eligible, NYSERDA Program Implementer will:
 - Send a “no further services” letter to the customer (printed on Distribution letterhead).
 - If referral was from Distribution or an outside agency, inform referring office/agency reason(s) why customer not eligible.
 - Do nothing else with account.
- If above criteria met for eligibility, NYSERDA Program Implementer performs the following:

- Assigns the customer to a participating contractor. Assignments will be made on the basis of current backlog, contractor availability, and past performance.
- Sends a letter, on Distribution letterhead, to the customer informing them of their acceptance and providing contact information for the assigned contractor.
- When the customer is eligible for weatherization, NYSERDA Program Implementer will:
 - Enter relevant customer data into the EmPower database, including county designations and other information required by Distribution.
 - Enter weatherization-approved status.
 - System to accept periodic information verifying that the customer is still eligible and that service has not been shut off for non-payment, no pending close orders, no active shut off notices, and account is still active. Until automated, Honeywell will need to accept e-mail notifying an account is no longer eligible.
- Once work is in progress:
 - Distribution has access to the EmPower database. Distribution has access to screens/reports to identify, among other things, placed jobs that have yet to be picked up by contractors and the status of any placed jobs. Distribution has the ability to retrieve customer energy services record and to obtain an electronic report of jobs with information required by Distribution, such as first name, last name, address, city, state, postal code, contractor, home phone number, account number, meter number, mailing address, mailing city, mailing zip, and sent to contractor date.
 - NYSERDA Program Implementer is administering customer interactions/document procurements (letters sent to Distribution's customers on Distribution letterhead), including:
 - Customer Acceptance Letter
 - CIP/EmPower Audit Forms
 - Landlord/Tenant Agreements
 - Distribution LIURP Eligibility Affidavit/Information Waiver
 - Distribution Work Proposal Agreement
 - Customer Agreement
 - National Fuel Safety Check List
 - Certificate of Completion NYSERDA Program Implementer
- Contractor duties:
 - Within two weeks of receiving job, contractor calls customer to set up initial appointment.
 - Contractor goes to property and performs a comprehensive home assessment, including:
 - Heating system inspection and combustion efficiency test.
 - Blower door test for air leakage.

- Inspection and measurement for insulation.
 - Health and safety checks, such as ambient CO testing and gas leak checks.
 - Energy education.
 - Instrumented audit and documentation on EmPower forms.
 - Discussion of workscope with appropriate household member.
 - If household is eligible for SBC-funded measures, installation of minor electric reduction measures, such as compact fluorescent light bulbs and evaluation of electric appliances.
 - If furnace problems are identified, contractor follows appropriate emergency and referral procedures outlined in Section 5 of the EmPower Guidelines and Procedures Manual.
 - If issues or problems are identified which preclude successful installation of measures, such as severe structural damage or serious code violations related to the work, contractor will notify the EmPower Program Implementer and further work will be cancelled until conditions are corrected.
 - NYSERDA Program Implementer will send letter (on Distribution letterhead) to customers explaining why work was cancelled and offering a timeline by which work may be resumed if conditions are corrected.
 - Contractor develops workscopes and proceeds with work according to EmPower Guidelines and Procedures Manual.
 - If customer does not respond to contractor calls or letters, contractor advises NYSERDA Program Implementer. (Contractor may be reimbursed for services rendered such as customer education, etc. despite the weatherization job not being completed. Reason why job may not have been completed could include customer not getting back to contractor, etc.).
 - Once a job is completed, Contractor sends all completed forms and invoice to the Program Implementer for processing.
 - Jobs to be completed within 60 days from referral.
- Invoice processing:
 - Invoices submitted must follow Invoicing Requirements listed on Section 15.3 of the EmPower Guidelines and Procedures Manual.
 - Honeywell reviews all forms and verifies invoice for accuracy. (Use a standard invoice for all contractors).
 - If any discrepancies found with invoice, NYSERDA Program Implementer contacts contractor.
 - If any forms not returned or incomplete, NYSERDA Program Implementer contacts the contractor.
 - Honeywell provides the third-party QA Contractor with information for QA inspections.
 - If the invoice is ok, NYSERDA Program Implementer recommends approval of the invoice, enters the final approved costs into the CRIS database, and locks the costs in place.

- NYSERDA approves and process contractor and vendor invoices, arrange payment, and resolve payment issues.
- NYSERDA tracks program expenditures and maintains payment records. Accounts payable forms and invoice maintained for six years.
- Job completion processing:
 - NYSERDA Program Implementer maintains a file of the following household data:
 - Customer application.
 - Energy usage.
 - Audit forms and workscope write-up.
 - Certificate of Completion.
 - Required permissions.
 - NYSERDA QA Contractor (currently CSG Services) will perform independent third-party QA field inspections on approximately 20% of completed jobs and phone QA interviews on an additional 15% of completed jobs. QA will be completed within one month of completion of work.

4. Reporting

a. Internal

As of March 31, 2010, a total of 10,461 customers have been referred to the contractor for LIURP services. Of these, 8,784 have been sent a letter/application, and 3,495 applications have been returned. This has resulted in 1,946 customers referred for services, 316 applications on hold and 1,233 customers deemed ineligible. Of the 1,675 currently active program participants, 1,527 jobs have been completed, with 10 jobs in process and another 138 energy audits in process. The 1,527 completed jobs consisted of insulation measures for 1,228 customers, air sealing measures for 1,257 customers, heating system repairs/replacements for 688 customers and low flow showerheads for 416 customers. The total cost of all the measures to date is \$5,061,006, with an average cost per measure of \$3,314.

Refer to Appendix A of this report for more detailed program summary information.

b. External

As of March 31, 2010, the Company estimates that the 1,527 completed conservation measure jobs will result in 66,744 Mcf of annual energy savings, which equates to \$901,049 annually in energy bill savings.

The Company has developed an analysis of the changes in LIURP customer consumption characteristics after the installation of energy efficiency applications at the customer's household. Appendix I provides a summary of this analysis.

5. M&V Analysis

Appendix E, Pages 7 through 9, Column K, provide the preliminary M&V results for the LIURP program.

The Table below summarizes a number of results included in Appendix E.

LIURP M&V Summary Based on Deemed Savings Analysis	
TRC Base Analysis	2.15
Base Societal Test w/WNY Benefits	3.34
TRC Adjusted	2.11
Adjusted Societal Test w/WNY Benefits	3.28

The Mcf saved per participant, Row 20, on Appendix E, is the deemed LIURP program savings assumed when the CIP program was established. In developing the adjusted analysis no free ridership is assumed since it is unlikely that low income customers would have sufficient resources to make the energy efficiency improvements without the CIP initiatives. An assumed level of “Snapback” consumption was provided in the analysis based on Company surveys of the propensity of the average residential customer to turn up their thermostats based on assumed bill reductions.

Appendix E, pages 10 through 12, Column U, provides the M & V results based on pre and post installation energy efficiency improvement savings for residential customers receiving LIURP services.

LIURP M&V Summary Based on Pre Post Savings Analysis	
TRC Base Analysis	1.02
Base Societal Test w/WNY Benefits	1.59
TRC Adjusted	0.98
Adjusted Societal Test w/WNY Benefits	1.53

While the pre and post cost benefit analysis provides results that are less than those presented under the deemed savings analysis, the overall benefits of the residential rebate programs still exceeds the costs. As explained in Appendix I, the pre and post analysis utilized thirteen months of data. When analyzing the pre-post savings results for the LIURP program consideration must also be given to the relatively slower startup time needed for this program. The slower startup for the LIURP program resulted in fewer accounts receiving services in the early months compared to the later months. Also through analysis of early months results, the Company and NYSERDA were able to develop improvements in services provided to customers. As can be seen from the graph at Appendix I, Attachment 2, page 6 it appears that the average savings generated by LIURP customers has improved in the more recent months that service was provided. The Company will update this study as more data becomes available.

B. Rebate Program - Residential

1. Description

The residential program is an equipment replacement program, modeled after a Vermont Gas Systems program, which was cited by the ACEEE, as one of the nation's exemplary natural gas energy efficiency programs. Distribution's program offers equipment replacement rebate incentives for single family and multi-family dwellings, to encourage them to install high efficiency space heating and water heating appliances. These appliances are by far the largest two users of natural gas in residential buildings, and are therefore most likely to show the largest savings to our customers when they upgrade their appliances. Distribution set minimum efficiency levels for each appliance type based on federal Energy Star and New York State Energy Smart guidelines.

2. Goals

The goal of this program is to encourage the installation of high efficiency appliances by customers. The installation of high efficiency appliances was identified by Staff in its fast track⁹ proposal as offering one of the greatest potentials for cost effective natural gas energy efficiency initiatives.

3. Program Information

Rebates were available for qualifying natural gas equipment, beginning with installations made on or after November 1, 2007. Available for existing homes only, not new construction.

For residential customers in Distribution's New York service area, rebates were available on the purchase of the following items during Year 1 and 2 of the CIP (11/1/07 – 11/30/09):

⁹ Case 07-M-0548, Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard; New York State Department of Public Service, Staff Preliminary Proposal for Energy Efficiency Program Design and Delivery; August 28, 2007, p. 101.

	Required Minimum Efficiency	Rebate Amount
Space Heating		
Hot Air Furnace	90% AFUE ¹⁰	\$300
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star –Rated	\$25
Water Heating		
Storage Tank Heater	0.61 EF ¹¹	\$150
Tankless Heater	0.78 EF	\$350

For Year 3 of the CIP, beginning 12/1/09, rebates are available on the purchase of the following items:

	Required Minimum Efficiency	Rebate Amount
Space Heating		
Hot Air Furnace	90% AFUE	\$300
Hot Air Furnace with ECM	90% AFUE	\$400
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star –Rated	\$25
Water Heating		
Indirect Water Heater	N/A	\$300

Rebates were processed beginning on December 1, 2007. The following documentation was needed in order to complete the application for a rebate:

Purchased Item	Required Documentation
Programmable thermostat	Receipt; make and model number, UPC (bar code) label from the package (only Energy Star-rated models qualify).
Furnaces, Boilers and Water Heaters	<p>Paid invoice or receipt(s) indicating the retailer/contractor name, business address, phone and Federal ID (tax) number.</p> <p>Itemized description of each product, including:</p> <ol style="list-style-type: none"> 1. Manufacturer, and complete model number. 2. EF for natural gas water heaters. 3. AFUE (efficiency) rating for natural gas furnace or boiler. <p>Product installation date.</p>

¹⁰ Annual Fuel Utilization Efficiency (“AFUE”) is the most widely used measure of a furnace’s heating efficiency. It measures the amount of heat actually delivered to a house compared to the amount of fuel that must supply the furnace.

¹¹ Energy Factor (“EF”) is the efficiency of a storage water heater is indicated by its EF. An overall efficiency measure based on the use of 64 gallons of hot water per day, the EF takes into consideration both the transfer of heat to the water from the fuel used, and the standby loss of heat from the water.

The Company contracted with Energy Federation Inc. (“EFI”) to administer the rebate processing. EFI has more than 15 years experience in administering energy efficiency programs for utilities nationwide.

4. Reporting

a. Internal

As of March 31, 2010, a total of 42,885 rebates were processed by EFI, for a total rebate amount of \$7,747,540. This represents approximately 260% of the estimated total annual budget of \$2,980,677 for this program, in the first twenty-nine months since becoming effective. As of March 31, 2010, EFI was paid \$523,708 to administer this program per Distribution’s contract with them. This represents approximately 181% of the estimated total annual administration budget of \$289,050 for this program. The table below illustrates a summary of the rebate activity to date versus the estimated annual projections by major rebate and program administration category:

	- Estimated Annual -		- Actual Cumulative -	
	Rebates	Rebate \$	Rebates	Rebate \$
Space Heating	3,853	\$1,258,534	19,926	\$6,213,800
Water Heating	5,783	\$1,312,388	4,948	\$1,084,000
Thermostat	16,390	\$409,755	18,011	\$449,740
Total Rebate	26,025	\$2,980,677	42,885	\$7,747,540
General Admin.				\$76,000
Processing				\$254,742
Inspections			2,065	\$192,966
Total Admin.		\$289,050		\$523,708
Total Program		\$3,269,727		\$8,271,248

Refer to Appendix B of this report for more detailed program summary information.

Customer response to this program has been outstanding. Program inquiries to EFI have been very steady since the program began. Typical daily call levels have been in the range 40 - 50 calls per day, with peak levels reaching 75 - 80 calls per day during the first few months of the program introduction. The program administrator, EFI, who handles a large majority of the utility rebate programs in the northeast U.S., stated recently that this was by far the largest initial response to a residential rebate program that they have ever seen. According to Tim Brown, Chief Operating Officer of EFI, “this one certainly took off like no other program we’ve started up.”

Now that the initial influx of requests has been processed, EFI is in the process of conducting two additional quality control aspects of the program. First, they are working with Conservation Services Group (CSG) to conduct random monthly on-site inspections of equipment installations to verify that the equipment receiving a rebate was actually

installed. As of March 31, 2010, 2,218 of these inspections have been completed, which represents a 5% sample of the total rebate population of 42,885 rebates, and no fraudulent claims were discovered. Second, EFI conducted a phone survey to a random sample of 1,170 customers (approximately 5% of the 22,224 customers receiving a rebate through December 2009), to gain their insight into issues such as program awareness source, impact of the rebate on the purchase decision and satisfaction with the rebate process. Regarding program awareness, the top 3 sources of program information to rebate customers were contractors (66%), National Fuel bill inserts (18%) and friends/word of mouth (11%). A total of 86% of rebate participants indicated the rebate was important in influencing them to make their equipment upgrade decision. Finally, 95% of rebate customers were satisfied with the overall rebate program process. A more detailed summary of the results of these surveys is included in Appendix H of this quarterly report.

b. External

The Company has developed an analysis of the changes in customer consumption characteristics after the installation of high efficiency appliances. Appendix I provides a summary of this analysis.

5. M&V Analysis

Appendix E, Pages 1 through 6, Columns B through I, provide the preliminary M&V results for each of the residential rebate programs. Appendix E, Pages 7 through 9, Column J, provide the preliminary M&V results for the total of the residential rebate programs.

The Table below summarizes a number of results included in Appendix E.

Residential Rebates M&V Summary Based on a Deemed Savings Analysis									
	Total Res	Heating Systems				T Stats	Hot Water		
		Furnace		Boiler			Indirect	Tank	Tankless
		Air	ECM	HW	Steam				
TRC Base Analysis	2.39	2.67	1.38	1.17	2.47	4.99	0.41	1.54	1.51
Base Societal Test w/WNY Benefits	3.74	4.18	2.15	1.82	3.87	7.86	0.64	2.42	2.39
TRC Adjusted	2.10	2.33	1.24	1.04	2.18	4.37	0.39	1.38	1.34
Adjusted Societal Test w/WNY Benefits	3.30	3.66	1.93	1.62	3.41	6.90	0.61	2.17	2.11

The Mcf saved per participant, Row 20, on Appendix E, are the deemed rebate program savings assumed when the CIP program was established.

In developing the adjusted analysis a 19% free ridership value is assumed. This assumed level of free ridership was based on a previously completed customer survey results explained in section V.B.4.a. More recent survey results would imply a free

ridership value of 14%. The TecMarket manual recommends a free ridership value of 10%. In order to be consistent with the results presented in previous quarterly reports, the free ridership estimates used in the TRC scores presented in the tables of this report utilize the 19% value assumed in previous reports. The Company anticipates that, based on the feedback from interested parties, that future reports will incorporate the TecMarket freeridership value of 10%. The Company anticipates incorporating the TecMarket information when the final TecMarket manual is completed. Sensitivity analysis for the free ridership variable is provided in the free ridership section of Appendix E. An assumed level of “Snapback” consumption was provided in the analysis based on Company surveys of the propensity of the average residential customer to turn up their thermostats based on assumed bill reductions.

The Company has also performed a cost benefit analysis for residential appliance rebates based on a “before-and-after” analysis of the total natural gas consumption of residential customers receiving rebates. Appendix I provides a summary of the procedures used by the Company in determining pre and post efficient appliance installation consumption.

Appendix E, pages 10 through 12, provides the M & V results based on pre and post appliance installation savings for residential customers receiving rebates.

Residential Rebates M&V Summary Based on a Pre and Post Appliance Installation Savings Analysis					
	Total Res	Heating Systems	T Stats	HW Tank	Tankless HW
TRC Base Analysis	1.99	1.57	11.82	1.20	1.01
Base Societal Test w/WNY Benefits	3.13	2.46	18.55	1.88	1.54
TRC Adjusted	1.82	1.45	10.35	1.07	0.89
Adjusted Societal Test w/WNY Benefits	2.87	2.27	16.25	1.69	1.44

While the pre and post cost benefit analysis provides results that are somewhat less than those presented under the deemed savings analysis, the overall benefits of the residential rebate programs still exceeds the costs. As explained in Appendix I, the pre and post analysis utilized fourteen months of data. The Company will update this study as more data becomes available.

C. Rebate Program – Small Non-Residential

1. Description

The small non-residential program is also an equipment replacement program, modeled after a Vermont Gas Systems program, which was cited by the ACEEE, as one of the nation’s exemplary natural gas energy efficiency programs. Distribution’s proposed program will offer equipment replacement customized rebate incentives to customers using less than 12,000 Mcf, to encourage them to install high efficiency space heating, water heating and process heating equipment. However, customers will also be

eligible to receive rebates for non-equipment replacement changes made to heating, water heating and process heating equipment, such as adding insulation to a process heating oven, or updating controls to a space heating boiler. These custom incentives are set on a case-by-case basis, based upon the incremental installed cost of the new equipment and the estimated resulting gas energy savings. A technical engineering analysis must first be performed to confirm energy savings. The rebate amount will be up to 50% of the incremental cost, with a cap of \$25,000. The Company has contracted with NYSERDA to administer the day-to-day project management of this program.

2. Goals

The goal of the small non-residential rebate program is to provide cost effective incentives to small non-residential customers to utilize natural gas efficiently in their business operations.

3. Program Information

a. Administrative Tasks Related to Start-Up

- NYSERDA has modified existing Energy Efficiency Technical Assistance (“TA”) contracts, including statements of work to include activities related to NRCIP.
- NYSERDA has modified the on-line tracking system, Buildings Portal, to accommodate changes required for the tracking of Distribution energy projects.
- NYSERDA has modified current Enhanced Commercial/Industrial Performance Program opportunity notices and Tier II forms to accommodate Distribution energy projects.

b. Ongoing Administrative Tasks

- NYSERDA will monitor program progress and expenditure levels to ensure that program objectives are met within budget allocations.
- NYSERDA will discuss by teleconference as needed with NYSERDA’s TA Contractors, to ensure that contractors understand and are following program procedures, and to elicit feedback regarding the program.
- NYSERDA will conduct periodic reviews of the database to ensure quality of data entry and will provide Distribution with project data obtained on the application.
- NYSERDA will promote Distribution programs in any upcoming energy efficiency workshops /seminars/conferences provided in Distribution service territory.
- At Distribution’s request, NYSERDA shall permit Distribution personnel to monitor and participate in these administrative tasks.

4. Process

- NYSERDA Application In-Take and Review:
 - Upon receipt of a completed Application (includes application and Technical Engineering Study) NYSERDA assigns the gas energy project and send a copy of the Application to a NYSERDA TA Contractor.
 - NYSERDA will enter data into the Buildings Portal Database to track the energy project.
- NYSERDA's TA Contractor will perform the following:
 - Will review the Application for completeness and eligibility and will review the engineering study for technical merit.
 - Will contact customer and/or contractor to conduct a pre-installation site visit to verify existing conditions.
 - Will provide NYSERDA with written correspondence on the Application summarizing the gas energy project and provide NYSERDA with a recommendation of the potential gas energy savings and financial incentive.
 - Will provide NYSERDA with a scope of work and budget to complete all phases related to the gas project.
- NYSERDA offers Purchase Order:
 - NYSERDA will review the TA Contractor's recommendation and, if approved, will request Distribution to send correspondence via an approval memorandum to the customer. In the alternative, NYSERDA may itself send such correspondence on letterhead supplied to NYSERDA by Distribution.
 - NYSERDA will develop a Purchase Order to contractually secure the financial incentives available for the gas energy project and offer a Purchase Order to the customer for their approval and signature.
 - NYSERDA will review the scope of work and budget and modify the existing TA Contractor's contract.
 - NYSERDA will update the data of the project in the Buildings Portal database.
- Customer completes Construction:
 - NYSERDA's TA Contractor will conduct a post-installation site-inspection of the energy project to verify that the energy project is completed and the same equipment and efficiency ratings that was specified in the Application was installed.
 - NYSERDA's TA Contractor will provide NYSERDA with correspondence in writing with a recommendation of the potential gas energy savings and financial incentives and notify any changes to the project.

- NYSERDA will request Distribution to provide the customer with correspondence in writing indicating the amount of financial incentive that the customer can invoice. In the alternative, NYSERDA may send such correspondence on letterhead supplied to NYSERDA by Distribution.
- NYSERDA will update the data of the project in the Buildings Portal database.
- Invoice Processing:
 - NYSERDA will review all invoices for accuracy, and if acceptable NYSERDA will process the invoice for payment following NYSERDA prompt payment policy.

5. Reporting

a. Internal

As of March 31, 2010, a total of 814 rebates were processed by EFI and NYSERDA, for a total rebate amount of \$830,298. This represents approximately 63% of the estimated total annual budget of \$1,319,860 for this program, since commencement of rebate processing on December 1, 2007, (for equipment purchases and installations completed on or after November 1, 2007). As of March 31, 2010, EFI and NYSERDA were paid a total of \$44,388 to administer this program per Distribution’s contract with them. This represents approximately 35% of the estimated total annual administration budget of \$127,993 for this program. The table below illustrates a summary of the rebate activity to date versus the estimated annual projections by major rebate and program administration category:

	- Estimated Annual-		- Actual Cumulative-	
	Rebates	Rebate \$	Rebates	Rebate \$
Space Heating	N/A	N/A	422	\$780,959
Water Heating	N/A	N/A	50	\$29,639
Cooking	N/A	N/A	3	\$1,500
Process Heating	N/A	N/A	0	\$0
Thermostat	N/A	N/A	339	\$18,200
Total Rebate	N/A	\$1,319,860	814	\$830,298
General Admin.				\$39,741
Processing				\$2,298
Inspections			52	\$2,349
Total Admin.		\$127,993		\$44,388
Total Program		\$1,447,853		\$874,686

Refer to Appendix C of this report for more detailed program summary information.

Customer response to this program was very slow at the outset, but has been improving as a result of a series of direct mailings the Company conducted in February and March of 2008. Program inquiries to NYSERDA have been fairly steady since the

direct mail campaign. Typical daily call levels have been in the range of 10-15 calls, with peak levels reaching 20-30 calls per day in some instances.

However, even with the increased call activity, the results to date have been less than expected. We feel this is due primarily to two factors. First, the majority of customers calling NYSERDA were very small businesses, typically with usage of less than 1,000 Mcf. Due to their small size, they were relatively unsophisticated when it came to knowledge of their existing energy equipment and their overall energy usage. They did not have any in-house energy expertise and many did not have any outside source (contractor, engineer, consultant, etc.) to rely upon. Second, even if they did have some level of energy expertise, either in-house or outside, they were typically too busy to spend any time analyzing their project as called for in the design of the customized rebate program. They were looking for something VERY easy to understand and apply for, such as our fixed rebate design in the residential market. This is the main reason NYSERDA ended up referring most of the rebates for the small non-residential program to EFI so the customer could take advantage of the simpler, albeit likely lower value, rebate through that source. These customers simply did not want to take the time or effort to complete even a simple analysis of their project to achieve the higher potential rebate level.

Over the first two years of the program, we have seen greater activity on the customized rebate design front. Even though only 36 rebates have been processed through this method as of March 31, 2010, NYSERDA currently has several applications in progress, with a few projects already approved for payment or pending, several of which are for substantial amounts of money. We feel this trend will continue as more customers become aware of the program, as well as becoming more comfortable with completing the simple technical analysis required.

Due to the issues cited above, the Company has implemented a modification to this program design for year 2 of the program, effective December 1, 2008, that created a two-tiered approach –

1. A new, simpler, fixed rebate component for the smallest of the non-residential customers, similar to the residential program design, although at slightly higher rebate levels
2. The existing, more complex, customized rebate design for those customers willing and able to do the analysis required to likely achieve a greater rebate level through this approach than via the fixed rebate design.

The Company reviewed this concept with all the participants of the Collaborative Session held at the NYPSC office in Albany on March 25, 2009. Since the new fixed rebate became effective on December 1, 2008, the Company is encouraged by the growing response we have seen from our small non-residential customers. Through March 31, 2010, 778 customers have taken advantage of this simpler rebate option available to them.

Finally, now that the program introduction phase has passed, the Company plans on working with NYSERDA to finalize a phone survey which will be conducted to a random sample of customers receiving a rebate, to gain their insight into issues such as program awareness source, satisfaction with the rebate process and impact of the rebate on the purchase decision.

b. External

At this point, the Company does not have sufficient data for most rebate participants to accurately compare pre-versus post-installation consumption for either the five-month heating season of November – March or the 12-month water heating/process heating season. As more data is available, we expect to conduct these analyses to estimate the energy efficiency savings realized for each rebate participant, as well as aggregate those results into the TRC test to evaluate the overall program effectiveness, and include them in future quarterly reports.

6. M&V Analysis

Appendix E, Pages 7 through 9, Column M, provide the preliminary M&V results for the non-residential rebate program.

The Table below summarizes a number of results included in Appendix E.

Non-Residential M&V Summary	
TRC Base Analysis	1.96
Base Societal Test w/WNY Benefits	3.07
TRC Adjusted	1.90
Adjusted Societal Test w/WNY Benefits	2.97

The Mcf saved per participant, Row 20, on Appendix E, is the deemed non-residential program savings for the participants provided CIP rebates to date.

In developing the adjusted analysis a 10% free ridership is assumed. Sensitivity analysis for the free ridership variable is provided in the free ridership section of Appendix E. No level of snapback was assumed for non-residential customers.

D. General Customer Outreach and Energy Efficiency Education

1. Description

The Company developed a communications plan to introduce the CIP to its customers, to help them become fully aware of its benefits and to encourage customers to take advantage of the program.

2. Goal

The goal of the communications plan is to educate customers on the need for and the benefit of employing energy efficiency measures. The CIP rebate and low-income programs are cornerstones for improving energy efficiency in homes and businesses throughout our Company's service territory.

3. Program Information

Formal advertising and public relations initiatives associated with the CIP launched December 1, 2007. These initiatives included bill inserts, direct mail, outdoor advertising, transit and bus shelter advertising, online advertising, a dedicated website, print advertisements and grassroots efforts. Tactics executed during this reporting period (January 1, 2010 - March 31, 2010) included:

Print Advertisements:

- Three print advertisements ran in our media market in February and March 2010, generating approximately 1,215,655 total impressions through 55 placements.
 - See **Appendix D, Exhibit 1** for sample print ads.

Television Advertisement:

- During the months of February and March 2010, 835 television spots ran.
- We scheduled 1,486 gross rating points against a target audience of adults, ages 25-54.
- The six-week schedule delivered a 99 percent reach and 15 frequency against this target audience.

Radio Advertisement:

- During select weeks in the months of January, February and March 2010, 1,104 30-second radio spots ran.
- Against an audience of adults aged 25-54, 1,248 gross rating points were scheduled.
- The schedule was projected to deliver a 88.7 percent reach and 14 frequency.

Transit Advertising (Bus Shelters and Bus Cards)

- This tactic was not employed during this quarter.

Outdoor Advertising – Billboards, Bulletins and Posters

- This tactic was not employed during this quarter.

Bill Inserts:

- Approximately 500,000 copies of our Company's Winter Quarterly Newsletter bill insert, which featured information on the CIP, were distributed in January 2010 to customers throughout our New York service territory.
- Approximately 480,000 copies of our Company's CIP bill insert, which provided information on the CIP rebates and the CIP website, were distributed in March 2010 to customers throughout our New York service territory.
 - See **Appendix D, Exhibit 2** for a sample bill insert.

Website (NationalFuelForThought.com)

- This program-specific website generated approximately 12,182 visits (with 44,157 page views among those visits) from January 1 to March 31, 2010.
 - See **Appendix D, Exhibit 3** for a screen shot of the website's homepage.

Other Website Outreach

- **Media Networks, Inc. and JCarter Advertising** – generated 1,576,934 impressions, with a 0.12 click-through rate, from January 1 to March 31, 2010.
- **Buffalo.com** – generated 528,524 total impressions from January 1 to March 31, 2010.
 - See **Appendix D, Exhibit 4** for sample website advertisements.

Handouts and Program Materials:

- Conservation kits and program materials were distributed at community events and to employees, customers, heating and cooling appliance dealers, local appliances stores, area not-for-profit organizations, health and human service agencies, and local elected officials.
 - Approximately 12,250 kits were distributed between January 1 and March 31, 2010.
- Along with starter-materials to help customers weatherize their homes and payment assistance information, the conservation kits included:
 - **Program brochures, describing features for residential and non-residential customers**, were distributed upon request to employees, customers, heating and cooling appliance dealers and local appliances stores.
 - See **Appendix D, Exhibit 5** for samples of the brochures, featuring program benefits for both residential and non-residential customers.

- **Conservation Tip Sheet** – includes tips and facts about energy conservation and websites that contain conservation information. These tip sheets were distributed upon request to employees, customers, heating and cooling appliance dealers and local appliances stores.
 - See **Appendix D, Exhibit 6** for a sample tip sheet.
- **Savings Card** – contains information on the CIP website, rebates offered through the CIP and Energy Partners that sell equipment eligible for rebates. These savings cards were also distributed upon request to employees, customers, heating and cooling appliance dealers and local appliances stores.
 - See **Appendix D, Exhibit 7** for a sample tip sheet.

Community Outreach:

- Program materials and conservation kits were distributed at the following:
 - Buffalo Sabres “Green Team” Hockey Game at the HSBC Arena (General Distribution to Fans) - 5,000 kits
 - Buffalo Urban League’s Residential Rehabilitation for Energy Efficiency – 200 kits
 - DeSales Catholic School’s 4th Grade Junior Achievement Program – 50 kits
 - Buffalo Home & Garden Show (General Distribution to Show Attendees) – 7,000 kits
 - Friends of Night People – Requested printed CIP materials for general distribution
 - New York State Science Olympiad – Requested printed CIP materials for student projects and general distribution
 - Theatre of Youth – Requested printed materials on services for National Fuel customers, which includes information on the CIP, for general distribution to 15,000 theatre attendees
 - Leadership Buffalo – E-mailed CIP materials to all of their members in January
 - Kaleida Health Foundation - Requested printed materials on services for National Fuel customers, which includes information on the CIP, for general distribution
 - United Way - Requested printed materials on services for National Fuel customers, which includes information on the CIP, for general distribution
 - John Duke Senior Center - Requested printed materials on services for National Fuel customers, which includes information on the CIP, for general distribution
 - Mobile Safety – Net Team - Requested printed materials on services for National Fuel customers, which includes information on the CIP, for general distribution

- Program materials were distributed at the following:
 - National Fuel’s Buffalo Customer Assistance Center.
 - National Fuel’s AppleTree Customer Assistance Center.
 - National Fuel’s Jamestown Customer Assistance Center.
 - National Fuel’s New York Customer Response Center.

- Continued sponsorship of the Buffalo Sabres’ “Blue + Gold= Green” Initiative:
 - The Buffalo Sabres continued to issue e-mails to registered “Green Team” members promoting energy conservation, the Energy Detectives Program and the CIP.
 - As of March 31, 2010, there were 3,942 “Green Team” members. When new members joined the program, they were directed to a website that contained 10 energy efficiency tips. In addition, these tips were also forwarded to their e-mail addresses.
 - Television Advertisements – 33 spots ran between January 1 and March 31, 2010, generating approximately 90,056,485 total impressions.
 - 41 “Green Team” spots were produced by the Sabres that highlighted the CIP and energy conservation tips. These spots aired between January 1 and March 31, 2010, generating approximately 333,900 impressions.
 - In-arena advertisements (including the HD Ring, ribbon board ads and 100-level concourse signage) at 18 home games between January 1 and March 31, 2010 generated approximately 18,550 impressions per game.
 - “Green Team” online advertisements were placed on the Buffalo Sabres website periodically throughout the last three months, providing 2,229,000 impressions.
 - The CIP and conservation tips are prominently featured on the Sabres’ dedicated “Green Team” website.
 - CIP materials are distributed to all new registrants.
 - Three e-mail blasts about the CIP, including a link to our CIP website were sent between January 1 and March 31, 2010, to more than 150,000 Sabres Insider Club members.
 - A CIP online ad was placed on the Sabres’ “Green Team” website periodically throughout the last three months, providing 4,560 impressions.
 - Program materials were given out at Sabres “green” games on January 6, January 27, February 9, March 10 and March 30, 2010.

- During each of the “green” games, we ran an additional TV spot, two additional “Green Team” jumbotron spots, three minutes of CIP advertising on the ribbon board in the arena and two CIP public service announcements during the game.
- The Sabres featured a story about CIP on the homepage of the Sabres website for each of the five green games. In total, a story on the CIP was posted to the Sabres’ “Green Team” website 12 times, including the five times mentioned above, from January 1 to March 31, 2010.

Distribution also executed the following:

Legislative Outreach:

- Contact was maintained with elected officials, representing all districts of western New York at the state and local level, to describe the CIP, its features and benefits, to offer follow-up meetings with staff and constituents and to make conservation kits available. Elected officials requesting printed materials during the last three months included:
 - Marge Jennings, Town Clerk, Town of Belfast
 - Michael J. LoCurto, Delaware District Councilmember
 - Sam Hoyt, New York State Assembly Member
 - Dennis Gabryszak, New York State Assembly Member
- A flyer outlining services for National Fuel customers, which includes information on the CIP, was sent to 132 government officials from Allegany, Cattaraugus, Erie, Genesee, Niagara and Steuben Counties

Media Relations:

- One interview was conducted with local media and the trade press between January 1 and March 31, 2010.
- Local coverage included:
 - News story featuring National Fuel rebates titled, “Save money with National Fuel this year,” was published on December 2, 2009 by *WIVB.com*. This article was posted on-line during December 2009 and January 2010 at the following websites:
 - <http://www.wivb.com>
 - <http://heating-contractor.org>
 - <http://www.golowenergy.net>
 - The local radio station, WBFO 88.7FM, posted two months of online banner advertisements on the CIP to its environmental website, in an effort to promote

environmental conservation. Below is the website address for their environmental website:

- <http://www.wbfo.org/content/pages/environment>
- WUFO ran radio promotions on the CIP from January 18 to January 29, as part of an initiative for Martin Luther King Day to promote energy efficiency

Dealer and Contractor Outreach:

- Area heating and cooling contractors, appliance dealers and others engaged in Distribution’s Energy Partnership Program were provided additional supplies of residential and non-residential program brochures, conservation tip sheets and savings cards to distribute to their customers, upon request. Participants requesting materials included:
 - Adema Heating & Air Conditioning
 - Superior Heat Company, LLC
 - Citadel Mechanical Ltd.
 - ABR Wholesalers, Inc.
 - Gerster Equipment Company, Inc.
 - D.H. Berry, Inc.
 - Turnbull Heating & Air, Inc.
 - NOCO Energy Corp.

4. Reporting

The Company is monitoring the progress and success of the communication activities related to the CIP. A benchmark customer survey was created in October 2007 to measure customer awareness of energy efficiency and current practices and behaviors associated with the efficient use of natural gas. Through the customer survey, the Company is also monitoring the progress and success of the communication activities related to the CIP.

Follow-up surveys during the course of the CIP have been and will continue to be conducted to measure changes in customer behavior and awareness of the conservation messaging being advanced as part of the CIP.

The most recent round of surveying was completed in November 2009. Key findings from the November 2009 survey included:

- Respondents continue to rank National Fuel as an important source in providing valuable information regarding conservation.
- Consumers believe the best actions to lower their bills are lowering thermostats, adding weather stripping, adding

insulation and replacing current furnaces and/or appliances with higher efficiency furnaces and/or appliances.

- 80 percent of respondents felt that energy savings could offset the cost of a more efficient furnace over the life of a unit.
- 92 percent of respondents said that it was somewhat or very important to conserve energy. 88 percent said the leading reason for them to conserve was to save money, which is consistent with prior results.
- Similar to past studies, respondents in low-income brackets (<\$40k) noted that energy conserving measures, such as using efficient appliances, have a direct impact on their natural gas bills. The same respondents are the least likely to replace their appliances or furnaces in the next year, even though they see value in more energy-efficient models.
- Wealthier (>\$40k), younger (<45 years old), females and homeowners comprise the group that has already replaced their furnaces with more energy-efficient models. Members of this group are more likely to have Internet access at their homes as well.
- When asked to rate the importance of obtaining energy efficiency information from different sources, consumers indicated that television news stories, television advertisements and National Fuel were the most important sources. The lowest mediums providing energy efficiency information continued to be NYSERDA and the National Fuel corporate website.
- 59 percent of respondents expressed that they were somewhat or very likely to seek additional information on rebates.

At November 30, 2009, approximately \$4.4 million was spent on communications initiatives for the first two years of the CIP. As of March 31, 2010, approximately \$364,850 had been spent on outreach and education initiatives during the program’s third year.

5. M&V Analysis

Appendix E, Pages 7 through 9, Column N, provide the preliminary M&V results for the Outreach program.

The Table below summarizes a number of results included in Appendix E.

Outreach M&V Summary	
TRC Base Analysis	5.10
Base Societal Test w/WNY Benefits	8.36
TRC Adjusted	4.13
Adjusted Societal Test w/WNY Benefits	6.85

Gauging the exact customer behavioral changes due to the Company's outreach effort is perhaps the most difficult part of this M&V analysis. The Company's outreach effort is broad based and cuts across a number of programs and initiatives as demonstrated in the program details above. The first step in the M&V analysis was to assign a portion of the outreach costs to the rebate programs since a significant effort was made to inform customers about the rebate programs. The assignment of outreach costs to the rebate programs was 50% of total outreach costs. Outreach costs associated with the rebate programs were included in the M&V results for the rebate programs. The Mcf saved per participant, Row 20, on Appendix E, is a deemed Mcf savings associated with the general outreach efforts. The sensitivity analysis section of the M&V report provides an analysis of the sensitivity of the adjusted TRC results to the volume savings assumption. The adjusted TRC results range from 6.20 if the volume savings resulting from general outreach are 50% greater than those assumed in the base analysis to 2.07 if the volume savings are 50% less than that assumed in the base analysis. The Company's general energy efficiency initiative included a broad based energy savings message as well as distribution of thousands of conservation kits; therefore, the isolation of any single activity on the part of individual customers is difficult to obtain. Perhaps the best estimate of outreach results will be to determine total changes in average usage less the impact associated with the rebate and LIURP programs.

In developing the adjusted analysis a 19% free ridership is assumed. Sensitivity analysis for the free ridership variable is provided in the free ridership section of Appendix E. No level of snapback was assumed related to the outreach effort.

VI. Conclusions

All aspects of the Company's CIP began operation on December 1, 2007. This is the Company's eighth quarterly report, which has provided an overview of each component of the CIP along with a summary of results to date for each component. This report provided a preliminary analysis of M&V results based on program results to date. Appendix G provides a summary of allowances by program, Company expenditures for each CIP initiative, and NYSERDA expenditures under the Company's program through March 31, 2010. More information regarding M&V variables resulting from the actual operation of the CIP and the ongoing state-wide energy efficiency initiative should be available for inclusion in future quarterly reports. The Company also anticipates including reasonable data reporting modifications that may be suggested by Staff and others involved in making the energy efficiency initiatives included in the CIP available to the Company's customers.

Appendix A - Low Income Usage Reduction Program Cumulative Results through 3/31/10

I. PROGRAM INTAKE (Cumulative / Program Years 1 & 2 & 3)

NFG Customers Referred	10,461		
Customer Letter/Application Sent	8,784 *	84%	of 14,170 Referrals
Applications Returned	3,495	40%	of 8,784 Applications Sent

* referrals held due to program currently at capacity

II. STATUS of APPLICATION TRIAGE(Cumulative / Program Years 1 & 2 & 3)

Applications on Hold (Landlord Authorization):	294	8%	of 3,495 Applications Returned
Applications on Hold (Additional Information/Other):	22	1%	of 3,495 Applications Returned
Deemed Ineligible (house for sale etc)	<u>1,233</u>	35%	of 3,495 Applications Returned
Assigned to Contractors for Service	<u>1,946</u>	56%	of 3,495 Applications Returned

III. STATUS OF AUDITS/MEASURES (Cumulative / Program Years 1 & 2 & 3)

Audits in Process	138	7%	of 1,946 Households assigned to Contractors for Service
Jobs in Process	10	1%	of 1,946 Households assigned to Contractors for Service
Jobs Completed	<u>1,527</u>	78%	of 1,946 Households assigned to Contractors for Service
Program Participants	<u>1,675</u>	86%	of 1,946 Households assigned to Contractors for Service
Jobs Cancelled	271	14%	of 1,946 Households assigned to Contractors for Service

III. PROGRAM RESULTS (Cumulative / Program Years 1 & 2 & 3)

Conservation Measure	Jobs	Estimated Annual Energy Savings (Mcf)	Estimated Annual [*] Savings (\$)	Total Cost of Measures	Average Cost per Measure
Audit Fee/Education	1,527	tbd	tbd	\$506,261	\$332
Insulation	1,228	49,223	\$664,510	\$3,513,966	\$2,862
Air Sealing	1,257	9,854	\$133,028	\$448,023	\$356
Heating System Repair/Replacement	688	5,258	\$70,979	\$375,155	\$545
Thermostats	140	1,722	\$23,258	\$14,598	\$104
DHW Improvements	110	214	\$2,890	\$128,280	\$1,166
Showerheads	416	321	\$4,336	\$6,941	\$17
Pipe Wrapping	515	132	\$1,777	\$8,649	\$17
Other	240	20	\$271	\$59,133	\$246
Total	<u>1,527</u>	<u>66,744</u>	<u>\$901,049</u>	<u>\$5,061,006</u>	<u>\$3,314</u>

^{*} Therm cost savings are based on the National Fuel Residential Utility Prices for Jan 2008 as posted by the PSC minus the non-bypassable service charge (\$1.35 per therm).

Appendix B - Residential CIP Rebate Program Cumulative Results through 3/31/10

Equipment	Quantity	Rebate Amount	Total Rebate	Processing Fee	Total Fee	Total
I. Space Heating						
Boiler - Hot Water	1495	\$400.00	\$598,000.00	\$7.50	\$11,212.50	\$609,212.50
Boiler - Steam	65	\$200.00	\$13,000.00	\$7.50	\$487.50	\$13,487.50
Furnace >= 90% with ECM	917	\$400.00	\$368,100.00	\$7.50	\$6,877.50	\$374,977.50
Furnace >= 90%	<u>17449</u>	\$300.00	<u>\$5,234,700.00</u>	\$7.50	\$130,860.00	<u>\$5,365,560.00</u>
Subtotal	19926		\$6,213,800.00		\$149,437.50	\$6,363,237.50
II. Water Heating						
Indirect Water Heater	36	\$300.00	\$10,800.00	\$6.50	\$234.00	\$11,034.00
Water Heater - Storage Tank	3232	\$150.00	\$484,800.00	\$6.50	\$21,008.00	\$505,808.00
Water Heater - Tankless	<u>1680</u>	\$350.00	<u>\$588,400.00</u>	\$6.50	<u>\$10,920.00</u>	<u>\$599,320.00</u>
Subtotal	4948		\$1,084,000.00		\$32,162.00	\$1,116,162.00
III. Programmable Thermostat	18011	\$24.97 *	\$449,739.63	\$4.50	\$73,143.00 **	\$522,882.63
Total all Equipment	<u>42,885</u>		<u>\$7,747,539.63</u>		<u>\$254,742.50</u>	<u>\$8,002,282.13</u>
Program Administration	14 months (11/07 - 12/08)			\$2,000.00	\$28,000.00	
	15 months (1/09 - 3/10)			\$3,200.00	<u>\$48,000.00</u>	
					\$76,000.00	
Inspections	2218			\$87.00	\$192,966.00	
PROGRAM TOTAL						\$8,271,248.13

* Average thermostat rebate amount. Rebate amount cannot exceed actual purchase price.

** Thermostat "Total Fee" reflects no fee charged after initial thermostat, on multiple thermostat installations.

Appendix C - Small Non-Residential CIP Rebate Program Cumulative Results through 3/31/10

I. FIXED Rebates

A. Through Residential CIP, Installed before 12/1/08 - Administered by EFI

Equipment	Quantity	Individual Rebate Amount	Total Rebate	Processing Fee	Total Fee	Total
I. Space Heating						
Boiler - Hot Water	19	\$400.00	\$7,600.00	\$7.50	\$142.50	\$7,742.50
Boiler - Steam	0	\$200.00	\$0.00	\$7.50	\$0.00	\$0.00
Furnace	<u>144</u>	\$300.00	<u>\$43,200.00</u>	\$7.50	<u>\$1,080.00</u>	<u>\$44,280.00</u>
Subtotal	163		\$50,800.00		\$1,222.50	\$52,022.50
II. Water Heating						
Water Heater - Storage Tank	12	\$150.00	\$1,800.00	\$6.50	\$78.00	\$1,878.00
Water Heater - Tankless	<u>8</u>	\$350.00	<u>\$2,800.00</u>	\$6.50	<u>\$52.00</u>	<u>\$2,852.00</u>
Subtotal	20		\$4,600.00		\$130.00	\$4,730.00
III. Programmable Thermostat	210	\$24.88 *	\$5,224.96	\$4.50	\$945.00 **	\$6,169.96
Total all Equipment	<u>393</u>		<u>\$60,624.96</u>		<u>\$2,297.50</u>	<u>\$62,922.46</u>
Inspections	27			\$87.00	\$2,349.00	
PROGRAM SUBTOTAL						\$65,271.46

* Average thermostat rebate amount. Rebate amount cannot exceed actual purchase price.

** Thermostat "Total Fee" reflects no fee charged after initial thermostat, on multiple thermostat installations.

Appendix C - Small Non-Residential CIP Rebate Program Cumulative Results through 3/31/10

I. FIXED Rebates (continued)

B. Through Small Non-Residential CIP, Installed after 12/1/08 - Administered by NYSERDA

Equipment	Quantity	Individual Rebate Amount	Total Rebate	Processing Fee	Total Fee	Total
I. Space Heating						
Boiler - Hot Water	50	\$2,526.00 *	\$126,300.00		\$0.00	\$126,300.00
Boiler - Steam	3	\$2,013.33	\$6,040.00		\$0.00	\$6,040.00
Unit Heater	16	\$1,468.75 *	\$23,500.00		\$0.00	\$23,500.00
Furnace	157	\$956.31 *	\$150,140.00		\$0.00	\$150,140.00
Subtotal	226		\$305,980.00		\$0.00	\$305,980.00
II. Water Heating						
Water Heater - Storage Tank	16	\$150.00	\$2,400.00		\$0.00	\$2,400.00
Water Heater - Tankless	11	\$350.00	\$5,250.00		\$0.00	\$5,250.00
Subtotal	27		\$7,650.00		\$0.00	\$7,650.00
III. Cooking						
	3	\$500.00	\$1,500.00		\$0.00	\$1,500.00
IV. Programmable Thermostat						
	129	\$100.58 *	\$12,975.00		\$0.00 **	\$12,975.00
Total all Equipment	385		\$328,105.00		\$0.00	\$328,105.00
Inspections	0			\$87.00	\$0.00	
PROGRAM SUBTOTAL						\$328,105.00

* Average thermostat rebate amount. Rebate amount cannot exceed actual purchase price.

** Thermostat "Total Fee" reflects no fee charged after initial thermostat, on multiple thermostat installations.

Appendix C - Small Non-Residential CIP Rebate Program Cumulative Results through 3/31/10

II. CUSTOMIZED Rebates

Through Small Non-Residential CIP - Administered by NYSERDA

Equipment	Quantity	Average Rebate Amount	Total Rebate	Administration Fee	Total Fee	Total
I. Space Heating						
Boiler - Hot Water	24	\$13,336.92	\$320,086.04	9.00%	\$28,807.74	\$348,893.78
Boiler - Steam	0	\$0.00	\$0.00	9.00%	\$0.00	\$0.00
Unit Heater	1	\$16,975.00	\$16,975.00	9.00%	\$1,527.75	\$18,502.75
Furnace	0	\$0.00	\$0.00	9.00%	\$0.00	\$0.00
Other	<u>8</u>	\$10,889.75 *	<u>\$87,118.00</u>	9.00%	<u>\$7,840.62</u>	<u>\$94,958.62</u>
Subtotal	33	\$12,853.91	\$424,179.04		\$38,176.11	\$462,355.15
II. Water Heating						
Water Heater - Storage Tank	3	\$5,796.33	\$17,389.00	9.00%	\$1,565.01	\$18,954.01
Water Heater - Tankless	<u>0</u>		<u>\$0.00</u>	9.00%	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal	3	\$5,796.33	\$17,389.00		\$1,565.01	\$18,954.01
III. Process Heating						
	0		\$0.00	9.00%	\$0.00	\$0.00
IV. Programmable Thermostat						
	0		\$0.00	9.00%	\$0.00	\$0.00
Total all Equipment	<u>36</u>		<u>\$441,568.04</u>		<u>\$39,741.12</u>	<u>\$481,309.16</u>
Inspections	36			N/A	\$0.00	
PROGRAM SUBTOTAL						\$481,309.16

Appendix C - Small Non-Residential CIP Rebate Program Cumulative Results through 3/31/10

III. TOTAL Rebates

Through Residential and Small Non-Residential CIP - Administered by EFI & NYSERDA

Equipment	Quantity	Average Rebate Amount	Total Rebate	Total Admin/Processing Fee	Total
I. Space Heating					
Boiler - Hot Water	93	\$4,881.57	\$453,986.04	\$28,950.24	\$482,936.28
Boiler - Steam	3	\$0.00	\$6,040.00	\$0.00	\$6,040.00
Unit Heater	17	\$2,380.88	\$40,475.00	\$1,527.75	\$42,002.75
Furnace	301	\$642.33	\$193,340.00	\$1,080.00	\$194,420.00
Other	<u>8</u>	\$10,889.75	<u>\$87,118.00</u>	<u>\$7,840.62</u>	<u>\$94,958.62</u>
Subtotal	422	\$1,850.61	\$780,959.04	\$39,398.61	\$820,357.65
II. Water Heating					
Water Heater - Storage Tank	31	\$696.42	\$21,589.00	\$1,643.01	\$23,232.01
Water Heater - Tankless	<u>19</u>	\$423.68	<u>\$8,050.00</u>	<u>\$52.00</u>	<u>\$8,102.00</u>
Subtotal	50	\$592.78	\$29,639.00	\$1,695.01	\$31,334.01
III. Cooking					
	3	\$500.00	\$1,500.00	\$0.00	\$1,500.00
IV. Process Heating					
	0	\$0.00	\$0.00	\$0.00	\$0.00
V. Programmable Thermostat					
	339	\$53.69	\$18,199.96	\$945.00	\$19,144.96
Total all Equipment	<u>814</u>		<u>\$830,298.00</u>	<u>\$42,038.62</u>	<u>\$872,336.62</u>
Inspections	63			\$2,349.00	
PROGRAM TOTAL					\$874,685.62

APPENDIX D – General Customer Outreach and Energy Efficiency Education

EXHIBIT 1 – Print Advertisements

Winter is back. And so are the rebates.*

Save up to \$400 with the Conservation Incentive Program.

Get money-saving rebates by replacing your old heating appliances with qualifying energy-efficient models.

Rebates for residential and small, non-residential customers in National Fuel's western New York service area are still available through **National Fuel's Conservation Incentive Program (CIP)**.

Our **residential program** offers rebates to those customers who replace specified appliances with new, energy-efficient models. When you combine these rebates with the fuel savings realized by using more efficient equipment, you'd be amazed at how quickly these new appliances can pay for themselves.

Rebates are available for the following items, providing they were installed on or after December 1, 2009.

Appliance	Minimum Required Efficiency	Your Rebate
Space Heating		
Hot Air Furnace	90% AFUE**	\$300
Hot Air Furnace w/ ECM†	90% AFUE	\$400
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat‡	Energy Star®-rated	\$25
Water Heating		
Indirect Water Heater	N/A	\$300

** AFUE – Annual Fuel Utilization Efficiency is the most widely used measure of a furnace's heating efficiency. It measures the amount of heat actually delivered to a house compared to the amount of fuel that must supply the furnace.

† Electronically Commutated Motor.

‡ In conjunction with a furnace or boiler replacement only.

Rebates for Non-Residential Customers

If you're a small, non-residential National Fuel customer using less than 12,000 Mcf (thousand cubic feet) of natural gas per year, rebates are available just for upgrading to more energy-efficient equipment. Choose from one of the following rebate options:

- **Fixed (Pre-Qualified) Rebate** – Fixed rebates available on pre-qualified equipment. Visit www.NationalFuelForThought.com for qualifying equipment and rebates.
- **Customized (Performance-Based) Rebate** – Rebates are determined on a case-by-case basis, based on the results of an energy-use analysis. Customized rebates can be as much as 50 percent of the incremental equipment and installation costs, up to \$25,000. Call **1-866-697-3732** or visit www.NYSERDA.org to get started.

CIP Savings Card

Our free CIP Savings Card can also help you save when you purchase energy-efficient products and services. Simply present the card to our participating Energy Partners to receive discounts on qualified energy-related items and services. Visit our Web site to print your own Savings Card and a list of the participating retailers.

For more information and to download a CIP rebate application, visit www.NationalFuelForThought.com or call **1-800-365-3234**.

* The CIP Years One and Two rebates are still available provided qualifying equipment was installed between November 1, 2007, and November 30, 2009. The current CIP Year Three rebates are available provided qualifying equipment is installed on or after December 1, 2009.



National Fuel
fuel for thought

NationalFuelForThought.com

EXHIBIT 1 – Print Advertisements

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Here's the incentive.



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Programmable Thermostat‡	Energy Star®-rated	\$25
Water Heating		
Indirect Water Heater	N/A	\$300

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National Fuel®
fuel for thought

NationalFuelForThought.com

EXHIBIT 1 – Print Advertisements

Se llama Programa de Incentivos para la Conservación. Este es el incentivo.



Ahore hasta \$400 al reemplazar sus aparatos antiguos electrodomésticos para calefacción con los modelos de mayor eficiencia energética que califiquen.

Todavía están disponibles los reembolsos para clientes residenciales y clientes pequeños no residenciales en el área de servicio del oeste de Nueva York de National Fuel, a través del **Programa de Incentivos para la Conservación de National Fuel (CIP)**.

Nuestro **programa residencial** ofrece reembolsos a aquellos clientes que reemplacen electrodomésticos específicos con los nuevos modelos de mayor eficiencia energética. Cuando usted combina estos reembolsos con los ahorros de combustible que se obtienen al usar equipo más eficiente, se sorprenderá de lo rápido que recuperará el costo de estos nuevos electrodomésticos.

Los reembolsos están disponibles para los siguientes artículos, siempre y cuando hayan sido instalados a partir del 1 de diciembre de 2009.

Electrodoméstico	Eficiencia Mínima Requerida	Su Reembolso
Calentador de espacios		
Calefactor de aire caliente	90% AFUE*	\$300
Calefactor de aire caliente con ECM**	90% AFUE*	\$400
Caldera de agua caliente	85% AFUE*	\$400
Caldera de vapor	81% AFUE*	\$200
Termostato Programable†	nivel Energy Star®	\$25

Calentador de agua

Indirecto	N/D	\$300
Calentador de agua		

* AFUE – Annual Fuel Utilization Efficiency (Eficiencia en el uso anual de combustible) es la medida más utilizada para calcular la eficiencia de un calefactor. Mide la cantidad de calor que realmente se entrega a la casa, comparado con la cantidad de combustible que debe proporcionarse al calefactor.

** Electronically Commutated Motor (motor de conmutación electrónica).

† Sólo en conjunto con el reemplazo de un calefactor o una caldera.

Reembolsos para clientes no residenciales

Si usted es un pequeño cliente no residencial de National Fuel que usa menos de 12,000 Mcf (miles de pies cúbicos) de gas natural por año, los reembolsos están disponibles sólo para adquirir equipo de mayor eficiencia energética. Elija una de las siguientes formas de reembolso:

1. Reembolso fijo (Pre-calificado) – Los reembolsos fijos están disponibles para equipo pre-calificado. Visite **NationalFuelForThought.com** para ver el equipo que califica y los reembolsos.

2. Reembolso personalizado (Basado en el desempeño) – Los reembolsos están determinados caso por caso, en base a los resultados de un análisis del uso de la energía. Los reembolsos personalizados pueden ser hasta del 50 por ciento de los costos sumados del equipo y la instalación, hasta \$25,000. Llame al **1-866-697-3732** o visite **www.NYSERDA.org** para iniciar el programa.

Tarjeta de ahorros CIP

Nuestra Tarjeta de ahorros gratuita CIP también puede ayudarle a ahorrar cuando compra productos y servicios de mayor eficiencia energética. Simplemente presente la tarjeta a nuestros Energy Partners participantes para recibir descuentos en artículos y servicios calificados relacionados con la energía. Visite nuestro sitio web para imprimir su propia Tarjeta de ahorros y una lista de los comercios participantes.

Para más información y para descargar una solicitud para los reembolsos CIP, visite **NationalFuelForThought.com** o llame al **1-800-365-3234**.

Los reembolsos CIP para Año Uno y Dos todavía están disponibles, siempre y cuando el equipo que califique haya sido instalado entre el 1 de noviembre del 2007 y el 30 de noviembre de 2009. Los reembolsos actuales CIP para Año Tres están disponibles siempre y cuando el equipo que califique haya sido instalado a partir del 1 de diciembre de 2009.



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EXHIBIT 2 – Bill Inserts

Looking to do more? Try our Online Energy Analysis!

Find out how much energy the appliances in your home or business are really using – and discover ways to save energy and money – with our customized online energy audit. Visit NationalFuelForThought.com and click on "Online Energy Analysis" to learn more.



If you have a billing question, problem or request, please call us Monday through Friday, 7 a.m. to 6 p.m.

Buffalo area: (716) 686-6123
All other areas: 1-800-365-3234

For Gas Emergencies, call 1-800-444-3130
24 hours a day, 7 days a week.

For more information, including translation services, please call 1-800-365-3234.

Para más información, incluyendo servicios de traducción, por favor llame al 1-800-365-3234.



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NY CIP 3/10

Save energy. Save money.

Rebates and discounts are *still* available from the Conservation Incentive Program



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Residential Customers

New Rebates Available With CIP Year Three (Eligible equipment installed on or after December 1, 2009)

Is it time to replace your hot water heater, furnace, boiler or thermostat? Choose a high-efficiency model, and you'll get a rebate from National Fuel's **Conservation Incentive Program (CIP)**. Plus, you'll lower your heating bills for years to come by using less energy. When you combine the rebates with the projected annual fuel savings from using more efficient equipment, you'd be amazed at how much you'll save.

Receive these rebates when you replace existing equipment on or after December 1, 2009, with qualifying fuel-efficient models:

Appliance	Minimum Required Efficiency	Your Rebate
Space Heating		
Hot Air Furnace	90% AFUE*	\$300
Hot Air Furnace w/ECM**	90% AFUE	\$400
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star®-rated	\$25
In conjunction with a furnace or boiler replacement only.		
Water Heating		
Indirect Water Heater	N/A	\$300

* AFUE – Annual Fuel Utilization Efficiency

** Electronically Commutated Motor

Note: All appliances must be installed by a contractor. Contractors and non-residential customers seeking a rebate **must** be able to supply one of the following in order for the rebate application to be considered complete: **Federal ID number**, a **Certificate of Insurance** or a **Business Certificate** showing their company's name and address. Rebates are available for equipment upgrades only, regardless of income or annual energy usage. New-builds are not eligible for rebates.

Small, Non-Residential Customers

If you're a small, non-residential National Fuel customer using less than 12,000 Mcf (thousand cubic feet) of natural gas per year, you can get thousands of dollars in rebates just for upgrading to more energy-efficient equipment.

Offering you two ways to save!

- 1. Fixed (Pre-Qualified) Rebate** – Fixed rebates available on pre-qualified equipment. Visit NationalFuelForThought.com for qualifying equipment and rebates.
- 2. Customized (Performance-Based) Rebate** – Rebates are determined on a case-by-case basis, based on the results of an energy-use analysis. Customized rebates can be as much as 50% of the incremental equipment and installation costs, up to \$25,000. This may result in a larger rebate if your company received a fixed rebate. Call 1-866-697-3732 or visit www.NYSERDA.org to get started.

For more information, or to download a residential or non-residential rebate application, visit NationalFuelForThought.com.

Get discounts from local retailers when you use your Savings Card

With your **Conservation Incentive Program Savings Card** from National Fuel, you'll get discounts on all sorts of energy-efficient products and services from local retailers – even if you're not buying a new appliance. Simply present the card to our participating Energy Partners to receive discounts on energy-related items.

- Discounts are being offered on items such as:**
- Service and repair on your natural gas appliance
 - Furnace filters
 - Home weatherization products
 - New, high-efficiency furnaces, water heaters and other natural gas appliances
 - And much more!

Get your Free Savings Card and a list of participating retailers and their offers at NationalFuelForThought.com or call 1-800-365-3234.

EXHIBIT 3 – CIP Web Site (NationalFuelForThought.com)

The screenshot shows the homepage of the National Fuel For Thought website. The top navigation bar is dark blue with the text "Fuel for Thought" on the left and the National Fuel logo (a blue flame inside a white circle) and the text "National Fuel" on the right. Below this is a large dark blue banner with the text "Save energy. Save money." in white. To the right of the banner is a vertical menu of six grey buttons with white text: "Get Cash Rebates", "Why Act Now", "Your Energy Partner", "CIP Savings Card", "Green Team", and "Online Energy Analysis". Below the banner is a light blue section with two columns. The left column is titled "Tips for Home" and contains a link: "[Click here for home energy tips](#)". The right column is titled "Tips for Life" and contains the text "Get your [oil changed](#) with the proper oil. A better running car uses less gas." followed by a link: "[Click here for more tips](#)". A central illustration of a green house is positioned between the two columns.

Fuel for Thought


National Fuel

Save energy.
Save money.

- Get Cash Rebates
- Why Act Now
- Your Energy Partner
- CIP Savings Card
- Green Team
- Online Energy Analysis

Tips for Home

[Click here for home energy tips](#)

Tips for Life

Get your [oil changed](#) with the proper oil. A better running car uses less gas.
[Click here for more tips](#)

EXHIBIT 4 – Online Advertisements – Web Site Outreach

**Save energy.
Save money.**

Get ready for winter now with rebates from National Fuel.



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[Learn More ▶](#)



National Fuel
Conservation Incentive Program
Savings Card

Save energy. Save money.
Get Your FREE Card Now ▶

**Save energy.
Save money.**



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[Learn More ▶](#)

Save energy. Save money.
NationalFuelForThought.com [Learn More ▶](#)

It's called the
National Fuel Conservation
Incentive Program.
Here's the Incentive.



[Learn More ▶](#)

EXHIBIT 5 – Brochures – Residential Customer Focus

Receive these rebates on select natural gas appliances installed on or after December 1, 2009, and save energy and money!

Appliances	Required Minimum Efficiency	Rebate Amount
Space Heating		
Hot Air Furnace	90% AFUE*	\$300
Hot Air Furnace w/ECM**	90% AFUE	\$400
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	83% AFUE	\$200
Programmable Thermostat (in conjunction with a furnace or boiler replacement)	Energy Star® rated	\$25

Water Heating		
Indirect Water Heater	N/A	\$200

*Annual Fuel Utilization Efficiency
**ECM: Electronically Commutated Motor

Residential Customers: The rebate offers listed above are available for qualifying equipment purchased and installed on or after December 1, 2009. All appliances must be installed by a contractor. In order to get a rebate on an Energy Star® rated programmable thermostat, a contractor must install the thermostat at the time of a furnace or boiler replacement. Contractors must be able to supply one of the following in order for the rebate applicable to his considered complete: Federal ID number, a Certificate of Insurance or a Business Certificate showing their company's name and address. Rebates are available for equipment upgrades only regardless of income or annual energy usage. New builds are not eligible for rebates. The residential rebates for years one and two of the CIP are still available for qualifying equipment installed between November 1, 2007, and November 30, 2009. To learn more about what equipment qualifies for gas one and two of the CIP, visit www.NationalFuelForThought.com.

Small, non-residential customers whose facilities use less than 12,000 Mcf (thousand cubic feet) of natural gas per year are also eligible to receive either fixed or customized rebates for upgrading to more energy-efficient equipment. To learn more about National Fuel's fixed rebates, visit www.NationalFuelForThought.com. Customized rebates are determined on a case-by-case basis, based on the results of an energy-use analysis. For these customers, rebates can be as much as 50% of the incremental equipment and installation costs, up to \$25,000. Call 1-866-697-3732 or visit www.NYS.ERDA.org for more information. The fixed rebates being offered to non-residential customers are available for qualifying equipment installed on or after December 1, 2008.

Fuel for Thought

For Residential Customers

www.NationalFuelForThought.com

If you have a question, problem or request, please call us Monday through Friday, 7 a.m. to 6 p.m.
Buffalo, NY area: (716) 686-6123
All other areas: (800) 365-3234
 For gas emergencies, call 1-800-444-3130
 24 hours a day, 7 days a week.

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RES CIP 11-09

The Conservation Incentive Program For Residential Customers

Thinking about a new natural gas appliance? Choose high-efficiency and save.

The National Fuel Conservation Incentive Rebate Program offers residential and small, non-residential customers in National Fuel's western New York service area a number of money-saving rebates when you replace specified appliances with new, energy-efficient models. When you combine the rebates with the projected annual fuel savings realized by using more efficient equipment, you'll be amazed at how quickly these new appliances can pay for themselves.

So why is National Fuel helping you use less natural gas?

A lot of people believe that National Fuel controls the cost of natural gas and that higher natural gas costs mean the Utility makes more money. The truth is that utilities have no control over the market price of natural gas. By law, these costs are passed along without mark-up. The price you pay for natural gas is set in the energy marketplace where the forces of supply and demand affect prices most.

With the Conservation Incentive Rebate Program, National Fuel is partnering with customers on ways to use less natural gas, helping to bring balance back to the marketplace and lowering the price we all pay for the energy we use.

For more information about this program, visit www.NationalFuelForThought.com, where you can print a rebate application and learn more about how to use less energy.

By using natural gas wisely, you could help protect the environment.

Natural gas is the most efficient and cleanest fossil fuel available. According to the U.S. Environmental Protection Agency, natural gas also produces a significantly smaller volume of greenhouse gases, compared to oil or other fossil fuels used in the production of electricity. When you conserve natural gas, you not only help your pocketbook, you reduce emissions further, making the air cleaner for everyone. And that's something that will help your children, their children, and generations to come.

The National Fuel Conservation Incentive Rebate Program also includes a number of other ways for you to save through energy-efficiency, including initiatives specifically designed for non-residential natural gas use and to assist lower income households. For complete details, visit www.NationalFuelForThought.com. If you've submitted a rebate application and have questions, call toll free 1-877-285-7824.

An example of how you can make high-efficiency more affordable:

New 90% High Efficiency Furnace	\$3,500
Standard 80% Efficient Furnace	\$2,500
Cost Difference for Higher-Efficiency Model	\$1,000
One-time Rebata	\$300
Cost Difference After Rebata	\$700
Annual Operating Cost Savings	\$190/year**
Simple Payback on Cost for High-Efficiency Model	3.7 years*

And of course, by choosing a high-efficiency product for your home now, you'll continue to enjoy energy savings for years to come.

* With savings on annual operating costs of \$190 per year, the \$700 incremental investment will be paid back in 3.7 years.

** This is only an example. Your actual investment and savings may be higher or lower depending on the models you choose to install, the efficiency of the furnace you are replacing, fueling fuel costs and your actual installed cost. Based on average gas costs for 12 months ending September 30, 2009.

Rebates are available for residential customers, regardless of income or annual energy usage. Appliances purchased and installed in new-builds are not eligible for rebates.

EXHIBIT 5 – Brochures – Non-Residential Customer Focus

An example of how a small, non-residential customer can make high-efficiency more affordable:

(2) New 95% High Efficiency, Condensing Boilers	\$15,000
(2) Standard 80% Efficiency, Non-Condensing Boilers	\$7,500
Cost Difference for Higher Efficiency Model	\$7,500
One-time Fixed Rebate	\$2,000
Cost Difference After Rebate	\$5,500
Annual Operating Cost Savings	\$2,731/year**
Simple Payback on Cost for High-Efficiency Model	2.0 years*

And of course, by choosing a high-efficiency product for your business now, you'll continue to enjoy energy savings for years to come.

** This is only an example. Your actual investment and savings may be higher or lower depending on the models you choose to install, the efficiency of the furnace you are replacing, fluctuating fuel costs and your actual installed cost. Based on average gas costs for 12 months ending September 30, 2009.

* With savings on annual operating costs of \$2,731 per year, the \$5,500 incremental investment will be paid back in 2.0 years.

By using natural gas wisely, you could help protect the environment.

Natural gas is the most efficient and cleanest fossil fuel available. According to the U.S. Environmental Protection Agency, natural gas also produces a significantly smaller volume of greenhouse gases, compared to oil or other fossil fuels used in the production of electricity. When you conserve natural gas, you not only help your pocketbook, you reduce emissions further, making the air cleaner for everyone. And that's something that will help your children, their children, and generations to come.

The National Fuel Conservation Incentive Rebate Program also includes a number of other ways for you to save through energy efficiency, including initiatives specifically designed for residential natural gas use and to assist lower income households. For complete details, visit www.NationalFuelForThought.com.

So why is National Fuel helping you use less natural gas?

A lot of people believe that National Fuel controls the cost of natural gas, and that higher natural gas costs means the Utility makes more money. The truth is that utilities have no control over the market price of natural gas. By law, these costs are passed along without mark-up. The price you pay for natural gas is set in the energy marketplace where the forces of supply and demand affect prices most.

With the Conservation Incentive Rebate Program, National Fuel is partnering with customers on ways to use less natural gas, helping to bring balance back to the marketplace and lowering the price we all pay for the energy we use.

For more information about this program, visit www.NationalFuelForThought.com, where you can print a rebate application and learn more about how to use less energy.



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www.NationalFuelForThought.com

If you have a question, problem or request, please call us Monday through Friday, 7am to 6pm.
Buffalo, NY area: (716) 686-6123
All other areas: (800) 365-3234

For gas emergencies, call 1-800-444-3130
24 hours a day, 7 days a week.



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NDN RES CIP 11-09

Fuel for Thought

For Non-Residential Customers



National Fuel
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The Conservation Incentive Program For Non-Residential Customers

Thinking about purchasing a new piece of natural gas equipment? Choose high-efficiency and save.

The National Fuel Conservation Incentive Rebate Program offers residential and small, non-residential customers in National Fuel's western New York service area a number of money-saving rebates when you replace specified appliances with new, energy-efficient models. When you combine the rebates with the projected annual fuel savings realized by using more efficient equipment, you'd be amazed at how quickly these new appliances can pay for themselves.

Fixed & customized rebates for non-residential customers.

Small, non-residential customers whose facilities use less than 12,000 Mcf (thousand cubic feet) of natural gas per year are eligible to receive either fixed or customized rebates for upgrading to more energy-efficient natural gas equipment.

Offering you two ways to save!

- **Fixed (Pre-Qualified) Rebate** – Fixed rebates available on pre-qualified equipment. It's fast and easy! Visit www.NationalFuelForThought.com for a rebate application.
- **Customized (Performance-Based) Rebate** – Rebates are determined on a case-by-case basis, based on the results of an energy-use analysis. Customized rebates can be as much as 50% of the incremental equipment and installation costs, up to \$25,000. This may result in a larger rebate than if your company received a fixed rebate. Call 1-866-697-3732 or visit www.NYSERDA.org to get started.

Receive these **fixed** rebates on select natural gas appliances and save energy and money!

Equipment	Minimum Required Efficiency	Rebate	Equipment Size		
			<10,000 Mcf/yr	10,000-12,000 Mcf/yr	>12,000 Mcf/yr
Space Heating					
Hot Air Furnace	90% AFUE	\$500	N/A	N/A	N/A
Hot Water Boiler	85% AFUE	\$600	\$750	\$1,500	\$2,500
	90% AFUE	\$1,000	\$1,500	\$3,500	\$3,500
Steam Boiler	81% AFUE	\$600	(\$2k/Bohr)	(\$2k/Bohr)	(\$2k/Bohr)
			\$600-\$1,000	\$1,000-\$2,000	\$2,000+
Space Heating					
Unit Heater	90% AFUE	\$1,000			
Low Intensity Infrared Heater	N/A	\$500			
Programmable Thermostat	Energy Star®-rated	\$25			
Water Heating					
Storage Tank Water Heater	0.61 EF	\$150			
Tankless Water Heater	0.78 EF	\$350			
Cooking					
Fryer	Energy Star®-rated	\$750			
Broiler	30% AFUE	\$500			
Convection Oven	40% AFUE	\$600			
Combination Oven	40% AFUE	\$750			
Steamer	Energy Star®-rated	\$750			
Griddle	45% AFUE	\$500			

NFUE: Annual Fuel Utilization Efficiency (AFUE) based on DOE 1000 BTU per hour

Please Note: All appliances must be installed by a contractor. Non-residential customers applying for a rebate AND contractors must be able to supply one of the following: Federal ID number, a Certificate of Insurance or a Business Certificate showing their company's name and address in order for the rebate application to be considered complete. The Conservation Incentive Program customized rebates are available for qualifying equipment purchased and installed on or after November 1, 2007, only. The fixed rebates being offered to non-residential customers are available for qualifying equipment installed on or after December 1, 2008.

Call 1-800-365-3234 or visit www.NationalFuelForThought.com to learn more and print a non-residential fixed rebate application.

EXHIBIT 6 – Conservation Tip Sheet

Energy Efficiency Tips

that can help you save money...and the environment!



You'd be amazed at what you can save.

Natural gas is the most efficient and cleanest fossil fuel available. According to the U.S. Environmental Protection Agency, natural gas produces a significantly smaller volume of greenhouse gasses, compared to oil or other fossil fuels used in the production of electricity. When you conserve natural gas, you not only help your pocketbook, you reduce emissions further, making the air cleaner for everyone. Just a few small, inexpensive steps can make a big difference!

Keep The Cold Out

Reducing air leaks could cut as much as 10% from your monthly energy bill. Seal leaks around doors, windows, and other openings such as pipes or ducts, with caulk or weather stripping.

The most common places where air escapes from homes are:

- a floors, walls, ceilings
- b ducts
- c fireplace
- d plumbing penetrations
- e doors
- f windows
- g fans and vents
- h electric outlets

Quick, easy energy savings

1 Set thermostats between 65° and 70° during the winter, and at 58° when away from the house for more than a few hours. While sleeping, add an extra blanket for warmth. Bear in mind that warmer temperatures are recommended for homes with infants or ill or elderly persons.

2 Turn down thermostats automatically without sacrificing comfort by installing a programmable thermostat.

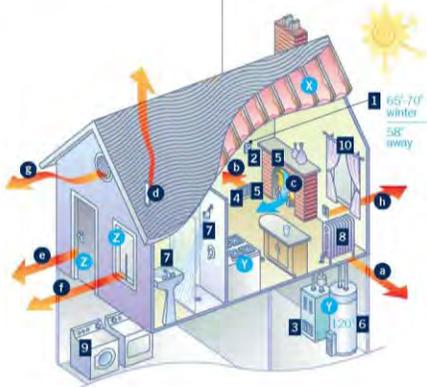
Savings: Every degree you lower your thermostat should shave about 2% off your heating bill.

3 Change or clean furnace air filters once a month during the heating season. Furnaces consume less energy if they "breathe" more easily. Use the arrival of your natural gas bill as your reminder to change the filter.

4 Warm air rises, so use registers to direct warm air flow across the floor.

5 Close vents and doors in unused rooms and close the damper on your fireplace when it is not in use.

6 Set your water heater to 120°, or the medium temperature setting. You'll enjoy energy savings without reducing comfort. A family of four, each showering for five minutes a day, uses 700 gallons of water each week. Not surprisingly, water heating is a typical family's third largest energy expense, accounting for about 14% of the utility bill.



7 Install water-flow restrictors in showerheads and faucets.

8 If radiators are located near cold walls, place a sheet of aluminum foil between the radiator and the wall to reflect heat back into the room.

9 Run washing machines and clothes dryers only with a full load.

10 On sunny days, let in the sun's warmth. Open draperies and blinds on windows that receive direct sunlight. Close them at night or on cloudy days to insulate against the cold air outside.

Long-term energy efficiency improvements.

Consider having your home evaluated to improve its

energy efficiency. Through the Home Performance with ENERGY STAR® Program, a participating Building Performance Institute (BPI) Accredited Home Performance contractor will perform an assessment of your home, make recommendations for energy improvements and provide a cost estimate to do the improvements. Visit: www.getenergysmart.org.

If you are of low-to-moderate income, you can make your 1-4 family home more energy efficient and reduce your utility bills, if eligible, with the Assisted Home Performance with ENERGY STAR® Program.

X Make sure the recommended levels of insulation are installed in your attic and basement.

Y Older furnaces aren't nearly as fuel efficient as today's high

efficiency models. Even if it's still in good working condition, an older furnace could be using approximately 20% more fuel than a new high efficiency furnace. And an old water heater could be just as inefficient as an older furnace. When shopping for new appliances, compare energy efficiency ratings and annual operating costs. **National Fuel's Conservation Incentive Program offers residential and non-residential customers in National Fuel's western New York service area rebates when upgrading to qualifying energy efficient units.**

Z Install storm or thermal windows and doors or double-paneled glass. A less expensive alternative is plastic sheeting, which can be temporarily fastened over doors and windows to prevent drafts and retain heat.

Sources for more information on using energy wisely.

Visit the following Web sites for more information on forecasted energy prices, detailed home energy conservation strategies, and energy efficient home improvement materials:

Visit www.ase.org: The Alliance to Save Energy has posted some tips on its web site to help consumers avoid "Sticker Shock" this winter.

Visit www.aga.org: The American Gas Association web site is a valuable resource for understanding the benefits and availability of clean, safe, reliable natural gas.

Visit www.energysavers.gov: This Department of Energy web site offers additional information on general energy conservation tips.

Visit www.getenergysmart.org: The New York State Energy Research and Development Authority offers energy-saving tips and information on selecting a contractor for your energy efficient upgrades.

Bill Payment Programs

National Fuel offers billing arrangements or assistance programs designed to help you manage your energy bills. Now is a great time to consider enrolling in the Budget Plan to make paying wintertime bills easier.

Special Assistance for Low-Income Households

We care about our customers. If you have problems paying your National Fuel bills, please contact us for personal assistance.



NationalFuelForThought.com

If you have a question, problem or request, please call us Monday through Friday, 7am to 6pm. Buffalo, NY area: (716) 686-6123 All other areas: (800) 365-3234

For gas emergencies, call 1-800-444-3130, 24 hours a day, 7 days a week.

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EXHIBIT 7 – Handouts – Saving Card



The Conservation Incentive Program
Savings Card

This **Conservation Incentive Program Savings Card** will help you save when you purchase energy-efficient products and services.

Simply present this card to our participating Energy Partners to receive discounts on energy-related items.

Discounts are being offered on items like:

Service and repair on your natural gas appliances

Furnace filters

Home weatherization products

New, high-efficiency furnaces, water heaters and other natural gas appliances

And much more!

And, don't forget, rebates from the Conservation Incentive Program can be added to these savings when you replace select heating equipment with more energy-efficient models.

For a list of Savings Card Energy Partners and their offers and for more information on the Conservation Incentive Program rebates being offered and the equipment that qualifies, visit www.NationalFuelForThought.com.

Sales arrangements between customers and merchants are independent of National Fuel. Individual offers expire as indicated.

Present this card to participating Energy Partners to receive discounts on energy-related items from gas appliances to having your furnace cleaned.



	A	B	C	D	E	F	G
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter	Year	Month				
8		9	Mar-10	28			
9		Total Residential					
10		Residential Appliance Rebates					
11		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Hot Air Furnace Residential ECM Motors	Appliance Rebates - Programmable Tstat Residential	Appliance Rebates - Indirect Heater Residential
12	Base Analysis						
13	I. Customer and Volume Information						
14	Number of Customers Eligible	351,219	93,658	23,415	351,219	468,292	468,292
15	Participation Rate	4.97%	1.60%	0.28%	0.26%	3.85%	0.01%
16	Total Number of Participants	17,449	1,495	65	917	18,011	36
17	Total Annual Mcf Saved	392,603	28,555	1,196	20,633	43,226	194
18	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
19	Total DTH Saved	406,344	29,554	1,238	21,355	44,739	201
20	Mcf Saved per Participant Base	22.50	19.10	18.40	22.50	2.40	5.40
21	Multiple Factor for Sensitivity Analysis	0%	0%	0%	0%	0%	0%
22	Mcf Saved per Participant	22.50	19.10	18.40	22.50	2.40	5.40
23	DTH Saved per Participant	23.29	19.77	19.04	23.29	2.48	5.59
24	Estimated Peak Day Impact Mcf	3,585	261	11	188	395	2
25	Estimated Peak Day Impact DTH	3,711	270	11	195	409	2
26	Total Average Annual Accounts	482,775	482,775	482,775	482,775	482,775	482,775
27	Impact on Total Average Annual Usage Per Account Per Mcf	0.81	0.06	0.00	0.04	0.09	0.00
28	II. Program Cost Information						
29	Company Direct Costs	\$ 5,365,568	\$ 609,213	\$ 13,488	\$ 373,678	\$ 522,878	\$ 11,034
30	Company Admin Costs	\$ 180,381	\$ 20,481	\$ 453	\$ 12,562	\$ 17,578	\$ 371
31	Company Advertising Costs	\$ 1,424,222	\$ 161,708	\$ 3,580	\$ 99,188	\$ 138,791	\$ 2,929
32	Total Initial Program Costs - Company	\$ 6,970,170	\$ 791,401	\$ 17,521	\$ 485,428	\$ 679,247	\$ 14,334
33	Total Initial Program Costs - Participant	\$ 12,214,300	\$ 2,392,000	\$ 45,500	\$ 1,467,200	\$ 450,275	\$ 39,600
34	Total Initial Program Costs	\$ 19,184,470	\$ 3,183,401	\$ 63,021	\$ 1,952,628	\$ 1,129,522	\$ 53,934
35	Per Participant Initial Program Costs - Company	\$ 307.50	\$ 407.50	\$ 207.50	\$ 407.50	\$ 29.03	\$ 306.50
36	Per Participant Initial Program Costs - Participant	\$ 700.00	\$ 1,600.00	\$ 700.00	\$ 1,600.00	\$ 25.00	\$ 1,100.00
37	Total Initial Program Costs per Annual Participant	\$ 1,007.50	\$ 2,007.50	\$ 907.50	\$ 2,007.50	\$ 54.03	\$ 1,406.50
38	Annual Ongoing Costs - Company per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Annual Ongoing Costs - Participant per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	Total Annual Ongoing Costs per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Annual Ongoing Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	Annual Ongoing Costs - Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Annual Ongoing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	III. Discount Assumptions						
45	Anticipated Life of Program Measure (Years)	17	17	17	17	17	14
46	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
47	PVIFA	10.8646	10.8646	10.8646	10.8646	10.8646	9.5896
48	IV. Incremental Savings						
49	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
50	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59
51	Annual NGS Savings per Participant	\$ 270.00	\$ 229.20	\$ 220.80	\$ 270.00	\$ 28.80	\$ 64.80
52	Total NGS Savings	\$ 4,711,230	\$ 342,654	\$ 14,352	\$ 247,590	\$ 518,717	\$ 2,333
53	V. Direct Cost Benefit Summary						
54	Present Value of Participant Savings	\$ 2,933.44	\$ 2,490.17	\$ 2,398.91	\$ 2,933.44	\$ 312.90	\$ 621.41
55	Present Value of Total Savings	\$ 51,185,670	\$ 3,722,802	\$ 155,929	\$ 2,689,968	\$ 5,635,655	\$ 22,371
56	Present Value of Total Initial Program Costs per Annual Participant	\$ 1,008	\$ 2,008	\$ 908	\$ 2,008	\$ 54	\$ 1,407
57	Present Value of Total Initial Program Costs	\$ 19,184,470	\$ 3,183,401	\$ 63,021	\$ 1,952,628	\$ 1,129,522	\$ 53,934
58	TRC	2.67	1.17	2.47	1.38	4.99	0.41
59	VI. TRC-WNY						
60	WNY Incremental Expenditures	\$ 17,760,249	\$ 3,021,693	\$ 59,441	\$ 1,853,440	\$ 990,731	\$ 51,005
61	WNY Expenditure Multiplier	0.46	0.46	0.46	0.46	0.49	0.46
62	WNY Expenditure Benefits	\$ 8,169,714	\$ 1,389,979	\$ 27,343	\$ 852,582	\$ 485,458	\$ 23,462
63	Advertising	\$ 1,424,222	\$ 161,708	\$ 3,580	\$ 99,188	\$ 138,791	\$ 2,929
64	Advertising Multiplier	0.87	0.87	0.87	0.87	0.87	0.87
65	Advertising Benefits	\$ 1,239,073	\$ 140,686	\$ 3,115	\$ 86,294	\$ 120,748	\$ 2,548
66	WNY Expenditure & Adv Benefits	\$ 9,408,787	\$ 1,530,665	\$ 30,458	\$ 938,876	\$ 606,207	\$ 26,010
67	Customer Net Savings	\$ 32,001,199	\$ 539,401	\$ 92,908	\$ 737,341	\$ 4,506,133	\$ (31,563)
68	WNY Income Multiplier	0.49	0.49	0.49	0.49	0.49	0.49
69	WNY Customer Net Savings Benefits	\$ 15,680,588	\$ 264,306	\$ 45,525	\$ 361,297	\$ 2,208,005	\$ (15,466)
70	Total WNY Benefits	\$ 25,089,375	\$ 1,794,971	\$ 75,982	\$ 1,300,173	\$ 2,814,212	\$ 10,544
71	TRC-WNY	3.98	1.73	3.68	2.04	7.48	0.61
72	VII. Societal Test						
73	Environmental						
74	Total	\$ 3,873,955	\$ 281,758	\$ 11,801	\$ 203,589	\$ 426,531	\$ 1,693
75	Other						
76	Total						
77	Total Incremental Societal Benefits	\$ 3,873,955	\$ 281,758	\$ 11,801	\$ 203,589	\$ 426,531	\$ 1,693
78	Total Benefits W/ TRC WNY	\$ 80,149,000	\$ 5,799,530	\$ 243,713	\$ 4,193,730	\$ 8,876,398	\$ 34,608
79	Societal Test	4.18	1.82	3.87	2.15	7.86	0.64

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1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter	Year	Month				
8		9	Mar-10	28			
9		Total Residential					
10		Residential Appliance Rebates					
11		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Hot Air Furnace Residential ECM Motors	Appliance Rebates - Programmable Tstat Residential	Appliance Rebates - Indirect Heater Residential
80	Adjustment Detail						
81	I. Spillover						
82	Total Spillover Impact (Mcf)	-	-	-	-	-	-
83	Total Participants	17,449	1,495	65	917	18,011	36
84	Adjustment to Per Participant Volume Due to Spillover	-	-	-	-	-	-
85	II. Free Riders						
86	Mcf Saved per Participant	22.50	19.10	18.40	22.50	2.40	5.40
87	Free Ridership %	19%	19%	19%	19%	19%	19%
88	Adjustment to Per Participant Volume Due to Free Riders	4.28	3.63	3.50	4.28	0.46	1.03
89	III. Snapback						
90	Total Snapback Impact (Mcf)	16,193	1,387	60	851	-	-
91	Total Participants	17,449	1,495	65	917	18,011	36
92	Adjustment to Per Participant Volume Due to Snapback	0.93	0.93	0.93	0.93	-	-
93	IV. Total Volume Adjustment						
94	Total Volume Adjustments	(5.20)	(4.56)	(4.42)	(5.20)	(0.46)	(1.03)
95	Adjustment Impact						
96	I. Customer and Volume Information						
97	Number of Customers Eligible	351,219.00	93,658.00	23,415.00	351,219.00	468,292.00	468,292.00
98	Participation Rate	4.97%	1.60%	0.28%	0.26%	3.85%	0.01%
99	Annual Number of Participants	17,449	1,495	65	917	18,011	36
100	Total Mcf Adjusted	(90,787)	(6,813)	(288)	(4,771)	(8,213)	(37)
101	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
102	Total DTH Adjusted	(93,965)	(7,051)	(298)	(4,938)	(8,500)	(38)
103	Mcf Adjusted per Participant	(5.20)	(4.56)	(4.42)	(5.20)	(0.46)	(1.03)
104	DTH Adjusted per Participant	(5.39)	(4.72)	(4.58)	(5.39)	(0.47)	(1.06)
105	II. Program Cost Information						
106	Company Direct Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
107	Company Admin Costs						
108	Company Advertising Costs						
109	Total Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	Total Initial Program Costs - Participant	\$ (2,320,717)	\$ (454,480)	\$ (8,645)	\$ (278,768)	\$ (85,552)	\$ (7,524)
111	Total Initial Program Costs	\$ (2,320,717)	\$ (454,480)	\$ (8,645)	\$ (278,768)	\$ (85,552)	\$ (7,524)
112	Per Participant Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Per Participant Initial Program Costs - Participant	\$ (133.00)	\$ (304.00)	\$ (133.00)	\$ (304.00)	\$ (4.75)	\$ (209.00)
114	Total Initial Program Costs per Annual Participant	\$ (133.00)	\$ (304.00)	\$ (133.00)	\$ (304.00)	\$ (4.75)	\$ (209.00)
115	Annual Ongoing Costs - Company per Participant						
116	Annual Ongoing Costs - Participant per Participant						
117	Total Annual Ongoing Costs per Participant						
118	Annual Ongoing Costs - Company						
119	Annual Ongoing Costs - Participant						
120	Total Annual Ongoing Costs						
121	III. Discount Assumptions						
122	Anticipated Life of Program Measure (Years)	-	-	-	-	-	-
123	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
124	PVIFA	-	-	-	-	-	-
125	IV. Incremental Savings						
126	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
127	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59
128	Annual NGS Savings per Participant	\$ (62.44)	\$ (54.68)	\$ (53.09)	\$ (62.44)	\$ (5.47)	\$ (12.31)
129	Total NGS Savings	\$ (1,089,446)	\$ (81,753)	\$ (3,451)	\$ (57,254)	\$ (98,556)	\$ (443)

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1	National Fuel Gas Distribution Corporation						
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4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter	Year	Month				
8		9	Mar-10	28			
9		Total Residential					
10		Residential Appliance Rebates					
11		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Hot Air Furnace Residential ECM Motors	Appliance Rebates - Programmable Tstat Residential	Appliance Rebates - Indirect Heater Residential
130	Adjusted Analysis						
131	I. Customer and Volume Information						
132	Number of Customers Eligible	351,219	93,658	23,415	351,219	468,292	468,292
133	Participation Rate	4.97%	1.60%	0.28%	0.26%	3.85%	0.01%
134	Total Number of Participants	17,449	1,495	65	917	18,011	36
135	Total Mcf Saved	301,815	21,742	908	15,861	35,013	157
136	DTH Conversion	1,035	1,035	1,035	1,035	1,035	1,035
137	Total DTH Saved	312,379	28,555	940	16,416	36,239	163
138	Mcf Saved per Participant	17.30	14.54	13.98	17.30	1.94	4.37
139	DTH Saved per Participant	17.90	19.10	14.47	17.90	2.01	4.53
140							
141	Estimated Peak Day Impact Mcf	2,756.30	198.56	8.30	144.85	319.76	1.44
142	Estimated Peak Day Impact Dth	2,852.78	205.50	8.59	149.92	330.95	1.49
143	Total Average Annual Accounts	482,775	482,775	482,775	482,775	482,775	482,775
144	Impact on Total Average Annual Usage Per Account	0.63	0.05	0.00	0.03	0.07	0.00
145	II. Program Cost Information						
146	Company Direct Costs	\$ 5,365,568	\$ 609,213	\$ 13,488	\$ 373,678	\$ 522,878	\$ 11,034
147	Company Admin Costs	\$ 180,381	\$ 20,481	\$ 453	\$ 12,562	\$ 17,578	\$ 371
148	Company Advertising Costs	\$ 1,424,222	\$ 161,708	\$ 3,580	\$ 99,188	\$ 138,791	\$ 2,929
149	Total Initial Program Costs - Company	\$ 6,970,170	\$ 791,401	\$ 17,521	\$ 485,428	\$ 679,247	\$ 14,334
150	Total Initial Program Costs - Participant	\$ 9,893,583	\$ 1,937,520	\$ 36,855	\$ 1,188,432	\$ 364,723	\$ 32,076
151	Total Initial Program Costs	\$ 16,863,753	\$ 2,728,921	\$ 54,376	\$ 1,673,860	\$ 1,043,970	\$ 46,410
152	Per Participant Initial Program Costs - Company	\$ 399.46	\$ 529.37	\$ 269.55	\$ 529.37	\$ 37.71	\$ 398.16
153	Per Participant Initial Program Costs - Participant	\$ 567.00	\$ 1,296.00	\$ 567.00	\$ 1,296.00	\$ 20.25	\$ 891.00
154	Total Initial Program Costs per Annual Participant	\$ 966.46	\$ 1,825.37	\$ 836.55	\$ 1,825.37	\$ 57.96	\$ 1,289.16
155	Annual Ongoing Costs - Company per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
156	Annual Ongoing Costs - Participant per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
157	Total Annual Ongoing Costs per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
158	Annual Ongoing Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159	Annual Ongoing Costs - Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
160	Total Annual Ongoing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
161	III. Discount Assumptions						
162	Anticipated Life of Program Measure (Years)	17	17	17	17	17	14
163	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
164	PVIFA	10.86	10.86	10.86	10.86	10.86	9.59
165	IV. Incremental Savings						
166	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00
167	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59
168	Annual NGS Savings per Participant	\$ 207.56	\$ 174.52	\$ 167.71	\$ 207.56	\$ 23.33	\$ 52.49
169	Total NGS Savings	\$ 3,621,784	\$ 260,901	\$ 10,901	\$ 190,336	\$ 420,161	\$ 1,890
170	V. Direct Cost Benefit Summary						
171	Present Value of Participant Savings	\$ 2,255.10	\$ 1,896.05	\$ 1,822.13	\$ 2,255.10	\$ 253.45	\$ 503.34
172	Present Value of Total Savings	\$ 39,349,268	\$ 2,834,592	\$ 118,438	\$ 2,067,928	\$ 4,564,881	\$ 18,120
173	Present Value of Total Initial Program Costs per Annual Participant	\$ 966	\$ 1,825	\$ 837	\$ 1,825	\$ 58	\$ 1,289
174	Present Value of Total Initial Program Costs	\$ 16,863,753	\$ 2,728,921	\$ 54,376	\$ 1,673,860	\$ 1,043,970	\$ 46,410
175	TRC	2.33	1.04	2.18	1.24	4.37	0.39
176	VI. TRC-WNY						
177	WNY Incremental Expenditures	\$ 15,439,532	\$ 2,567,213	\$ 50,796	\$ 1,574,672	\$ 905,179	\$ 43,481
178	WNY Expenditure Multiplier	0.46	0.46	0.46	0.46	0.49	0.46
179	WNY Expenditure Benefits	\$ 7,102,185	\$ 1,180,918	\$ 23,366	\$ 724,349	\$ 443,538	\$ 20,001
180	Advertising	\$ 1,424,222	\$ 161,708	\$ 3,580	\$ 99,188	\$ 138,791	\$ 2,929
181	Advertising Multiplier	0.87	0.87	0.87	0.87	0.87	0.87
182	Advertising Benefits	\$ 1,239,073	\$ 140,686	\$ 3,115	\$ 86,294	\$ 120,748	\$ 2,548
183	WNY Expenditure & Adv Benefits	\$ 8,341,257	\$ 1,321,604	\$ 26,481	\$ 810,643	\$ 564,286	\$ 22,549
184	Customer Net Savings	\$ 22,485,515	\$ 105,671	\$ 64,062	\$ 394,068	\$ 3,520,911	\$ (28,289)
185	WNY Income Multiplier	0.49	0.49	0.49	0.49	0.49	0.49
186	WNY Customer Net Savings Benefits	\$ 11,017,902	\$ 51,779	\$ 31,390	\$ 193,093	\$ 1,725,246	\$ (13,862)
187	Total WNY Benefits	\$ 19,359,160	\$ 1,373,383	\$ 57,871	\$ 1,003,736	\$ 2,289,532	\$ 8,687
188	TRC-WNY	3.48	1.54	3.24	1.84	6.57	0.58
189	VII. Societal Test						
190	Environmental						
191	Total	\$ 2,978,125	\$ 214,534	\$ 8,964	\$ 156,510	\$ 345,490	\$ 1,371
192	Other						
193	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
194	Total Incremental Societal Benefits	\$ 2,978,125	\$ 214,534	\$ 8,964	\$ 156,510	\$ 345,490	\$ 1,371
195	Total Benefits W/TRC-WNY	\$ 61,686,552	\$ 4,422,509	\$ 185,273	\$ 3,228,174	\$ 7,199,903	\$ 28,179
196	Societal Test	3.66	1.62	3.41	1.93	6.90	0.61

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1	National Fuel Gas Distribution Corporation		
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6		5/15/2010	
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9			
10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
12	Base Analysis		
13	I. Customer and Volume Information		
14	Number of Customers Eligible	468,292	23,415
15	Participation Rate	0.69%	7.17%
16	Total Number of Participants	3,232	1,680
17	Total Annual Mcf Saved	17,453	17,976
18	DTH Conversion	1.035	1.035
19	Total DTH Saved	18,064	18,605
20	Mcf Saved per Participant Base	5.40	10.70
21	Multiple Factor for Sensitivity Analysis	0%	0%
22	Mcf Saved per Participant	5.40	10.70
23	DTH Saved per Participant	5.59	11.07
24	Estimated Peak Day Impact Mcf	159	164
25	Estimated Peak Day Impact DTH	165	170
26	Total Average Annual Accounts	482,775	482,775
27	Impact on Total Average Annual Usage Per Account Per Mcf	0.04	0.04
28	II. Program Cost Information		
29	Company Direct Costs	\$ 505,808	\$ 598,920
30	Company Admin Costs	\$ 17,004	\$ 20,135
31	Company Advertising Costs	\$ 134,260	\$ 158,976
32	Total Initial Program Costs - Company	\$ 657,073	\$ 778,030
33	Total Initial Program Costs - Participant	\$ 646,400	\$ 588,000
34	Total Initial Program Costs	\$ 1,303,473	\$ 1,366,030
35	Per Participant Initial Program Costs - Company	\$ 156.50	\$ 356.50
36	Per Participant Initial Program Costs - Participant	\$ 200.00	\$ 350.00
37	Total Initial Program Costs per Annual Participant	\$ 356.50	\$ 706.50
38	Annual Ongoing Costs - Company per Participant	\$ -	\$ -
39	Annual Ongoing Costs - Participant per Participant	\$ -	\$ -
40	Total Annual Ongoing Costs per Participant	\$ -	\$ -
41	Annual Ongoing Costs - Company	\$ -	\$ -
42	Annual Ongoing Costs - Participant	\$ -	\$ -
43	Total Annual Ongoing Costs	\$ -	\$ -
44	III. Discount Assumptions		
45	Anticipated Life of Program Measure (Years)	14	14
46	Discount Rate	5.50%	5.50%
47	PVIFA	9.5896	9.5896
48	IV. Incremental Savings		
49	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00
50	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59
51	Annual NGS Savings per Participant	\$ 64.80	\$ 128.40
52	Total NGS Savings	\$ 209,434	\$ 215,712
53	V. Direct Cost Benefit Summary		
54	Present Value of Participant Savings	\$ 621.41	\$ 1,231.31
55	Present Value of Total Savings	\$ 2,008,394	\$ 2,068,602
56	Present Value of Total Initial Program Costs per Annual Participant	\$ 357	\$ 707
57	Present Value of Total Initial Program Costs	\$ 1,303,473	\$ 1,366,030
58	TRC	1.54	1.51
59	VI. TRC-WNY		
60	WNY Incremental Expenditures	\$ 1,169,212	\$ 1,207,055
61	WNY Expenditure Multiplier	0.46	0.46
62	WNY Expenditure Benefits	\$ 537,838	\$ 555,245
63	Advertising	\$ 134,260	\$ 158,976
64	Advertising Multiplier	0.87	0.87
65	Advertising Benefits	\$ 116,806	\$ 138,309
66	WNY Expenditure & Adv Benefits	\$ 654,644	\$ 693,554
67	Customer Net Savings	\$ 704,922	\$ 702,572
68	WNY Income Multiplier	0.49	0.49
69	WNY Customer Net Savings Benefits	\$ 345,412	\$ 344,260
70	Total WNY Benefits	\$ 1,000,056	\$ 1,037,814
71	TRC-WNY	2.31	2.27
72	VII. Societal Test		
73	Environmental		
74	Total	\$ 152,004	\$ 156,561
75	Other		
76	Total		
77	Total Incremental Societal Benefits	\$ 152,004	\$ 156,561
78	Total Benefits W/ TRC WNY	\$ 3,160,454	\$ 3,262,977
79	Societal Test	2.42	2.39

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10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
80	Adjustment Detail		
81	I. Spillover		
82	Total Spillover Impact (Mcf)	-	-
83	Total Participants	3,232	1,680
84	Adjustment to Per Participant Volume Due to Spillover	-	-
85	II. Free Riders		
86	Mcf Saved per Participant	5.40	10.70
87	Free Ridership %	19%	19%
88	Adjustment to Per Participant Volume Due to Free Riders	1.03	2.03
89	III. Snapback		
90	Total Snapback Impact (Mcf)	-	-
91	Total Participants	3,232	1,680
92	Adjustment to Per Participant Volume Due to Snapback	-	-
93	IV. Total Volume Adjustment		
94	Total Volume Adjustments	(1.03)	(2.03)
95	Adjustment Impact		
96	I. Customer and Volume Information		
97	Number of Customers Eligible	468,292.00	23,415.00
98	Participation Rate	0.69%	7.17%
99	Annual Number of Participants	3,232	1,680
100	Total Mcf Adjusted	(3,316)	(3,415)
101	DTH Conversion	1.035	1.035
102	Total DTH Adjusted	(3,432)	(3,535)
103	Mcf Adjusted per Participant	(1.03)	(2.03)
104	DTH Adjusted per Participant	(1.06)	(2.10)
105	II. Program Cost Information		
106	Company Direct Costs	\$ -	\$ -
107	Company Admin Costs		
108	Company Advertising Costs		
109	Total Initial Program Costs - Company	\$ -	\$ -
110	Total Initial Program Costs - Participant	\$ (122,816)	\$ (111,720)
111	Total Initial Program Costs	\$ (122,816)	\$ (111,720)
112	Per Participant Initial Program Costs - Company	\$ -	\$ -
113	Per Participant Initial Program Costs - Participant	\$ (38.00)	\$ (66.50)
114	Total Initial Program Costs per Annual Participant	\$ (38.00)	\$ (66.50)
115	Annual Ongoing Costs - Company per Participant		
116	Annual Ongoing Costs - Participant per Participant		
117	Total Annual Ongoing Costs per Participant		
118	Annual Ongoing Costs - Company		
119	Annual Ongoing Costs - Participant		
120	Total Annual Ongoing Costs		
121	III. Discount Assumptions		
122	Anticipated Life of Program Measure (Years)	-	-
123	Discount Rate	5.50%	5.50%
124	PVIFA	-	-
125	IV. Incremental Savings		
126	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00
127	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59
128	Annual NGS Savings per Participant	\$ (12.31)	\$ (24.40)
129	Total NGS Savings	\$ (39,792)	\$ (40,985)

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8		9	
9			
10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
130	Adjusted Analysis		
131	I. Customer and Volume Information		
132	Number of Customers Eligible	468,292	23,415
133	Participation Rate	0.69%	7.17%
134	Total Number of Participants	3,232	1,680
135	Total Mcf Saved	14,137	14,561
136	DTH Conversion	1.035	1.035
137	Total DTH Saved	14,632	15,070
138	Mcf Saved per Participant	4.37	8.67
139	DTH Saved per Participant	4.53	8.97
140			
141	Estimated Peak Day Impact Mcf	129.10	132.97
142	Estimated Peak Day Impact Dth	133.62	137.63
143	Total Average Annual Accounts	482,775	482,775
144	Impact on Total Average Annual Usage Per Account	0.03	0.03
145	II. Program Cost Information		
146	Company Direct Costs	\$ 505,808	\$ 598,920
147	Company Admin Costs	\$ 17,004	\$ 20,135
148	Company Advertising Costs	\$ 134,260	\$ 158,976
149	Total Initial Program Costs - Company	\$ 657,073	\$ 778,030
150	Total Initial Program Costs - Participant	\$ 523,584	\$ 476,280
151	Total Initial Program Costs	\$ 1,180,657	\$ 1,254,310
152	Per Participant Initial Program Costs - Company	\$ 203.30	\$ 463.11
153	Per Participant Initial Program Costs - Participant	\$ 162.00	\$ 283.50
154	Total Initial Program Costs per Annual Participant	\$ 365.30	\$ 746.61
155	Annual Ongoing Costs - Company per Participant	\$ -	\$ -
156	Annual Ongoing Costs - Participant per Participant	\$ -	\$ -
157	Total Annual Ongoing Costs per Participant	\$ -	\$ -
158	Annual Ongoing Costs - Company	\$ -	\$ -
159	Annual Ongoing Costs - Participant	\$ -	\$ -
160	Total Annual Ongoing Costs	\$ -	\$ -
161	III. Discount Assumptions		
162	Anticipated Life of Program Measure (Years)	14	14
163	Discount Rate	5.50%	5.50%
164	PVIFA	9.59	9.59
165	IV. Incremental Savings		
166	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00
167	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59
168	Annual NGS Savings per Participant	\$ 52.49	\$ 104.00
169	Total NGS Savings	\$ 169,641	\$ 174,727
170	V. Direct Cost Benefit Summary		
171	Present Value of Participant Savings	\$ 503.34	\$ 997.36
172	Present Value of Total Savings	\$ 1,626,800	\$ 1,675,568
	Present Value of Total Initial Program Costs per Annual		
173	Participant	\$ 365	\$ 747
174	Present Value of Total Initial Program Costs	\$ 1,180,657	\$ 1,254,310
175	TRC	1.38	1.34
176	VI. TRC-WNY		
177	WNY Incremental Expenditures	\$ 1,046,396	\$ 1,095,335
178	WNY Expenditure Multiplier	0.46	0.46
179	WNY Expenditure Benefits	\$ 481,342	\$ 503,854
180	Advertising	\$ 134,260	\$ 158,976
181	Advertising Multiplier	0.87	0.87
182	Advertising Benefits	\$ 116,806	\$ 138,309
183	WNY Expenditure & Adv Benefits	\$ 598,149	\$ 642,163
184	Customer Net Savings	\$ 446,143	\$ 421,257
185	WNY Income Multiplier	0.49	0.49
186	WNY Customer Net Savings Benefits	\$ 218,610	\$ 206,416
187	Total WNY Benefits	\$ 816,759	\$ 848,579
188	TRC-WNY	2.07	2.01
189	VII. Societal Test		
190	Environmental		
191	Total	\$ 123,123	\$ 126,814
192	Other		
193	Total	\$ -	\$ -
194	Total Incremental Societal Benefits	\$ 123,123	\$ 126,814
195	Total Benefits W/TRC-WNY	\$ 2,566,682	\$ 2,650,961
196	Societal Test	2.17	2.11

	A	J	K	L	M	N	O
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter						
8		9					
9							
10		Resic					
11							
		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
80	Adjustment Detail						
81	I. Spillover						
82	Total Spillover Impact (Mcf)		-		-	-	
83	Total Participants		1,359		814	482,775	
84	Adjustment to Per Participant Volume Due to Spillover		-		-	-	
85	II. Free Riders						
86	Mcf Saved per Participant		53.00		65.50	1.00	
87	Free Ridership %		0%		10%	19%	
88	Adjustment to Per Participant Volume Due to Free Riders		-		6.55	0.19	
89	III. Snapback						
90	Total Snapback Impact (Mcf)		1,261		-	-	
91	Total Participants		1,359		814	482,775	
92	Adjustment to Per Participant Volume Due to Snapback		0.93		-	-	
93	IV. Total Volume Adjustment						
94	Total Volume Adjustments		(0.93)		(6.55)	(0.19)	
95	Adjustment Impact						
96	I. Customer and Volume Information						
97	Number of Customers Eligible		15,000.00		34,100.00	482,775.00	
98	Participation Rate		10.18%		2.39%	100.00%	
99	Annual Number of Participants		1,527		814	482,775	
100	Total Mcf Adjusted		(1,417)		(5,332)	(91,727)	
101	DTH Conversion		1.035		1.035	1.035	
102	Total DTH Adjusted		(1,467)		(5,518)	(94,938)	
103	Mcf Adjusted per Participant		(0.93)		(6.55)	(0.19)	
104	DTH Adjusted per Participant		(0.96)		(6.78)	(0.20)	
105	II. Program Cost Information						
106	Company Direct Costs		\$ -		\$ -	\$ -	
107	Company Admin Costs						
108	Company Advertising Costs						
109	Total Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	Total Initial Program Costs - Participant				\$ (244,532)	\$ -	
111	Total Initial Program Costs				\$ (244,532)	\$ -	
112	Per Participant Initial Program Costs - Company				\$ -	\$ -	
113	Per Participant Initial Program Costs - Participant				\$ (300.41)	\$ -	
114	Total Initial Program Costs per Annual Participant				\$ (300.41)	\$ -	
115	Annual Ongoing Costs - Company per Participant						
116	Annual Ongoing Costs - Participant per Participant						
117	Total Annual Ongoing Costs per Participant						
118	Annual Ongoing Costs - Company						
119	Annual Ongoing Costs - Participant						
120	Total Annual Ongoing Costs						
121	III. Discount Assumptions						
122	Anticipated Life of Program Measure (Years)		-		-	-	
123	Discount Rate		5.50%		5.50%	5.50%	
124	PVIFA		-		-	-	
125	IV. Incremental Savings						
126	Natural Gas Supply Rate (\$/Mcf)		\$ 12.00		\$ 12.00	\$ 12.00	
127	Natural Gas Supply Rate (\$/Dth)		\$ 11.59		\$ 11.59	\$ 11.59	
128	Annual NGS Savings per Participant		\$ (11.14)		\$ (78.60)	\$ (2.28)	
129	Total NGS Savings		\$ (17,005)		\$ (63,978)	\$ (1,100,727)	

	A	J	K	L	M	N	O
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter						
8							
9							
10		Resic					
11							
		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
130	Adjusted Analysis						
131	I. Customer and Volume Information						
132	Number of Customers Eligible		15,000		34,100	482,775	
133	Participation Rate		10.18%		2.39%	100.00%	
134	Total Number of Participants		1,527		814	482,775	
135	Total Mcf Saved	404,195	79,514	483,709	47,984	391,048	922,740
136	DTH Conversion	1.035	1.035		1.035	1.035	1.035
137	Total DTH Saved	424,394	82,297	506,691	49,663	404,734	961,088
138	Mcf Saved per Participant		52.07		58.95	0.81	
139	DTH Saved per Participant		53.89		61.01	0.84	
140							
141	Estimated Peak Day Impact Mcf	3,691.28	726.15	4,417.43	438.21	3,571.21	8,426.85
142	Estimated Peak Day Impact Dth	3,820.47	751.57	4,572.04	453.54	3,696.20	8,721.79
143	Total Average Annual Accounts	482,775	482,775	482,775		482,775	
144	Impact on Total Average Annual Usage Per Account	0.84	0.16	1.00		0.81	
145	II. Program Cost Information						
146	Company Direct Costs	\$ 8,000,585	\$ 5,061,006	\$ 13,061,591	\$ 830,298	\$ -	\$ 13,891,889
147	Company Admin Costs	\$ 268,966	\$ 996,333	\$ 1,265,299	\$ 44,388	\$ -	\$ 1,309,687
148	Company Advertising Costs	\$ 2,123,654	\$ -	\$ 2,123,654	\$ 220,392	\$ 2,344,046	\$ 4,688,091
149	Total Initial Program Costs - Company	\$ 10,393,204	\$ 6,057,339	\$ 16,450,544	\$ 1,095,078	\$ 2,344,046	\$ 19,889,667
150	Total Initial Program Costs - Participant	\$ 14,453,053	\$ -	\$ 14,453,053	\$ 2,200,784	\$ -	\$ 16,653,837
151	Total Initial Program Costs	\$ 24,846,257	\$ 6,057,339	\$ 30,903,596	\$ 3,295,862	\$ 2,344,046	\$ 36,543,503
152	Per Participant Initial Program Costs - Company		\$ 3,966.82		\$ 1,345.30	\$ 4.86	
153	Per Participant Initial Program Costs - Participant		\$ -		\$ 2,703.67	\$ -	
154	Total Initial Program Costs per Annual Participant		\$ 3,966.82		\$ 4,048.97	\$ 4.86	
155	Annual Ongoing Costs - Company per Participant		\$ -		\$ -	\$ -	
156	Annual Ongoing Costs - Participant per Participant		\$ -		\$ -	\$ -	
157	Total Annual Ongoing Costs per Participant		\$ -		\$ -	\$ -	
158	Annual Ongoing Costs - Company		\$ -		\$ -	\$ -	
159	Annual Ongoing Costs - Participant		\$ -		\$ -	\$ -	
160	Total Annual Ongoing Costs		\$ -		\$ -	\$ -	
161	III. Discount Assumptions						
162	Anticipated Life of Program Measure (Years)	15.51	25	17	17	2.25	16
163	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
164	PVIFA	9.97	13.41	11.01	10.86	2.06	10.61
165	IV. Incremental Savings						
166	Natural Gas Supply Rate (\$/Mcf)		\$ 12.00		\$ 12.00	\$ 12.00	
167	Natural Gas Supply Rate (\$/Dth)		\$ 11.59		\$ 11.59	\$ 11.59	
168	Annual NGS Savings per Participant		\$ 624.86		\$ 707.38	\$ 9.72	
169	Total NGS Savings	\$ 4,850,341	\$ 954,167	\$ 5,804,509	\$ 575,804	\$ 4,692,573	\$ 11,072,886
170	V. Direct Cost Benefit Summary						
171	Present Value of Participant Savings		\$ 8,381.88		\$ 7,685.37	\$ 20.06	
172	Present Value of Total Savings	\$ 52,255,594	\$ 12,799,136	\$ 65,054,730	\$ 6,255,888	\$ 9,683,202	\$ 80,993,821
	Present Value of Total Initial Program Costs per Annual						
173	Participant		\$ 3,967		\$ 4,049	\$ 5	
174	Present Value of Total Initial Program Costs	\$ 24,846,257	\$ 6,057,339	\$ 30,903,596	\$ 3,295,862	\$ 2,344,046	\$ 36,543,503
175	TRC	2.10	2.11	2.11	1.90	4.13	2.22
176	VI. TRC-WNY						
177	WNY Incremental Expenditures	\$ 22,722,603	\$ 6,057,339	\$ 28,779,943	\$ 3,075,470	\$ -	\$ 31,855,412
178	WNY Expenditure Multiplier		0.46		0.46	0.46	
179	WNY Expenditure Benefits	\$ 10,479,553	\$ 2,786,376	\$ 13,265,929	\$ 1,414,716	\$ -	\$ 14,680,645
180	Advertising	\$ 2,123,654	\$ -	\$ 2,123,654	\$ 220,392	\$ 2,344,046	\$ 4,688,091
181	Advertising Multiplier		0.87		0.87	0.87	
182	Advertising Benefits	\$ 1,847,579	\$ -	\$ 1,847,579	\$ 191,741	\$ 2,039,320	\$ 4,078,639
183	WNY Expenditure & Adv Benefits	\$ 12,327,132	\$ 2,786,376	\$ 15,113,508	\$ 1,606,457	\$ 2,039,320	\$ 18,759,284
184	Customer Net Savings	\$ 27,409,337	\$ 6,741,797	\$ 34,151,134	\$ 2,960,026	\$ 7,339,157	\$ 44,450,317
185	WNY Income Multiplier		0.49		0.49	0.49	
186	WNY Customer Net Savings Benefits	\$ 13,430,575	\$ 3,303,481	\$ 16,734,056	\$ 1,450,413	\$ 3,596,187	\$ 21,780,656
187	Total WNY Benefits	\$ 25,757,707	\$ 6,089,857	\$ 31,847,563	\$ 3,056,870	\$ 5,635,507	\$ 40,539,940
188	TRC-WNY	3.14	3.12	3.14	2.83	6.54	3.33
189	VII. Societal Test						
190	Environmental						
191	Total	\$ 3,954,932	\$ 968,695	\$ 4,923,627	\$ 473,473	\$ 732,867	\$ 6,129,967
192	Other						
193	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
194	Total Incremental Societal Benefits	\$ 3,954,932	\$ 968,695	\$ 4,923,627	\$ 473,473	\$ 732,867	\$ 6,129,967
195	Total Benefits W/TRC-WNY	\$ 81,968,233	\$ 19,857,688	\$ 101,825,920	\$ 9,786,231	\$ 16,051,576	\$ 127,663,728
196	Societal Test	3.30	3.28	3.29	2.97	6.85	3.49

	A	P	Q	R	S	T	U
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6							
7	Quarter	5/15/2010					
8							
9		9					
10		Resic					
11							
12	Base Analysis						
13	I. Customer and Volume Information						
14	Number of Customers Eligible	468,292	468,292	468,292	468,292		15,000
15	Participation Rate	4.06%	3.85%	0.69%	0.36%		10.18%
16	Total Number of Participants	19,009	18,011	3,232	1,680		1,527
17	Total Annual Mcf Saved	251,869	103,203	13,542	11,953	380,568	38,224
18	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
19	Total DTH Saved	260,685	106,815	14,016	12,372	393,887	39,562
20	Mcf Saved per Participant Base	13.25	5.73	4.19	7.12		25.03
21	Multiple Factor for Sensitivity Analysis	0%	0%	0%	0%		0%
22	Mcf Saved per Participant	13.25	5.73	4.19	7.12		25.03
23	DTH Saved per Participant	13.71	5.93	4.34	7.36		25.91
24	Estimated Peak Day Impact Mcf	2,300	942	124	109	3,476	349
25	Estimated Peak Day Impact DTH	2,381	975	128	113	3,597	361
26	Total Average Annual Accounts	482,775	482,775	482,775	482,775	482,775	482,775
27	Impact on Total Average Annual Usage Per Account Per Mcf	0.52	0.21	0.03	0.02	0.79	0.08
28	II. Program Cost Information						
29	Company Direct Costs	\$ 5,845,268	\$ 529,884	\$ 505,808	\$ 598,920	\$ 7,479,879	\$ 5,061,006
30	Company Admin Costs	\$ 196,508	\$ 17,814	\$ 17,004	\$ 20,135	\$ 251,461	\$ 996,333
31	Company Advertising Costs	\$ 1,551,552	\$ 140,651	\$ 134,260	\$ 158,976	\$ 1,985,439	\$ -
32	Total Initial Program Costs - Company	\$ 7,593,327	\$ 688,348	\$ 657,073	\$ 778,030	\$ 9,716,779	\$ 6,057,339
33	Total Initial Program Costs - Participant	\$ 13,306,300	\$ 450,275	\$ 646,400	\$ 588,000	\$ 14,990,975	\$ -
34	Total Initial Program Costs	\$ 20,899,627	\$ 1,138,623	\$ 1,303,473	\$ 1,366,030	\$ 24,707,754	\$ 6,057,339
35	Per Participant Initial Program Costs - Company	\$ 307.50	\$ 29.42	\$ 156.50	\$ 356.50	\$ -	\$ 3,966.82
36	Per Participant Initial Program Costs - Participant	\$ 700.00	\$ 25.00	\$ 200.00	\$ 350.00	\$ -	\$ -
37	Total Initial Program Costs per Annual Participant	\$ 1,007.50	\$ 54.42	\$ 356.50	\$ 706.50	\$ -	\$ 3,966.82
38	Annual Ongoing Costs - Company per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39	Annual Ongoing Costs - Participant per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40	Total Annual Ongoing Costs per Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41	Annual Ongoing Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	Annual Ongoing Costs - Participant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	Total Annual Ongoing Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	III. Discount Assumptions						
45	Anticipated Life of Program Measure (Years)	17	17	14	14	16.7	25
46	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
47	PVIFA	10.8646	10.8646	9.5896	9.5896	10.7365	13.4139
48	IV. Incremental Savings						
49	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00	\$ -	\$ 12.00
50	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59	\$ -	\$ 11.59
51	Annual NGS Savings per Participant	\$ 159.00	\$ 68.76	\$ 50.28	\$ 85.38	\$ -	\$ 300.38
52	Total NGS Savings	\$ 3,022,431	\$ 1,238,436	\$ 162,505	\$ 143,438	\$ 4,566,811	\$ 458,686
53	V. Direct Cost Benefit Summary						
54	Present Value of Participant Savings	\$ 1,727.47	\$ 747.05	\$ 482.17	\$ 818.76	\$ -	\$ 4,029.33
55	Present Value of Total Savings	\$ 32,837,530	\$ 13,455,126	\$ 1,558,365	\$ 1,375,524	\$ 49,226,545	\$ 6,152,788
56	Present Value of Total Initial Program Costs per Annual Participant	\$ 1,008	\$ 54	\$ 357	\$ 707	\$ -	\$ 3,967
57	Present Value of Total Initial Program Costs	\$ 20,899,627	\$ 1,138,623	\$ 1,303,473	\$ 1,366,030	\$ 24,707,754	\$ 6,057,339
58	TRC	1.57	11.82	1.20	1.01	1.99	1.02
59	VI. TRC-WNY						
60	WNY Incremental Expenditures	\$ 19,348,075	\$ 997,972	\$ 1,169,212	\$ 1,207,055	\$ 22,722,315	\$ 6,057,339
61	WNY Expenditure Multiplier	0.46	0.49	0.46	0.49		0.49
62	WNY Expenditure Benefits	\$ 8,900,115	\$ 489,006	\$ 537,838	\$ 591,457	\$ 10,518,416	\$ 2,968,096
63	Advertising	\$ 1,551,552	\$ 140,651	\$ 134,260	\$ 158,976	\$ 1,985,439	\$ -
64	Advertising Multiplier	0.87	0.87	0.87	0.87		0.87
65	Advertising Benefits	\$ 1,349,850	\$ 122,366	\$ 116,806	\$ 138,309	\$ 1,727,332	\$ -
66	WNY Expenditure & Adv Benefits	\$ 10,249,965	\$ 611,373	\$ 654,644	\$ 729,766	\$ 12,245,747	\$ 2,968,096
67	Customer Net Savings	\$ 11,937,902	\$ 12,316,503	\$ 254,893	\$ 9,493	\$ 24,518,791	\$ 95,449
68	WNY Income Multiplier	0.49	0.49	0.49	0.49		0.49
69	WNY Customer Net Savings Benefits	\$ 5,849,572	\$ 6,035,086	\$ 124,897	\$ 4,652	\$ 12,014,208	\$ 46,770
70	Total WNY Benefits	\$ 16,099,537	\$ 6,646,459	\$ 779,542	\$ 734,417	\$ 24,259,955	\$ 3,014,866
71	TRC-WNY	2.34	17.65	1.79	1.54	2.97	1.51
72	VII. Societal Test						
73	Environmental						
74	Total	\$ 2,485,288	\$ 1,018,343	\$ 117,944	\$ 104,106	\$ 3,725,680	\$ 465,670
75	Other						
76	Total	\$ 2,485,288	\$ 1,018,343	\$ 117,944	\$ 104,106	\$ 3,725,680	\$ 465,670
77	Total Incremental Societal Benefits	\$ 2,485,288	\$ 1,018,343	\$ 117,944	\$ 104,106	\$ 3,725,680	\$ 465,670
78	Total Benefits W/ TRC WNY	\$ 51,422,355	\$ 21,119,928	\$ 2,455,851	\$ 2,214,047	\$ 77,212,181	\$ 9,633,324
79	Societal Test	2.46	18.55	1.88	1.62	3.13	1.59

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5							
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7	Quarter						
8		9					
9		Pre/Post Analysis					
10		Resic					
11							
80	Adjustment Detail						
81	I. Spillover						
82	Total Spillover Impact (Mcf)	-	-	-	-	-	-
83	Total Participants	19,009	18,011	3,232	1,680		1,527
84	Adjustment to Per Participant Volume Due to Spillover	-	-	-	-		-
85	II. Free Riders						
86	Mcf Saved per Participant	13.25	5.73	4.19	7.12		25.03
87	Free Ridership %	19%	19%	19%	19%		0%
88	Adjustment to Per Participant Volume Due to Free Riders	2.52	1.09	0.80	1.35		-
89	III. Snapback						
90	Total Snapback Impact (Mcf)	-	-	-	-		1,417
91	Total Participants	19,009	18,011	3,232	1,680		1,527
92	Adjustment to Per Participant Volume Due to Snapback	-	-	-	-		0.93
93	IV. Total Volume Adjustment						
94	Total Volume Adjustments	(2.52)	(1.09)	(0.80)	(1.35)		(0.93)
95	Adjustment Impact						
96	I. Customer and Volume Information						
97	Number of Customers Eligible	468,292.00	468,292.00	468,292.00	468,292.00		15,000.00
98	Participation Rate	4.06%	3.85%	0.69%	0.36%		10.18%
99	Annual Number of Participants	19,009	18,011	3,232	1,680		1,527
100	Total Mcf Adjusted	(47,855)	(19,609)	(2,573)	(2,271)		(1,417)
101	DTH Conversion	1.035	1.035	1.035	1.035		1.035
102	Total DTH Adjusted	(49,530)	(20,295)	(2,663)	(2,351)		(1,467)
103	Mcf Adjusted per Participant	(2.52)	(1.09)	(0.80)	(1.35)		(0.93)
104	DTH Adjusted per Participant	(2.61)	(1.13)	(0.82)	(1.40)		(0.96)
105	II. Program Cost Information						
106	Company Direct Costs	\$ -	\$ -	\$ -	\$ -		\$ -
107	Company Admin Costs						
108	Company Advertising Costs						
109	Total Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -		\$ -
110	Total Initial Program Costs - Participant	\$ (2,528,197)	\$ (85,552)	\$ (122,816)	\$ (111,720)		\$ -
111	Total Initial Program Costs	\$ (2,528,197)	\$ (85,552)	\$ (122,816)	\$ (111,720)		\$ -
112	Per Participant Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -		\$ -
113	Per Participant Initial Program Costs - Participant	\$ (133.00)	\$ (4.75)	\$ (38.00)	\$ (66.50)		\$ -
114	Total Initial Program Costs per Annual Participant	\$ (133.00)	\$ (4.75)	\$ (38.00)	\$ (66.50)		\$ -
115	Annual Ongoing Costs - Company per Participant						
116	Annual Ongoing Costs - Participant per Participant						
117	Total Annual Ongoing Costs per Participant						
118	Annual Ongoing Costs - Company						
119	Annual Ongoing Costs - Participant						
120	Total Annual Ongoing Costs						
121	III. Discount Assumptions						
122	Anticipated Life of Program Measure (Years)	-	-	-	-		-
123	Discount Rate	5.50%	5.50%	5.50%	5.50%		5.50%
124	PVIFA	-	-	-	-		-
125	IV. Incremental Savings						
126	Natural Gas Supply Rate (\$/Mcf)	\$ 12.00	\$ 12.00	\$ 12.00	\$ 12.00		\$ 12.00
127	Natural Gas Supply Rate (\$/Dth)	\$ 11.59	\$ 11.59	\$ 11.59	\$ 11.59		\$ 11.59
128	Annual NGS Savings per Participant	\$ (30.21)	\$ (13.06)	\$ (9.55)	\$ (16.22)		\$ (11.14)
129	Total NGS Savings	\$ (574,262)	\$ (235,303)	\$ (30,876)	\$ (27,253)		\$ (17,005)

A		B	C	D	E	F	G
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6	5/15/2010						
7	Quarter	Year	Month				
8		9	Mar-10	28			
9		Total Residential					
10		Residential Appliance Rebates					
11		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Hot Air Furnace Residential ECM Motors	Appliance Rebates - Programable Tstat Residential	Appliance Rebates - Indirect Heater Residential
221	Sensitivity Analysis						
222	TRC - Free Ridership Sensitivity	Adjusted Analysis - TRC					
223		2.33	1.04	2.18	1.24	4.37	0.39
224	0%	2.56	1.11	2.35	1.24	4.99	0.39
225	10%	2.45	1.08	2.27	1.24	4.68	0.39
226	20%	2.32	1.03	2.17	1.24	4.34	0.39
227	30%	2.17	0.98	2.05	1.24	3.97	0.39
228	40%	2.00	0.92	1.91	1.24	3.56	0.39
229	50%	1.80	0.85	1.74	1.24	3.12	0.39
230	60%	1.55	0.75	1.53	1.24	2.62	0.39
231	70%	1.25	0.62	1.25	1.24	2.08	0.39
232	80%	0.86	0.44	0.88	1.24	1.47	0.39
233							
234	Societal - Test Free Ridership Sensitivity	Adjusted Analysis - Societal TRC					
235		3.66	1.62	3.41	1.93	6.90	0.61
236	0%	4.01	1.73	3.67	1.93	7.86	0.61
237	10%	3.83	1.68	3.54	1.93	7.37	0.61
238	20%	3.64	1.61	3.39	1.93	6.84	0.61
239	30%	3.41	1.54	3.21	1.93	6.26	0.61
240	40%	3.14	1.44	3.00	1.93	5.63	0.61
241	50%	2.83	1.33	2.73	1.93	4.94	0.61
242	60%	2.44	1.18	2.40	1.93	4.17	0.61
243	70%	1.97	0.99	1.97	1.93	3.32	0.61
244	80%	1.38	0.72	1.40	1.93	2.36	0.61
245							
246	TRC Gas Cost Sensitivity	Adjusted Analysis - TRC					
247		2.33	1.04	2.18	1.24	4.37	0.39
248	\$ 16.00	3.11	1.38	2.90	1.24	5.83	0.39
249	\$ 15.00	2.92	1.30	2.72	1.24	5.47	0.39
250	\$ 14.00	2.72	1.21	2.54	1.24	5.10	0.39
251	\$ 13.00	2.53	1.13	2.36	1.24	4.74	0.39
252	\$ 12.00	2.33	1.04	2.18	1.24	4.37	0.39
253	\$ 11.00	2.14	0.95	2.00	1.24	4.01	0.39
254	\$ 10.00	1.94	0.87	1.82	1.24	3.64	0.39
255	\$ 9.00	1.75	0.78	1.63	1.24	3.28	0.39
256	\$ 8.00	1.56	0.69	1.45	1.24	2.92	0.39
257	\$ 7.00	1.36	0.61	1.27	1.24	2.55	0.39
258	Discount Rate Sensitivity	Adjusted Analysis - TRC					
259		2.33	1.04	2.18	1.24	4.37	0.39
260	1%	3.34	1.49	3.12	1.24	6.26	0.39
261	2%	3.07	1.37	2.87	1.24	5.75	0.39
262	3%	2.83	1.26	2.64	1.24	5.30	0.39
263	4%	2.61	1.16	2.44	1.24	4.90	0.39
264	5%	2.42	1.08	2.26	1.24	4.54	0.39
265	6%	2.25	1.00	2.10	1.24	4.22	0.39
266	7%	2.10	0.93	1.96	1.24	3.93	0.39
267							
268	Volume Savings Sensitivity	Adjusted Analysis - TRC					
269		2.33	1.04	2.18	1.24	4.37	0.39
270	50%	3.56	1.72	3.34	1.24	6.56	0.39
271	40%	3.32	1.58	3.11	1.24	6.12	0.39
272	30%	3.07	1.45	2.87	1.24	5.68	0.39
273	20%	2.83	1.31	2.64	1.24	5.25	0.39
274	10%	2.58	1.18	2.41	1.24	4.81	0.39
275	0%	2.33	1.04	2.18	1.24	4.37	0.39
276	-10%	2.09	0.90	1.95	1.24	3.94	0.39
277	-20%	1.84	0.77	1.71	1.24	3.50	0.39
278	-30%	1.60	0.63	1.48	1.24	3.06	0.39
279	-40%	1.35	0.49	1.25	1.24	2.62	0.39
280	-50%	1.10	0.36	1.02	1.24	2.19	0.39
281							

	A	B	C	D	E	F	G
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6	5/15/2010						
7	Quarter	Year	Month				
8		9	Mar-10	28			
9		Total Residential					
10	Residential Appliance Rebates						
11		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Hot Air Furnace Residential ECM Motors	Appliance Rebates - Programable Tstat Residential	Appliance Rebates - Indirect Heater Residential
282	Gas Cost/Free Ridership Total Program TRC Sensitivity						
283	Gas Cost	Free Ridership					
284	2.22	0%	10%	20%	30%	40%	50%
285	\$ 16.00	3.20	3.07	2.92	2.70	2.46	2.19
286	\$ 15.00	3.00	2.88	2.74	2.54	2.31	2.06
287	\$ 14.00	2.81	2.69	2.56	2.37	2.16	1.93
288	\$ 13.00	2.61	2.50	2.38	2.21	2.01	1.79
289	\$ 12.00	2.41	2.32	2.20	2.04	1.86	1.66
290	\$ 11.00	2.22	2.13	2.02	1.88	1.71	1.53
291	\$ 10.00	2.02	1.94	1.84	1.71	1.56	1.40
292	\$ 9.00	1.82	1.75	1.67	1.55	1.41	1.26
293	\$ 8.00	1.63	1.56	1.49	1.38	1.26	1.13
294	\$ 7.00	1.43	1.37	1.31	1.22	1.11	1.00
295							
296	Gas Cost/Free Ridership Total Program TRC Sensitivity						
297	Gas Cost	Free Ridership					
298	3.49	0%	10%	20%	30%	40%	50%
299	\$ 16.00	4.97	4.77	4.53	4.20	3.84	3.42
300	\$ 15.00	4.68	4.49	4.27	3.96	3.61	3.23
301	\$ 14.00	4.38	4.21	4.00	3.71	3.39	3.03
302	\$ 13.00	4.09	3.93	3.74	3.47	3.17	2.83
303	\$ 12.00	3.80	3.65	3.47	3.22	2.94	2.63
304	\$ 11.00	3.50	3.37	3.20	2.98	2.72	2.44
305	\$ 10.00	3.21	3.08	2.94	2.73	2.50	2.24
306	\$ 9.00	2.92	2.80	2.67	2.48	2.27	2.04
307	\$ 8.00	2.62	2.52	2.41	2.24	2.05	1.84
308	\$ 7.00	2.33	2.24	2.14	1.99	1.83	1.64

	A	H	I
1	National Fuel Gas Distribution Corporation		
2	New York Division		
3	Conservation Incentive Program		
4	Program Measurement and Verification Summary		
5			
6		5/15/2010	
7	Quarter		
8		9	
9			
10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
221	Sensitivity Analysis		
222	TRC - Free Ridership Sensitivity		
223		1.38	1.34
224	0%	1.54	1.51
225	10%	1.46	1.42
226	20%	1.37	1.33
227	30%	1.27	1.22
228	40%	1.15	1.10
229	50%	1.02	0.96
230	60%	0.88	0.82
231	70%	0.71	0.65
232	80%	0.51	0.46
233			
234	Societal - Test Free Ridership Sensitivity		
235		2.17	2.11
236	0%	2.42	2.39
237	10%	2.30	2.25
238	20%	2.16	2.10
239	30%	2.00	1.93
240	40%	1.83	1.75
241	50%	1.63	1.54
242	60%	1.40	1.31
243	70%	1.14	1.06
244	80%	0.84	0.77
245			
246	TRC Gas Cost Sensitivity		
247		1.38	1.34
248	\$ 16.00	1.84	1.78
249	\$ 15.00	1.72	1.67
250	\$ 14.00	1.61	1.56
251	\$ 13.00	1.49	1.45
252	\$ 12.00	1.38	1.34
253	\$ 11.00	1.26	1.22
254	\$ 10.00	1.15	1.11
255	\$ 9.00	1.03	1.00
256	\$ 8.00	0.92	0.89
257	\$ 7.00	0.80	0.78
258	Discount Rate Sensitivity		
259		1.38	1.34
260	1%	1.87	1.81
261	2%	1.74	1.69
262	3%	1.62	1.57
263	4%	1.52	1.47
264	5%	1.42	1.38
265	6%	1.34	1.29
266	7%	1.26	1.22
267			
268	Volume Savings Sensitivity		
269		1.38	1.34
270	50%	2.07	2.00
271	40%	1.93	1.87
272	30%	1.79	1.74
273	20%	1.65	1.60
274	10%	1.52	1.47
275	0%	1.38	1.34
276	-10%	1.24	1.20
277	-20%	1.10	1.07
278	-30%	0.96	0.94
279	-40%	0.83	0.80
280	-50%	0.69	0.67
281			

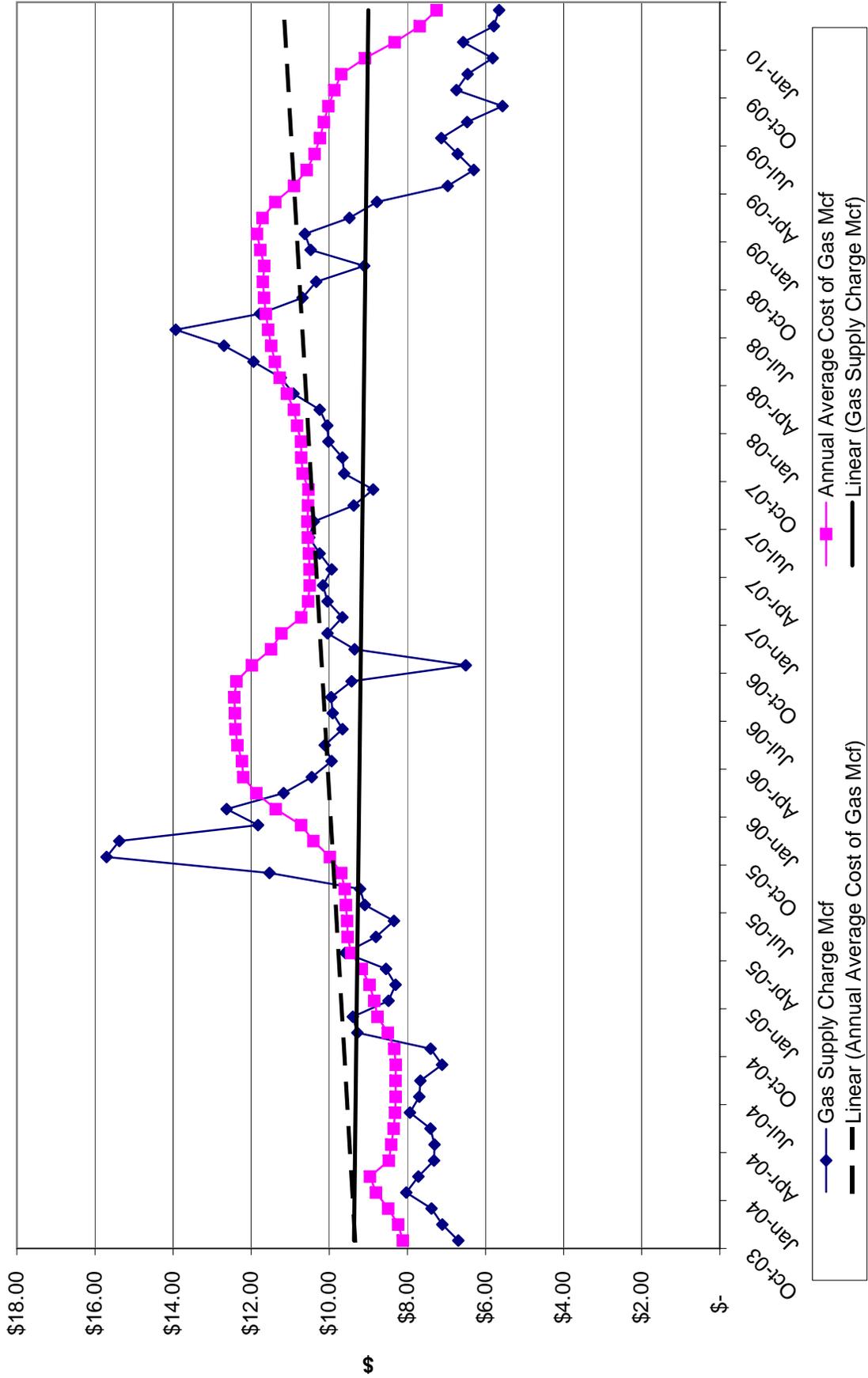
	A	H	I
1	National Fuel Gas Distribution Corporation		
2	New York Division		
3	Conservation Incentive Program		
4	Program Measurement and Verification Summary		
5			
6		5/15/2010	
7	Quarter		
8		9	
9			
10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
282	Gas Cost/Free Ridership Total Program TRC Sensitivity		
283	Gas Cost		
284		2.22	60% 70%
285	\$	16.00	1.89 1.54
286	\$	15.00	1.77 1.45
287	\$	14.00	1.66 1.36
288	\$	13.00	1.55 1.27
289	\$	12.00	1.43 1.17
290	\$	11.00	1.32 1.08
291	\$	10.00	1.21 0.99
292	\$	9.00	1.09 0.90
293	\$	8.00	0.98 0.81
294	\$	7.00	0.87 0.72
295			
296	Gas Cost/Free Ridership Total Program TRC Sensitivity		
297	Gas Cost		
298		3.49	60% 70%
299	\$	16.00	2.96 2.43
300	\$	15.00	2.79 2.29
301	\$	14.00	2.62 2.15
302	\$	13.00	2.45 2.02
303	\$	12.00	2.28 1.88
304	\$	11.00	2.11 1.74
305	\$	10.00	1.94 1.61
306	\$	9.00	1.77 1.47
307	\$	8.00	1.61 1.34
308	\$	7.00	1.44 1.20

	A	J	K	L	M	N	O
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter						
8							
9							
10		Resic					
11							
		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
221	Sensitivity Analysis						
222	TRC - Free Ridership Sensitivity						
223		2.10	2.11	2.11	1.90	4.13	2.22
224	0%	2.31	2.11	2.27	1.96	5.10	2.41
225	10%	2.21	2.11	2.19	1.96	4.59	2.32
226	20%	2.09	2.09	2.09	1.89	4.08	2.20
227	30%	1.96	1.88	1.94	1.81	3.57	2.04
228	40%	1.80	1.66	1.77	1.72	3.06	1.86
229	50%	1.63	1.45	1.58	1.62	2.55	1.66
230	60%	1.42	1.23	1.37	1.49	2.04	1.43
231	70%	1.16	1.02	1.12	1.32	1.53	1.17
232	80%	0.86	0.80	0.84	1.12	1.02	0.88
233							
234	Societal - Test Free Ridership Sensitivity						
235		3.30	3.28	3.29	2.97	6.85	3.49
236	0%	3.62	3.28	3.56	3.07	8.36	3.80
237	10%	3.46	3.28	3.43	3.06	7.57	3.65
238	20%	3.28	3.24	3.27	2.96	6.77	3.47
239	30%	3.07	2.91	3.04	2.84	5.97	3.22
240	40%	2.84	2.57	2.78	2.70	5.17	2.94
241	50%	2.56	2.23	2.48	2.54	4.37	2.63
242	60%	2.24	1.90	2.15	2.33	3.57	2.28
243	70%	1.85	1.56	1.77	2.09	2.78	1.88
244	80%	1.37	1.22	1.33	1.77	1.98	1.42
245							
246	TRC Gas Cost Sensitivity						
247		2.10	2.11	2.11	1.90	4.13	2.22
248	\$ 16.00	2.78	2.82	2.78	2.53	5.51	2.94
249	\$ 15.00	2.61	2.64	2.61	2.37	5.16	2.76
250	\$ 14.00	2.44	2.47	2.44	2.21	4.82	2.58
251	\$ 13.00	2.27	2.29	2.27	2.06	4.48	2.40
252	\$ 12.00	2.10	2.11	2.11	1.90	4.13	2.22
253	\$ 11.00	1.93	1.94	1.94	1.74	3.79	2.04
254	\$ 10.00	1.77	1.76	1.77	1.58	3.44	1.86
255	\$ 9.00	1.60	1.58	1.60	1.42	3.10	1.68
256	\$ 8.00	1.43	1.41	1.43	1.27	2.75	1.50
257	\$ 7.00	1.26	1.23	1.26	1.11	2.41	1.32
258	Discount Rate Sensitivity						
259		2.10	2.11	2.11	1.90	4.13	2.22
260	1%	2.97	3.47	3.06	2.72	4.43	3.12
261	2%	2.73	3.08	2.80	2.50	4.36	2.87
262	3%	2.53	2.74	2.57	2.30	4.29	2.66
263	4%	2.34	2.46	2.37	2.13	4.23	2.46
264	5%	2.18	2.22	2.19	1.97	4.16	2.29
265	6%	2.03	2.01	2.03	1.83	4.10	2.14
266	7%	1.90	1.84	1.89	1.71	4.04	2.01
267							
268	Volume Savings Sensitivity						
269		2.10	2.11	2.11	1.90	4.13	2.22
270	50%	3.17	3.19	3.18	2.85	6.20	3.34
271	40%	2.96	2.97	2.96	2.66	5.78	3.12
272	30%	2.75	2.76	2.75	2.47	5.37	2.89
273	20%	2.53	2.54	2.53	2.28	4.96	2.67
274	10%	2.32	2.33	2.32	2.09	4.54	2.44
275	0%	2.10	2.11	2.11	1.90	4.13	2.22
276	-10%	1.89	1.90	1.89	1.71	3.72	1.99
277	-20%	1.68	1.68	1.68	1.52	3.30	1.77
278	-30%	1.46	1.47	1.46	1.33	2.89	1.54
279	-40%	1.25	1.25	1.25	1.14	2.48	1.32
280	-50%	1.03	1.04	1.03	0.95	2.07	1.09
281							

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1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5							
6		5/15/2010					
7	Quarter						
8		9					
9							
10		Resic					
11							
		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
282	Gas Cost/Free Ridership Total Program TRC Sensitivity						
283	Gas Cost		Free Ridership				
284		2.22	80%	90%	100%		
285	\$	16.00	1.14	0.68	0.13		
286	\$	15.00	1.08	0.64	0.13		
287	\$	14.00	1.01	0.60	0.13		
288	\$	13.00	0.94	0.57	0.13		
289	\$	12.00	0.88	0.53	0.12		
290	\$	11.00	0.81	0.49	0.12		
291	\$	10.00	0.74	0.46	0.12		
292	\$	9.00	0.68	0.42	0.12		
293	\$	8.00	0.61	0.38	0.12		
294	\$	7.00	0.55	0.35	0.11		
295							
296	Gas Cost/Free Ridership Total Program TRC Sensitivity						
297	Gas Cost		Free Ridership				
298		3.49	80%	90%	100%		
299	\$	16.00	1.81	1.10	0.27		
300	\$	15.00	1.72	1.05	0.27		
301	\$	14.00	1.62	0.99	0.26		
302	\$	13.00	1.52	0.94	0.26		
303	\$	12.00	1.42	0.89	0.26		
304	\$	11.00	1.32	0.83	0.25		
305	\$	10.00	1.22	0.78	0.25		
306	\$	9.00	1.12	0.72	0.25		
307	\$	8.00	1.03	0.67	0.24		
308	\$	7.00	0.93	0.61	0.24		

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4	Program Measurement and Verification Summary		
5			
6		5/15/2010	
7	Quarter		
8		9	
9			
10		Resic	
11		Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
197	Work Paper 1		
198	Participant Calculations		
199			
200	Program Participants	3,232	1,680
201	Annualization Factor	1	1
202	Total Participants for Analysis	3,232	1,680
203			
204	Workpaper 2		
205			
206	CO2 Benefit		
207			
208	Cost of CO2 \$/Ton	\$ 15.00	\$ 15.00
209			
210	Cost of CO2 \$/Pound	\$ 0.01	\$ 0.01
211			
212	Lbs CO2 / Billion BTU	117,000	117,000
213			
214	Lbs CO2 / Million BTU	117	117
215			
216	DTH Conversion Factor	1.035	1.035
217			
218	Lbs CO2 / Mcf	121.095	121.095
219			
220	Cost of CO2 \$/Mcf	\$ 0.91	\$ 0.91

Average Cost of Gas



National Fuel Gas Distribution Corporation

Conservation Incentive Program

Preliminary Measurement and Verification Analysis

Development of Multipliers Used in Development of the Western New York – Total
Resource Cost Test

August 15, 2008

Introduction

Included in the Preliminary Measurement and Verification (“M&V”) analysis of National Fuel Gas Distribution Corporation’s (“Distribution” or “the Company”) conservation incentive program (“CIP”) is an estimate of the Western New York Total Resource Cost Test (“WNY-TRC”). The WNY-TRC test was included in the CIP’s M&V analysis to provide an estimate of the impact of the benefits of the program directly to the economy of the Company’s service territory. The Company’s CIP provides two direct benefits to its service territory: (1) overall net natural gas supply cost savings to customers, and (2) increased economic activity associated with program spending.

For purposes of this analysis the Company focused on net program benefits. That is, the overall natural gas supply cost savings are the difference between savings to customers from reduced consumption less the costs incurred by the Company and the customer to bring those savings about. The direct effect of energy efficiency savings is to increase the overall income of customers within the Company’s service territory. In order to capture the ripple effect of this increase in income the Company developed an “income multiplier” for use in the CIP’s M&V analysis.

The analysis also recognizes that the cost incurred to bring those savings about has an additional benefit to the service territory since the costs incurred to bring about those savings were largely spent in the service territory. In effect, expenditures on energy efficiency initiatives by the customer and the Company transfer costs from natural gas supply charges that, for the most part, leave the service territory, to purchases of equipment and services within the service territory that ripple through the local economy to the overall benefit of the service territory. In order to capture the ripple effect of these expenditures the Company developed “expenditure multipliers” for use in the CIP M&V analysis.

The table below summarizes the multipliers used in the M&V analysis for the WNY-TRC calculation.

Multipliers Used in the CIP’s M&V Analysis	
Description	Multiplier
WNY Income Multiplier	0.49
Expenditure Multiplier – Appliance Rebates and LIURP	0.46
Expenditure Multiplier – Thermostats	0.49
Expenditure Multiplier – Advertising	0.87

Development of Multipliers

The Company utilized IMPLAN Pro® Version 2.0 to develop macroeconomic multipliers for its service territory. IMPLAN Pro® Version 2.0, uses Input-output analysis to develop multipliers for specific regions that the user can define. For purposes of the development of multipliers to be used in the WNY-TRC test the region was defined as the major counties in the Company’s service territory. As explained in the IMPLAN Pro® Version 2.0 user manual:

“Input-output analysis is a means of examining relationships within an economy, both between businesses and between businesses and final consumers. It captures all monetary market transactions for consumption in a given time period. The resulting mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy (impact analysis).”¹

The Table below lists the counties in the Company’s service territory, including, the number of customers, and identifies whether the county was included in the analysis.

Counties in National Fuel Gas Distribution Corporation’s New York Service Territory		
Counties	Customers	Included in Study?
Allegany	10,955	Yes
Cattaraugus	13,775	Yes
Chautauqua	44,999	Yes
Erie	353,057	Yes
Genesee	11,066	Yes
Livingston	841	No
Monroe	1,039	No
Niagara	50,824	Yes
Ontario	1,792	Yes
Steuben	6,671	No
Wyoming	5,721	Yes
Total	499,740	

The counties included in the analysis were counties where the Company has a significant presence and where there are no larger population areas within the county that are served by another local natural gas distribution company.

Spending within an economy will result in three overall ripple effects: (1) direct, (2) indirect, and (3) induced. Direct effects are the impacts that result from the direct purchase of a product or service within the study area (for example, the payments made by a customer to a contractor for the installation of a furnace). Indirect effects result from the industries purchasing from other industries in order to meet the initial demand. (Continuing with the example, the contractor must purchase supplies and services from other vendors in order to support its business). Induced effects result from the impact on all local industries generated by the direct and indirect effects of the initial demand. Throughout these iterations dollars of demand “leak” from the local economy to other domestic regional (United States) and foreign economies. The energy efficiency initiatives of CIP can be seen as transferring the satisfaction of BTU demand from extra-

¹ IMPLAN Pro® Version 2.0; User Guide, Analysis Guide, Data Guide, Page 95.

regional natural gas commodity purchases to intra-regional energy efficiency purchases. In other words, without the CIP 100% of the satisfaction customer BTU demand “leaks” out of the service territory, with CIP some portion of the benefits of satisfying that demand remains in the local economy.

IMPLAN Pro® Version 2.0 provides the impact of such spending into two general categories: (1) Overall demand (“Output”), and (2) Value Added which is equal to labor income, other property type income, and indirect business taxes. For purposes of this analysis multipliers were developed focusing only on value added results in order to be conservative.

Calculation of WNY Income Multiplier

The WNY Income multiplier was developed by determining: (1) the propensity of households to spend on products and services within the service territory and, (2) a calculation of the ripple effect of such spending through the economy. Utilizing IMPLAN Pro® Version 2.0, it was determined that approximately 87% of household income in the service territory was spent on goods and services.

Page 1 of Attachment 1 to this appendix provides the various income multipliers for the households reported in IMPLAN Pro® Version 2.0. The value added multiplier for household spending within the service territory is estimated to be 56%. That is for every dollar of household spending, an additional \$0.56 of value will be added to the local economy through increased labor income, other property type income, and indirect business taxes resulting from that spending. Based on the approximately 87% of household income that is spent on goods and services by households within the service territory and the 56% value added associated with local spending an overall income multiplier to apply to savings under the CIP was calculated at 49% ($49\% = 87\%$ multiplied by 56%).

Calculation of Expenditure Multipliers

The analysis developed three expenditure multipliers to be applied in the M&V analysis to program expenditures: (1) Appliance Rebates and LIURP, (2) Thermostats, and (3) Advertising. Each of these expenditures will be satisfied from purchases of goods and services from various industries in the local economy. IMPLAN Pro® Version 2.0 can be utilized to determine the ripple effects of these purchases in the local economy. The table below provides a summary of the allocation of program costs to the selected industries in the local economy.

Expenditure Industry Allocations			
	Expenditures		
Industry Segment	Appliance Rebates and LIURP	Thermostats	Advertising
Contractors	50%	50%	
Wholesale Equipment and Insulation	50%		
Retail Building Supplies		50%	
Advertising			100%

Utilizing IMPLAN Pro® Version 2.0, the ripple effect of an assumed \$1,000,000 of purchases in each of the industries was utilized to develop the multipliers. Page 2 of Attachment 1 to this appendix provides the various multipliers reported in IMPLAN Pro® Version 2.0 for the industries utilized by the Company's CIP.

The value added multipliers for each industry are summarized in the table below.

Industry Value Added Multipliers	
Industry Segment	Multiplier
Contractors	72.2%
Wholesale Equipment and Insulation	20.0%
Retail Building Supplies	26.1%
Advertising	86.8%

Applying the value added multipliers to the allocations from the previous table determines the program multipliers used in the M&V analysis.

Expenditure Industry Multipliers			
	Expenditures		
Industry Segment	Appliance Rebates and LIURP	Thermostats	Advertising
Contractors	36.1%	36.1%	
Wholesale Equipment and Insulation	10.0%		
Retail Building Supplies		13.0%	
Advertising			86.8%
Total	46.1%	49.1%	86.8%

New York Division

Calculation of WNY Multipliers

Impact of Income Change in Selected Segment
Income Impact \$ 1,000,000

Segment: LT \$10K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 354,320	\$ 97,114	\$ 111,270	\$ 562,704
Output	\$ 950,950	\$ 183,718	\$ 186,854	\$ 1,321,522
Employment Multiplier	5.6	1.4	1.7	8.7
Value Added	35%	10%	11%	56%
Output	95%	18%	19%	132%
Segment: \$10K-15K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 354,632	\$ 97,016	\$ 112,265	\$ 563,913
Output	\$ 950,994	\$ 182,732	\$ 188,524	\$ 1,322,250
Employment Multiplier	5.9	1.4	1.8	9.1
Value Added	35%	10%	11%	56%
Output	95%	18%	19%	132%
Segment: \$15K-25K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 354,632	\$ 97,016	\$ 112,265	\$ 563,913
Output	\$ 950,994	\$ 182,732	\$ 188,524	\$ 1,322,250
Employment Multiplier	5.9	1.4	1.8	9.1
Value Added	35%	10%	11%	56%
Output	95%	18%	19%	132%
Segment: \$25K-35K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 354,126	\$ 95,425	\$ 111,538	\$ 561,089
Output	\$ 951,628	\$ 178,951	\$ 187,303	\$ 1,317,882
Employment Multiplier	5.9	1.4	1.7	9
Value Added	35%	10%	11%	56%
Output	95%	18%	19%	132%
Segment: \$35K-50K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 363,948	\$ 93,021	\$ 107,496	\$ 564,465
Output	\$ 951,775	\$ 173,671	\$ 180,517	\$ 1,305,963
Employment Multiplier	5.7	1.3	1.7	8.7
Value Added	36%	9%	11%	56%
Output	95%	17%	18%	131%
Segment: \$50K-75K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 374,539	\$ 92,880	\$ 107,337	\$ 574,756
Output	\$ 951,627	\$ 172,513	\$ 180,249	\$ 1,304,389
Employment Multiplier	5.8	1.3	1.7	8.8
Value Added	37%	9%	11%	57%
Output	95%	17%	18%	130%
Segment: \$75K-100K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 383,411	\$ 93,743	\$ 109,380	\$ 586,534
Output	\$ 951,115	\$ 173,102	\$ 183,680	\$ 1,307,897
Employment Multiplier	6.1	1.4	1.7	9.2
Value Added	38%	9%	11%	59%
Output	95%	17%	18%	131%
Segment: \$100K-150K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 383,411	\$ 93,743	\$ 109,380	\$ 586,534
Output	\$ 951,115	\$ 173,102	\$ 183,680	\$ 1,307,897
Employment Multiplier	6.1	1.4	1.7	9.2
Value Added	38%	9%	11%	59%
Output	95%	17%	18%	131%
Segment: GT \$150K				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 383,411	\$ 93,743	\$ 109,380	\$ 586,534
Output	\$ 951,115	\$ 173,102	\$ 183,680	\$ 1,307,897
Employment Multiplier	6.1	1.4	1.7	9.2
Value Added	38%	9%	11%	59%
Output	95%	17%	18%	131%

National Fuel Gas Distribution Corporation
New York Division

Calculation of WNY Multipliers

Impact of Spending in Selected Segment
Spending Amount \$ 1,000,000

Segment: Contractors				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 341,429	\$ 183,832	\$ 197,232	\$ 722,493
Output	\$ 968,335	\$ 360,096	\$ 331,211	\$ 1,659,642
Employment	6.8	2.8	3.1	12.7
Multiplier				
Value Added	34.1%	18.4%	19.7%	72.2%
Output	96.8%	36.0%	33.1%	166.0%
Segment: Retail Building Supplies				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 159,549	\$ 46,063	\$ 55,770	\$ 261,382
Output	\$ 265,187	\$ 79,724	\$ 93,651	\$ 438,562
Employment	3.4	0.7	0.9	5
Multiplier				
Value Added	16.0%	4.6%	5.6%	26.1%
Output	26.5%	8.0%	9.4%	43.9%
Segment: Wholesale				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 131,938	\$ 27,898	\$ 40,221	\$ 200,057
Output	\$ 195,701	\$ 49,399	\$ 67,541	\$ 312,641
Employment	6.8	2.8	3.1	12.7
Multiplier				
Value Added	13.2%	2.8%	4.0%	20.0%
Output	19.6%	4.9%	6.8%	31.3%
Segment: Advertising				
Impact	Direct	Indirect	Induced	Total
Value Added	\$ 486,679	\$ 164,745	\$ 216,583	\$ 868,007
Output	\$ 948,478	\$ 317,323	\$ 363,704	\$ 1,629,505
Employment	7.1	2.4	3.4	12.9
Multiplier				
Value Added	48.7%	16.5%	21.7%	86.8%
Output	94.8%	31.7%	36.4%	163.0%

M&V Multipliers				
	Direct	Indirect	Induced	Total
LIURP, Res Appliance Rebates & Commercial Rebates				
% Contractors	50%	50%	50%	50%
% Wholesale	50%	50%	50%	50%
Value Added	24%	11%	12%	46%
Output	58%	20%	20%	99%
Tstat Rebates				
% Contractors	50%	50%	50%	50%
% Retail	50%	50%	50%	50%
Value Added	25%	11%	13%	49%
Output	62%	22%	21%	105%
Outreach				
% Advertising	100%	100%	100%	100%
Value Added	48.7%	16.5%	21.7%	86.8%
Output	94.8%	31.7%	36.4%	163.0%

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

NEW YORK DIVISION

CIP SUMMARY THROUGH MARCH 31, 2010

	CIP <u>Expenditures</u>	CIP <u>Funding</u>	NYSERDA <u>Spending</u> ¹
LIURP			
Payments to NYSERDA			
2007 payments	\$500,000.00		
2008 payments	2,440,000.00		
2009 payments	3,140,000.00		
	2/10/2010		
	<u>1,270,000.00</u>		
	<u>\$7,350,000.00</u>		
 Funding of LIURP by CMR			
	3/7/2008	\$500,000.00	
 Expenditures made by NYSERDA			
Audit Fee/Education			\$506,261.00
Insulation			3,513,966.00
Air Sealing			448,023.00
Heating System Repair/Replacement			375,155.00
Thermostats			14,598.00
DHW Improvements			128,280.00
Showerheads			6,941.00
Pipe Wrapping			8,649.00
Other			59,133.00
Total Through 3/31/10			<u>\$5,061,006.00</u>
 Residential Rebate Program			
Payments to EFI			
2007 payments	\$203,033.86		
2008 payments	4,262,174.26		
2009 payments	3,491,608.84		
	1/20/2010		
	274,736.56		
	1/28/2010		
	445,547.29		
	2/11/2010		
	273,958.44		
	2/19/2010		
	96,304.50		
	3/10/2010		
	207,395.98		
	3/24/2010		
	<u>254,244.46</u>		
		\$9,509,004.19	
Mailing to Contractors May 2008		\$123.00	
Non-residential rebates paid by EFI		<u>\$38,048.96</u>	
 Residential Rebates paid by EFI		<u>\$9,471,078.23</u>	
 Non Residential Rebate Program			
Payments to NYSERDA			
2007 payments	\$200,000.00		
2008 payments	\$1,161,951.04		
2009 payments	\$0.00		
	2/10/2010		
	<u>\$500,000.00</u>		
		\$1,861,951.04	
Non-residential rebates paid by EFI		\$38,048.96	
Subtotal Non-residential Rebates		<u>\$1,900,000.00</u>	
Transfer to Multi Family Program		522,516.00	
Total Non-residential Rebates		<u>\$1,377,484.00</u>	
 Funding of Rebates by CMR			
	3/7/2008	\$200,000.00	
 Expenditures by NYSERDA through 3/31/10			<u>\$490,688.24</u>
Jobs Encumbered through 3/31/10 or Paid by NYSERDA after 3/31/10			<u>\$278,984.80</u>

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

NEW YORK DIVISION

CIP SUMMARY THROUGH MARCH 31, 2010

	<u>CIP Expenditures</u>	<u>CIP Funding</u>	<u>NYSERDA Spending¹</u>
Multi Family Program			
Payments to NYSERDA			
Transfer from Non Residential Rebates	\$522,516.00		
2/10/2010	8,132.00		
Total Multi Family Program	<u>\$530,648.00</u>		
Commercial & Industrial Program			
Payments to NYSERDA			
2/10/2010	<u>\$171,033.75</u>		
Total Commercial & Industrial Program			
General Outreach and Education			
Expenditures (In House)	<u>Cumulative</u>		
Material	\$2,960.26		
Contractors	858,275.17		
Office Employee	7,389.63		
Print Advertising	445,166.90		
Radio Advertising	412,644.73		
TV Advertising	356,789.24		
Brochures	78,819.89		
Bill Inserts	103,569.36		
Direct mail	416,671.16		
Internet	112,741.21		
Billboards	288,327.69		
Misc. Advertising	1,328,025.22		
Postage	3,074.81		
Transfer to Austerity Bill Credit ²	800,000.00		
	<u>\$5,214,455.27</u>		
Funding of Outreach by CMR			
3/7/2008		\$911,634.82	
Low Income Outreach and Education			
Expenditures (In House)	<u>Cumulative</u>		
Contractors	\$7,819.84		
Print Advertising	23,143.37		
Direct mail	3,055.00		
Billboards	192,961.00		
Misc. Advertising	46,656.69		
	<u>\$273,635.90</u>		
Funding of Outreach by CMR			
3/7/2008		\$104,624.22	
Conservation Incentive Program Surcharge (through 3/31/10)			
Surcharge		<u>Cumulative</u>	
Refund of overcollection		\$25,364,165.75	
		<u>\$1,482,908.11</u>	
NYSERDA Administration Fees per NYSERDA Reconciliation through November 2009			\$608,458.00
NYSERDA Interest per NYSERDA Reconciliation (NYSERDA estimate) through November 2009			<u>(\$76,422.00)</u>
Total	<u>\$24,388,335.15</u>	<u>\$28,563,332.90</u>	<u>\$6,362,715.04</u>

1 - NYSERDA Spending updated through 3/31/10

2 - Transfer to Austerity Bill Credit C 09-M-0435

NATIONAL FUEL GAS DISTRIBUTION CORPORATION
NEW YORK DIVISION
CONSERVATION INCENTIVE PROGRAM ALLOWANCES

	C.07-G-0141 <u>Allowed</u>	C.07-G-0141 <u>3rd Year</u>
LIURP	\$2,940,000	\$2,940,000
Appliance Rebates		
Residential	\$3,400,000	3,400,000
Commercial	1,520,000	1,520,000
Total	<u>4,920,000</u>	<u>4,920,000</u>
Outreach and Education		
Low Income	\$740,000	740,000
General	2,200,000	1,200,000
Total	<u>2,940,000</u>	<u>1,940,000</u>
Measurement & Valuation		490,000
Total Rate Year	<u>\$10,800,000</u>	<u>\$10,290,000</u>

Appendix H - Residential CIP Rebate Program Customer Survey Results Cumulative thru 12/30/2009

	Total	
Rebate Applications Received	31085	
Flawed Rebate Applications	7054	23% of Rebate Applications Received
Rebate Applications Processed	24031	77% of Rebate Applications Received
Unique Customers	22224	92% of Rebate Applications Processed
Randomly Selected Customers	3497	16% of Unique Customers
Customers Actually Contacted	1656	47% of Randomly Selected Customers
Responsive Customers	1170	71% of Customers Contacted
Non-Responsive Customers (refused to participate or hung up on phone rep)	486	29% of Customers Contacted
Q1 - Program Awareness		
Contractor	767	66% of Customers Responding
NFG Bill Insert	208	18% " " "
News/Newspapers	105	9% " " "
Friends/Word of Mouth	124	11% " " "
TV	97	8% " " "
NFG Website	65	6% " " "
NFG Letters	17	1% " " "
NFG Billboards	12	1% " " "
Radio	42	4% " " "
*Note: responses total > 1170 since many customers cited several sources	1437	
Q2 - Rebate Influence on Upgrade Decision		
Not Important	159	14% 14% of the Customers were NOT Influenced by the NFG rebate in their purchase
Somewhat Important	457	39%
Very Important	553	47% 86% of the Customers were Influenced by the NFG rebate in their purchase
	1169	
Q3 - Received Rebate Check		
Yes	1142	98% of the Customers had received their rebate check
No	27	2% of the Customers had NOT received their rebate check
	1169	
Q4 - Satisfaction with Time to Receive Rebate		
1- Very Dissatisfied	28	2% 4% of the Customers were NOT satisfied with the time it took to receive rebate
2- Dissatisfied	24	2%
3- Neither Dissatisfied or Satisfied	100	9%
4- Satisfied	224	20%
5- Very Satisfied	765	67% 87% of the Customers were satisfied with the time it took to receive rebate
	1141	
N/A	27	2% of the Customers had NOT received their rebate check
	1168	
Q5 - Satisfaction with the Application Process		
1- Very Dissatisfied	27	2% 4% of the Customers were NOT satisfied with the application process
2- Dissatisfied	20	2%
3- Neither Dissatisfied or Satisfied	95	8%
4- Satisfied	245	21%
5- Very Satisfied	782	67% 88% of the Customers were satisfied with the application process
	1169	
Q6 - Satisfaction with Administrator, EFI		
1- Very Dissatisfied	15	5% 7% of the Customers contacting EFI by phone were NOT satisfied with EFI
2- Dissatisfied	5	2%
3- Neither Dissatisfied or Satisfied	34	12%
4- Satisfied	60	21%
5- Very Satisfied	176	61% 82% of the Customers contacting EFI by phone were satisfied with EFI
	290	
N/A	879	75% of the Customers did not contact EFI by phone
	1169	
Q7 - Satisfaction with Inspection by CSG		
1- Very Dissatisfied	5	2% 2% of the Customers with inspections were NOT satisfied with CSG
2- Dissatisfied	2	0%
3- Neither Dissatisfied or Satisfied	8	3%
4- Satisfied	27	11%
5- Very Satisfied	203	83% 94% of the Customers with inspections were satisfied with CSG
	245	
N/A	924	79% of the Customers had no inspection done
	1169	
Q8 - Overall Satisfaction with Rebate Program		
1- Very Dissatisfied	12	1% 1% of the Customers were NOT satisfied with rebate program
2- Dissatisfied	5	0%
3- Neither Dissatisfied or Satisfied	34	3%
4- Satisfied	166	14%
5- Very Satisfied	952	81% 95% of the Customers were satisfied with rebate program
	1169	

Pre-/Post Consumption Analysis Methodology

The pre/post analysis of customer consumption reviewed the consumption characteristics for customers receiving rebates twelve months before the customer installed the high efficiency natural gas equipment and twelve months after the customer installed the high efficiency natural gas equipment. All consumption information was normalized to remove the effects of weather from the pre/post consumption analysis.

The procedure for conducting the analysis followed the following steps. From the customers rebate application the month that the customer installed the high efficiency natural gas equipment was determined. The customer's consumption for the twelve months previous to the equipment installation was determined, summed for all customers receiving rebates during the month, and the changes in consumption due to weather were eliminated. That is, the customers' previous months consumption was "weather normalized". The analysis next determined the customer's consumption for the twelve months after the equipment was installed, summed the consumption information, and weather normalized that data stream. If a customer did not have twelve months of pre or post equipment consumption available for analysis that customer was removed from the analysis.

The Company currently has seventeen months of complete pre and post consumption data for the following residential rebate categories: (1) Heating Systems, (2) Programmable Thermostats, (3) Heating Systems with Programmable Thermostats, (4) Hot Water Tank Systems, and (5) Tankless Hot water Systems. In order to isolate the impact of the effect of installing individual units, customers that installed multiple high efficiency applications were removed from the analysis. Ten months of data is available for the Company's Low Income Usage Reduction Program ("LIURP"). The Company currently has pre/post consumption data for the time periods provided in Table 1 below.

Table 1		
Month Equipment Installed	Pre Equipment Installation Consumption Month	Post Equipment Installation Consumption Month
November 2007	November 2006-October 2007	December 2007 – November 2008
December 2007	December 2006-November 2007	January 2008-December 2008
January 2008	January 2007-December 2007	February 2008-January 2009
February 2008	February 2007-January 2008	March 2008-February 2009
March 2008	March 2007-February 2008	April 2008-March 2009
April 2008	April 2007-March 2008	May 2008–April 2009
May 2008	May 2007 – April 2008	June 2008–May 2009
June 2008	June 2007 – May 2008	July 2008-June 2009
July 2008	July 2007-June 2008	August 2008-July 2009
August 2008	August 2007-July 2008	September 2008–August 2009
September 2008	September 2007-August 2008	October 2008-September 2009
October 2008	October 2007-September 2008	November 2008-October 2009
November 2008	November 2007-October 2008	December 2008-November 2009
December 2008	December 2007-November 2008	January 2009-December 2009
January 2009	January 2008-December 2008	February 2009-January 2010
February 2009	February 2008-January 2009	March 2009-February 2010
March 2009	March 2008-February 2009	April 2009-March 2010

The average consumption change over the fourteen months period tested is summarized in Table 2 below.

Table 2		
Equipment	Change in Consumption Per Account	
	Mcf per Account	Percent Change
Heating Systems	-13.254	-11.7%
Programmable Thermostats	- 5.728	- 5.5%
Heating Systems W/P.Tstats	-14.571	-13.3%
Storage Tank Water Heater	- 4.193	- 3.9%
Tankless Water Heater	- 7.115	- 6.7%
LIURP (Data for 10 Mths)	-25.032	-13.1%

Attachment 1 to this appendix provides the consumption change for each piece of equipment by month.

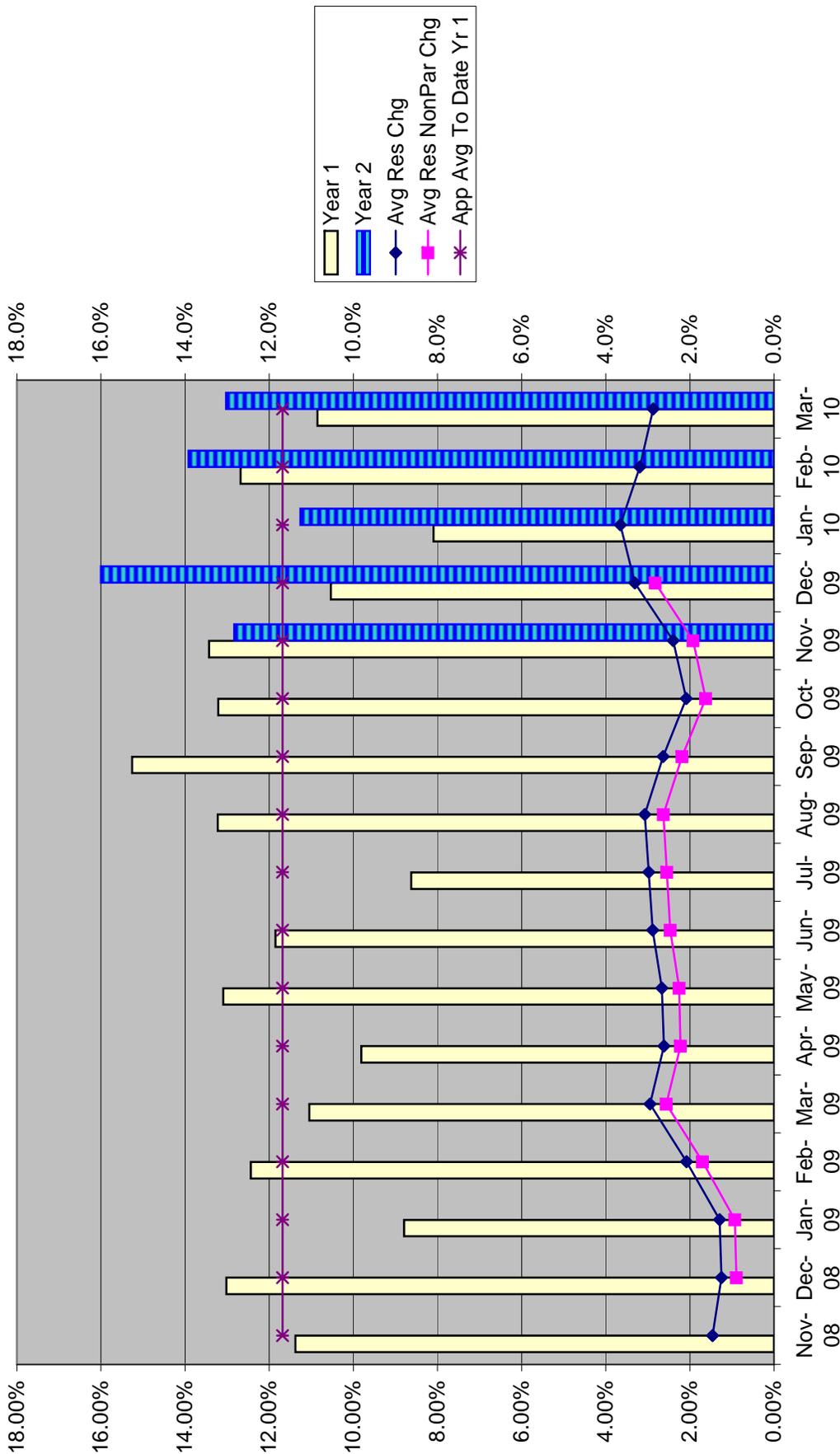
How do these results compare to the changes in consumption for the average residential account on the Company’s system and the average usage per account for non-participating

customers? Attachment 2 provides a response to these questions. Attachment 2 provides a graphical representation of pre and post rebate percent average annual savings by month, percent average changes in residential usage per account by month, and estimated percent average changes in non-participant usage per account by month. As can be seen from these graphs the percent average reduction in usage for customers receiving heating system rebates and LIURP program participants is significantly greater than the average for the residential customer class as a whole and the estimated percent average reduction in the usage per account of the non-participating customers. Reductions in usage for customers receiving rebates for thermostats only was lower than LIURP customers and customers receiving rebates for heating systems. Customers receiving rebates for hot water systems had usage reductions only slightly above the average for the residential class as a whole and non-participating customers. Attachment 3 provides a description of how the average changes in normalized residential class usage per account and changes in non-participant usage per account were estimated. Attachment 3 also explains why using such total system averages is a reasonable benchmark the National Fuel Gas Distribution Corporation's service territory.

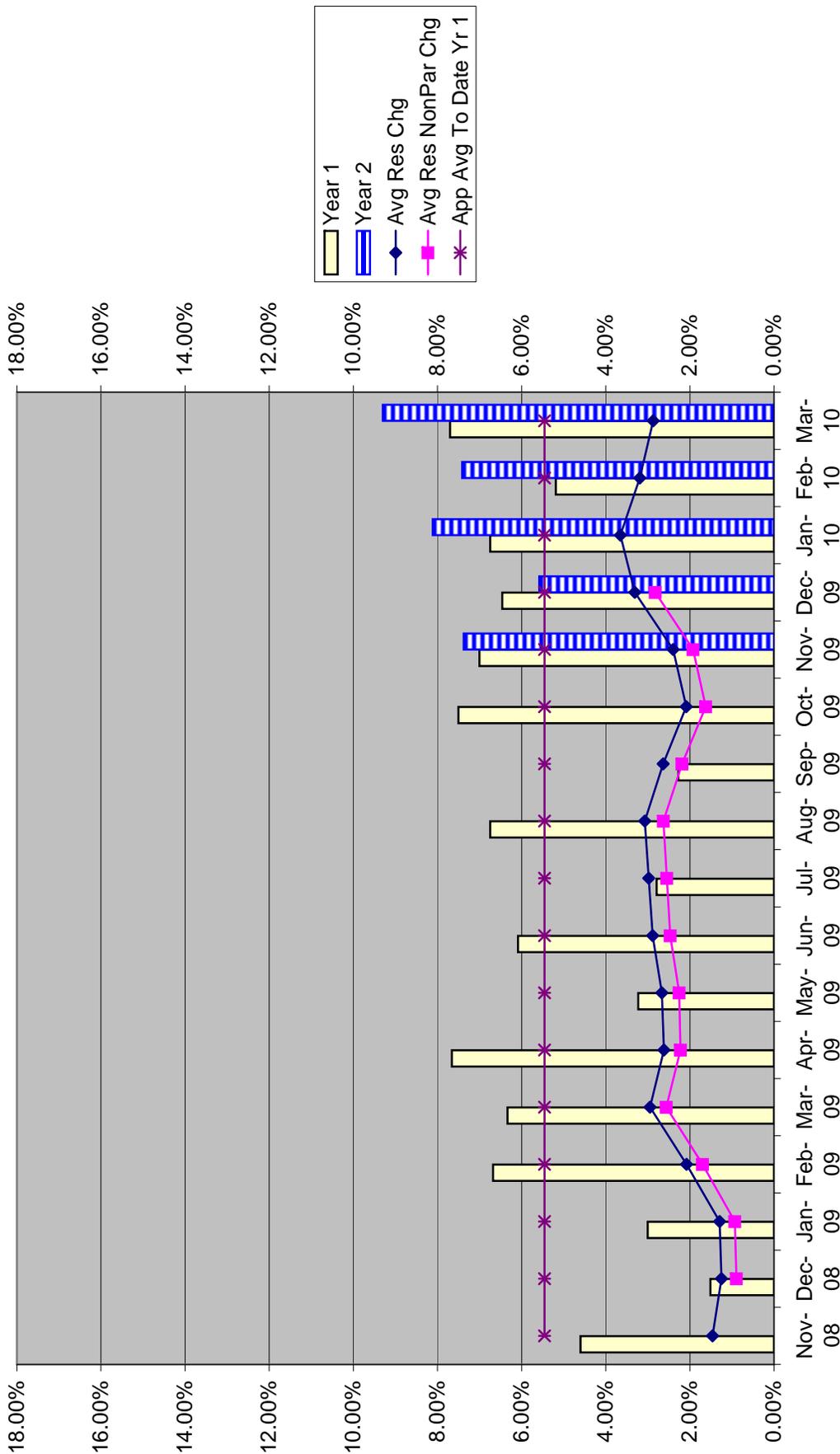
National Fuel Gas Distribution Corporation
 New York Division
 Conservation Incentive Program
 Residential Appliance Rebate Program
 Pre and Post Installation Consumption Analysis

Tankless Water Heating Only													
Normalized Consumption (Mcf)													
Month Installed	Customers	1 Year Prior to Installation				1 Year After Installation				Weighted Annual Consumption		Weighted Annual Consumption	
		Installation	to	Installation	% Change	Installation	Change	% Change	Pre	Post	Pre	Post	
November-07	19	99.701	96.095	-3.606	-3.6%	1,894.3	1,825.8	1,894.3	1,825.8	1,894.3	1,781.9	1,894.3	1,781.9
December-07	67	107.746	101.411	-6.335	-5.9%	7,219.0	6,794.5	7,219.0	6,794.5	7,219.0	6,629.0	7,219.0	6,629.0
January-08	60	117.718	107.939	-9.779	-8.3%	7,063.1	6,476.3	7,063.1	6,476.3	7,063.1	6,424.6	7,063.1	6,424.6
February-08	40	97.714	90.321	-7.393	-7.6%	3,908.6	3,612.8	3,908.6	3,612.8	3,908.6	3,695.0	3,908.6	3,695.0
March-08	23	110.148	100.936	-9.212	-8.4%	2,533.4	2,321.5	2,533.4	2,321.5	2,533.4	2,252.5	2,533.4	2,252.5
April-08	36	109.076	100.951	-8.125	-7.4%	3,926.7	3,634.2	3,926.7	3,634.2	3,926.7	3,634.2	3,926.7	3,634.2
May-08	30	103.154	97.014	-6.140	-6.0%	3,094.6	2,910.4	3,094.6	2,910.4	3,094.6	2,910.4	3,094.6	2,910.4
June-08	28	109.443	104.361	-5.082	-4.6%	3,064.4	2,922.1	3,064.4	2,922.1	3,064.4	2,922.1	3,064.4	2,922.1
July-08	24	105.331	95.989	-9.342	-8.9%	2,527.9	2,303.7	2,527.9	2,303.7	2,527.9	2,303.7	2,527.9	2,303.7
August-08	27	92.507	84.045	-8.462	-9.1%	2,497.7	2,269.2	2,497.7	2,269.2	2,497.7	2,269.2	2,497.7	2,269.2
September-08	38	104.698	102.172	-2.526	-2.4%	3,978.5	3,882.5	3,978.5	3,882.5	3,978.5	3,882.5	3,978.5	3,882.5
October-08	26	106.637	103.218	-3.419	-3.2%	2,772.6	2,683.7	2,772.6	2,683.7	2,772.6	2,683.7	2,772.6	2,683.7
November-08	21	105.486	99.323	-6.163	-5.8%	2,215.2	2,085.8	2,215.2	2,085.8	2,215.2	2,085.8	2,215.2	2,085.8
December-08	25	117.178	105.921	-11.257	-9.6%	2,929.5	2,648.0	2,929.5	2,648.0	2,929.5	2,648.0	2,929.5	2,648.0
January-09	29	102.595	93.677	-8.918	-8.7%	2,975.3	2,716.6	2,975.3	2,716.6	2,975.3	2,716.6	2,975.3	2,716.6
February-09	34	111.213	104.158	-7.055	-6.3%	3,781.2	3,541.4	3,781.2	3,541.4	3,781.2	3,541.4	3,781.2	3,541.4
March-09	40	96.685	89.664	-7.021	-7.3%	3,867.4	3,586.6	3,867.4	3,586.6	3,867.4	3,586.6	3,867.4	3,586.6
Total	567	106.260	99.145	-7.115	-6.7%	60,249.4	56,215.3	60,249.4	56,215.3	60,249.4	56,215.3	60,249.4	56,215.3
								108.222	99.441	-8.781	-8.1%	22,618.3	20,783.1

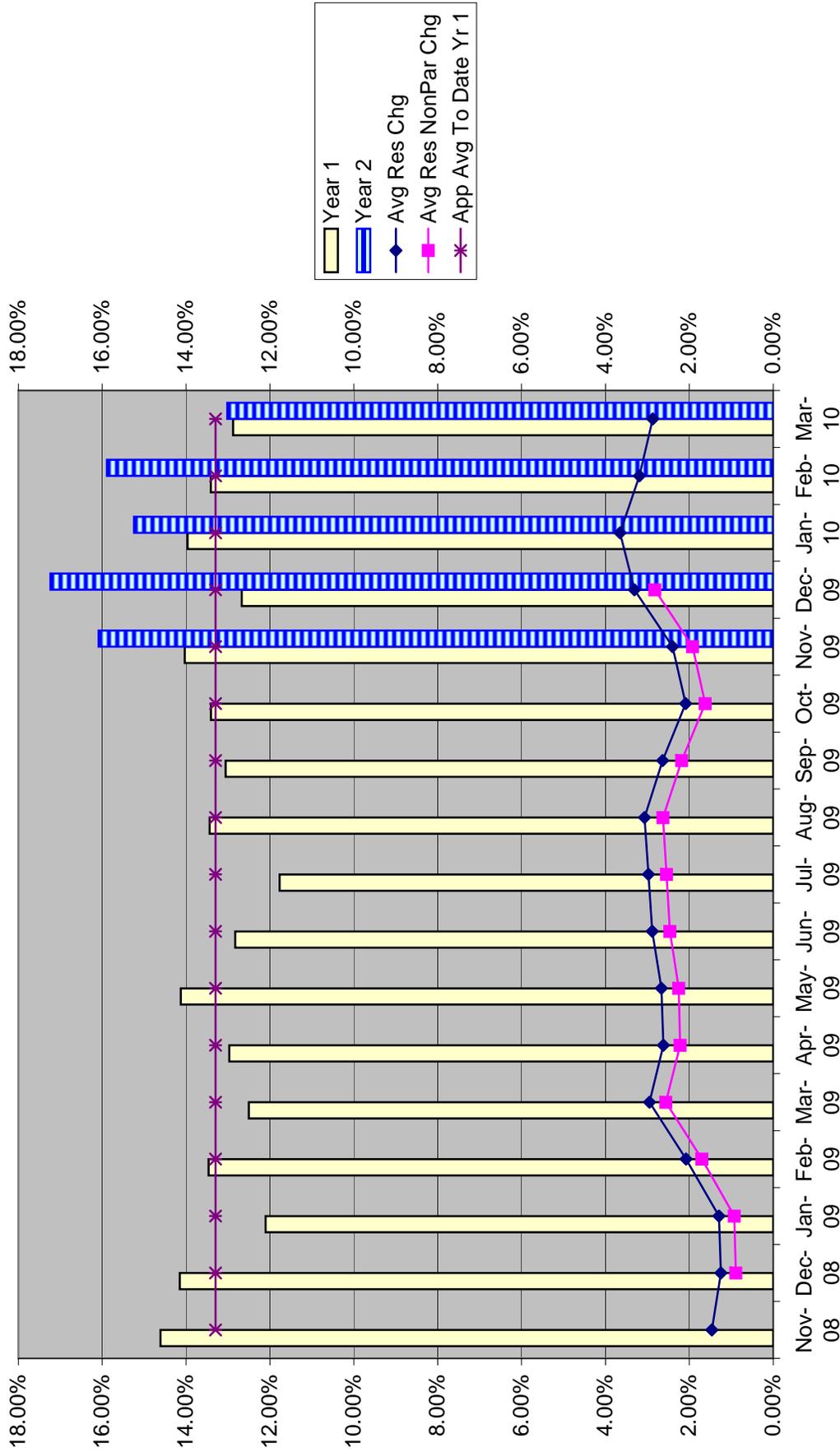
**Pre Post Savings
 Heating Systems Only**



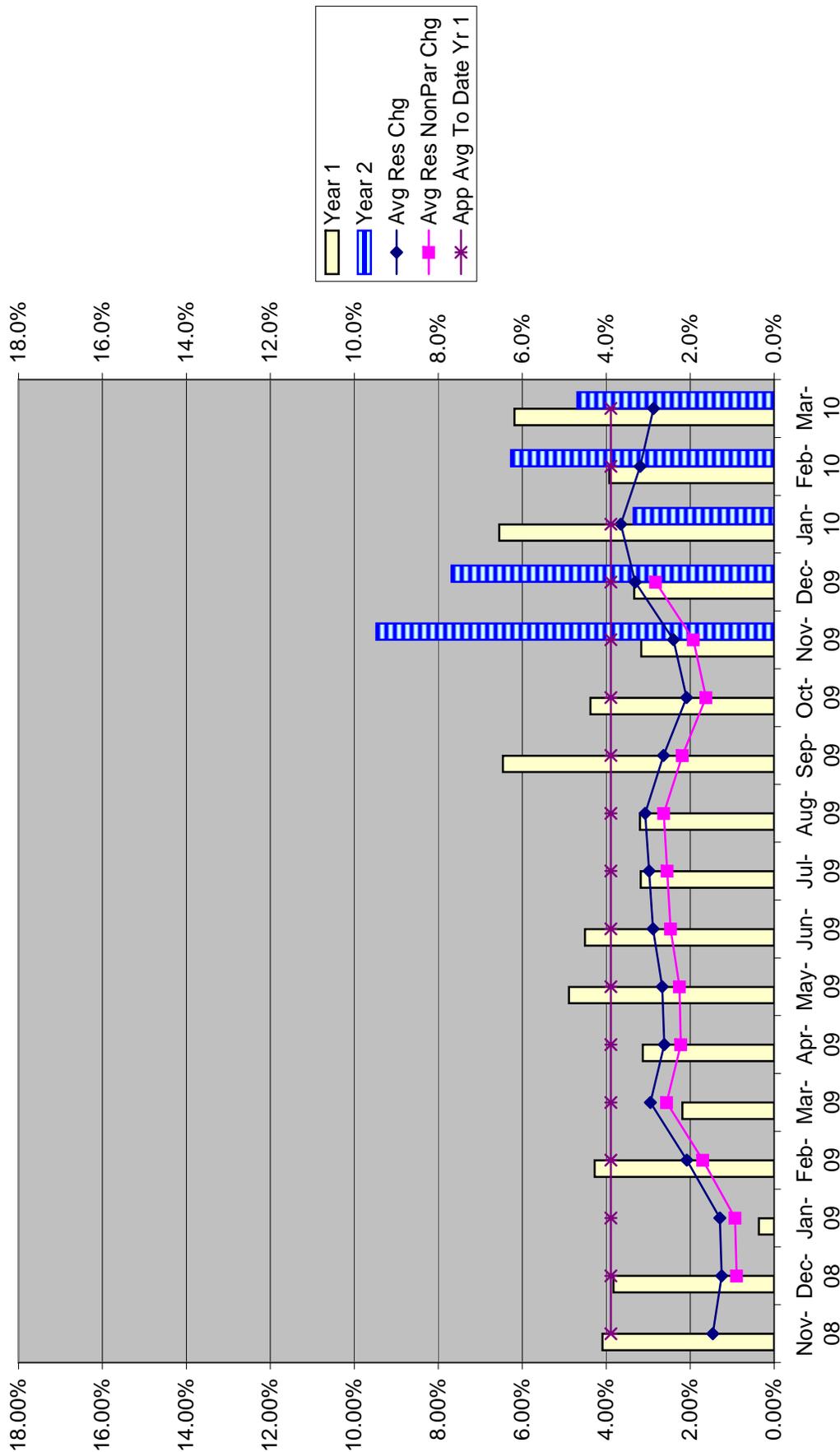
Pre Post Savings Programmable Thermostats



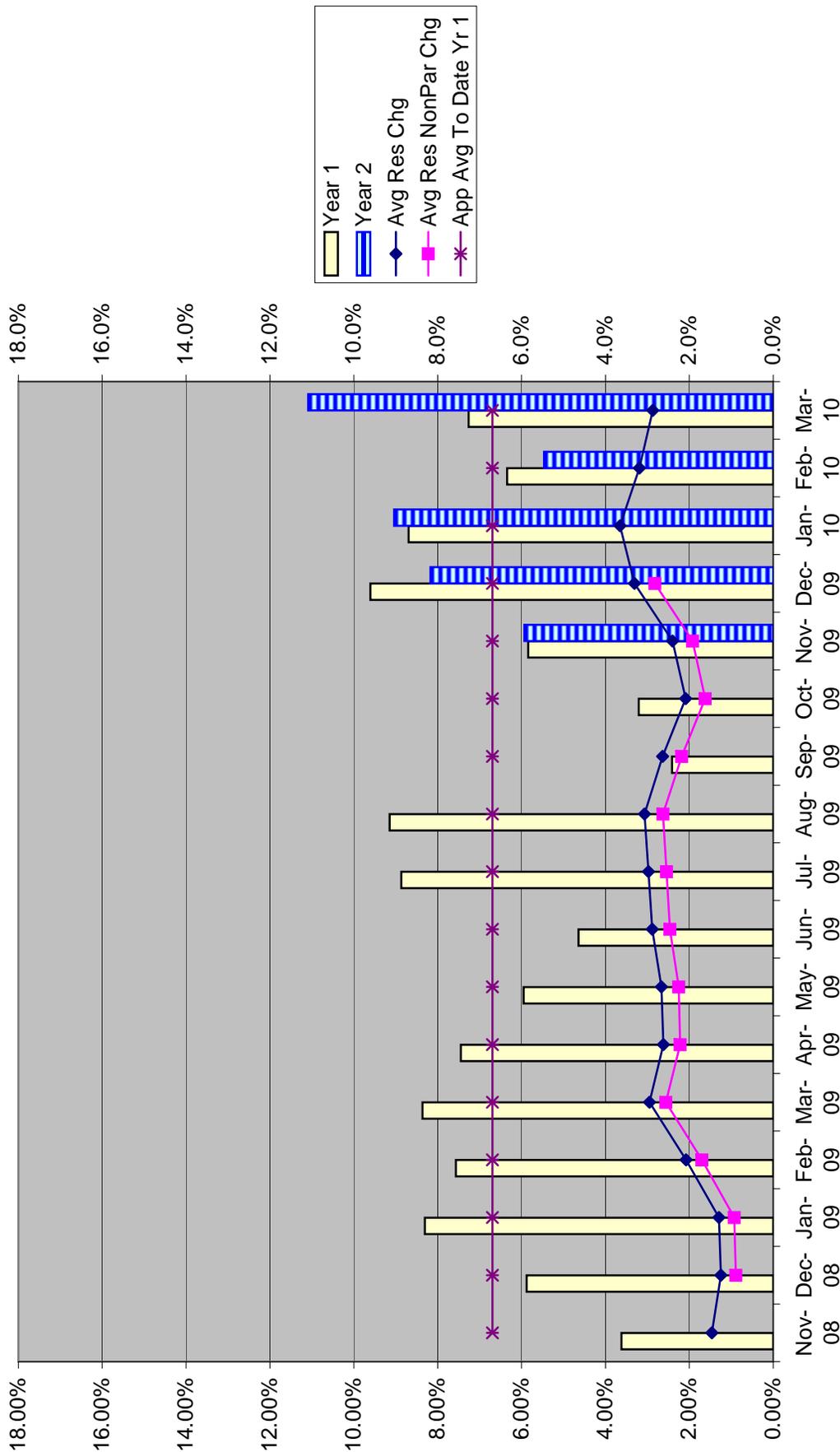
**Pre Post Savings
Heating Systems & Programmable Thermostats**



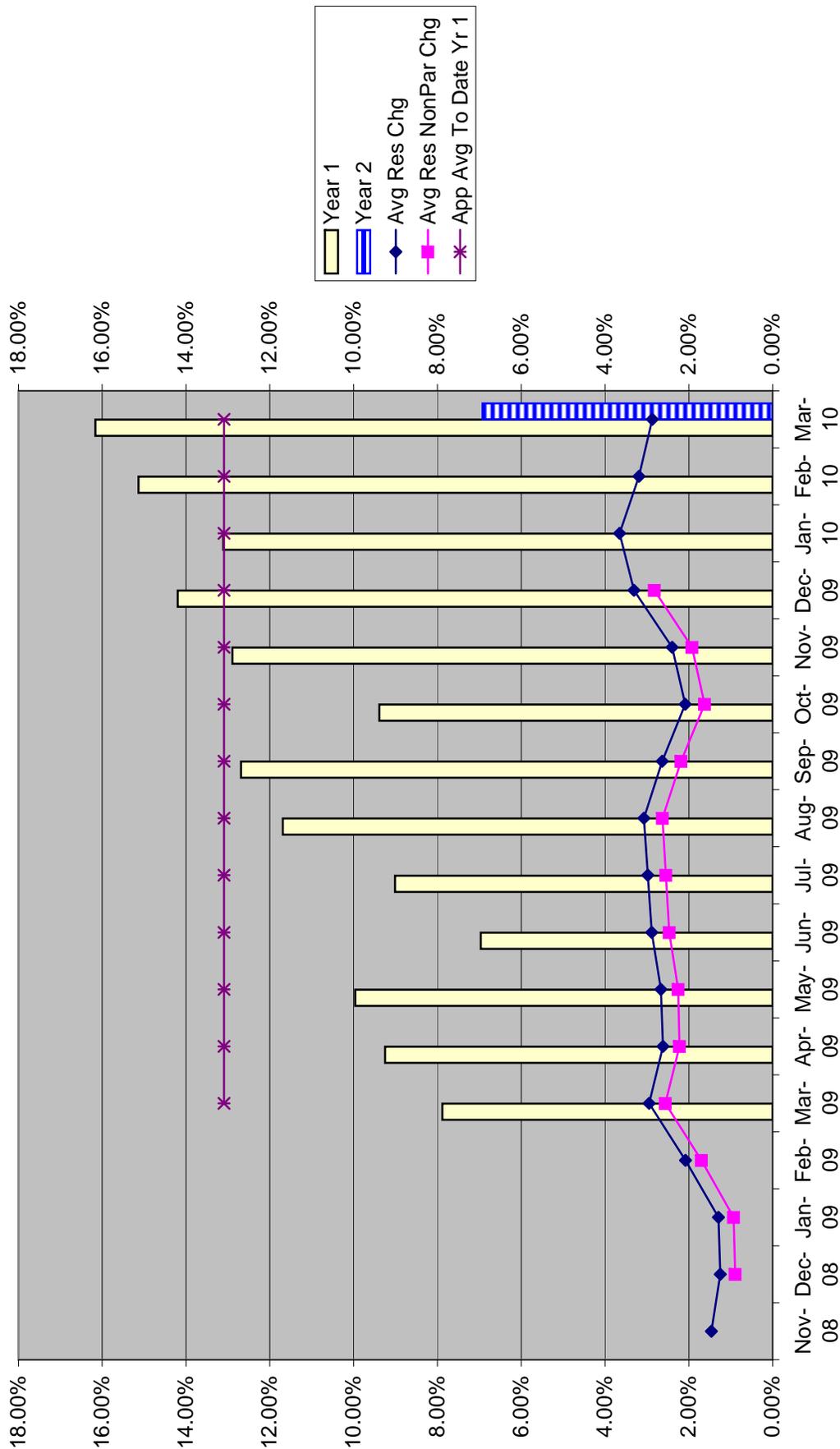
**Pre Post Savings
Water Tank Heaters**



Pre Post Savings Tankless Water Heaters



Pre Post Savings
LIURP



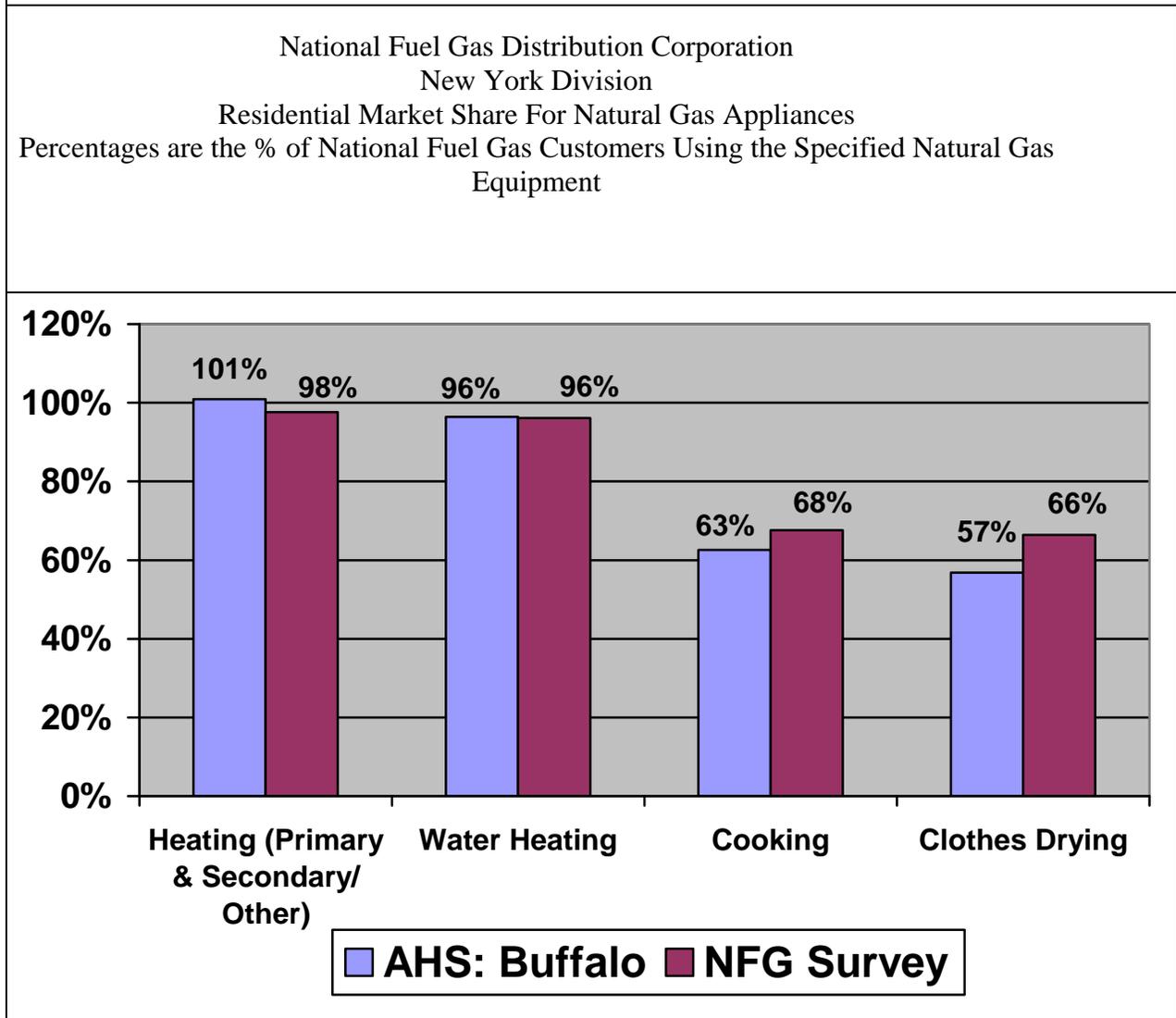
Control Group for Measuring Significance of Residential Customer Rebate Program and
Low Income Usage Reduction Program (“LIURP”) Participant Savings.

I) Summary

This appendix describes the control group used for comparing the natural gas savings of customers receiving appliance rebates under the CIPs program with those customers that have not received a rebate. Due to the somewhat unique characteristics of National Fuel Gas Distribution Corporation’s residential customer base, the average actual consumption per account for the residential class of customer will be used as the starting point for any determination of differences in consumption between customers participating in the rebate program and non-participating customers.

The residential customers on the Company’s system are relatively homogeneous in terms of whether they use natural gas for space heating and water heating. Based on both internal Company sponsored studies and US Department of Census information, the percentage of residential customers that use natural gas for space heating and water heating is between approximately 96% to 98%. Chart 1 below provides a summary of the percentage of the Company’s customers that utilize natural gas in the major natural gas burning appliances.

CHART 1



Since nearly all residential customers use natural gas for both space heating and water heating, the starting point for determining non-participant customer consumption is the average usage per residential account. Table 1, Column (1), provides this amount for the 12 months ended December 2007, December 2008, and December 2009. This value is the total average consumption of both customers participating in the CIP program and non-participating customers. In order to determine the average consumption of non-

participating customers, estimated average savings of customers participating in the CIPs program are identified (Column (2) of Table 1) and subtracted from the average total usage per account to determine non-participating customers (Column (3) of Table 1).

Table 1					
	(1)		(2)	(3)	
12 Months Ended	Total Residential Weather Normalized Usage Per Account		Impact on Total Avg. Usage per Account for Rebate & LIURP Participants	Total Usage Per Account Non-Participants	
	(Mcf)	% Chg	(Mcf)	(Mcf)	% Chg
December 2007	107.4			107.4	
December 2008	106.0	-1.3%	0.4	106.4	-0.9%
December 2009	102.5	-3.3%	0.9	103.4	-2.8%

The results of Table 1 provide a reasonable benchmark to compare actual measured savings of participating customers from the pre and post consumption analysis with a reasonable estimated range of changes in consumption for non-participating customers. The reasonable range of consumption change for non-participating customers is likely to be within the percent change provided in Columns (1) and Columns (3).

II) Sources Used For Determining Market Share Information Provided in Chart 1

The sources of the data used in Chart 1 include: (1) American Housing Survey for the Buffalo Metropolitan Area: 2002; Issued July 2003; conducted by the U.S. Census Bureau for the U.S. Department of Housing and Urban Development, (“AHS: Buffalo”); and (2) National Fuel Gas Distribution Corporation, 2006 Residential Market Study (“NFG Survey”). The AHS: Buffalo study reports fuel uses for major residential applications for households within the Buffalo metropolitan area. The Buffalo metro area is defined in the AHS: Buffalo as Niagara and Erie County. The NFG Survey is a

random telephone survey of 400 households across the twelve counties in New York that comprise National Fuel Gas Distribution Corporation’s New York service territory.

Table 2					
	AHS: Buffalo			NFG Survey	
	Housing Units	Gas as % of Total	% of Housing Units w/gas Using Gas in Listed Application	Gas as % of Total	% of Housing Units w/gas Using Gas in Listed Application
	(000)	%	%	%	%
Occupied Housing Units	461.3				
Units Using Natural Gas	422.6	92%		84%	
Main House/Primary Heating Fuel	402.2	87%	95%	81%	96%
Other House/Secondary Heating Fuels ¹	24.3	6%	6%	2%	2%
Total Heating	426.5	93%	101%	83%	98%
Water Heating	407.3	88%	96%	81%	96%
Cooking	264.6	57%	63%	57%	68%
Clothes Drying	239.9	52%	57%	59%	66%

As can be seen from the results reported in Table 2 both the AHS: Buffalo study and the NFG Survey provide evidence that nearly all residential customers that have access to natural gas supplies utilize natural gas for heating. This is not surprising given the cost advantages of natural gas compared to other fuel sources used for heating. The nearly complete dominance of natural gas as the primary heating fuel for residential

¹ The AHS: Buffalo study allows for more than one appliance being reported for “Other Heating Equipment”. Therefore multiple other heating units could be reported. For example a customer may have a wood burning stove that they may characterize as their “main heating fuel” they may also have a natural gas furnace and a natural gas fireplace. It is the capability to report more than one other heating source that likely leads to a percentage total of natural gas heating applications of greater than 100% for the AHS: Buffalo study. In contrast, the NFG Survey allows for only one “secondary heating” source to be reported by the customer.

households within the Company's service territory is likely unique among the major metropolitan areas in New York State.²

This high saturation amount supports the use of total average residential consumption as a reasonable benchmark to compare savings with residential customers that have received rebates. It is likely that customers that received rebates face the same economic, behavioral, and other influences on energy consumption that the average non-participating customer experiences. For example, both residential customers that have received rebates and those that have not have received messages regarding the importance to conserve energy from a variety of sources including, the Company, the New York Public Service Commission, and NYSERDA. These customers also face the same pricing signals as well as the overall influence of economic circumstances within the service territory.

III) Description of Data and Calculations Used in Table 1

The data included in Table 1 is developed from the following sources:

Column (1) of Table 1 is the total weather normalized usage per account for residential customers on the Company's system. Column (1) of Table 1 is the total weather normalized average consumption from residential customers including customers participating in the CIPs and customers that are not participating in the CIP. Column (3) provides an estimate of residential usage per account for non-participating customers. It was determined as calculated below in Table 3. The estimate of non-participating customer usage per account simply takes the deemed savings associated with customers participating in the program and adds them back to the total annual residential

² For example American Housing Surveys for the New York City and Rochester metropolitan areas yield heating saturations for households with natural gas service in the 50% and 92% range respectively.

consumption per accounts and then divides this sum by the total number of residential accounts.

Year 12 Months Ended December	Total Annual Residential Volumes (Mcf) (1)	Estimated Residential Rebate & LIURP Savings (Mcf) (2)	Annual Volumes Assuming no Savings (Mcf) (3)= (1)+(2)	Avg Number of Accts (4)	Average Unadjust Res Usage per Acct (Mcf) (5)= (1)/(4)	Average Adjusted Res Usage per Account (Mcf) (6)= (3)/(4)	Impact on Total Usage per Account (7)= (2)/(4)
2007	51,497,773			479,638	107.4		
2008	51,047,444	179,618	51,227,062	481,666	106.0	106.4	0.4
2009	49,425,458	412,565	49,838,023	482,209	102.5	103.4	0.9