

ATTACHMENT A

CONSERVATION INCENTIVE PROGRAM
Quarterly Program Status Report
Case 07-G-0141
Submitted to the New York State Department of Public Service
August 20, 2008

National Fuel Gas Distribution Corporation
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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, (“May 2008 quarterly report”). This report is submitted in compliance with the October 1, 2007, timeline.

B. Report Overview

This report summarizes the status of the Company’s CIP as of June 30, 2008. Included in this report is an update of the status of the M & V plan. As explained in the initial report and this August 2008 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.²

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

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.³

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:

- 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

³ Cases 03-E-0640 and 06-G-0746, RDM Proceeding, Order Requiring Proposals for Revenue Decoupling Mechanisms (issued and effective April 20, 2007).

- 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. This report summarizes the start of the CIP initiative for Distribution. 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 estimate is based on a projected annualization of current program results.

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				
	Total	Residential	Non Residential	Outreach
Base				
TRC	2.69	2.51	2.25	4.76
TRC-WNY	4.01	3.72	3.39	7.47
Societal Test	4.20	3.89	3.55	7.80
Adjusted				
TRC	2.49	2.33	2.12	4.28
TRC-WNY	3.73	3.45	3.20	6.76
Societal Test	3.90	3.61	3.35	7.06

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.

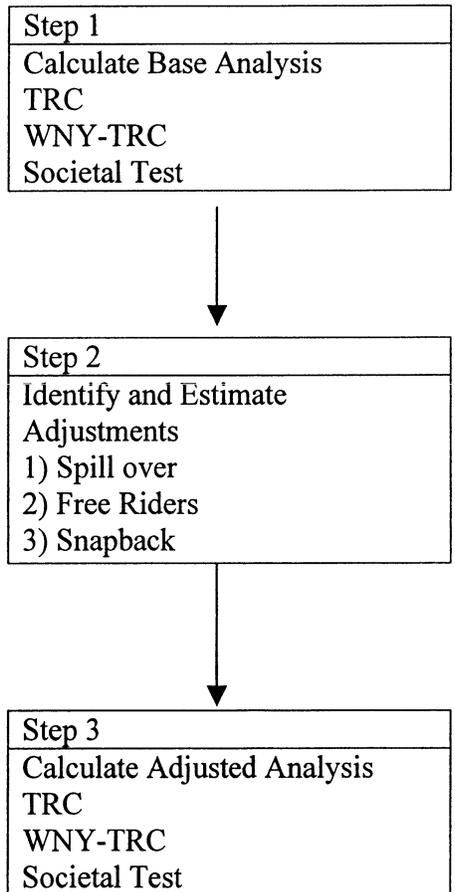
The Company employed three general steps in its M&V analysis. The first step was the determination of a base analysis. The base analysis would utilize specific and

discrete program results associated with changes in energy efficiency behavior of participating customers.

The Company employed a deemed savings approach approaches for determining savings under the program to date. The deemed savings utilized in this report will be tested with savings calculations based on actual participant usage data when such actual annual data is available. Since the program has been in operation for slightly over six months annual usage comparisons before and after the start of the program are not yet available for participating customers.

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.

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



The Company utilized a projection of the average natural gas supply costs for the upcoming year of approximately \$13.00 per Mcf. As has been demonstrated during the month of July 2008, the market prices of natural gas can be extremely volatile. Long range projections of natural gas prices can be dramatically off base. 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 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.

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

Since the CIP program has been in effect for a little more than six months, the availability of robust customer and program data is limited. The Company has developed a preliminary report based on the annualization of 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

\$martSM 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 Date Bases

The Company is in the process of developing capabilities of providing “before and after” consumption analyses for individual customers that are participating in the Company’s rebate and LIURP programs. Once 12 months of consumption history is available for the post-equipment installation and home improvement dates of rebate and LIURP recipients, the Company will be able to provide a detailed and accurate assessment of actual energy savings of participating customers. In this report, however, the Company has utilized deemed savings values as well as annualized 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. Since current actual information included in the table represents data available for the 12 months ended June 2008, the annual consumption data only represents six months worth of actual activity since the program began.

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 6/2008	106.079	396.930
* SC 3 actual data adjusted for actual TC 1.1 and 2.0 migration 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. The Company believes that its quarterly reporting requirements for CIP meets those guidelines. The Company will work with Staff and interested parties to make adjustments to its quarterly reports if needed to meet the Evaluation Guidelines issued by Staff.

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 7 through 10 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

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 contractors 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 workscopes.
- 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 workscope 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, Contactor 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 June 30, 2008, a total of 2,116 customers have been referred to the contractor for LIURP services. Of these, 2,116 have been sent a letter/application, and

358 applications have been returned. This has resulted in 249 customers referred for services and 232 program participants and 17 customers denied service. Of the 232 program participants, 166 energy audits have been completed, with 97 conservation jobs completed and another 69 in process. The 97 completed jobs consisted of insulation/air sealing measures for 77 customers, air sealing measures for 72 customers, heating system repairs for 28 customers and low flow showerheads for 20 customers. The total cost of all the measures to date is \$268,402, with an average cost per measure of \$2,767.

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

b. External

As of June 30, 2008, the Company estimates that the 97 completed conservation measure jobs will result in 3,873 Mcf of annual energy savings, which equates to \$49,044 annually in energy bill savings.

5. M&V Analysis

Appendix E, Pages 4 through 6, Column I, 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	
TRC Base Analysis	1.93
Base Societal Test w/WNY Benefits	2.98
TRC Adjusted	1.89
Adjusted Societal Test w/WNY Benefits	2.92

The Mcf saved per participant, Row 20, on Appendix E, is the deemed LIURP program savings assumed when the CIP program was established. It is anticipated that actual savings information on a “before and after” basis will be provided after 12 months of actual information is available.

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.

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 track⁴ 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 are available on the purchase of the following items:

	Required Minimum Efficiency	Rebate Amount
Space Heating		
Hot Air Furnace	90% AFUE ⁵	\$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 ⁶	\$150
Tankless Heater	0.78 EF	\$350

⁴ 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.

⁵ 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.

⁶ 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.

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>

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 June 30, 2008, a total of 8,653 rebates were processed by EFI, for a total rebate amount of \$1,550,755. This represents approximately 52% of the estimated total annual budget of \$2,980,677 for this program, in the first seven months since becoming effective. As of June 30, 2008, EFI was paid \$51,157 in processing fees to administer this program per Distribution’s contract with them. This represents approximately 17% 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 category:

	- Estimated -		- Actual -	
	Rebates	Rebate \$	Rebates	Rebate \$
Space Heating	3,853	\$1,258,534	3,925	\$1,205,700
Water Heating	5,783	\$1,312,388	1,169	\$256,350
Thermostat	16,390	\$409,755	3,559	\$88,705
Total Rebate	26,025	\$2,980,677	8,653	\$1,550,755
Administration	-	\$289,050	-	\$51,157
Total Program		\$3,269,727		\$1,601,912

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 June 30, 2008, 167 of these inspections have been completed, which represents a 2% sample of the total rebate population of 8,653 rebates, and no fraudulent claims were discovered. Second, they have finalized a phone survey, which will be conducted to a random sample of 5% of all 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. These surveys are expected to begin very shortly, with preliminary results available for the next quarterly report.

b. External

At this point, due to the December 1, 2007 program start date, and subsequent equipment installation over the following four months, 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 season. As more data is available, Distribution expects 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.

5. M&V Analysis

Appendix E, Pages 1 through 3, Columns B through G, provide the preliminary M&V results for each of the residential rebate programs. Appendix E, Pages 4 through 6, Column H, 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							
	Total Res	Furnace	HW Boiler	Steam Boiler	T Stats	HW Tank	Tankless HW
TRC Base Analysis	2.58	2.82	1.25	2.30	5.14	1.61	1.58
Base Societal Test w/WNY Benefits	4.04	4.41	1.94	3.61	8.09	2.54	2.50
TRC Adjusted	2.37	2.58	1.14	2.09	4.81	1.52	1.48
Adjusted Societal Test w/WNY Benefits	3.72	4.04	1.79	3.27	7.57	2.41	2.35

The Mcf saved per participant, Row 20, on Appendix E, are the deemed rebate program savings assumed when the CIP program was established. It is anticipated that actual savings information on a “before and after” basis will be provided after 12 months of actual information is available.

In developing the adjusted analysis a 10% free ridership value is assumed. The Company anticipates utilizing customer and vendor surveys to develop a more robust estimate of free ridership. 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.

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 June 30, 2008, a total of 167 rebates were processed by EFI and NYSERDA, for a total rebate amount of \$47,924. This represents approximately 4% 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 June 30, 2008, EFI was paid \$788 in processing fees to administer this program per Distribution's contract with them. This represents less than 1% 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 category:

	- Estimated -		- Actual -	
	Rebates	Rebate \$	Rebates	Rebate \$
Space Heating	N/A	N/A	54	\$30,450
Water Heating	N/A	N/A	8	\$14,875
Process Heating	N/A	N/A	0	\$0
Thermostat	N/A	N/A	105	\$2,599
Total Rebate	N/A	\$1,319,860	167	\$47,924
Administration	-	\$127,993	-	\$788
Total Program		\$1,447,853		\$48,712

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 over the last few months as a result of a series of direct mailings the Company conducted in February and March. 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 all but one rebate 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.

Recently, we have begun to see greater activity on the customized rebate design front. Even though only four rebates have been paid through this method as of June 30, 2008, NYSERDA currently has another eight applications in process, with several projects already approved for payment or pending. 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 anticipates exploring a modification to this program design that would create a two-tiered approach –

1. A simpler, fixed rebate component for the smallest of the non-residential customers, similar to the residential program design, although likely 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 NYSERDA's headquarters in Albany on June 10, 2008.

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, due to the December 1, 2007 program start date, and subsequent equipment installation over the following four months, 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 4 through 6, Column K, 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	2.25
Base Societal Test w/WNY Benefits	3.55
TRC Adjusted	2.12
Adjusted Societal Test w/WNY Benefits	2.35

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 and to help them become fully aware of its benefits and to encourage customers to take advantage of the program.

2. Goals

The goal of the communication initiative is to educate customers on the need for and the benefit of, employing energy efficiency measures with the CIP rebate and low-income programs being a cornerstone of the methods available for improving energy efficiency in their homes and businesses.

3. Program Information

The formal advertising and public relations campaign associated with the CIP launched December 1, 2007. That campaign included bill inserts, direct mail, outdoor advertising, transit and bus shelter advertising, online advertising, a dedicated Web site, print advertisements (on a limited basis per Commission direction) and grassroots efforts. Tactics executed during this reporting period (April 2008 – June 2008) included:

Print advertisements (excluding daily print publications):

- Two print advertisements ran in Buffalo's Business First on April 4, 2008, and June 27, 2008, generating approximately 22,000 impressions total (11,000 each publication).
 - See **Appendix D, Exhibit 1** for a sample print ad.

Bill Insert:

- Bill insert was distributed in April 2008 to the Utility's 500,000 customers in western New York.
 - See **Appendix D, Exhibit 2** for a sample bill insert.

Transit Advertising (Bus Shelters & Bus Cards)

- Bus Cards - 110 cards per month for 3 months
 - 2,475,000 total gross impressions.
 - See **Appendix D, Exhibit 3** for a sample bus card ad.
- Bus Shelters - 15 Shelters per month for 3 months
 - 19,368,240 total gross impressions.
 - See **Appendix D, Exhibit 4** for a sample bus shelter ad.

Outdoor Advertising for three months

- Erie & Niagara Counties – 8 bulletins/month
 - Total reach and frequency: 72.58%/21.88
- City of Buffalo – 8 bulletins/month
 - Total reach and frequency: 92.53%/26.76
- Niagara Falls – 7 bulletins/month
 - Total reach and frequency: 93.39%/30.27
- Southern Tier I – 8 posters/month
 - Total reach and frequency: 77.10%/8.73
- Southern Tier II – 7 posters/month
 - Total reach and frequency: 82.21%/11.24
- See **Appendix D, Exhibit 5** for sample outdoor ads.

Web Site (NationalFuelForThought.com)

- Program-specific Web site generated approximately 8,875 visits from April 1, 2008, to June 30, 2008.
- See **Appendix D, Exhibit 6** for sample Web site page.

Other Web site Outreach

- Buffalo.com – 313,896 total impressions from April 1, 2008 to June 30, 2008.
- WGRZ.com – 481,016 total impressions from April 1, 2008 to June 30, 2008.
- WKBW.com – 1,189,988 total impressions from April 1, 2008 to June 30, 2008.
- WIVB.com – 954,231 total impressions from April 1, 2008 to June 30, 2008.

- See **Appendix D, Exhibit 7** for sample Web site ads.

Take-Aways:

- Conservation kits containing materials to help individuals weatherize their homes were distributed at all sponsored events.
 - Approximately 450 kits distributed between April 1, 2008 and June 30, 2008.
- Brochures – Included in all conservation kits, distributed upon request to employees, customers, heating and cooling appliance dealers and local appliances stores.
 - See **Appendix D, Exhibit 8** for sample of brochure.
- Conservation Tip Sheet – included for distribution in all conservation kits.
 - See **Appendix D, Exhibit 9** for sample tip sheet.

Community Outreach:

- Program materials were distributed at the following:
 - 200 CIP brochures distributed at Empire State College’s Earth Day event on April 19, 2008.
 - South Buffalo Senior Fair held by a local legislator on April 26, 2008. Information and 250 conservation kits distributed.
 - Company representatives distributed brochures and information at the Business-to-Business Expo on May 14, 2008.
 - “Make Every Day Earth Day Expo” event at the Buffalo Zoo on June 21, 2008. Information and 200 conservation kits were distributed at the event.
 - Earth Day at Martin Luther King Park held by the Buffalo Museum of Science on June 21, 2008. Two hundred CIP brochures conservation kits were distributed.
 - Story featured in the Buffalo News on April 21, 2008.
- Sponsorship of the Buffalo Sabres’ “Blue + Gold= Green” Initiative:
 - Newsletter distributed to more than 2,000 “Green Team” registrants by the Buffalo Sabres in April 2008.
 - See **Appendix D, Exhibit 10** for sample newsletter.
 - Prominent feature of the CIP and conservation tips on the Sabres’ dedicated “Green Team” Web site.
 - CIP featured at the following Earth Day promotion:
 - South Park High School – “Green Team” assisted with spring shore clean up at the Bailey Peninsula.
 - Buffalo State College Environmental Information Fair.
 - St. Andrew’s Country Day School in Kenmore – A Sabres representative discussed the “Green Team” activities as part of the school’s Earth Day study.

- Sponsorship and inclusion in the “Going Green” brochure created by Lauer-Manguso & Associates. Distributed as an insert in Buffalo’s Business First on April 28, 2008.
- Exclusive sponsorship of the “Go Green with Tee2Green” Initiative. Sponsored one-minute long segment on WGRZ (Channel 2) from April 14, 2008, to September 6, 2008. Shows and features were also available online at wgrz.com

Distribution also executed the following:

Non-residential Customer Outreach:

- Letters were sent to 69 Chambers of Commerce, representing all districts of western New York, to describe the CIP, its features and benefits, and to offer a contact for any additional information.
- See **Appendix D, Exhibit 11** for a sample of the letter that was sent.

Media Relations:

- Six (6) interviews conducted with area media and trade press between April 1, 2008 and June 30, 2008.
 - Story on the CIP featured in Buffalo’s *Business First* on June 26, 2008.
 - Story on the CIP featured on WGRZ-NBC at 11 p.m. on April 22, 2008, and 5 a.m. on April 23, 2008. Also on WNYO-WB at 10 p.m.
 - Neilson Audience: WGRZ-NBC – 15,922/showing.
WNYO-WB – 16,518/showing.

Dealer/Contractor Outreach:

- Contact was maintained with area heating and cooling contractors, appliance dealers and others engaged in Distribution’s Energy Partnership Program.

4. Reporting

The Company is monitoring the progress and success of the communication activities related to the CIP.

A benchmark customer survey was conducted in October 2007 to measure customer awareness of energy efficiency and current practices and behaviors associated with the efficient use of natural gas. Phase I surveying was completed in March of 2008. Phase II surveying was completed in June 2008. Additionally, follow up surveys during the course of the CIP will be conducted to measure changes in customer behavior and awareness of the conservation messaging being advanced as part of the CIP. Key findings from the June 2008 survey included:

- 96% of respondents said that it was somewhat or very important to conserve energy and 86% said the leading reason for them to conserve was to save money.
- 30% of the respondents reported having heard of the CIP program.
- Of those who recalled an ad about conservation, more than two-thirds (up from 57% as reported in the Phase 1 survey) attributed the message to the CIP campaign.
- Among those who are aware of the rebate program, the main reasons for not participating are cost (27%) and that they had purchased appliances before the rebate program was available (25%). Another 25% didn't feel they needed a new furnace or energy-efficient appliance.
- Offering online tools such as energy savings calculators will assist the customer population that is most likely to consider replacing their furnace in the next year.
- There was a slight decline in the number of customers who expressed some exposure to conservation tips (from 67% in Phase 1 to 62% in Phase 2).
- Television was cited as the leading source for learning about conservation.
- Awareness about the CIP was up among lower-income customers (from 28% in Phase 1 to 34% in Phase 2).
- Company bill inserts were cited as the leading source for learning about the CIP program, followed by newspapers, television stories and direct mail.
- 58% of the respondents indicated that it was very important that National Fuel provide them with details about pricing trends and tips on energy efficiency.
- Customers expressed that, above other sources (newspaper, radio, TV, NYSERDA, PSC), National Fuel would provide the most informative and useful information regarding energy efficiency.
- 58% of respondents expressed that they were somewhat/very likely to seek more information on rebates.
- Attending a public meeting received the second lowest score when respondents were asked to rate the persuasiveness of various methods in influencing them to take advantage of a rebate offer.

As of June 30, 2008, nearly \$1.7 million was spent on communications initiatives. This represents approximately 63% of the budget allocated to outreach and education initiatives designed to fully educate Distribution's customers on the need for and benefit of employing energy-efficient measures and the ways that the CIP can assist them in achieving that objective.

The communications strategies executed between April 1, 2008 and June 30, 2008, built upon the solid results achieved in the prior quarter. It is expected that the introduction of mass media tactics (TV, Radio and daily newspaper advertising) in the program's third and fourth quarters will lead to stronger results on reach, frequency and awareness.

5. M&V Analysis

Appendix E, Pages 4 through 6, Column L, 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	4.76
Base Societal Test w/WNY Benefits	7.80
TRC Adjusted	4.28
Adjusted Societal Test w/WNY Benefits	7.06

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 6.42 if the volume savings resulting from general outreach are 50% greater than those assumed in the base analysis to 2.14 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 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 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 second 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. 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 (LIURP) Cumulative Results through 6/30/08

I. Program Intake

NFG Customers Referred	2116		
Customer Letter/Application Sent	2116	100%	of 2116 Referrals
Applications Returned	358	17%	of 2116 Applications Sent
Referred for Services	249	70%	of 358 Applications Returned
- Customers Denied Service	17	7%	of 249 Referred for Service
- Program Participants	232	93%	of 249 Referred for Service

II. Status of Audits/Measures

Audits in Process	67	29%	of 232 Program Participants
Audits Completed	166	72%	of 232 Program Participants
Jobs in Process	69	30%	of 232 Program Participants
Jobs Completed	97	42%	of 232 Program Participants
Jobs Cancelled	26	11%	of 232 Program Participants

III. Program Results

Conservation Measure	Jobs	Estimated Annual Energy Savings (Mcf)	Estimated Annual Savings (\$)	Total Cost of Measures	Average Cost per Measure
Audit Fee/Education	97	1	\$0	\$31,889	\$329
Insulation	77	2,736	\$34,193	\$201,206	\$2,613
Air Sealing	72	685	\$9,049	\$22,392	\$311
Heating System Repair	28	318	\$4,045	\$6,851	\$245
Thermostats	8	114	\$1,498	\$800	\$100
DHW Improvements	5	2	\$35	\$4,824	\$965
Showerheads	20	16	\$197	\$360	\$18
Pipe Wrapping	8	1	\$27	\$80	\$10
Total	<u>97</u>	<u>3,873</u>	<u>\$49,044</u>	<u>\$268,402</u>	<u>\$2,767</u>

Appendix B - Residential CIP Rebate Program Cumulative Results through 6/30/08

Equipment	Quantity	Rebate Amount	Total Rebate	Processing Fee	Total Fee	Total
I. Space Heating						
Boiler - Hot Water	301	\$400.00	\$120,400.00	\$7.50	\$2,257.50	\$122,657.50
Boiler - Steam	19	\$200.00	\$3,800.00	\$7.50	\$142.50	\$3,942.50
Furnace >= 90%	<u>3605</u>	\$300.00	<u>\$1,081,500.00</u>	\$7.50	<u>\$27,037.50</u>	<u>\$1,108,537.50</u>
Subtotal	3925		\$1,205,700.00		\$29,437.50	\$1,235,137.50
II. Water Heating						
Water Heater - Storage Tank	764	\$150.00	\$114,600.00	\$6.50	\$4,966.00	\$119,566.00
Water Heater - Tankless	<u>405</u>	\$350.00	<u>\$141,750.00</u>	\$6.50	<u>\$2,632.50</u>	<u>\$144,382.50</u>
Subtotal	1169		\$256,350.00		\$7,598.50	\$263,948.50
III. Programmable Thermostat	3559	\$24.92 *	\$88,705.36	\$4.50	\$14,121.00 **	\$102,826.36
Total all Equipment	<u>8,653</u>		<u>\$1,550,755.36</u>		<u>\$51,157.00</u>	<u>\$1,601,912.36</u>

* 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 6/30/08

FIXED Rebates through Residential CIP - Administered by EFI

<u>Equipment</u>	<u>Quantity</u>	<u>Rebate Amount</u>	<u>Total Rebate</u>	<u>Processing Fee</u>	<u>Total Fee</u>	<u>Total</u>
I. Space Heating						
Boiler - Hot Water	7	\$400.00	\$2,800.00	\$7.50	\$52.50	\$2,852.50
Boiler - Steam	0	\$200.00	\$0.00	\$7.50	\$0.00	\$0.00
Furnace >= 90%	<u>44</u>	\$300.00	<u>\$13,200.00</u>	\$7.50	<u>\$330.00</u>	<u>\$13,530.00</u>
Subtotal	51		\$16,000.00		\$382.50	\$16,382.50
II. Water Heating						
Water Heater - Storage Tank	2	\$150.00	\$300.00	\$6.50	\$13.00	\$313.00
Water Heater - Tankless	<u>5</u>	\$350.00	<u>\$1,750.00</u>	\$6.50	<u>\$32.50</u>	<u>\$1,782.50</u>
Subtotal	7		\$2,050.00		\$45.50	\$2,095.50
III. Programmable Thermostat	105	\$24.76 *	\$2,599.96	\$4.50	\$360.00 **	\$2,959.96
Total all Equipment	<u><u>163</u></u>		<u><u>\$20,649.96</u></u>		<u><u>\$788.00</u></u>	<u><u>\$21,437.96</u></u>

* 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.

CUSTOMIZED Rebates through Small Non-Residential CIP - Administered by NYSERDA

<u>Equipment</u>	<u>Quantity</u>	<u>Rebate Amount</u>	<u>Total Rebate</u>	<u>Processing Fee</u>	<u>Total Fee</u>	<u>Total</u>
I. Space Heating						
Boiler - Hot Water	3		\$14,450.00		\$0.00	\$14,450.00
Boiler - Steam	0		\$0.00		\$0.00	\$0.00
Furnace >= 90%	<u>0</u>		<u>\$0.00</u>		<u>\$0.00</u>	<u>\$0.00</u>
Subtotal	3		\$14,450.00		\$0.00	\$14,450.00
II. Water Heating						
Water Heater - Storage Tank	1	\$12,825.00	\$12,825.00		\$0.00	\$12,825.00
Water Heater - Tankless	<u>0</u>		<u>\$0.00</u>		<u>\$0.00</u>	<u>\$0.00</u>
Subtotal	1		\$12,825.00		\$0.00	\$12,825.00
III. Process Heating	0		\$0.00		\$0.00	\$0.00
IV. Programmable Thermostat	0		\$0.00		\$0.00	\$0.00
Total all Equipment	<u><u>4</u></u>		<u><u>\$27,275.00</u></u>		<u><u>\$0.00</u></u>	<u><u>\$27,275.00</u></u>

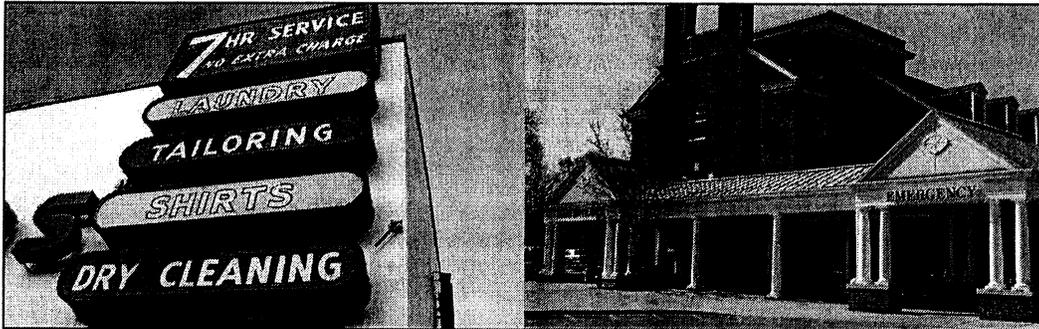
Appendix C - Small Non-Residential CIP Rebate Program Cumulative Results through 6/30/08

TOTAL Rebates through Small Non-Residential CIP - Administered by EFI & NYSERDA

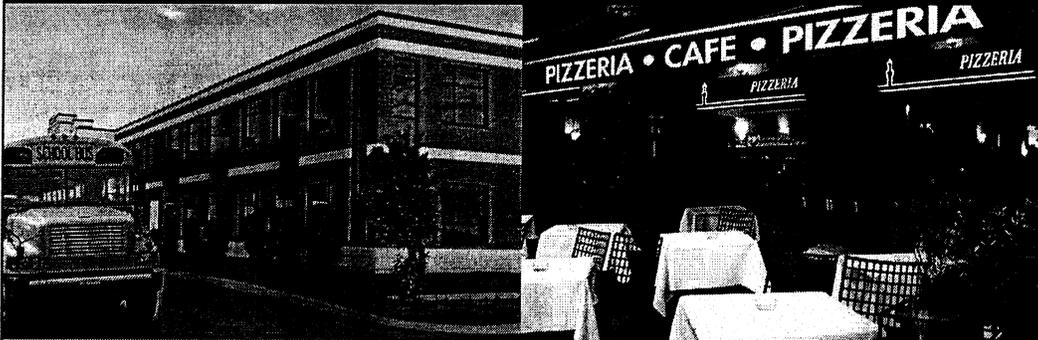
<u>Equipment</u>	<u>Quantity</u>	<u>Rebate Amount</u>	<u>Total Rebate</u>	<u>Processing Fee</u>	<u>Total Fee</u>	<u>Total</u>
I. Space Heating						
Boiler - Hot Water	10		\$17,250.00	\$ 52.50	\$ 17,302.50	
Boiler - Steam	0		\$0.00	\$ -	\$ -	
Furnace >= 90%	<u>44</u>		<u>\$13,200.00</u>	<u>\$ 330.00</u>	<u>\$ 13,530.00</u>	
Subtotal	54		\$30,450.00	\$ 382.50	\$ 30,832.50	
II. Water Heating						
Water Heater - Storage Tank	3		\$13,125.00	\$ 13.00	\$ 13,138.00	
Water Heater - Tankless	<u>5</u>		<u>\$1,750.00</u>	<u>\$ 32.50</u>	<u>\$ 1,782.50</u>	
Subtotal	8		\$14,875.00	\$ 45.50	\$ 14,920.50	
III. Process Heating	0		\$0.00	\$ -	\$ -	
IV. Programmable Thermostat	105		\$2,599.96	\$ 360.00	\$ 2,959.96	
Total all Equipment	<u>167</u>		<u>\$47,924.96</u>	<u>\$ 788.00</u>	<u>\$ 48,712.96</u>	

APPENDIX D General Customer Outreach and Energy Efficiency Education

EXHIBIT 1 Print Ad – Non-Residential Customer-Focus



To reduce overhead,
we suggest you start in the basement.



**Earn rebates of up to \$25,000 per project
when you install qualifying high efficiency natural gas equipment upgrades.**

All National Fuel small, non-residential customers in the WNY area using less than 12,000 Mcf (thousand cubic feet) of natural gas annually are eligible to earn rebates of up to 50% of the incremental cost of upgrading to qualifying energy-efficient furnaces, boilers, water heaters, and process heating equipment – for a total rebate of up to \$25,000.

Call 1-866-NYSERDA (1-866-697-3732) to initiate your application process now. You'll not only enjoy a custom-designed rebate of up to \$25,000, you'll experience on-going savings by reducing the amount of fuel used to run your business.

It's all part of National Fuel's groundbreaking Conservation Incentive Program. We're partnering with you to reduce your energy consumption to ultimately lower the price we all pay for energy.

NationalFuelForThought.com



National Fuel
fuel for thought

Note: Rebates are available for qualifying equipment purchased and installed on or after November 1, 2007, by a qualified contractor. 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.

EXHIBIT 2 Bill Insert

Receive these rebates on select natural gas appliances. And save!

Residential Customer Rebate Program

Appliance	Minimum Required Efficiency	Your Rebate
Hot Air Furnace	90% AFUE*	\$300
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star® rated	\$25
Storage Tank Water Heater	0.61 EF**	\$150
Tankless Water Heater	0.78 EF	\$350

* Annual Fuel Utilization Efficiency ** Energy Factor

Please Note: space and water heating appliances must be installed by a contractor. 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 rebates offers are available for qualifying equipment purchased and installed on or after November 1, 2007 only.

If you've submitted a rebate application and have questions about that application, call (toll free) 1-877-285-7024.

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 rebates that are determined on a case-by-case basis. 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.nysedca.org for more information.



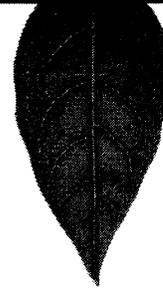
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www.NationalFuelForThought.com

For more information, visit www.nysedca.org or call 1-866-697-3732. Rebates are available for equipment purchased and installed on or after November 1, 2007 only.



You'd be amazed
at what you can save.



The Conservation Incentive Program. Serious fuel for thought.



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You could save a lot of money.

The National Fuel Conservation Incentive Program now offers residential and small non-residential customers in National Fuel's western New York service area a number of money-saving rebates when you buy an Energy Star® rated programmable thermostat or 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. Rebates are available for residential customers regardless of income or annual energy usage. Small non-residential customers using less than 12,000 Mcf (thousand cubic feet) of natural gas per year are eligible to receive customized rebates that will be based on the results of an energy-use analysis.

Older furnaces aren't nearly as fuel efficient as today's high efficiency models.

Even if it's still in good working condition, your 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 old furnace.

National Fuel's Conservation Incentive Program is only one way for you to use less energy and save money. Consider having your entire home evaluated with the *Home Performance with ENERGY STAR®* Program. With this program, you'll receive an energy usage assessment and a cost estimate for the suggested upgrades. Visit www.getenergysmart.org for details.

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

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.



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 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.

National Fuel's Conservation Incentive Program is the first of its kind in New York State. This program is designed so that, with others like it, utilities and their customers can partner on ways to use less energy, helping bring balance back to the marketplace and lowering the price we all pay for the energy we use.

The National Fuel Conservation Incentive Program also includes a number of other ways for you to save through energy efficiency, including initiatives specifically designed to assist lower income households. For complete details, visit www.NationalFuelForThought.com or call 1-800-365-3234.

The Conservation Incentive Program rebates offers are available for qualifying equipment purchased and installed on or after November 1, 2007 only.

www.NationalFuelForThought.com

EXHIBIT 3 Transit Advertising - Bus Cards

You'd be amazed at what you can save.

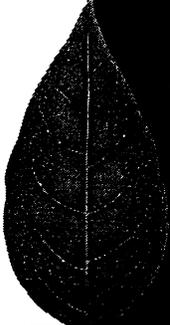


Rebates of up to \$400 on qualifying energy-efficient upgrades.



National Fuel
fuel for thought
visit NationalFuelForThought.com

You'd be amazed at what you can save.



Rebates of up to \$400 on qualifying energy-efficient upgrades.



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visit NationalFuelForThought.com

You'd be amazed at what you can save.



Conservation Incentive Program
Ways to help customers save money by saving energy.



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visit NationalFuelForThought.com

You'd be amazed at what you can save.



Conservation Incentive Program
Ways to help customers save money by saving energy.



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EXHIBIT 4 Transit Advertising - Bus Shelter

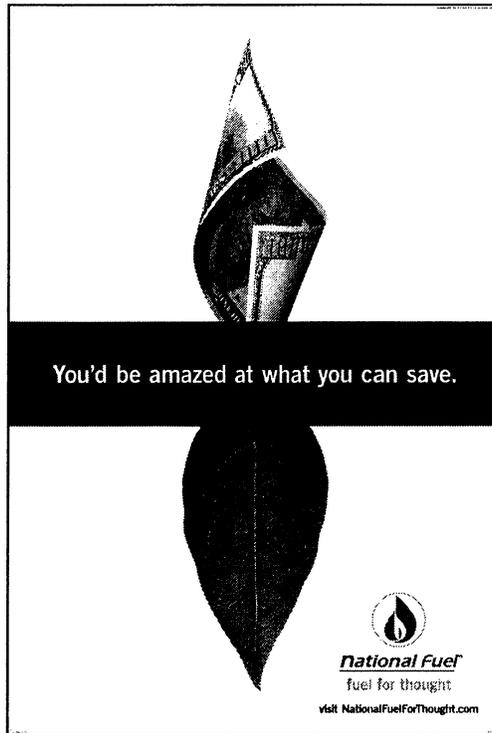


EXHIBIT 5 Outdoor Advertising – Billboards

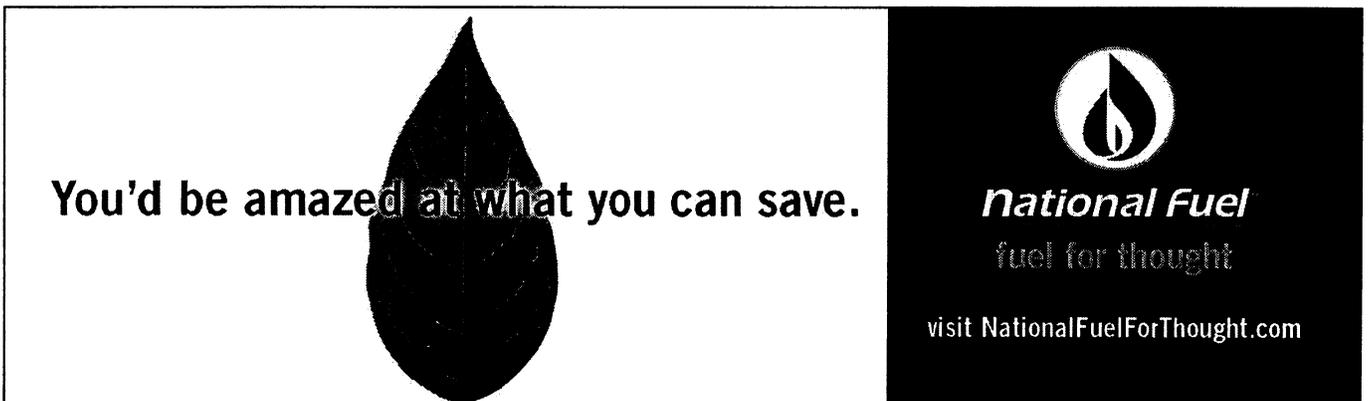
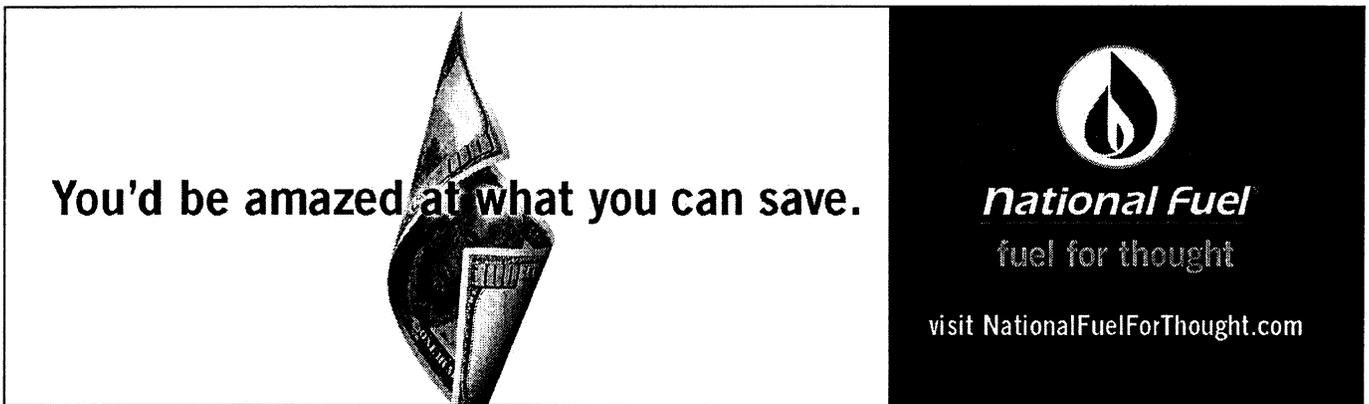


EXHIBIT 6 CIP Web Site (NationalFuelForThought.com)

[CIP Home](#) [Residential Rebate Conditions](#) [Residential Rebate Application](#) [Long-term Energy Savings](#) [Environmental Benefits](#) [Non-Residential Customers](#) [Contact Us](#) [FAQs](#) [Publications and News Releases](#)


National Fuel
fuel for thought

The National Fuel Conservation Incentive Program



You'd be amazed at what you can save.

**Fuel for thought:
Save money while saving the environment**

The National Fuel Conservation Incentive Program (CIP), offers residential and small, non-residential customers in National Fuel's western New York service area a number of money-saving rebates when you buy an Energy Star®-rated programmable thermostat or when you replace specified appliances with new energy efficient models. When you add these rebates to your projected fuel savings, you'd be amazed at how quickly these new appliances can pay for themselves.

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 old furnace.

MORE Fuel for thought



Tips for Home

[Click here for home energy tips.](#)

***Tips for Life:**

- *Replacing each regular bulb with a compact fluorescent light bulb saves more. [Click here for more tips.](#)
- *more tips.
- *more tips.
- *more tips.

Please Note: The Conservation Incentive Program rebate offers are available for qualifying equipment purchased and installed on or after November 1, 2007.

So why is National Fuel helping you use less 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. In recent years, supply and demand in the energy marketplace have been out of balance, resulting in rising energy prices.

National Fuel's Conservation Incentive Program is the first of its kind in New York state. This program is designed so that, with others like it, utilities and their customers can partner 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.

Weatherization Assistance for Low-Income Customers

In addition to the rebate feature of the program, the Conservation Incentive Program includes free weatherization assistance for low-income customers, which is being implemented in partnership with the New York State Energy Research and Development Authority ("NYSERDA"), through its EmPower New YorkSM program. Customers who may be eligible for free weatherization assistance through the CIP will be identified by National Fuel and social service providers and referred to EmPower New YorkSM.

Throughout the NationalFuelForThought Web site you will find links to a variety of additional Web sites dedicated to energy conservation. These links are provided solely for your convenience. National Fuel has no association with these sites, does not endorse these sites and does not vouch for the accuracy of the information contained therein.

[Privacy Policy](#) | [Terms and Conditions](#) | [Disclosures Regarding Forward Looking Statements](#) | [Associate Login](#)
2007 National Fuel Gas Company

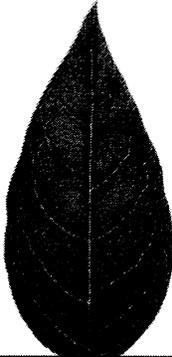
EXHIBIT 7 Other Web Site Outreach – Online Advertisements

You'd be amazed at what you can save.



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You'd be amazed at what you can save.



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EXHIBIT 8 Take Aways - Brochure

Receive these rebates on select natural gas appliances. And save!

Residential Customer Rebate Program

Appliance	Minimum Required Efficiency	Your Rebate
Hot Air Furnace	90% AFUE*	\$300
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star®-rated	\$25
Storage Tank Water Heater	0.61 EF**	\$150
Tankless Water Heater	0.75 EF**	\$350

* Annual Fuel Utilization Efficiency ** Energy Factor

Please Note: space and water heating appliances must be installed by a contractor. 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 rebate offers are available for qualifying equipment purchased and installed on or after November 1, 2007 only.

The National Fuel Conservation Incentive Program also includes a number of other ways for you to save through energy efficiency, including initiatives specifically designed to assist lower-income households. For complete details, visit www.NationalFuelForThought.com or call 1-800-365-3234.

If you've submitted a rebate application and have questions about that application, call (toll free) 1-877-265-7624.

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 rebates that we determined on a case-by-case basis. 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.nygrds.org for more information.



National Fuel
fuel for thought

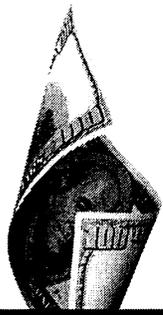
www.NationalFuelForThought.com

If you have a distributor, please contact them for program details. Buffalo, NY area: (716) 639-6123 All other areas: (800) 365-3234. Equipment rebate call: 1-877-265-7624 24 hours a day, 7 days a week.

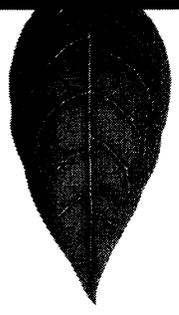


FPM is on Recycled Paper

EPUB Rev. 1/08



You'd be amazed at what you can save.



The Conservation Incentive Program. Serious fuel for thought.

You could save a lot of money.

The National Fuel Conservation Incentive Program now offers residential and small non-residential customers in National Fuel's western New York service area a number of money-saving rebates when you buy an Energy Star®-rated, programmable thermostat or 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.

Older furnaces aren't nearly as fuel efficient as today's high efficiency models.

Even if it's still in good working condition, your 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 old furnace.

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

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 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. And that's something that will help your children, their children, and generations to come.



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.

National Fuel's Conservation Incentive Program is the first of its kind in New York State. This program is designed so that, with others like it, utilities and their customers can partner 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 download a rebate application and learn more about how to use less energy.

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

Appliance	Minimum Required Efficiency	Your Rebate
Hot Air Furnace	90% AFUE*	\$300
Hot Water Boiler	85% AFUE	\$400
Steam Boiler	81% AFUE	\$200
Programmable Thermostat	Energy Star®-rated	\$25
Storage Tank Water Heater	0.61 EF**	\$150
Tankless Water Heater	0.75 EF**	\$350

* Annual Fuel Utilization Efficiency ** Energy Factor

Please Note: space and water heating appliances must be installed by a contractor. 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 rebate offers are available for qualifying equipment purchased and installed on or after November 1, 2007 only.

The National Fuel Conservation Incentive Program also includes a number of other ways for you to save through energy efficiency, including initiatives specifically designed to assist lower-income households. For complete details, visit www.NationalFuelForThought.com or call 1-800-365-3234.

If you've submitted a rebate application and have questions about that application, call (toll free) 1-877-265-7624.

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 rebates that we determined on a case-by-case basis. 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.nygrds.org for more information.

EXHIBIT 9 Take Aways – 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.

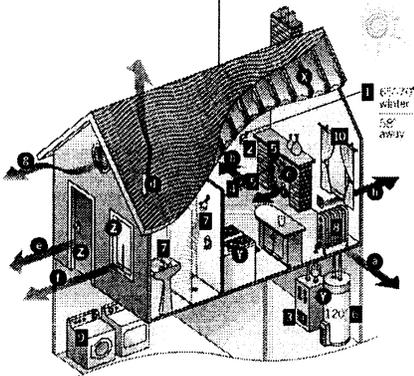
Savings: Every degree you lower your thermostat should shave about 2% off your heating bill.

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.

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

2 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.

3 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.

Support the tips...
...to make a big difference.
...to save money.

Visit www.nationalfuel.com for more information on energy efficiency tips and programs. We also have a variety of energy-saving products and services that can help you save money on your energy bills. Call 1-800-444-3130 for more information.

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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.



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NationalFuelForThought.com

If you have a question, problem or request, please call us Monday through Friday, 9am 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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GREEN TEAM NEWSLETTER

Presented by  fuel for thought

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BLUE & GOLD MAKES GLOBAL GREEN

The green campaign is going global. Collecting 2,166 members since the program's inception in February, the Blue & Gold Make Green initiative has extended its outreach to more than just residents of Western New York. The Buffalo Sabres Green Team now boasts international members.

- ▶ [GLOBAL GREEN INITIATIVE: Read More](#)
- ▶ [SURVEY COMPARES "GREENNESS" WORLDWIDE: More](#)
- ▶ [POTENTIAL FOR WIND POWER AROUND GREAT LAKES? More](#)
- ▶ [BRINGING BACK THE HANKERCHIEF: More](#)
- ▶ [HOME SAVING ENERGY TIPS: More](#)

FUEL FOR THOUGHT | A GREEN ROADTRIP?

 **National Fuel**
fuel for thought
NationalFuelForThought.com



Packing up the family and taking a summer vacation? Help increase your gas mileage and

- make your fun trip a little more green with these helpful driving tips.
- ▶ [Driving Tips for Tree Huggers](#)
 - ▶ [Prudent Planner's Car Tips](#)
 - ▶ [Drive Smart: 10 Tips To Save Gas Daily](#)

The Green initiative is presented by National Fuel's Conservation Incentive Program
▶ [More](#)

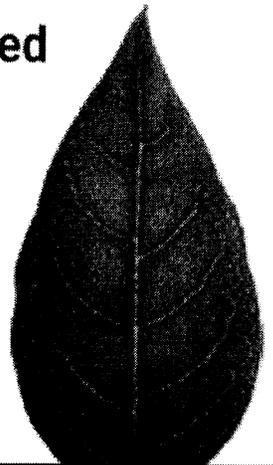
Easy Ways to "Green Your Life"

Power down or put your computer in "sleep mode" overnight. Your computer is still active and uses energy when a screensaver is running.

Turn lights off when leaving a room and shutdown appliances when not in use.

Clean or replace filters in your furnace, air-conditioner or heat pump.

You'd be amazed at what you can save.



National Fuel
fuel for thought

NationalFuelForThought.com

The Buffalo Sabres would also like to thank the following partners who have helped the Blue & Gold Makes Green initiative.



The Official Wireless provider of the Buffalo Sabres

EXHIBIT 11 Chambers of Commerce Letter

Dear Personalized:

As you may know, National Fuel launched its Conservation Incentive Program (CIP) on December 1, 2007. The program offers residential and small, non-residential customers in National Fuel's western New York service area a number of money-saving rebates when they buy an Energy Star®-rated programmable thermostat or when they replace specified appliances with new energy efficient models.

The non-residential customer program may be of particular interest to the members of your organization and this letter is provided to offer more information on those program features. The CIP provides for rebates of up to 50% of the incremental cost of upgrading to qualifying energy efficient furnaces, boilers, water heaters, and process heating equipment for small non-residential National Fuel customers. In addition to the immediate savings offered on the equipment purchases, this program can have a significant positive impact on a company's bottom line for the long-term because of the ongoing fuel savings that will be realized. All National Fuel small, non-residential customers in the WNY area that use less than 12,000 Mcf (thousand cubic feet) of natural gas annually are eligible to participate.

National Fuel's Conservation Incentive Program is the first of its kind in New York State and is part of a larger initiative to ultimately change the way utilities' rates are structured. In doing so, utilities and their customers can partner on ways to use less natural gas, which can help bring back balance to the marketplace and lower the price we all pay for the energy we use.

Of course, National Fuel is also committed to environmental responsibility. 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 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. And that's something that will help your children, their children, and generations to come.

Small, non-residential customers can call 1-866-NYSERDA (1-866-697-3732) to initiate the application process for a rebate. That's the first step toward receiving a custom-designed rebate for their specific needs. For more information, such customers can also visit www.nyserdera.org.

Please share this information with the members of your Chamber and should you wish more information or to have a representative from National Fuel speak to your membership about this program, please call me at 716-857-7492. I appreciate your assistance in providing this important and money-saving information to our customers.

Sincerely,

Jonathan R. Gruchala
General Manager Energy Services

Please note: The Conservation Incentive Program rebate offers are available for qualifying equipment purchased and installed on or after November 1, 2007 only. Space and water heating appliances must be installed by a licensed contractor who can supply: 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.

cc: (name of National Fuel employee member of the Chamber)

	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	Date:						
6	8/18/2008						
7							
8	Year						
9	2008						
10	Total Residential						
	Residential Appliance Rebates						
	Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Programable Tstat Residential	Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential	
11							
12	Base Analysis						
13	I. Customer and Volume Information						
14	Number of Customers Eligible	351,219	93,658	23,415	468,292	468,292	23,415
15	Participation Rate	2.05%	0.64%	0.16%	1.52%	0.33%	3.46%
16	Annual Number of Participants	7,210	602	38	7,118	1,528	810
17	Total Mcf Saved	162,225	11,498	699	17,083	8,251	8,667
18	DTH Conversion	1,035	1,035	1,035	1,035	1,035	1,035
19	Total DTH Saved	167,903	11,901	724	17,681	8,540	8,970
20	Mcf Saved per Participant Base	22.50	19.10	18.40	2.40	5.40	10.70
21	Multiple Factor for Sensitivity Analysis	0%	0%	0%	0%	0%	0%
22	Mcf Saved per Participant	22.50	19.10	18.40	2.40	5.40	10.70
23	DTH Saved per Participant	23.29	19.77	19.04	2.48	5.59	11.07
24	Estimated Peak Day Impact Mcf	1,482	105	6	156	75	79
25	Estimated Peak Day Impact DTH	1,533	109	7	161	78	82
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	0.34	0.02	0.00	0.04	0.02	0.02
28	II. Program Cost Information						
29	Company Direct Costs	\$ 2,217,075	\$ 245,315	\$ 11,685	\$ 209,412	\$ 239,132	\$ 288,765
30	Company Admin Costs	\$ 16,569	\$ 1,833	\$ 87	\$ 1,565	\$ 1,787	\$ 2,158
31	Company Advertising Costs	\$ 848,509	\$ 93,886	\$ 4,472	\$ 80,145	\$ 91,520	\$ 110,515
32	Total Initial Program Costs - Company	\$ 3,082,153	\$ 341,034	\$ 16,244	\$ 291,122	\$ 332,439	\$ 401,438
33	Total Initial Program Costs - Participant	\$ 5,047,000	\$ 963,200	\$ 26,600	\$ 177,950	\$ 305,600	\$ 283,500
34	Total Initial Program Costs	\$ 8,129,153	\$ 1,304,234	\$ 42,844	\$ 469,072	\$ 638,039	\$ 684,938
35	Per Participant Initial Program Costs - Company	\$ 307.50	\$ 407.50	\$ 307.50	\$ 29.42	\$ 156.50	\$ 356.50
36	Per Participant Initial Program Costs - Participant	\$ 700.00	\$ 1,600.00	\$ 700.00	\$ 25.00	\$ 200.00	\$ 350.00
37	Total Initial Program Costs per Annual Participant	\$ 1,007.50	\$ 2,007.50	\$ 1,007.50	\$ 54.42	\$ 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)	17	17	17	17	14	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	9.5896	9.5896
48	IV. Incremental Savings						
49	Natural Gas Supply Rate (\$/Mcf)	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
50	Natural Gas Supply Rate (\$/Dth)	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56
51	Annual NGS Savings per Participant	\$ 292.50	\$ 248.30	\$ 239.20	\$ 31.20	\$ 70.20	\$ 139.10
52	Total NGS Savings	\$ 2,108,925	\$ 149,477	\$ 9,090	\$ 222,082	\$ 107,266	\$ 112,671
53	V. Direct Cost Benefit Summary						
54	Present Value of Participant Savings	\$ 3,177.90	\$ 2,697.68	\$ 2,598.81	\$ 338.98	\$ 673.19	\$ 1,333.92
55	Present Value of Total Savings	\$ 22,912,645	\$ 1,624,005	\$ 98,755	\$ 2,412,830	\$ 1,028,639	\$ 1,080,475
56	Present Value of Total Initial Program Costs per Annual Participant	\$ 1,008	\$ 2,008	\$ 1,008	\$ 54	\$ 357	\$ 707
57	Present Value of Total Initial Program Costs	\$ 8,129,153	\$ 1,304,234	\$ 42,844	\$ 469,072	\$ 638,039	\$ 684,938
58	TRC	2.82	1.25	2.30	5.14	1.61	1.58
59	VI. TRC-WNY						
60	WNY Incremental Expenditures	\$ 7,280,644	\$ 1,210,348	\$ 38,372	\$ 388,927	\$ 546,519	\$ 574,423
61	WNY Expenditure Multiplier	0.46	0.46	0.46	0.49	0.46	0.46
62	WNY Expenditure Benefits	\$ 3,349,096	\$ 556,760	\$ 17,651	\$ 190,574	\$ 251,399	\$ 264,235
63	Advertising	\$ 848,509	\$ 93,886	\$ 4,472	\$ 80,145	\$ 91,520	\$ 110,515
64	Advertising Multiplier	0.87	0.87	0.87	0.87	0.87	0.87
65	Advertising Benefits	\$ 738,203	\$ 81,681	\$ 3,891	\$ 69,726	\$ 79,622	\$ 96,148
66	WNY Expenditure & Adv Benefits	\$ 4,087,299	\$ 638,441	\$ 21,542	\$ 260,300	\$ 331,021	\$ 360,383
67	Customer Net Savings	\$ 14,783,491	\$ 319,771	\$ 55,911	\$ 1,943,758	\$ 390,601	\$ 395,537
68	WNY Income Multiplier	0.49	0.49	0.49	0.49	0.49	0.49
69	WNY Customer Net Savings Benefits	\$ 7,243,911	\$ 156,688	\$ 27,396	\$ 952,441	\$ 191,394	\$ 193,813
70	Total WNY Benefits	\$ 11,331,210	\$ 795,129	\$ 48,938	\$ 1,212,742	\$ 522,415	\$ 554,196
71	TRC-WNY	4.21	1.85	3.45	7.73	2.43	2.39
72	VII. Societal Test						
73	Environmental						
74	Total	\$ 1,600,735	\$ 113,457	\$ 6,899	\$ 168,566	\$ 71,863	\$ 75,485
75	Other						
76	Total	\$ 1,600,735	\$ 113,457	\$ 6,899	\$ 168,566	\$ 71,863	\$ 75,485
77	Total Incremental Societal Benefits	\$ 35,844,589	\$ 2,532,590	\$ 154,592	\$ 3,794,138	\$ 1,622,918	\$ 1,710,156
78	Total Benefits W/ TRC WNY	4.41	1.94	3.61	8.09	2.54	2.50
79	Societal Test						

	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	Date:						
6	8/18/2008						
7		Year					
8		2008					
9		Total Residential					
10		Residential Appliance Rebates					
		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Programable Tstat Residential	Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
11							
80	Adjustment Detail						
81	I. Spillover						
82	Total Spillover Impact (Mcf)	-	-	-	-	-	-
83	Total Participants	7,210	602	38	7,118	1,528	810
84	Adjustment to Per Participant Volume Due to Spillover	-	-	-	-	-	-
85	II. Free Riders						
86	Mcf Saved per Participant	22.50	19.10	18.40	2.40	5.40	10.70
87	Free Ridership %	10%	10%	10%	10%	10%	10%
88	Adjustment to Per Participant Volume Due to Free Riders	2.25	1.91	1.84	0.24	0.54	1.07
89	III. Snapback						
90	Total Snapback Impact (Mcf)	6,691	559	35	-	-	-
91	Total Participants	7,210	602	38	7,118	1,528	810
92	Adjustment to Per Participant Volume Due to Snapback	0.93	0.93	0.93	-	-	-
93	IV. Total Volume Adjustment						
94	Total Volume Adjustments	(3.18)	(2.84)	(2.77)	(0.24)	(0.54)	(1.07)
95	Adjustment Impact						
96	I. Customer and Volume Information						
97	Number of Customers Eligible	351,219.00	93,658.00	23,415.00	468,292.00	468,292.00	23,415.00
98	Participation Rate	2.05%	0.64%	0.16%	1.52%	0.33%	3.46%
99	Annual Number of Participants	7,210	602	38	7,118	1,528	810
100	Total Mcf Adjusted	(22,913)	(1,708)	(105)	(1,708)	(825)	(867)
101	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
102	Total DTH Adjusted	(23,715)	(1,768)	(109)	(1,768)	(854)	(897)
103	Mcf Adjusted per Participant	(3.18)	(2.84)	(2.77)	(0.24)	(0.54)	(1.07)
104	DTH Adjusted per Participant	(3.29)	(2.94)	(2.86)	(0.25)	(0.56)	(1.11)
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	\$ (504,700)	\$ (96,320)	\$ (2,660)	\$ (17,795)	\$ (30,560)	\$ (28,350)
111	Total Initial Program Costs	\$ (504,700)	\$ (96,320)	\$ (2,660)	\$ (17,795)	\$ (30,560)	\$ (28,350)
112	Per Participant Initial Program Costs - Company	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Per Participant Initial Program Costs - Participant	\$ (70.00)	\$ (160.00)	\$ (70.00)	\$ (2.50)	\$ (20.00)	\$ (35.00)
114	Total Initial Program Costs per Annual Participant	\$ (70.00)	\$ (160.00)	\$ (70.00)	\$ (2.50)	\$ (20.00)	\$ (35.00)
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)	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
127	Natural Gas Supply Rate (\$/Dth)	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56
128	Annual NGS Savings per Participant	\$ (41.31)	\$ (36.89)	\$ (35.98)	\$ (3.12)	\$ (7.02)	\$ (13.91)
129	Total NGS Savings	\$ (297,874)	\$ (22,210)	\$ (1,367)	\$ (22,208)	\$ (10,727)	\$ (11,267)

	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	Date:						
6		8/18/2008					
7		Year					
8		2008					
9		Total Residential					
10		Residential Appliance Rebates					
		Appliance Rebates - Hot Air Furnace Residential	Appliance Rebates - Hot Water Boiler Residential	Appliance Rebates - Steam Boiler Residential	Appliance Rebates - Programable Tstat Residential	Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
11							
130	Adjusted Analysis						
131	I. Customer and Volume Information						
132	Number of Customers Eligible	351,219	93,658	23,415	468,292	468,292	23,415
133	Participation Rate	2.05%	0.64%	0.16%	1.52%	0.33%	3.46%
134	Annual Number of Participants	7,210	602	38	7,118	1,528	810
135	Total Mcf Saved	139,312	9,790	594	15,375	7,426	7,800
136	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
137	Total DTH Saved	144,188	11,498	615	15,913	7,686	8,073
138	Mcf Saved per Participant	19.32	16.26	15.63	2.16	4.86	9.63
139	DTH Saved per Participant	20.00	19.10	16.18	2.24	5.03	9.97
140							
141	Estimated Peak Day Impact Mcf	1,272.25	89.40	5.42	140.41	67.82	71.24
142	Estimated Peak Day Impact Dth	1,316.78	92.53	5.61	145.32	70.19	73.73
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	0.29	0.02	0.00	0.03	0.02	0.02
145	II. Program Cost Information						
146	Company Direct Costs	\$ 2,217,075	\$ 245,315	\$ 11,685	\$ 209,412	\$ 239,132	\$ 288,765
147	Company Admin Costs	\$ 16,569	\$ 1,833	\$ 87	\$ 1,565	\$ 1,787	\$ 2,158
148	Company Advertising Costs	\$ 848,509	\$ 93,886	\$ 4,472	\$ 80,145	\$ 91,520	\$ 110,515
149	Total Initial Program Costs - Company	\$ 3,082,153	\$ 341,034	\$ 16,244	\$ 291,122	\$ 332,439	\$ 401,438
150	Total Initial Program Costs - Participant	\$ 4,542,300	\$ 866,880	\$ 23,940	\$ 160,155	\$ 275,040	\$ 255,150
151	Total Initial Program Costs	\$ 7,624,453	\$ 1,207,914	\$ 40,184	\$ 451,277	\$ 607,479	\$ 656,588
152	Per Participant Initial Program Costs - Company	\$ 427.48	\$ 566.50	\$ 427.48	\$ 40.90	\$ 217.56	\$ 495.60
153	Per Participant Initial Program Costs - Participant	\$ 630.00	\$ 1,440.00	\$ 630.00	\$ 22.50	\$ 180.00	\$ 315.00
154	Total Initial Program Costs per Annual Participant	\$ 1,057.48	\$ 2,006.50	\$ 1,057.48	\$ 63.40	\$ 397.56	\$ 810.60
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	14	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	9.59	9.59
165	IV. Incremental Savings						
166	Natural Gas Supply Rate (\$/Mcf)	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00	\$ 13.00
167	Natural Gas Supply Rate (\$/Dth)	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56	\$ 12.56
168	Annual NGS Savings per Participant	\$ 251.19	\$ 211.41	\$ 203.22	\$ 28.08	\$ 63.18	\$ 125.19
169	Total NGS Savings	\$ 1,811,051	\$ 127,266	\$ 7,722	\$ 199,873	\$ 96,539	\$ 101,404
170	V. Direct Cost Benefit Summary						
171	Present Value of Participant Savings	\$ 2,729.04	\$ 2,296.84	\$ 2,207.86	\$ 305.08	\$ 605.87	\$ 1,200.53
172	Present Value of Total Savings	\$ 19,676,361	\$ 1,382,700	\$ 83,899	\$ 2,171,547	\$ 925,775	\$ 972,428
	Present Value of Total Initial Program Costs per Annual Participant	\$ 1,057	\$ 2,007	\$ 1,057	\$ 63	\$ 398	\$ 811
174	Present Value of Total Initial Program Costs	\$ 7,624,453	\$ 1,207,914	\$ 40,184	\$ 451,277	\$ 607,479	\$ 656,588
175	TRC	2.58	1.14	2.09	4.81	1.52	1.48
176	VI. TRC-WNY						
177	WNY Incremental Expenditures	\$ 6,775,944	\$ 1,114,028	\$ 35,712	\$ 371,132	\$ 515,959	\$ 546,073
178	WNY Expenditure Multiplier	0.46	0.46	0.46	0.49	0.46	0.46
179	WNY Expenditure Benefits	\$ 3,116,934	\$ 512,453	\$ 16,428	\$ 181,854	\$ 237,341	\$ 251,194
180	Advertising	\$ 848,509	\$ 93,886	\$ 4,472	\$ 80,145	\$ 91,520	\$ 110,515
181	Advertising Multiplier	0.87	0.87	0.87	0.87	0.87	0.87
182	Advertising Benefits	\$ 738,203	\$ 81,681	\$ 3,891	\$ 69,726	\$ 79,622	\$ 96,148
183	WNY Expenditure & Adv Benefits	\$ 3,855,137	\$ 594,134	\$ 20,318	\$ 251,581	\$ 316,963	\$ 347,342
184	Customer Net Savings	\$ 12,051,908	\$ 174,786	\$ 43,714	\$ 1,720,270	\$ 318,297	\$ 315,840
185	WNY Income Multiplier	0.49	0.49	0.49	0.49	0.49	0.49
186	WNY Customer Net Savings Benefits	\$ 5,905,435	\$ 85,645	\$ 21,420	\$ 842,932	\$ 155,965	\$ 154,761
187	Total WNY Benefits	\$ 9,760,572	\$ 679,779	\$ 41,738	\$ 1,094,513	\$ 472,929	\$ 502,103
188	TRC-WNY	3.86	1.71	3.13	7.24	2.30	2.25
189	VII. Societal Test						
190	Environmental						
191	Total	\$ 1,374,640	\$ 96,599	\$ 5,861	\$ 151,710	\$ 64,677	\$ 67,936
192	Other						
193	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
194	Total Incremental Societal Benefits	\$ 1,374,640	\$ 96,599	\$ 5,861	\$ 151,710	\$ 64,677	\$ 67,936
195	Total Benefits W/TRC-WNY	\$ 30,811,573	\$ 2,159,077	\$ 131,499	\$ 3,417,769	\$ 1,463,381	\$ 1,542,467
196	Societal Test	4.04	1.79	3.27	7.57	2.41	2.35

	A	H	I	J	K	L	M
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5	Date:						
6	8/18/2008						
7							
8							
9							
10							
11		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
12	Base Analysis						
13	I. Customer and Volume Information						
14	Number of Customers Eligible		15,000		34,100	482,775	
15	Participation Rate		4.33%		0.02%	100.00%	
16	Annual Number of Participants		650		8	482,775	
17	Total Mcf Saved	208,424	32,500	240,924	2,186	482,775	725,884
18	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
19	Total DTH Saved	215,719	33,638	249,356	2,262	499,672	751,290
20	Mcf Saved per Participant Base		50.00		273.19	1.00	
21	Multiple Factor for Sensitivity Analysis		0%		0%	0%	
22	Mcf Saved per Participant		50.00		273.19	1.00	
23	DTH Saved per Participant		51.75		282.75	1.04	
24	Estimated Peak Day Impact Mcf	1,903	297	2,200	20	4,409	6,629
25	Estimated Peak Day Impact DTH	1,970	307	2,277	21	4,563	6,861
26	Total Average Annual Accounts	482,775	482,775	482,775	34,100.00	482,775	
27	Impact on Total Average Annual Usage Per Account Per Mcf	0.43	0.07	0.50	0.06	1.00	
28	II. Program Cost Information						
29	Company Direct Costs	\$ 3,211,384	\$ 2,513,000	\$ 5,724,384	\$ 54,750		\$ 5,779,134
30	Company Admin Costs	\$ 24,000	\$ 427,000	\$ 451,000			\$ 451,000
31	Company Advertising Costs	\$ 1,229,046	\$ -	\$ 1,229,046	\$ 20,954	\$ 1,250,000	\$ 2,500,000
32	Total Initial Program Costs - Company	\$ 4,464,430	\$ 2,940,000	\$ 7,404,430	\$ 75,704	\$ 1,250,000	\$ 8,730,134
33	Total Initial Program Costs - Participant	\$ 6,803,850	\$ -	\$ 6,803,850	\$ 61,247	\$ -	\$ 6,865,097
34	Total Initial Program Costs	\$ 11,268,280	\$ 2,940,000	\$ 14,208,280	\$ 136,950	\$ 1,250,000	\$ 15,595,230
35	Per Participant Initial Program Costs - Company		\$ 4,523.08		\$ 9,462.96	\$ 2.59	
36	Per Participant Initial Program Costs - Participant		\$ -		\$ 7,655.84	\$ -	
37	Total Initial Program Costs per Annual Participant		\$ 4,523.08		\$ 17,118.80	\$ 2.59	
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)	16.65	25	18	17	1	17
46	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
47	PVIFA	10.7149	13.4139	11.3843	10.8646	0.9479	10.8533
48	IV. Incremental Savings						
49	Natural Gas Supply Rate (\$/Mcf)		\$ 13.00		\$ 13.00	\$ 13.00	
50	Natural Gas Supply Rate (\$/Dth)		\$ 12.56		\$ 12.56	\$ 12.56	
51	Annual NGS Savings per Participant		\$ 650.00		\$ 3,551.45	\$ 13.00	
52	Total NGS Savings	\$ 2,709,509	\$ 422,500	\$ 3,132,009	\$ 28,412	\$ 6,276,075	\$ 9,436,496
53	V. Direct Cost Benefit Summary						
54	Present Value of Participant Savings		\$ 8,719.06		\$ 38,585.11	\$ 12.32	
55	Present Value of Total Savings	\$ 29,032,174	\$ 5,667,387	\$ 35,655,786	\$ 308,681	\$ 5,948,886	\$ 41,913,353
56	Present Value of Total Initial Program Costs per Annual Participant		\$ 4,523		\$ 17,119	\$ 3	
57	Present Value of Total Initial Program Costs	\$ 11,268,280	\$ 2,940,000	\$ 14,208,280	\$ 136,950	\$ 1,250,000	\$ 15,595,230
58	TRC	2.58	1.93	2.51	2.25	4.76	2.69
59	VI. TRC-WNY						
60	WNY Incremental Expenditures	\$ 10,039,234	\$ 2,940,000	\$ 12,979,234	\$ 115,997	\$ -	\$ 13,095,230
61	WNY Expenditure Multiplier		0.46		0.46	0.46	
62	WNY Expenditure Benefits	\$ 4,629,715	\$ 1,352,400	\$ 5,982,115	\$ 53,359	\$ -	\$ 6,035,474
63	Advertising	\$ 1,229,046	\$ -	\$ 1,229,046	\$ 20,954	\$ 1,250,000	\$ 2,500,000
64	Advertising Multiplier		0.87		0.87	0.87	
65	Advertising Benefits	\$ 1,069,270	\$ -	\$ 1,069,270	\$ 18,230	\$ 1,087,500	\$ 2,175,000
66	WNY Expenditure & Adv Benefits	\$ 5,698,986	\$ 1,352,400	\$ 7,051,386	\$ 71,588	\$ 1,087,500	\$ 8,210,474
67	Customer Net Savings	\$ 17,889,069	\$ 2,727,387	\$ 20,616,455	\$ 171,730	\$ 4,698,886	\$ 25,487,072
68	WNY Income Multiplier		0.49		0.49	0.49	
69	WNY Customer Net Savings Benefits	\$ 8,765,644	\$ 1,336,419	\$ 10,102,063	\$ 84,148	\$ 2,302,454	\$ 12,488,665
70	Total WNY Benefits	\$ 14,464,629	\$ 2,688,819	\$ 17,153,449	\$ 155,736	\$ 3,389,954	\$ 20,699,139
71	TRC-WNY	3.86	2.84	3.72	3.39	7.47	4.01
72	VII. Societal Test						
73	Environmental						
74	Total	\$ 2,037,005	\$ 395,938	\$ 2,432,943	\$ 21,565	\$ 415,604	\$ 2,870,112
75	Other						
76	Total						
77	Total Incremental Societal Benefits	\$ 2,037,005	\$ 395,938	\$ 2,432,943	\$ 21,565	\$ 415,604	\$ 2,870,112
78	Total Benefits W/ TRC WNY	\$ 45,533,808	\$ 8,752,144	\$ 55,242,178	\$ 485,982	\$ 9,754,445	\$ 65,482,604
79	Societal Test	4.04	2.98	3.89	3.55	7.80	4.20

	A	H	I	J	K	L	M
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5	Date:						
6	8/18/2008						
7							
8							
9							
10							
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		650		8	482,775	
84	Adjustment to Per Participant Volume Due to Spillover		-		-	-	
85	II. Free Riders						
86	Mcf Saved per Participant		50.00		273.19	1.00	
87	Free Ridership %		0%		10%	10%	
88	Adjustment to Per Participant Volume Due to Free Riders		-		27.32	0.10	
89	III. Snapback						
90	Total Snapback Impact (Mcf)		603		-	-	
91	Total Participants		650		8	482,775	
92	Adjustment to Per Participant Volume Due to Snapback		0.93		-	-	
93	IV. Total Volume Adjustment						
94	Total Volume Adjustments		(0.93)		(27.32)	(0.10)	
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		4.33%		0.02%	100.00%	
99	Annual Number of Participants		650		8	482,775	
100	Total Mcf Adjusted		(603)		(219)	(48,278)	
101	DTH Conversion		1.035		1.035	1.035	
102	Total DTH Adjusted		(624)		(226)	(49,967)	
103	Mcf Adjusted per Participant		(0.93)		(27.32)	(0.10)	
104	DTH Adjusted per Participant		(0.96)		(28.28)	(0.10)	
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		\$ -		\$ (6,125)	\$ -	
111	Total Initial Program Costs		\$ -		\$ (6,125)	\$ -	
112	Per Participant Initial Program Costs - Company		\$ -		\$ -	\$ -	
113	Per Participant Initial Program Costs - Participant		\$ -		\$ (765.58)	\$ -	
114	Total Initial Program Costs per Annual Participant		\$ -		\$ (765.58)	\$ -	
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)		\$ 13.00		\$ 13.00	\$ 13.00	
127	Natural Gas Supply Rate (\$/Dth)		\$ 12.56		\$ 12.56	\$ 12.56	
128	Annual NGS Savings per Participant		\$ (12.06)		\$ (355.14)	\$ (1.30)	
129	Total NGS Savings		\$ (7,842)		\$ (2,841)	\$ (627,608)	

	A	H	I	J	K	L	M
1	National Fuel Gas Distribution Corporation						
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5	Date:						
6	8/18/2008						
7							
8							
9							
10							
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		4.33%		0.02%	100.00%	
134	Annual Number of Participants		650		8	482,775	
135	Total Mcf Saved	180,297	31,897	212,193	1,967	434,498	648,658
136	DTH Conversion	1.035	1.035	1.035	1.035	1.035	1.035
137	Total DTH Saved	187,973	33,013	220,986	2,036	449,705	672,727
138	Mcf Saved per Participant		49.07		245.87	0.90	
139	DTH Saved per Participant		50.79		254.48	0.93	
140							
141	Estimated Peak Day Impact Mcf	1,646.54	291.29	1,937.84	17.96	3,968.01	5,923.82
142	Estimated Peak Day Impact Dth	1,704.17	301.49	2,005.66	18.59	4,106.89	6,131.15
143	Total Average Annual Accounts	482,775	482,775	482,775		482,775	
144	Impact on Total Average Annual Usage Per Account	0.37	0.07	0.44		0.90	
145	II. Program Cost Information						
146	Company Direct Costs	\$ 3,211,384	\$ 2,513,000	\$ 5,724,384	\$ 54,750	\$ -	\$ 5,779,134
147	Company Admin Costs	\$ 24,000	\$ 427,000	\$ 451,000	\$ -	\$ -	\$ 451,000
148	Company Advertising Costs	\$ 1,229,046	\$ -	\$ 1,229,046	\$ 20,954	\$ 1,250,000	\$ 2,500,000
149	Total Initial Program Costs - Company	\$ 4,464,430	\$ 2,940,000	\$ 7,404,430	\$ 75,704	\$ 1,250,000	\$ 8,730,134
150	Total Initial Program Costs - Participant	\$ 6,123,465	\$ -	\$ 6,123,465	\$ 55,122	\$ -	\$ 6,178,587
151	Total Initial Program Costs	\$ 10,587,895	\$ 2,940,000	\$ 13,527,895	\$ 130,826	\$ 1,250,000	\$ 14,908,721
152	Per Participant Initial Program Costs - Company	\$ -	\$ 4,523.08	\$ -	\$ 9,462.96	\$ 2.59	\$ -
153	Per Participant Initial Program Costs - Participant	\$ -	\$ -	\$ -	\$ 6,890.26	\$ -	\$ -
154	Total Initial Program Costs per Annual Participant	\$ -	\$ 4,523.08	\$ -	\$ 16,353.22	\$ 2.59	\$ -
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)	16.65	25	18	17	1	17
163	Discount Rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
164	PVIFA	10.71	13.41	11.42	10.86	0.95	10.86
165	IV. Incremental Savings						
166	Natural Gas Supply Rate (\$/Mcf)		\$ 13.00		\$ 13.00	\$ 13.00	
167	Natural Gas Supply Rate (\$/Dth)		\$ 12.56		\$ 12.56	\$ 12.56	
168	Annual NGS Savings per Participant		\$ 637.94		\$ 3,196.30	\$ 11.70	
169	Total NGS Savings	\$ 2,343,856	\$ 414,658	\$ 2,758,514	\$ 25,570	\$ 5,648,468	\$ 8,432,552
170	V. Direct Cost Benefit Summary						
171	Present Value of Participant Savings		\$ 8,557.23		\$ 34,726.60	\$ 11.09	
172	Present Value of Total Savings	\$ 25,114,228	\$ 5,562,200	\$ 31,490,864	\$ 277,813	\$ 5,353,998	\$ 37,122,674
	Present Value of Total Initial Program Costs per Annual Participant		\$ 4,523		\$ 16,353	\$ 3	
173	Participant		\$ 4,523		\$ 16,353	\$ 3	
174	Present Value of Total Initial Program Costs	\$ 10,587,895	\$ 2,940,000	\$ 13,527,895	\$ 130,826	\$ 1,250,000	\$ 14,908,721
175	TRC	2.37	1.89	2.33	2.12	4.28	2.49
176	VI. TRC-WNY						
177	WNY Incremental Expenditures	\$ 9,358,849	\$ 2,940,000	\$ 12,298,849	\$ 109,872	\$ -	\$ 12,408,721
178	WNY Expenditure Multiplier		0.46		0.46		
179	WNY Expenditure Benefits	\$ 4,316,204	\$ 1,352,400	\$ 5,668,604	\$ 50,541	\$ -	\$ 5,719,145
180	Advertising	\$ 1,229,046	\$ -	\$ 1,229,046	\$ 20,954	\$ 1,250,000	\$ 2,500,000
181	Advertising Multiplier		0.87		0.87		
182	Advertising Benefits	\$ 1,069,270	\$ -	\$ 1,069,270	\$ 18,230	\$ 1,087,500	\$ 2,175,000
183	WNY Expenditure & Adv Benefits	\$ 5,385,475	\$ 1,352,400	\$ 6,737,875	\$ 68,771	\$ 1,087,500	\$ 7,894,145
184	Customer Net Savings	\$ 14,624,814	\$ 2,622,200	\$ 17,247,014	\$ 146,987	\$ 4,103,998	\$ 21,497,999
185	WNY Income Multiplier		0.49		0.49		
186	WNY Customer Net Savings Benefits	\$ 7,166,159	\$ 1,284,878	\$ 8,451,037	\$ 72,024	\$ 2,010,959	\$ 10,534,019
187	Total WNY Benefits	\$ 12,551,634	\$ 2,637,278	\$ 15,188,912	\$ 140,794	\$ 3,098,459	\$ 18,428,165
188	TRC-WNY	3.56	2.79	3.45	3.20	6.76	3.73
189	VII. Societal Test						
190	Environmental						
191	Total	\$ 1,761,423	\$ 388,589	\$ 2,150,012	\$ 19,409	\$ 374,044	\$ 2,543,464
192	Other						
193	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
194	Total Incremental Societal Benefits	\$ 1,761,423	\$ 388,589	\$ 2,150,012	\$ 19,409	\$ 374,044	\$ 2,543,464
195	Total Benefits WTRC-WNY	\$ 39,427,284	\$ 8,588,067	\$ 48,829,787	\$ 438,016	\$ 8,826,500	\$ 58,094,304
196	Societal Test	3.72	2.92	3.61	3.35	7.06	3.90

	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	Date:	8/18/2008					
6							
7		Year					
8		2008					
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 - Programable Tstat Residential	Appliance Rebates - Storage Tank Water Heater Residential	Appliance Rebates - Storage Tankless Water Heater Residential
221	Sensitivity Analysis						
222	TRC - Free Ridership Sensitivity	Adjusted Analysis - TRC					
223		2.58	1.14	2.09	4.81	1.52	1.48
224	0%	2.70	1.18	2.19	5.14	1.61	1.58
225	10%	2.58	1.14	2.09	4.81	1.52	1.48
226	20%	2.44	1.10	1.97	4.45	1.43	1.38
227	30%	2.28	1.04	1.84	4.06	1.32	1.26
228	40%	2.10	0.97	1.69	3.64	1.20	1.13
229	50%	1.88	0.89	1.50	3.17	1.06	0.99
230	60%	1.61	0.79	1.28	2.66	0.90	0.84
231	70%	1.29	0.65	1.02	2.10	0.73	0.67
232	80%	0.89	0.46	0.68	1.48	0.52	0.47
233							
234	Societal - Test Free Ridership Sensitivity	Adjusted Analysis - Societal TRC					
235		4.04	1.79	3.27	7.57	2.41	2.35
236	0%	4.23	1.85	3.43	8.09	2.54	2.50
237	10%	4.04	1.79	3.27	7.57	2.41	2.35
238	20%	3.83	1.72	3.10	7.02	2.26	2.19
239	30%	3.58	1.63	2.89	6.41	2.09	2.01
240	40%	3.30	1.53	2.66	5.75	1.91	1.82
241	50%	2.96	1.41	2.38	5.03	1.70	1.60
242	60%	2.55	1.25	2.04	4.24	1.46	1.37
243	70%	2.06	1.04	1.63	3.37	1.19	1.10
244	80%	1.44	0.76	1.12	2.40	0.88	0.80
245							
246	TRC Gas Cost Sensitivity	Adjusted Analysis - TRC					
247		2.58	1.14	2.09	4.81	1.52	1.48
248	\$ 16.00	3.18	1.41	2.57	5.92	1.88	1.82
249	\$ 15.00	2.98	1.32	2.41	5.55	1.76	1.71
250	\$ 14.00	2.78	1.23	2.25	5.18	1.64	1.59
251	\$ 13.00	2.58	1.14	2.09	4.81	1.52	1.48
252	\$ 12.00	2.38	1.06	1.93	4.44	1.41	1.37
253	\$ 11.00	2.18	0.97	1.77	4.07	1.29	1.25
254	\$ 10.00	1.99	0.88	1.61	3.70	1.17	1.14
255	\$ 9.00	1.79	0.79	1.45	3.33	1.06	1.03
256	\$ 8.00	1.59	0.70	1.28	2.96	0.94	0.91
257	\$ 7.00	1.39	0.62	1.12	2.59	0.82	0.80
258	Discount Rate Sensitivity	Adjusted Analysis - TRC					
259		2.58	1.14	2.09	4.81	1.52	1.48
260	1%	3.70	1.64	2.99	6.89	2.07	2.01
261	2%	3.39	1.51	2.75	6.33	1.92	1.87
262	3%	3.13	1.39	2.53	5.83	1.80	1.74
263	4%	2.89	1.28	2.34	5.39	1.68	1.63
264	5%	2.68	1.19	2.17	4.99	1.57	1.53
265	6%	2.49	1.10	2.01	4.64	1.48	1.44
266	7%	2.32	1.03	1.88	4.32	1.39	1.35
267							
268	Volume Savings Sensitivity	Adjusted Analysis - TRC					
269		2.58	1.14	2.09	4.81	1.52	1.48
270	50%	3.93	1.82	3.19	7.22	2.29	2.22
271	40%	3.66	1.68	2.97	6.74	2.13	2.07
272	30%	3.39	1.55	2.75	6.26	1.98	1.93
273	20%	3.12	1.41	2.53	5.77	1.83	1.78
274	10%	2.85	1.28	2.31	5.29	1.68	1.63
275	0%	2.58	1.14	2.09	4.81	1.52	1.48
276	-10%	2.31	1.01	1.87	4.33	1.37	1.33
277	-20%	2.04	0.88	1.65	3.85	1.22	1.18
278	-30%	1.77	0.74	1.42	3.37	1.07	1.04
279	-40%	1.50	0.61	1.20	2.89	0.91	0.89
280	-50%	1.23	0.47	0.98	2.41	0.76	0.74
281							

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5	Date:						
6	8/18/2008						
7							
8							
9							
10							
11		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
221	Sensitivity Analysis						
222	TRC - Free Ridership Sensitivity						
223		2.37	1.89	2.33	2.12	4.28	2.49
224	0%	2.49	1.89	2.43	2.25	4.76	2.61
225	10%	2.37	1.89	2.33	2.12	4.28	2.49
226	20%	2.24	1.89	2.22	1.98	3.81	2.35
227	30%	2.09	1.89	2.09	1.82	3.33	2.21
228	40%	1.92	1.89	1.95	1.65	2.86	2.04
229	50%	1.72	1.89	1.79	1.45	2.38	1.85
230	60%	1.47	1.89	1.61	1.23	1.90	1.64
231	70%	1.18	1.89	1.40	0.98	1.43	1.40
232	80%	0.82	1.89	1.16	0.70	0.95	1.13
233							
234	Societal - Test Free Ridership Sensitivity						
235		3.72	2.92	3.61	3.35	7.06	3.90
236	0%	3.90	2.92	3.76	3.55	7.80	4.08
237	10%	3.72	2.92	3.61	3.35	7.06	3.90
238	20%	3.52	2.92	3.44	3.13	6.32	3.69
239	30%	3.29	2.92	3.25	2.88	5.58	3.46
240	40%	3.03	2.92	3.04	2.62	4.83	3.21
241	50%	2.72	2.92	2.80	2.32	4.09	2.93
242	60%	2.34	2.92	2.53	1.98	3.35	2.61
243	70%	1.90	2.92	2.21	1.60	2.61	2.25
244	80%	1.34	2.92	1.85	1.16	1.86	1.84
245							
246	TRC Gas Cost Sensitivity						
247		2.37	1.89	2.33	2.12	4.28	2.49
248	\$ 16.00	2.92	2.33	2.87	2.61	5.27	3.06
249	\$ 15.00	2.74	2.18	2.69	2.45	4.94	2.87
250	\$ 14.00	2.55	2.04	2.51	2.29	4.61	2.68
251	\$ 13.00	2.37	1.89	2.33	2.12	4.28	2.49
252	\$ 12.00	2.19	1.75	2.15	1.96	3.95	2.30
253	\$ 11.00	2.01	1.60	1.97	1.80	3.62	2.11
254	\$ 10.00	1.82	1.46	1.79	1.63	3.29	1.92
255	\$ 9.00	1.64	1.31	1.61	1.47	2.97	1.72
256	\$ 8.00	1.46	1.16	1.43	1.31	2.64	1.53
257	\$ 7.00	1.28	1.02	1.25	1.14	2.31	1.34
258	Discount Rate Sensitivity						
259		2.37	1.89	2.33	2.12	4.28	2.49
260	1%	3.38	3.11	3.42	3.04	4.47	3.51
261	2%	3.11	2.75	3.12	2.79	4.43	3.23
262	3%	2.87	2.46	2.86	2.57	4.39	2.98
263	4%	2.65	2.20	2.63	2.38	4.34	2.77
264	5%	2.46	1.99	2.42	2.20	4.30	2.58
265	6%	2.29	1.80	2.24	2.05	4.26	2.41
266	7%	2.13	1.64	2.08	1.91	4.22	2.26
267							
268	Volume Savings Sensitivity						
269		2.37	1.89	2.33	2.12	4.28	2.49
270	50%	3.61	2.86	3.54	3.19	6.42	3.78
271	40%	3.37	2.66	3.30	2.97	6.00	3.52
272	30%	3.12	2.47	3.06	2.76	5.57	3.26
273	20%	2.87	2.28	2.81	2.55	5.14	3.01
274	10%	2.62	2.08	2.57	2.34	4.71	2.75
275	0%	2.37	1.89	2.33	2.12	4.28	2.49
276	-10%	2.12	1.70	2.09	1.91	3.85	2.23
277	-20%	1.88	1.51	1.84	1.70	3.43	1.97
278	-30%	1.63	1.31	1.60	1.49	3.00	1.72
279	-40%	1.38	1.12	1.36	1.27	2.57	1.46
280	-50%	1.13	0.93	1.11	1.06	2.14	1.20
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	Date:							
6	8/18/2008							
7	Year							
8	2008							
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 - Programable Tstat Residential	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		Free Ridership						
285	\$	2.49	0%	10%	20%	30%	40%	50%
286	\$	16.00	3.22	3.06	2.90	2.71	2.51	2.28
287	\$	15.00	3.01	2.87	2.72	2.54	2.35	2.14
288	\$	14.00	2.81	2.68	2.54	2.37	2.20	1.99
289	\$	13.00	2.61	2.49	2.35	2.21	2.04	1.85
290	\$	12.00	2.41	2.30	2.17	2.04	1.88	1.71
291	\$	11.00	2.21	2.11	1.99	1.87	1.72	1.57
292	\$	10.00	2.01	1.92	1.81	1.70	1.57	1.42
293	\$	9.00	1.81	1.72	1.63	1.53	1.41	1.28
294	\$	8.00	1.61	1.53	1.45	1.36	1.25	1.14
295	\$	7.00	1.41	1.34	1.27	1.19	1.10	1.00
296	Gas Cost/Free Ridership Total Program TRC Sensitivity							
297	Gas Cost							
298		Free Ridership						
299	\$	3.90	0%	10%	20%	30%	40%	50%
300	\$	16.00	4.98	4.75	4.50	4.22	3.91	3.56
301	\$	15.00	4.68	4.46	4.23	3.97	3.68	3.35
302	\$	14.00	4.38	4.18	3.96	3.72	3.44	3.14
303	\$	13.00	4.08	3.90	3.69	3.46	3.21	2.93
304	\$	12.00	3.79	3.61	3.42	3.21	2.98	2.72
305	\$	11.00	3.49	3.33	3.15	2.96	2.75	2.51
306	\$	10.00	3.19	3.05	2.89	2.71	2.51	2.30
307	\$	9.00	2.89	2.76	2.62	2.46	2.28	2.08
308	\$	8.00	2.60	2.48	2.35	2.21	2.05	1.87
309	\$	7.00	2.30	2.20	2.08	1.96	1.82	1.66

	A	H	I	J	K	L	M
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5	Date:						
6		8/18/2008					
7							
8							
9							
10							
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		2.49	60%	70%	80%		
285	\$	16.00	2.02	1.73	1.39		
286	\$	15.00	1.89	1.62	1.30		
287	\$	14.00	1.77	1.51	1.21		
288	\$	13.00	1.64	1.40	1.13		
289	\$	12.00	1.51	1.29	1.04		
290	\$	11.00	1.39	1.19	0.95		
291	\$	10.00	1.26	1.08	0.87		
292	\$	9.00	1.14	0.97	0.78		
293	\$	8.00	1.01	0.86	0.69		
294	\$	7.00	0.88	0.75	0.61		
295							
296	Gas Cost/Free Ridership Total Program TRC Sensitivity						
297	Gas Cost						
			Free Ridership				
298		3.90	60%	70%	80%		
299	\$	16.00	3.18	2.74	2.23		
300	\$	15.00	2.99	2.58	2.10		
301	\$	14.00	2.80	2.41	1.97		
302	\$	13.00	2.61	2.25	1.84		
303	\$	12.00	2.43	2.09	1.71		
304	\$	11.00	2.24	1.93	1.58		
305	\$	10.00	2.05	1.77	1.45		
306	\$	9.00	1.86	1.61	1.32		
307	\$	8.00	1.68	1.45	1.19		
308	\$	7.00	1.49	1.29	1.06		

	A	H	I	J	K	L	M
1	National Fuel Gas Distribution Corporation						
2	New York Division						
3	Conservation Incentive Program						
4	Program Measurement and Verification Summary						
5	Date:						
6	8/18/2008						
7							
8							
9							
10							
11		Total Res Rebates	LIURP	Total Res	Total Non Res Rebates	General Outreach	Total Program
197	Work Paper 1						
198	Participant Calculations						
199	6/30/2008						
200	Program Participants						
201	Annualization Factor						
202	Annualized Participants						
203					4		
204	Workpaper 2						
205							
206	CO2 Benefit						
207							
208	Cost of CO2 \$/Ton	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
209							
210	Cost of CO2 \$/Pound	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01
211							
212	Lbs CO2 / Billion BTU	117,000	117,000	117,000	117,000	117,000	117,000
213							
214	Lbs CO2 / Million BTU	117	117	117	117	117	117
215							
216	DTH Conversion Factor	1.035	1.035	1.035	1.035	1.035	1.035
217							
218	Lbs CO2 / Mcf	121.095	121.095	121.095	121.095	121.095	121.095
219							
220	Cost of CO2 \$/Mcf	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91	\$ 0.91

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% ($49\% = 87\% \text{ multiplied by } 56\%$).

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			
Industry Segment	Expenditures		
	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			
Industry Segment	Expenditures		
	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 Multiplier	6.8	2.8	3.1	12.7
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 Multiplier	3.4	0.7	0.9	5
Value Added	16.0%	4.6%	5.6%	26.1%
Output	26.5%	8.0%	9.4%	43.9%
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 Multiplier	6.8	2.8	3.1	12.7
Value Added	34.1%	18.4%	19.7%	72.2%
Output	96.8%	36.0%	33.1%	166.0%
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 Multiplier	7.1	2.4	3.4	12.9
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	34%	18%	20%	72%
Output	97%	36%	33%	166%
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%