

May 14, 2010

VIA EMAIL

Honorable Jaclyn A. Brilling Secretary New York State Public Service Commission Three Empire State Plaza Albany, New York 12223

> Re: Case 08-G-1012 – Petition of New York State Electric & Gas Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility – Administered Gas Energy Efficiency Program

Case 08-G-1013 – Petition of Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility – Administered Gas Energy Efficiency Program

Dear Secretary Brilling:

Pursuant to the New York State Public Service Commission's Order Approving "Fast Track" Utility – Administered Gas Energy Efficiency Programs with Modifications, in Cases 08-G-1012 and 08-G-1013, Ordering Clause Nos. 11 and 13, New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation hereby files the "Quarterly Program and Evaluation Summary Status Reports" for the first quarter 2010.

Please direct any questions to me at telephone number 607-725-3936 or via email at jjfishgertz@nyseg.com.

Respectfully Submitted,

Joni Fish-Gertz Manager, Programs

Enclosure

xc: Floyd Barwig, PSC, Director - Office of Energy Efficiency and Environment

¹ Cases 08-G-1012 and 08-G-1013 - Petitions of New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation for Approval of an Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Utility-Administered Gas Energy Efficiency Program, Order Approving "Fast Track" Utility-Administered Gas Energy Efficiency Programs with Modifications, at 23 (April 9, 2009).

New York State Electric & Gas Corporation

Residential Gas HVAC Program

Savings from New York Standard Approach for Estimating Energy Savings from Energy Efficiency Programs

Quarterly Program Report

May 14, 2010

Prepared for

New York State Department of Public Service

Table of Contents

| INTRODUCTI | ON | 3 |
|--------------|--|----|
| SECTION I. | BASIC PROGRAM INFORMATION | 3 |
| SECTION II. | EVALUATION SUPPORT INFORMATION | 3 |
| SECTION III. | REPORTING TEMPLATE FOR MONTHLY RESIDENTIAL GAS HVAC PROGRAM REPORT | 3 |
| SECTION IV | NARRATIVE REPORT TO BE INCLUDED WITH SPREADSHEET | 13 |

Introduction

No changes since 4th Quarter 2009 Scorecard.

Section I. Basic Program Information

No changes since 4th Quarter 2009 Scorecard.

Section II. Evaluation Support Information

No changes since 4th Quarter 2009 Scorecard.

Section III. Reporting Template for Monthly Residential Gas HVAC Program Report

Table 2r below, represents RG&E's Quarterly Program Statistics for January -March 2010.

Table 2r. Variables for Third Program Quarter: January -March 2010

| RG&E Residential Gas HVAC Program | |
|--------------------------------------|--|
| RG&E Residential Gas HVAC Program | |
| | |
| | |
| N/A | |
| 896,683.3 | |
| 75,219 | |
| 1,192.1 | |
| N/A | |
| 16,520,601.4 | |
| | |

| Net Other Quarterly Savings (MMBTUs) Acquired | |
|---|-------------------------|
| Coal | 0 |
| Kerosene | 0 |
| Oil | 3,729.3 |
| Propane | 121.0 |
| | |
| Total Acquired Net First-Year Impacts To Date ¹⁶ | |
| Net first-year annual kWh acquired to date ¹⁶ | N/A |
| Net first-year annual kWh acquired to date as a percent of annual goal | N/A |
| Net first-year annual kWh acquired to date as a percent of 8-year goal | N/A |
| Net cumulative kWh acquired to date | N/A |
| Net utility peak kW reductions acquired to date | N/A |
| Net utility peak kW reductions acquired to date as a percent of utility annual goal | N/A |
| Net utility peak kW reductions acquired to date as a percent of 8-year goal | N/A |
| Net NYISO peak kW reductions acquired to date | N/A |
| Net first-year annual therms acquired to date | 1,741,734.0 |
| Net first-year annual therms acquired to date as a percent of annual goal | 385.9 |
| Net first-year annual therms acquired to date as a percent of 8-year goal | N/A |
| Net cumulative therms acquired to date | 1,741,734.0 |
| · | , , |
| Total Acquired Lifecycle Impacts To Date ^{7,16} | |
| Net Lifecycle kWh acquired to date | N/A |
| Net Lifecycle therms acquired to date | 32,576,124.2 |
| Committed ⁸ Impacts (not yet acquired) This Quarter ¹⁶ | |
| Net First-year annual kWh committed this quarter | N/A |
| Net Lifecycle kWh committed this quarter | N/A |
| Net Utility Peak kW committed this quarter | N/A |
| Net first-year annual therms committed this quarter | 0 |
| Net Lifecycle therms committed this quarter | 0 |
| Funds committed at this point in time | 0 |
| Overall Impacts (Acquired & Committed) ¹⁶ | |
| Net first-year annual kWh acquired & committed this quarter | N/A |
| Net utility peak kW acquired & committed this quarter | N/A |
| Net First-year annual therms acquired & committed this quarter | 896,683.3 |
| Costs ^{9,18} | |
| Total program budget ¹³ | \$1,872,567 |
| General Administration | Portfolio ¹⁴ |
| Program Planning | Portfolio ¹⁴ |
| Program Marketing ²⁰ | \$0 |
| - O | , * |

| Trade Ally Training ²⁰ | \$0 |
|---|-------------|
| Incentives and Services ^{15, 20} | \$1,416,835 |
| Direct Program Implementation ²⁰ | \$48,163 |
| Program Evaluation ²⁰ | \$0 |
| Total expenditures to date ¹³ | \$3,397,871 |
| Percent of total budget spent to date | 181.46% |
| Participation ¹⁶ | |
| Number of program applications received to date | 14,093 |
| Number of program applications processed to date ¹⁰ | 12,698 |
| Number of processed applications approved to date ¹¹ | 12,279 |
| Percent of applications received to date that have been processed | 90.1 |
| Quarterly Carbon Emission Reductions (in tons) ¹² | |
| Total Acquired Net First-Year Carbon Emission Reductions This Quarter | 10,189.1 |
| Total Acquired Cumulative Net Carbon Emission Reductions This Quarter | 10,189.1 |

DPS Staff Notes:

¹ DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first reports. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.

² There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.

³ First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. Acquired kWh savings are defined as those savings that are reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.

⁴ Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.

⁵ Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the monthly goals but does not want to mandate monthly goals, at least initially.

⁶ Peak is defined uniquely for each utility.

⁷ The lifecycle savings are tracked beginning in the year in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.

- ⁸ Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best estimate of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.
- ⁹ These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans. Companies should identify whether each cost item is to be recovered through the SBC surcharge, base rates, or other recovery mechanism (e.g., monthly adjustment charges).
- ¹⁰ An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."
- ¹¹ The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which an application could be received, processed, and approved all in one day, a "1" would be counted for each step in the tracking lifecycle.
- ¹² See CO2 Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only).

Utility Notes:

¹³ Start-up costs are not included in the program budget or actual costs. These costs were deferred as specified on p. 13 of the April 9, 2009 Order Approving "Fast Track" Utility-Administered Gas Energy Efficiency Programs With Modifications in Cases 08-G-1012 et al, and as noted in the June 8, 2009 New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan. A summary of deferred costs to date is shown below:

| Maximum Deferral (p. 13, April 9, 2009 Order) | \$155,880 |
|---|-----------|
| Deferred costs | |
| Program marketing | \$8,009 |
| Trade ally training | \$0 |
| Direct program implementation | \$1,478 |
| Evaluation | \$1,850 |
| Total deferred costs | \$11,337 |
| Remaining deferral allowance | \$144,543 |

Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission. Although an estimate of the total Portfolio Costs was provided to the Commission on June 8, 2009 in the New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan, these costs were not included in the program budget, and are not included in this report of actual program expenditures.

- ¹⁵ Incentives and services costs are reported based on Company payment of invoices received from program implementation contractors for incentive payments made to program participants. They will thus lag the actual issuance of incentive payments to program participants.
- ¹⁶ Impacts are calculated using actual installed measures information instead of deemed savings based calculations for all measures except indirect water heaters. Impacts for indirect water heater measures will continue to be based on deemed savings until an approved formula to calculate actual installed measure based impacts is available.
- ¹⁷ Since an application with multiple measures is separated into multiple rebates, participation reflects the number of installed measures. Applications that are identified as incomplete, erroneous, or ineligible during processing are considered "flawed". For participation counts, it is assumed that each flawed application has one measure. Measure data is not collected on flawed applications; rather, it is collected only from applications that have been determined to be eligible and complete.
- ¹⁸ All program costs identified in this section are recovered through the SBC surcharge unless otherwise noted.
- ¹⁹ Program to date information may include changes to prior period data received from the implementation contractor based on additional review and/or reconsideration of rebate eligibility decisions made in prior periods. Additional information regarding such changes is available upon request.
- ²⁰ Per request from DPS Staff during December 7, 2009 conference call, the data contained in these fields reflects the most recent month's expenditures in the respective category, not "to date" information.

| Table 2A – Other Fuels Conversion Information | | | |
|--|--------------------------|--|------------------------------------|
| Other Fuels Conversion Participation To Date | Number of Measures | EEPS Incentive Amounts Paid ² | Other Incentive Amounts Paid |
| Conversion space heating measures approved to date ¹ | 191 | \$112,600 | \$0 |
| Conversion water heating measures approved to date | 8 | \$2,400 | \$0 |
| Conversion thermostat measures approved to date | 150 | \$3,700 | \$0 |
| Conversion duct sealing measures approved to date | 2 | \$1,200 | \$0 |
| Total conversion measures approved to date | 351 | \$119,900 | \$0 |
| Estimated non-incentive expenses to date attributable to fuel conversion participants ^{3,4} | | | \$3,882 |

Table 2A Notes:

¹ Includes furnaces, boilers, and boiler reset controls

² Based on invoices received from program implementation contractors for incentive payments made to program participants. Due to possible lag between receipt of invoices and Company payment, some incentives included herein may not yet be reflected in the Incentives and Services amounts reported.

³ Estimated by prorating the non-incentive expenditures to date reported in the Cost section by the ratio of fuels conversion measure incentives paid to program participants to date compared to the total of all measure incentives paid to program participants to date as invoiced by the program implementation contractors. The data was derived from information customers provided on rebate applications. No funds have been expended marketing directly to potential fuels conversion customers nor have any special incentives been offered or given to these customers.

⁴ Program to date information may include changes to prior period data received from the implementation contractor based on additional review and/or reconsideration of rebate eligibility decisions made in prior periods. Additional information regarding such changes is available upon request.

Table 2n below, represents NYSEG's Quarterly Program Statistics for January - March 2010.

Table 2n. Variables for Third Program Quarter: January - March 2010

| Program Administrator(PA) and Program ID ¹ | NYSEG Residential Gas HVAC Program |
|---|------------------------------------|
| Program Name | NYSEG Residential Gas HVAC Program |
| Program Type ² | |
| 316 | |
| Total Acquired First-Year Impacts This Quarter ^{3,16} | 27/1 |
| Net first-year annual kWh acquired this quarter ⁴ | N/A |
| Quarterly Net kWh Goal (based on net first-year annual ⁵ kWh Goal) | N/A |
| Percent of Quarterly Net kWh Goal Acquired | N/A |
| Net Peak ⁶ kW acquired this quarter | N/A |
| Quarterly Net Peak kW Goal | N/A |
| Percent of Quarterly Peak kW Goal Acquired | N/A |
| Net First-year annual therms acquired this quarter | 418,487.2 |
| Quarterly Net Therm Goal | 75,219 |
| Percent of Quarterly Therm Goal Acquired | 556.4 |
| Net Lifecycle kWh acquired this quarter | N/A |
| Net Lifecycle therms acquired this quarter | 8,096,236.0 |
| Net Other Quarterly Savings (MMBTUs) Acquired | |
| Coal | 0 |
| Kerosene | 0 |
| Oil | 4956.2 |
| Propane | 164.1 |
| Total Acquired Net First-Year Impacts To Date ¹⁶ | |
| Net first-year annual kWh acquired to date ¹⁶ | N/A |
| Net first-year annual kWh acquired to date as a percent of annual goal | N/A |
| Net first-year annual kWh acquired to date as a percent of 8-year goal | N/A |
| Net cumulative kWh acquired to date | N/A |
| Net utility peak kW reductions acquired to date | N/A |
| Net utility peak kW reductions acquired to date as a percent of utility annual goal | N/A |
| Net utility peak kW reductions acquired to date as a percent of 8-year goal | N/A |
| Net NYISO peak kW reductions acquired to date | N/A |
| Net first-year annual therms acquired to date | 819,612.6 |
| Net first-year annual therms acquired to date as a percent of annual goal | 181.6 |
| Net first-year annual therms acquired to date as a percent of 8-year goal | N/A |
| Net cumulative therms acquired to date | 819,612.6 |

| Total Acquired Lifecycle Impacts To Date ^{7,16} | |
|--|-------------------------|
| Net Lifecycle kWh acquired to date | N/A |
| Net Lifecycle therms acquired to date | 15,792,394.4 |
| Committed ⁸ Impacts (not yet acquired) This Quarter ¹⁶ | |
| Net First-year annual kWh committed this quarter | N/A |
| Net Lifecycle kWh committed this quarter | N/A |
| Net Utility Peak kW committed this quarter | N/A |
| Net first-year annual therms committed this quarter | 0 |
| Net Lifecycle therms committed this quarter | 0 |
| Funds committed at this point in time | 0 |
| Overall Impacts (Acquired & Committed) ¹⁶ | |
| Net first-year annual kWh acquired & committed this quarter | N/A |
| Net utility peak kW acquired & committed this quarter | N/A |
| Net First-year annual therms acquired & committed this quarter | 418,487.2 |
| Costs ^{9,18} | |
| Total program budget ¹³ | 1,872,567 |
| General Administration | Portfolio ¹⁴ |
| Program Planning | Portfolio ¹⁴ |
| Program Marketing ²⁰ | \$0 |
| Trade Ally Training ²⁰ | \$0 |
| Incentives and Services ^{15, 20} | \$798,000 |
| Direct Program Implementation ²⁰ | \$23,237 |
| Program Evaluation ²⁰ | \$0 |
| Total expenditures to date ¹³ | \$1,756,487 |
| Percent of total budget spent to date | 93.80% |
| Participation ¹⁷ | |
| Number of program applications received to date | 6,820 |
| Number of program applications processed to date ¹⁰ | 5,871 |
| Number of processed applications approved to date ¹¹ | 5,379 |
| Percent of applications received to date that have been processed | 86.1 |
| Quarterly Carbon Emission Reductions (in tons) ¹² | |
| Total Acquired Net First-Year Carbon Emission Reductions This Quarter | 4,794.7 |
| Total Acquired Cumulative Net Carbon Emission Reductions This Quarter | 4,794.7 |
| | |

DPS Staff Notes:

- ¹DPS Staff needs to work with utilities to develop a Program ID naming convention. However, a Program ID number is not required for the first reports. Note that when developing program ID naming conventions, utilities would like to minimize computer programming/reporting costs that they might incur if the proposed naming conventions are complex or the utility's current naming conventions require modification to Staff's proposed format.
- ² There is not currently a consistent list of program types but individual categories for common use by administrators could be developed.
- ³ First-year savings are defined as the annual savings expected from a given measure in the first year after installation. The annual savings are sometimes the result of annualizing estimated savings that are based on data that cover less than one year. Acquired kWh savings are defined as those savings that are reported by the program administrator in program tracking databases and for which a rebate check has been sent to the participant on a specific date.
- ⁴ Regardless of the month in which a measure is installed within a given calendar year, the program is credited with the associated savings for the entire year.
- ⁵ Program Administrators should make best estimate of the annual goal even though the goal might in some cases cover two calendar years. Also, Staff wants administrators to try to be as accurate as possible in determining the monthly goals but does not want to mandate monthly goals, at least initially.
- ⁶ Peak is defined uniquely for each utility.
- ⁷ The lifecycle savings are tracked beginning in the year in which a given measure was installed. Over the period 2008-2015, PA's must take into account the fact that savings from measures installed early in the period will vanish at the end of their useful life before the end of 2015. Thus, the lifecycle impacts acquired to date will be different for each month as a function of adding savings from measures installed in a given month and subtracting savings from measures installed earlier in the funding cycle that have reached the end of their useful life.
- ⁸ Committed savings are defined as those for which funds have been encumbered but not yet spent. When the funds are spent (i.e., a rebate check has been sent to the participant on a specific date), the savings are then considered "acquired." Staff would like to see the program administrator's best estimate of what they have committed. There should be some assumptions on how the administrator does that. Program administrators should forecast as accurately as possible and it should get more precise with program experience, e.g., the difference between achieved and committed should get closer over time.
- ⁹ These are the budget categories to be used by companies when submitting the required energy efficiency program implementation plans. In its January 16, 2009 Order, the Commission directed Staff to provide definitions for the budget categories to be used in the preparation of these plans (See Order Approving "Fast Track" Utility-Administered Electric Energy Efficiency Program With Modification, at page 11). These categories are provided to promote consistency in budget construction and reporting among the utility plans. Companies should identify whether each cost item is to be recovered through the SBC surcharge, base rates, or other recovery mechanism (e.g., monthly adjustment charges).
- ¹⁰ An application is processed once the PA has reviewed the application and made a decision whether to approve the incentive payment to the customer. Once the decision has been made to pay the incentive to the customer, these funds and their associated energy and demand impacts become "Committed."
- ¹¹ The application is approved once the decision has been made to pay the incentive to the customer. Note that these funds and their associated energy and demand impacts become "Committed" once this decision is made. Also note that for programs in which an application could be received, processed, and approved all in one day, a "1" would be counted for each step in the tracking lifecycle.
- ¹² See CO2 Reduction Values tab in Data Reporting Template 6-26-09.Xls (quarterly and annual reports only)

Utility Notes:

¹³ Start-up costs are not included in the program budget or actual costs. These costs were deferred as specified on p. 13 of the April 9, 2009 <u>Order Approving "Fast Track" Utility-Administered Gas Energy Efficiency Programs With Modifications</u> in Cases 08-G-1012 et al, and as noted in the June 8, 2009 <u>New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan.</u> A summary of deferred costs to date is shown below:

| deletied costs to date is site will below. | |
|---|-----------|
| Maximum Deferral (p. 13, April 9, 2009 Order) | \$150,518 |
| Deferred costs | |
| Program marketing | \$8,301 |
| Trade ally training | \$0 |
| Direct program implementation | \$3,745 |
| Evaluation | \$3,150 |
| Total deferred costs | \$15,196 |
| Remaining deferral allowance | \$135,322 |

¹⁴ Portfolio Costs are not included in the program budget or actual costs. Consistent with the Companies' July 9, 2009 letter to the Secretary in Cases 07-M-0548 et al. ("July 9 letter") and the Companies' prior energy efficiency program submittals, Portfolio Costs are incremental and are incurred as a result of the Companies' ongoing active participation in the New York State Public Service Commission's ("Commission") energy efficiency proceedings. Portfolio Costs allow the Companies to jointly provide efficient support for the complete suite of specific energy efficiency programs ultimately approved by the Commission. Although an estimate of the total Portfolio Costs was provided to the Commission on June 8, 2009 in the New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation Residential Gas HVAC Program Implementation Plan, these costs were not included in the program budget, and are not included in this report of actual program expenditures.

¹⁵ Incentives and services costs are reported based on Company payment of invoices received from program implementation contractors for incentive payments made to program participants. They will thus lag the actual issuance of incentive payments to program participants.

¹⁶ Impacts are calculated using actual installed measures information instead of deemed savings based calculations for all measures except indirect water heaters. Impacts for indirect water heater measures will continue to be based on deemed savings until an approved formula to calculate actual installed measure based impacts is available.

¹⁷ Since an application with multiple measures is separated into multiple rebates, participation reflects the number of installed measures. Applications that are identified as incomplete, erroneous, or ineligible during processing are considered "flawed". For participation counts, it is assumed that each flawed application has one measure. Measure data is not collected on flawed applications; rather, it is collected only from applications that have been determined to be eligible and complete.

¹⁸ All program costs identified in this section are recovered through the SBC surcharge unless otherwise noted.

¹⁹ Program to date information may include changes to prior period data received from the implementation contractor based on additional review and/or reconsideration of rebate eligibility decisions made in prior periods. Additional information regarding such changes is available upon request.

²⁰ Per request from DPS Staff during December 7, 2009 conference call, the data contained in these fields reflects the most recent month's expenditures in the respective category, not "to date" information.

| Table 2A – Other Fuels Conversion Information | | | |
|--|---------------------------------|--|---|
| Other Fuels Conversion Participation To Date Conversion space heating measures approved to date ¹ | Number of Measures 265 | EEPS Incentive Amounts Paid ² \$187,500 | Other Incentive Amounts Paid \$0 |
| Conversion water heating measures approved to date Conversion thermostat measures approved to date | 64 127 | \$19,200 \$3,175 | \$0 \$0 |
| Conversion duct sealing measures approved to date Total conversion measures approved to date | 0 456 | \$0 \$209,875 | \$0 \$0 |
| Estimated non-incentive expenses to date attributable to fuel conversion participants ^{3,4} | | | \$7,419 |

Table 2A Notes:

¹ Includes furnaces, boilers, and boiler reset controls

² Based on invoices received from program implementation contractors for incentive payments made to program participants. Due to possible lag between receipt of invoices and Company payment, some incentives included herein may not yet be reflected in the Incentives and Services amounts reported.

³ Estimated by prorating the non-incentive expenditures to date reported in the Cost section by the ratio of fuels conversion measure incentives paid to program participants to date compared to the total of all measure incentives paid to program participants to date as invoiced by the program implementation contractors. The data was derived from information customers provided on rebate applications. No funds have been expended marketing directly to potential fuels conversion customers nor have any special incentives been offered or given to these customers.

⁴ Program to date information may include changes to prior period data received from the implementation contractor based on additional review and/or reconsideration of rebate eligibility decisions made in prior periods. Additional information regarding such changes is available upon request.

Section IV. Narrative Report to be Included with Spreadsheet

Program Administrator: NYSEG/RG&E

Program/Project: Residential Gas HVAC Program

Reporting Period: Third Program Quarter, January - March 2010

Report Contact Person: Kevin Schmalz

IV 1. Program Status

Program Performance Goals

(a) Describe and discuss circumstances that may have an impact on the achievement of project performance goals (positive or negative).

RG&E's Residential Gas HVAC Program has acquired 174,173 Dth and has thus far surpassed its cumulative 2009-2011 energy savings goal of 75,220 Dth. NYSEG's Residential Gas HVAC Program has also surpassed its cumulative 2009-2011 energy savings goal of 75,220 Dth by acquiring 81,961 Dth through March, 2010.

Additionally, RG&E and NYSEG continue to facilitate customer support of the Red Cross Heating Fund, with a total of \$5,200 contributed by RG&E customers and \$2,650 contributed by NYSEG customers through this program since July 1, 2009.

(b) Describe and discuss other key aspects of program performance goals that were not discussed in (a).

Through March 31, 2010, 12,279 rebates have been provided to RG&E customers and over 300 RG&E trade allies have participated in the program. The RG&E rebate program was closed to new rebate applications on March 1, 2010.

Through March 31, 2010, 5,379 rebates have been provided to NYSEG customers. The NYSEG rebate program was closed to new rebate applications effective April 1, 2010.

(c) Forecast of net energy impacts.

Annual Energy Savings

| Year | RG&E Savings – in Dth | NYSEG Savings – in Dth |
|---------------|--------------------------|---------------------------|
| 2009 Actual | 84,505 | 40,113 |
| 2010 Forecast | 165,000 | 65,000 |

2. Program Implementation Activities

(a) Marketing Activities

A nine-point communication program designed to minimize customer dissatisfaction was implemented to announce the RG&E and NYSEG program closeout dates.

- 1. Press Releases
- 2. Web Site announcements
- 3. E-mail blasts to trade allies
- 4. Mailings to trade allies without e-mail addresses
- 5. <u>Postcards</u> sent to all customers who requested rebate applications during the past 60 days
- 6. <u>Cover sheet</u> with notice of the program shutdown dates sent with rebate applications requested after the press release dates
- 7. <u>Bill message</u> to NYSEG residential gas customers and bill inserts to RG&E residential gas customers
- 8. <u>Internal Procedures</u> sent to company call centers to handle various complaint calls related to program closeouts
- 9. <u>Reminder calls to customers with unresolved issues</u> to inform them of submission deadlines for missing rebate information

(b) Program Evaluation Activities

No changes since 4th Quarter 2009 Scorecard.

3. Customer Complaints and/or Disputes

No NYPSC complaints have been reported. Customer disputes are handled as they occur.

4. Changes to Subcontractors or Staffing

No changes since 4th Quarter 2009 Scorecard.

5. Additional Issues

None at this time.