

Petition  
06-G-1185  
OGC  
OHADR  
OEE  
G+W  
A+F

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE  
THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350  
Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

PATRICIA L. ACAMPORA  
*Chairwoman*  
MAUREEN F. HARRIS  
ROBERT E. CURRY JR.  
CHERYL A. BULEY



PETER MCGOWAN  
*Acting General Counsel*  
JACLYN A. BRILLING  
*Secretary*

May 31, 2007

Hon. Jaclyn A. Brillling  
Secretary  
Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223-1350

Re: Case 06-G-1185 - The Brooklyn Union Gas Company d/b/a KEDM  
Case 06-G-1186 - KeySpan Gas East Corp. d/b/a KEDLI

RECEIVED  
PUBLIC SERVICE  
COMMISSION  
EXECUTIVES-ALBANY

2008 MAY 31 PM 3:43

Dear Secretary Brillling:

Enclosed for filing are an original and five copies of the *Joint Proposal for Interim Energy Efficiency Programs* in these proceedings. Copies have been served on the presiding administrative law judges and on all active parties listed on the attached service list.

Very truly yours,  
*Paul Agresta*  
PAUL AGRESTA  
Assistant Counsel

Encl.

cc.: Administrative Law Judge Lynch  
Administrative Law Judge Phillips  
All Active Parties

**Case 06-M-0878  
National Grid and KeySpan - Merger Petition  
Cases 06-G-1185 and 06-G-1186  
KeySpan Energy Delivery New York and Long Island - Gas Rates  
Active Parties List As Of:**

**April 27, 2007**

**Presiding:**

**Michelle L. Phillips, Administrative Law Judge  
NYS Dept. of Public Service  
Three Empire State Plaza  
Albany, NY 12223-1350  
Telephone: 518-474-6517  
Fax: 518-473-3263  
Email: michelle\_phillips@dps.state.ny.us**

**Gerald L. Lynch, Administrative Law Judge  
NYS Dept. of Public Service  
Three Empire State Plaza  
Albany, NY 12223-1350  
Telephone: 518-474-4506  
Fax: 518-473-3263  
Email: gerald\_lynch@dps.state.ny.us**

**FOR: KeySpan Corporation  
Kenneth Maloney, Esq.  
Cullen and Dykman LLP  
1101 Fourteenth Street, NW, Suite 550  
Washington, DC 20005-5633  
Tel: 202-223-8890  
Fax: 202-457-1405  
E-mail: kmaloney@cullydyk.com**

**FOR: National Grid  
Joseph T. Ash  
National Grid  
300 Erie Boulevard West, B-1  
Syracuse, NY 13202  
Tel: 315-428-5847  
Fax: 315-428-5780  
E-mail: joseph.ash@us.ngrid.com**

**FOR: KeySpan Corporation  
Catherine L. Nesser, Esq.  
KeySpan Corporation  
One MetroTech Center  
Brooklyn, NY 11201  
Tel: 718-403-3073  
Fax: 718-403-2698  
E-mail: cnesser@keyspanenergy.com**

**FOR: National Grid  
Robert H. Hoaglund II, Esq.  
National Grid  
300 Erie Boulevard West, A-3  
Syracuse, NY 13202-4250  
Tel: 315-428-5320  
Fax: 315-428-5740  
E-mail: robert.hoaglund@us.ngrid.com**

**FOR: KeySpan Corporation  
Debra H. Rednik, Esq.  
KeySpan Corporation  
One MetroTech Center, 21st Floor  
Brooklyn, NY 11201  
Tel: 718-403-1132  
Fax: 718-403-2698  
E-mail: drednik@keyspanenergy.com**

**FOR: National Grid  
Thomas G. Robinson, Esq.  
Colin Owyang  
National Grid  
25 Research Drive  
Westborough, MA 01582  
Tel: 508-389-2877/508-389-2562  
Fax: 508-389-2463  
E-mail: thomas.robinson@us.ngrid.com  
colin.owyang@us.ngrid.com**

FOR: DPS Staff  
Paul Agresta, Esq.  
NYS Department of Public Service  
Office of General Counsel 3 Empire State Plaza  
Albany, NY 12223  
Tel: 518-486-2653  
Fax: 518-473-7081  
E-mail: paul\_agresta@dps.state.ny.us

FOR: 1st District  
Honorable Marc S. Alessi, Member of Assembly  
NYS Assembly  
6144 Route 25A, Building A, Suite 5  
Wading River, NY 11792  
Tel: 631-929-5540  
Fax: 631-929-5512  
E-mail: alessim@assembly.state.ny.us

FOR: DPS Staff  
Danielle Rathbun, Esq.  
NYS Dept. of Public Service  
Office of General Counsel Three Empire State Plaza  
Albany, NY 12223-1350  
Tel: 518-473-8123  
Fax: 518-473-7081  
E-mail: danielle\_rathbun@dps.state.ny.us

FOR: Long Island Power Authority  
Stanley B. Klimberg, Esq.  
Long Island Power Authority  
333 Earle Ovington Blvd.  
Uniondale, NY 11553  
Tel: 516-719-9811  
Fax: 516-719-9885  
E-mail: SKlimberg@lpower.org

FOR: New York State Assembly  
John G. Williams, Senior Program Manager and Counsel  
New York State Assembly  
Agency Bldg. 4, 12th Floor  
Albany, NY 12248  
Tel: 518-455-4865  
Fax: 518-455-4175  
E-mail: williaj@assembly.state.ny.us

FOR: New York Power Authority  
Edgar K. Byham, Principal Attorney  
New York Power Authority  
123 Main Street  
White Plains, NY 10601-3170  
Tel: 914-390-8006  
Fax: 914-390-8040  
E-mail: Kim.Byham@nypa.gov

FOR: NYS Energy Research and Development Authority  
Peter R. Keane, Esq.  
NYS Energy Research and Development Authority  
17 Columbia Circle  
Albany, NY 12203-6399  
Tel: 518-862-1090, Ext. 3366  
Fax: 518-862-1091  
E-mail: prk@nyserda.org

FOR: NYS Consumer Protection Board  
Douglas W. Elfner  
NYS Consumer Protection Board  
Five Empire State Plaza, Suite 2101  
Albany, NY 12223  
Tel: 518-486-6532  
Fax: 518-473-7482  
E-mail: doug.elfner@consumer.state.ny.us

FOR: NYS Energy Research and Development Authority  
Valerie S. Milonovich  
NYS Energy Research and Development Authority  
17 Columbia Circle  
Albany, NY 12203-6399  
Tel: 518-862-1090 Ext. 3326  
Fax: 518-862-1091  
E-mail: vsm@nyserda.org

FOR: NYS Consumer Protection Board  
David Prestemon, Esq.  
NYS Consumer Protection Board  
Five Empire State Plaza, Suite 2101  
Albany, NY 12223  
Tel: 518-474-5016  
Fax: 518-473-7482  
E-mail: david.prestemon@consumer.state.ny.us

FOR: Office of the State Attorney General  
Charlie Donaldson, AAG  
Environmental Protection Bureau  
120 Broadway, 26th Floor  
New York, NY 10271  
Tel: 212 416-8334  
Fax: 212 416-6007  
E-mail: Charlie.Donaldson@oag.state.ny.us

FOR: Nassau County  
Michelle M. Faraci, Deputy County Attorney  
Bureau of Affirmative Litigation  
One West Street  
Mineola, NY 11501  
Tel: 516-571-3931  
Fax: 516-571-6604  
E-mail: mfaraci@nassaucountyny.gov

**FOR: Nassau County**  
Martha Krisel, Chief Deputy County Attorney for Special Projects  
Office of The Nassau County Attorney  
One West Street  
Mineola, NY 11501  
Tel: 516-571-0646  
Fax: 516-571-4080  
E-mail: mkrisel@nassaucountyny.gov

**FOR: AES Eastern Energy**  
Doreen U. Saia, Esq.  
Greenberg Traurig, LLP  
54 State St., 6th Floor  
Albany, NY 12207  
Tel: 518-689-1430  
Fax: 518-689-1499  
E-mail: saiad@gtlaw.com

**FOR: Suffolk County**  
Dennis M. Brown, Esq.  
Suffolk County Dept. of Law  
100 Veterans Memorial Highway PO Box 6100  
Hauppauge, NY 11788  
Tel: 631-853-5675  
Fax: 631-853-5169  
E-mail: dennis.brown@suffolkcountyny.gov  
(Electronic Service Only)

**FOR: AES Eastern Energy**  
Christopher Wentlent  
AES Eastern Energy  
130 East Seneca Street, Suite 505  
Ithaca, NY 14850  
Tel: 703-682-1116  
E-mail: chris.wentlent@aes.com

**FOR: Suffolk County**  
Frank Radigan  
Hudson River Energy Group  
120 Washington Avenue  
Albany, NY 12210  
Tel: 518-436-1628  
Fax: 518-436-1630  
E-mail: fradigan@aol.com  
(Electronic Service Only)

**FOR: Central Hudson Gas & Electric Corporation**  
Larry G. Arvidson  
Central Hudson Gas & Electric Corporation  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel: 845-486-5520  
Fax: 845-486-5894  
E-mail: larvidson@cenhud.com

**FOR: Suffolk County**  
Joseph Schroeder  
William H. Rodgers Building  
725 Veterans Memorial Highway  
Smithtown, NY 11787  
Tel: 631-853-4905  
Fax: 631-853-5496  
E-mail: joe.schroeder@suffolkcountyny.gov

**FOR: Central Hudson Gas & Electric Corporation**  
Robert J. Glasser, Esq.  
Thompson Hine LLP  
335 Madison Avenue, 12th Floor  
New York, NY 10017-4611  
Tel: 212-908-3909  
Fax: 212-344-6101  
E-mail: Bob.Glasser@ThompsonHine.com

**FOR: The City of New York**  
Michael J. Delaney, Vice President-Energy  
NYC Economic Development Corp.  
110 William Street, Fourth Floor  
New York, NY 10038  
Tel: 212-312-3787  
Fax: 212-312-3915  
E-mail: mdelaney@nycedc.com

**FOR: Central Hudson Gas & Electric Corporation**  
Stanley L. Kardas  
Central Hudson Gas & Electric Corporation  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel: 845-486-5760  
Fax: 845-486-5894  
E-mail: skardas@cenhud.com

**FOR: The City of New York**  
Robert M. Loughney, Esq.  
Couch White L.L.P.  
540 Broadway, P.O. Box 22222  
Albany, NY 12201-2222  
Tel: 518-320-3404  
Fax: 518-320-3495  
E-mail: rloughney@couchwhite.com

**FOR: Consolidated Edison Company of New York Inc.**  
Lisa B. Mann, Esq.  
Consolidated Edison Company of New York Inc.  
4 Irving Place, Room 1810-S  
New York, NY 10003  
Tel: 212-460-2020  
Fax: 212-677-5850  
E-mail: mannt@coned.com

FOR: Consolidated Edison Company of New York Inc.  
 Paul A. Savage, Esq.  
 Consolidated Edison Company of New York Inc.  
 4 Irving Place, Room 1875-S  
 New York, NY 10003  
 Tel: 212-460-2764  
 Fax: 212-529-9265  
 E-mail: savagep@coned.com

FOR: New York Association of Public Power  
 Jeffrey C. Genzer, Esq. and Thomas L. Rudebusch, Esq.  
 Duncan, Weinberg, Genzer & Pembroke, PC  
 1615 M Street, NW, Suite 800  
 Washington, DC 20036  
 Tel: 202-467-6370  
 Fax: 202-467-6379  
 E-mail: jcg@dwgp.com; de@dwgp.com

FOR: Independent Power Producers of New York, Inc.  
 Glenn D. Haake, Esq., General Counsel  
 Independent Power Producers of New York, Inc.  
 19 Dove Street, Suite 302  
 Albany, NY 12110  
 Tel: 518-436-3749  
 Fax: 518-436-0369  
 E-mail: glenn@ippny.org

FOR: New York State Electric & Gas Corporation  
 Eric J. Wilen  
 New York State Electric & Gas Corporation  
 18 Link Drive P.O. Box 5224  
 Binghamton, NY 13904  
 Tel: 607-762-7430  
 Fax: 607-762-8645  
 E-mail: ejwilen@nyseg.com

FOR: Independent Power Producers of New York, Inc.  
 David B. Johnson, Esq.  
 Read & Laniado, LLP  
 25 Eagle Street  
 Albany, NY 12207  
 Tel: 518-465-9313  
 Fax: 518-465-9315  
 E-mail: dbj@readlaniado.com

FOR: NRG  
 Christopher C. O'Hara  
 NRG Energy, Inc.  
 211 Carnegie Center  
 Princeton, NJ 08540  
 Tel: 609-524-4601  
 Fax: 609-524-4589  
 E-mail: chris.ohara@nrgenergy.com

FOR: National Fuel Gas Distribution Corporation  
 Eric H. Meinel  
 National Fuel Gas Distribution Corporation  
 6363 Main Street  
 Williamsville, NY 14221  
 Tel: 716-857-7805  
 Fax: 716-857-7254  
 E-mail: meinle@natfuel.com  
 (Electronic Service Only)

FOR: NYSEG and RG&E  
 Noelle M. Kinsch, Esq.  
 Brian T. FitzGerald, Esq.  
 LeBoeuf, Lamb, Greene & MacRae, LLP  
 99 Washington Ave., Suite 2020  
 Albany, NY 12210-2820  
 Tel: 518-626-9000  
 Fax: 518-626-9010  
 E-mail: nmkinsch@llgm.com and  
 bfitzger@llgm.com

FOR: National Fuel Gas Distribution Corporation  
 Bruce V. Miller, Esq.  
 c/o Saul Ewing, LLP  
 One Riverfront Plaza  
 Newark, NJ 07102-5490  
 Tel: 973-286-6714  
 Fax: 973-286-6814  
 E-mail: bmillier@saul.com

FOR: Rochester Gas & Electric Corporation  
 Gary R. DeWilde  
 Rochester Gas & Electric Corporation  
 89 East Avenue  
 Rochester, NY 14649  
 Tel: 585-724-8836  
 Fax: 585-724-8818  
 E-mail: gary\_dewilde@rge.com

FOR: National Fuel Gas Distribution Corporation  
 Michael W. Reville, Esq.  
 National Fuel Gas Distribution Corporation  
 6363 Main Street  
 Williamsville, NY 14221  
 Tel: 716-857-7313  
 Fax: 716-857-7254  
 E-mail: revilem@natfuel.com

FOR: Texas Eastern Transmission and  
 Algonquin Gas Transmission  
 James P. Melia, Esq.  
 Kirkpatrick & Lockhart Preston Gates Ellis LLP  
 17 North Second Street, 18th Floor  
 Harrisburg, PA 17101-1507  
 Tel: 717-231-4500  
 Fax: 717-231-4501  
 E-mail: jmelia@klgates.com

**FOR: Texas Eastern Transmission and Algonquin Gas Transmission**  
 Richard J. Kruse Esq. and Steven E. Hellman, Esq.  
 Duke Energy Gas Transmission LLC  
 5400 Westheimer Court PO Box 1642  
 Houston, TX 77251-1642  
 E-mail: rkruse@duke-energy.com;  
 sehellman@duke-energy.com  
 (Electronic Service Only)

**FOR: Texas Eastern Transmission and Algonquin Gas Transmission**  
 Doreen F. Wruck, Project Director, Marketing  
 Duke Energy Gas Transmission LLC  
 890 Winter Street, Suite 300  
 Waltham, MA 02451  
 E-mail: dfwruck@duke-energy.com  
 (Electronic Service Only)

**FOR: The Constellation Companies**  
 Dan Allegretti, VP Regulatory & Legislative Affairs  
 Constellation Energy Commodities Group, Inc.  
 111 Market Place  
 Baltimore, MD 21202  
 Tel: 603-224-9653  
 E-mail: daniel.allegretti@constellation.com  
 (Electronic Service Only)

**FOR: The Constellation Companies**  
 Timothy Daniels, Director of Regulatory & Government Affairs  
 Constellation NewEnergy, Inc.  
 810 Seventh Avenue, Suite 400  
 New York, NY 10019  
 Tel: 212-885-6454  
 Fax: 212-883-5888  
 E-mail: timothy.daniels@constellation.com

**FOR: The Constellation Companies**  
 David I. Fein, Esq., Senior Regulatory Counsel  
 Constellation NewEnergy, Inc.  
 550 W. Washington Street, Suite 300  
 Chicago, IL 60661  
 Tel: 312-704-8499  
 Fax: 312-795-9270  
 E-mail: david.fein@constellation.com  
 (Electronic Service Only)

**FOR: The Constellation Companies**  
 Divesh Gupta, Esq., Counsel  
 Constellation Energy Group, Inc.  
 111 Market Place  
 Baltimore, MD 21202  
 Tel 410-468-3468  
 E-mail: divesh.gupta@constellation.com  
 (Electronic Service Only)

**FOR: The Constellation Companies**  
 Glen McCartney, VP Regulatory & Legislative Affairs  
 Constellation Energy Commodities Group, Inc.  
 111 Market Place  
 Baltimore, MD 21202  
 Tel: 410-468-3815  
 E-mail: glen.mccartney@constellation.com  
 (Electronic Service Only)

**FOR: Association for Energy Affordability, Inc.**  
 David Hepinstall, Executive Director  
 Association for Energy Affordability, Inc.  
 505 8th Avenue, Suite 1801  
 New York, NY 10018  
 Tel: 212-279-3903  
 Fax: 212-279-5306  
 E-mail: Hepinstall@aeany.org

**FOR: Association for Energy Affordability, Inc.**  
 Rhona Saffer, Senior Associate  
 Association for Energy Affordability, Inc.  
 505 8th Avenue, Suite 1801  
 New York, NY 10018  
 Tel: 212-279-3908  
 Fax: 212-279-5306  
 E-mail: rsaffer@aeany.org

**FOR: Long Island Progressive Coalition**  
 Lisa Tyson, Director  
 Long Island Progressive Coalition  
 90 Pennsylvania Avenue  
 Massapequa, NY 11758  
 Tel: 516-541-1006 x 11  
 Fax: 516-541-2113  
 E-mail: lisa@lipc.org

**FOR: Natural Resources Defense Council**  
 Luis Martinez, Esq.  
 Ashok Gupta  
 Natural Resources Defense Council  
 40 W. 20th Street  
 New York, NY 10011  
 Tel: 212-727-4550  
 Fax: 212-727-1773  
 E-mail: lmartinez@nrdc.org; agupta@nrdc.org

FOR: New York Oil Heating Association, Inc. and  
Oil Heat Institute of Long Island, Inc.  
Emilio A. F. Petroccione, Esq.  
Colwell, Ferrentino & Petroccione, LLP  
20 Corporate Woods Blvd., 3rd Floor  
Albany, NY 12211  
Tel: 518-462-4242  
Fax: 518-462-4031  
E-mail: [epetroccione@cfplegal.com](mailto:epetroccione@cfplegal.com)

FOR: Pace Energy Project  
Daniel W. Rosenblum, Senior Attorney  
Pace Energy Project  
78 North Broadway, E-House  
White Plains, NY 10603  
Tel: 914-422-4221  
Fax: 914-422-4180  
E-mail: [drosenblum@law.pace.edu](mailto:drosenblum@law.pace.edu)

FOR: Pace Energy Project  
Chris Young, Policy Specialist  
Pace Energy Project  
78 North Broadway, E-House  
White Plains, NY 10603  
Tel: 914-422-4387  
Fax: 914-422-4180  
E-mail: [cyoung@law.pace.edu](mailto:cyoung@law.pace.edu)

FOR: Public Utility Law Project  
Gerald A. Norlander, Esq.  
Public Utility Law Project  
194 Washington Ave., Suite 420  
Albany, NY 12210  
Tel: 518-449-3375 Ext. 113  
Fax: 518-449-1769  
E-mail: [ganorlander@pulp.tc](mailto:ganorlander@pulp.tc)

FOR: Public Utility Law Project  
Ben Wiles, Esq.  
Public Utility Law Project  
194 Washington Ave., Suite 420  
Albany, NY 12210  
Tel: 518-449-3375 Ext. 114  
Fax: 518-449-1769  
E-mail: [bwiles@pulp.tc](mailto:bwiles@pulp.tc)

FOR: Advantage Energy, Inc.  
Garrett E. Bissell, Esq.  
Advantage Energy, Inc.  
5 Computer Drive West, Suite 204  
Albany, NY 12205  
Tel: 518-482-4385  
Fax: 518-482-2518  
E-mail: [gebissell@wpseenergy.com](mailto:gebissell@wpseenergy.com)

FOR: Consumer Power Advocates  
John Dowling  
Luthin Associates, Inc.  
4812 Foxwood Drive S.  
Clifton Park, NY 12065  
Tel: 518-339-4255  
E-mail: [jdowling@nycap.rr.com](mailto:jdowling@nycap.rr.com)  
(Electronic Service Only)

FOR: Consumer Power Advocates  
Catherine Luthin  
Luthin Associates, Inc.  
15 Walling Place  
Avon By The Sea, NJ 07717  
Tel: 732-774-0005  
Fax: 732-774-0049  
E-mail: [cluthin@luthin.com](mailto:cluthin@luthin.com)

FOR: Direct Energy Services, LLC  
Chris Kallaher, Director, Government & Regulatory Affairs  
Direct Energy Services, LLC  
236 Huntington Ave., Suite 306  
Boston, MA 02115  
Tel: 617-867-4677  
E-mail: [chris.kallaher@directenergy.com](mailto:chris.kallaher@directenergy.com)

FOR: Direct Energy Services, LLC  
Seth R. Lamont, Manager, Government and Regulatory Affairs  
Direct Energy Services, LLC  
197 Lancaster Street  
Albany, NY 12210  
Tel: 518-618-0834  
Fax: 518-618-0515  
E-mail: [seth.lamont@directenergy.com](mailto:seth.lamont@directenergy.com)

FOR: Eastern Niagara Power Project Association and the  
City of Lockport  
Sarah L. Miller  
Regulatory Watch Inc.  
P.O. Box 815  
Albany, NY 12201  
Tel: 518-426-5126  
Fax: 518-427-8227  
E-mail: [smiller@regulatorywatch.com](mailto:smiller@regulatorywatch.com), and  
[RW1815@aol.com](mailto:RW1815@aol.com)

FOR: Energy Enterprises, Inc.  
William R. Green, President and CEO  
Energy Enterprises, Inc.  
3401 Rochester Road, PO Box 687  
Lakeville, NY 14480  
Tel: 585-346-2200  
Fax: 585-346-5214  
E-mail: [bill@energyenterprises.us](mailto:bill@energyenterprises.us)

FOR: Harvic International Ltd.  
Edward S. Sawchuk, P.C.  
381 Park Avenue South - Suite 720  
New York, NY 10016  
Tel: 917-783-1609  
Fax: 212-889-6313  
E-mail: [esslaw@nyc.rr.com](mailto:esslaw@nyc.rr.com)

FOR: IBEW Local 1381  
Donald J. Daley, Jr., Business Manager/Financial Secretary  
IBEW Local 1381  
2 Somerset Avenue  
Hicksville, NY 11801-5127  
Tel: 516-681-3865  
Fax: 516-681-3877  
E-mail: [ddaley1381@hotmail.com](mailto:ddaley1381@hotmail.com)

FOR: Hess Corporation  
Katherine M. Guerry, Regulatory Affairs Specialist  
Hess Corporation  
One Hess Plaza  
Woodbridge, NJ 07095  
Tel: 732-750-6414  
Fax: 732-750-6899  
E-mail: [kguerry@hess.com](mailto:kguerry@hess.com)

FOR: IBEW Local 97  
Richard J. Koda  
Koda Consulting, Inc.  
409 Main Street  
Ridgefield, CT 06877-4511  
Tel: 203-438-9045  
Fax: 203-438-7854  
E-mail: [rjkoda@earthlink.net](mailto:rjkoda@earthlink.net)

FOR: Hess Corporation  
Jay L. Kooper, Director of Regulatory Affairs  
Hess Corporation  
One Hess Plaza  
Woodbridge, NJ 07095  
Tel: 732-750-7048  
Fax: 732-750-6899  
E-mail: [jkooper@hess.com](mailto:jkooper@hess.com)

FOR: IDT Energy, Inc.  
Andrew D. Fisher, Esq  
IDT Energy, Inc.  
520 Broad St., 4th Floor  
Newark, NJ 07102  
Tel: 973-438-3683  
Fax: 973-438-1455  
E-mail: [andrew.fisher@corp.idt.net](mailto:andrew.fisher@corp.idt.net)  
(Electronic Service Only)

FOR: Hess Corporation  
Alyssa Weinberger, Manager Natural C&I Operations  
Hess Corporation  
One Hess Plaza  
Woodbridge, NJ 07095  
Tel: 732-750-6024  
Fax: 732-750-6670  
E-mail: [aweinberger@hess.com](mailto:aweinberger@hess.com)  
(Electronic Service Only)

FOR: IDT Energy, Inc.  
Wayne Stoughton, Vice President Residential Sales & Service  
IDT Energy, Inc.  
20 West Third Street, Suite 10 PO Box 400  
Jamestown, NY 14702-0400  
Tel: 973-438-7271  
Fax: 716-664-2476  
E-mail: [wstoughton@idtenergy.com](mailto:wstoughton@idtenergy.com)

FOR: IBEW Local 1049  
Ellen Redmond, Director  
IBEW Local 1049  
745 Old Willets Path  
Hauppauge, NY 11788-4197  
Tel: 631-234-1800  
Fax: 631-234-1034  
E-mail: [eredmond@ibew1049.com](mailto:eredmond@ibew1049.com)

FOR: IDT Energy, Inc.  
Darryl Streed, Vice President of Gas Operations  
IDT Energy, Inc.  
20 West Third Street, Suite 10 PO Box 400  
Jamestown, NY 14702-0400  
Tel: 973-438-7259  
Fax: 716-664-2476  
E-mail: [dstreed@idtenergy.com](mailto:dstreed@idtenergy.com)  
(Electronic Service Only)

FOR: IBEW Local 1049 and Local 1381  
Brian Lederer, Esq.  
3003 VanNess Street, NW Suite #W228  
Washington, DC 20008  
Tel: 202-244-1715  
Fax: 202-244-7833  
E-mail: [brian.lederer@att.net](mailto:brian.lederer@att.net)

FOR: Intelligent Energy  
Lukasz J. Cyran, Regulatory Affairs Administrator  
Intelligent Energy  
2050 Center Ave., Suite 500  
Fort Lee, NJ 07024-4996  
Tel: 201-592-3217  
Fax: 352-313-3318  
E-mail: [ljcyran@intelligentenergy.org](mailto:ljcyran@intelligentenergy.org)

**FOR: Intelligent Energy**  
**Michael D'Angelo, Regulatory Affairs Director**  
 Intelligent Energy  
 2050 Center Ave., Suite 500  
 Fort Lee, NJ 07024-4996  
 Tel: 201-592-3213  
 Fax: 352-240-4131  
 E-mail: mdangelo@intelligentenergy.org

**FOR: Local 101, TWU**  
**Karen S. Burstein, Esq.**  
 258 Broadway, Suite 2C  
 New York, NY 10007  
 Tel: 212-693-2630  
 Fax: 212-566-2360  
 E-mail: ksbesq@worldnet.att.net

**FOR: Local 101, TWU**  
**Marsha Spinowitz, President**  
 Local 101, TWU  
 5724 2nd Avenue  
 Brooklyn, NY 11220  
 Tel: 718-745-7597  
 Fax: 718-238-4489  
 E-mail: TwuLocal101@aol.com

**FOR: Mid-Atlantic Solar Energy Industries Association and PV NOW**  
**R. William Potter, Esq.**  
 Potter and Dickson  
 194 Nassau Street, Suite 32  
 Princeton, NJ 08542-7003  
 Tel: 609-921-9555  
 Fax: 609-921-2181  
 E-mail: potterrex@cs.com and rvppddlaw@cs.com

**FOR: Multiple Intervenors**  
**Michael B. Mager, Esq.**  
 Couch White L.L.P.  
 540 Broadway, P.O. Box 22222  
 Albany, NY 12201-2222  
 Tel: 518-320-3409  
 Fax: 518-320-3496  
 E-mail: mmager@couchwhite.com

**FOR: MXenergy, Inc.**  
**Robert Blake, VP Electricity Operations & Regulatory Affairs**  
 MXenergy, Inc  
 10010 Junction Drive, Suite 104-S  
 Annapolis Junction, MD 20701  
 Tel: 240-456-0505, ext. 5513  
 Fax: 240-456-0510  
 E-mail: rblake@mxenergy.com

**FOR: MXenergy, Inc.**  
**Thomas W. Hartmann, Esq.**  
 MXenergy, Inc.  
 595 Summer Street, Suite 300  
 Stamford, CT 06901-1407  
 Tel: 203-356-1318 Ext. 7735  
 Fax: 203-316-0417  
 E-mail: thartmann@mxenergy.com

**FOR: National Energy Marketers Association**  
**Craig G. Goodman**  
**Stacey Rantala**  
 National Energy Marketers Association  
 3333 K Street, NW, Suite 110  
 Washington, DC 20007  
 Tel: 202-333-3288  
 Fax: 202-333-3266  
 E-mail: cgoodman@energymarketers.com;  
 srantala@energymarketers.com

**FOR: New York Energy Marketers Coalition**  
**Michael F. Meath**  
 Strategic Communications LLC  
 3532 James Street, Suite 106  
 Syracuse, NY 13206  
 Tel: 315-463-2325  
 Fax: 315-463-2325  
 E-mail: mmeath@stratcomllc.com

**FOR: New York State Energy Marketers Coalition**  
**Maureen O. Helmer, Esq.**  
 Green & Seltzer, Attorneys, PLLC  
 194 Washington Avenue, Suite 315  
 Albany, NY 12210  
 Tel: 518-689-3570  
 Fax: 518-689-3571  
 E-mail: mhelmer@gslaw.com

**FOR: Pro se**  
**Joseph F. Cleary, Esq**  
 6311 Sturbridge Court  
 Sarasota, FL 34238  
 Tel: 941-925-2530  
 E-mail: jcleary7@verizon.net

**FOR: Robert Nicholson and Similarly Situated Customers**  
**Robert V. Nicholson**  
 2449H Union Boulevard  
 Islip, NY 11751-3148

**FOR: Saint Regis Mohawk Tribe**  
Daniel P. Duthie, Esq.  
PO Box 8  
Bellvale, NY 10912  
Tel: 845-987-6453  
Fax: 845-294-0643  
E-mail: duthie@attglobal.net

**FOR: Utility Workers Union of America**  
Scott H. Strauss, Esq.  
Spiegel & McDiarmid  
1333 New Hampshire Avenue, NW  
Washington, DC 20036  
Tel: 202-879-4000  
Fax: 202-393-2866  
E-mail: scott.strauss@spiegelmc.com

**FOR: Saint Regis Mohawk Tribe**  
Dale T. White, Esq.  
Saint Regis Mohawk Tribe  
412 State Route 37  
Akwesasne, NY 13655  
Tel: 518-358-2272  
Fax: 518-358-4801  
E-mail: dale.white@srmt-nsn.gov

**FOR: Utility Workers Union of America, Local 369**  
Gary Sullivan, President  
Brotherhood of Utility Workers  
120 Bay State Drive  
Braintree, MA 02184  
Tel: 781-848-3740  
Fax: 781-848-4108  
E-mail: gsullivan@uwua369.org  
(Electronic Service Only)

**FOR: Small Customer Marketer Coalition and  
Retail Energy Supply Association**  
Usher Fogel, Esq.  
557 Central Avenue, Suite 4A  
Cedarhurst, NY 11516  
Tel: 516-374-8400 Ext. 108  
Fax: 516-374-2600  
E-mail: ufogel@aol.com

**FOR: U.S. Energy Savings Corp.**  
Francis E. Pullaro, Esq.  
Energy Savings Group.  
6345 Dixie Road, Suite 200  
Mississauga, ON L5T 2E6 Canada,  
Tel: 646-734-8768  
E-mail: fpullaro@energysavings.com

**FOR: Utility Workers Union of America**  
Rebecca Baldwin, Esq.  
Spiegel & McDiarmid  
1333 New Hampshire Avenue, NW  
Washington, DC 20036  
Tel: 202-879-4000  
Fax: 202-393-2866  
E-mail: rebecca.baldwin@spiegelmc.com  
(Electronic Service Only)

**FOR: Utility Workers Union of America**  
D. Michael Langford, National President  
Utility Workers Union of America  
815 16th Street, NW  
Washington, DC 20006  
Tel: 248-354-5608  
Fax: 248-354-5384  
E-mail: mlangford@uwua.net

**NEW YORK STATE  
PUBLIC SERVICE COMMISSION**

**CASE 06-G-1185 - Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Of The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York For Gas Service**

**CASE 06-G-1186 - Proceeding On Motion Of The Commission As To The Rates, Charges, Rules And Regulations Of KeySpan Gas East Corp. d/b/a KeySpan Energy Delivery Long Island For Gas Service**

**JOINT PROPOSAL  
FOR  
INTERIM ENERGY EFFICIENCY PROGRAMS**

**By:**

**The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York  
KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island  
National Grid plc  
Staff of the New York State Department of Public Service  
New York State Consumer Protection Board  
City of New York  
County of Nassau  
County of Suffolk  
Natural Resources Defense Council  
Pace Energy Project  
Public Utility Law Project  
Association for Energy Affordability  
International Brotherhood of Electrical Workers, Locals 1049 & 1381**

**Dated: May 31, 2007**

**JOINT PROPOSAL  
FOR  
INTERIM ENERGY EFFICIENCY PROGRAMS**

This Joint Proposal ("Joint Proposal") is made as of the 31st day of May, 2007 by and among The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York (KEDNY) and KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island (KEDLI), National Grid plc, the Staff of the New York State Department of Public Service (Staff), the New York State Consumer Protection Board, the City of New York, the County of Nassau, the County of Suffolk, the Natural Resources Defense Council, Pace Energy Project, the Public Utility Law Project, the Association for Energy Affordability and the International Brotherhood of Electrical Workers, Locals 1049 & 1381 (collectively referred to herein as "the Signatory Parties").

**I. Overview**

This Joint Proposal arises within the rate proceedings of KEDNY and KEDLI in Cases 06-G-1185 and 06-G-1186. A Notice of Impending Negotiations was sent to all persons reasonably known to have an interest in the outcome of negotiations and was duly filed with the Secretary by letter dated November 28, 2006. After notice to the parties, settlement conferences were held among the parties that desired to participate. Settlement is now feasible because, after thorough investigation and discussion, the Signatory Parties hereto more fully understand their respective positions and recognize that reasonable settlement of the discrete issues addressed herein is possible. The Signatory Parties hereto also believe that this Joint Proposal will further the objective of giving fair consideration to the interests of customers and utility investors alike in assuring the provision of safe and adequate service at just and reasonable rates. This Joint Proposal provides the framework under which KEDNY and KEDLI will implement gas energy efficiency programs in their service territories on an interim basis commencing August 1, 2007, or as soon thereafter as the Commission adopts the terms of this Joint Proposal.

## **II. Interim Programs**

The Signatory Parties agree that the public interest would be served by KEDNY and KEDLI undertaking “Interim Energy Efficiency Programs” subject to the recovery of operating costs and lost revenues, as defined below. Therefore, the Signatory Parties agree that commencing August 1, 2007, or as soon thereafter as the Commission adopts the terms of this Joint Proposal, KEDNY shall undertake in its service territory Interim Energy Efficiency Programs budgeted at \$10 million, with the expectation that the programs so undertaken would be under way in advance of the 2007-08 winter season and would ramp up to the \$10 million budget amount as soon as administratively possible. The Signatory Parties also agree that commencing August 1, 2007, or as soon thereafter as the Commission adopts the terms of this Joint Proposal, KEDLI shall undertake in its service territory Interim Energy Efficiency Programs budgeted at \$5 million, with the expectation that the programs so undertaken would be under way in advance of the 2007-08 winter season and would ramp up to the \$5 million budget amount as soon as administratively possible. Nothing in this Joint Proposal would require KEDNY or KEDLI to spend more than the above-stated budget amounts respectively of \$10 million and \$5 million while the Interim Energy Efficiency Programs are in effect.

KEDNY and KEDLI will provide the active parties to Cases 06-G-1185 and 06-G-1186 with bimonthly reports including monthly and program-to-date figures for each of the fifteen programs showing customer/project/installation numbers, amounts expended, projected gas savings, projected lost revenue, and any other energy efficiency implementation and/or operating costs for which they intend to seek recovery.

## **III. Program Design**

To ensure efficient implementation on an interim basis, the program design of the Interim Energy Efficiency Programs will be based on cost-effective energy efficiency programs that satisfy the Total Resource Cost Test and that have been implemented in KeySpan Corporation's New England service territories, as shown in “Appendix A” attached hereto. KEDNY and KEDLI will coordinate with the other providers of energy efficiency programs in their service territories, to wit: New York State Energy Research Development Authority, Consolidated Edison Company of New York, Inc., the Long Island Power

## *Interim Energy Efficiency Joint Proposal*

Authority, the New York State Department of Housing and Community Renewal (Weatherization Program), and local weatherization subgrantee agencies to avoid duplication, to enhance efficiency in the provision of programs, to take advantage of existing opportunities which could be implemented by or through such other programs, and to customize program design and implementation to their service territories to the extent practicable given the objective of having the Interim Energy Efficiency Programs measures under way in advance of the 2007-08 winter season. In addition, KEDNY and KEDLI will coordinate with the City of New York and Counties of Nassau and Suffolk, which entities possess unique information regarding customer planning and economic development, to customize program design and implementation to their service territories to the maximum extent practicable given the objective of having the Interim Energy Efficiency Programs measures under way in advance of the 2007-08 winter season, and in order to maximize the effectiveness of the energy efficiency programs.

For the purposes of the Interim Energy Efficiency Programs, customers (or potential customers) converting or replacing equipment using oil as fuel to that using gas as a fuel will not be eligible for incentives or other benefits under the interim programs. This exclusion shall apply regardless of whether the customer (or potential customer) has already decided to convert or replace equipment using oil as fuel to that using gas as a fuel and is merely seeking an incentive to obtain more efficient gas equipment than the customer (or potential customer) would otherwise choose. This exclusion will apply only to the Interim Energy Efficiency Programs and will not bind the design of future programs.

### **IV. Recovery of Operating Costs**

KEDNY will be allowed to defer up to a maximum of \$10 million in actual operating costs to implement its Interim Energy Efficiency Program, net of the associated deferred New York State and federal income taxes, plus carrying charges at the same rate as the allowance for funds used during construction (AFUDC), for later recovery from customers. KEDLI will be allowed to defer up to a maximum of \$5 million in actual operating costs to implement its Interim Energy Efficiency Program, net of the associated deferred New York State and federal income taxes, plus carrying charges at the same rate as the allowance for funds used during construction (AFUDC), for later recovery from customers. The Signatory Parties intend that

## *Interim Energy Efficiency Joint Proposal*

recovery of the Interim Energy Efficiency Program operating costs will occur as part of and in the same manner as recovery of operating costs for future non-interim energy efficiency programs, once said non-interim programs are approved by the Commission, provided that nothing therein will prevent full recovery from customers of the Interim Energy Efficiency Program operating costs. KEDNY and KEDLI will maintain books and records sufficient to document every calculation necessary to determine actual operating costs to implement the Interim Energy Efficiency Programs. Such books and records shall be made available to the Signatory Parties whenever requested.

### **V. Interim Lost Revenue**

For purposes of this Joint Proposal and the Interim Energy Efficiency Programs, "Interim Lost Revenue" will be defined as calculated below. KEDNY will be allowed to defer its Interim Lost Revenue associated with actual implementation of the Interim Energy Efficiency Programs, net of the associated deferred New York State and federal income taxes, plus carrying charges at the same rate as the allowance for funds used during construction (AFUDC), for later recovery from customers. KEDLI will be allowed to defer its Interim Lost Revenue associated with actual implementation of the Interim Energy Efficiency Programs, net of the associated deferred New York State and federal income taxes, plus carrying charges at the same rate as the allowance for funds used during construction (AFUDC), for later recovery from customers. The Signatory Parties intend that recovery of Interim Lost Revenue will occur as part of and in the same manner as recovery of operating costs for future non-interim energy efficiency programs, once said non-interim programs are approved by the Commission, provided that nothing therein will prevent full recovery from customers of the Interim Lost Revenue.

Interim Lost Revenue will be calculated monthly for all energy efficiency measures installed under the Interim Energy Efficiency Programs. A measure shall be deemed "installed" for the purposes of calculating Interim Lost Revenue for the month if the measure was actually installed prior to the first day of the month. For each installed energy efficiency measure, the Interim Lost Revenue will be the product of the stipulated energy savings for each installed measure set forth in Table 1 of "Appendix B" attached hereto and the stipulated rate set forth in Table 2 of "Appendix B" attached hereto. KEDNY and KEDLI

## *Interim Energy Efficiency Joint Proposal*

will maintain books and records sufficient to document each installed measure and to audit every calculation necessary to determine Interim Lost Revenues. Such books and records shall be made available to the Signatory Parties whenever requested.

### **VI. Interim Provisions to be Superseded**

It is the intent of the Signatory Parties that the interim budget levels contained in this Joint Proposal will be superseded by future non-interim budget levels that will be included in the multi-year rate plans that the Signatory Parties anticipate filing with the Commission in these proceedings in the near future, once non-interim budget levels are approved by the Commission and made to take effect. At such time of taking effect, it is the intent of the Signatory Parties that any operating costs incurred during the interim period shall be considered to have been spent as part of the budgets for the first year of the future budgets.

It is the intent of the Signatory Parties that the interim program design elements contained in this Joint Proposal will be superseded by new non-interim program design elements resulting from a “collaborative” to be undertaken by the parties to Cases 06-G-1185 and 06-G-1186 regarding energy efficiency program design once such new non-interim programs are approved by the Commission. The Signatory Parties agree to commence, and work in good faith to complete, the work of the collaborative as soon as they can and to adopt a schedule for the collaborative that will ensure that the collaborative can be completed by November 16, 2007 so that the results of the collaborative can be presented to the Commission in a time frame that will inform the Commission’s determinations with respect to the energy efficiency provisions of the pending multi-year rate plans for KEDNY and KEDLI. For example, it is anticipated by the Signatory Parties that program development by the collaborative may provide for a basis for changing the targeted budgets included in the multi-year rate plans for KEDNY and KEDLI.

It is the intent of the Signatory Parties that cost recovery mechanisms designed to permit KEDNY and KEDLI to recover (i) the operating costs deferred in accordance with Section IV of this Joint Proposal and the Interim Lost Revenues deferred in accordance with Section V of this Joint Proposal, and (ii) prospective operating costs and lost revenues associated with the non-interim energy efficiency programs described in the previous paragraph will be implemented at such time as the Commission acts upon the multi-year plans that the

## *Interim Energy Efficiency Joint Proposal*

Signatory Parties anticipate filing with the Commission in these proceedings in the near future. Until such time as the Commission approves such mechanisms, KEDNY and KEDLI may continue to defer operating costs and Interim Lost Revenues.

It is the intent of the Signatory Parties that the methodology for determining Interim Lost Revenues as described in the second paragraph of Section V of this Joint Proposal will be superseded by a new methodology that will take effect on such date as the multi-year plans for KEDNY and KEDLI take effect. The new methodology will be used to determine any “Prospective Lost Revenues” to be recovered. It is the intent of the Signatory Parties that the details of this new methodology for calculating Prospective Lost Revenues be determined in the “collaborative” to be undertaken in Cases 06-G-1185 and 06-G-1186 regarding rate design/revenue allocation/revenue decoupling and approved by the Commission. Even if the results of that collaborative are not completed and approved by the Commission as of the date that the anticipated multi-year rate plans take effect, it is the intent of the Signatory Parties that, once it is approved by the Commission, the new methodology will apply from the date that the multi-year rate plans take effect. Notwithstanding the foregoing, if the Commission determines that the new methodology for determining Prospective Lost Revenues should not take effect as of the date that the multi-year rate plans take effect, then such methodology will take effect as of the date established by the Commission, and KEDNY and KEDLI will continue to retain the right to calculate and defer Interim Lost Revenues in the manner set forth in this Joint Proposal until the new methodology approved by the Commission takes effect.

## **VII. General Provisions**

The Signatory Parties believe that the record in this proceeding fully justifies the approval of this Joint Proposal. It is the intent of the Signatory Parties that the provisions of this Joint Proposal be approved by the Commission as being in the public interest. The Signatory Parties agree to submit this Joint Proposal to the Commission along with a request that the Commission adopt the terms and provisions of this Joint Proposal as set forth herein.

It is understood that each provision of this Joint Proposal is in consideration and support of all of the other provisions of this Joint Proposal and is expressly conditioned upon approval of the terms of this Joint Proposal in full by the Commission. If the Commission fails to adopt the

## *Interim Energy Efficiency Joint Proposal*

terms of this Joint Proposal, the parties to the Joint Proposal shall be free to pursue their respective positions in these proceedings without prejudice.

The terms and provisions of this Joint Proposal apply solely to, and are binding only in, the context of the purposes of this Joint Proposal. None of the terms or provisions of this Joint Proposal and none of the positions taken herein by any party may be cited or relied upon in any fashion as precedent in any other proceeding before this Commission or any other regulatory agency or before any court of law for any purpose, except in furtherance of ensuring the effectuation of the purposes and results of this Joint Proposal.

The Signatory Parties recognize that certain provisions of this Joint Proposal contemplate actions to be taken in the future to effectuate fully this Joint Proposal. Accordingly, the Signatory Parties agree to cooperate with each other in good faith in taking such actions.

In the event of any disagreement over the interpretation of this Joint Proposal or implementation of any of the provisions of this Joint Proposal, which cannot be resolved informally among the Signatory Parties, such disagreement shall be resolved in the following manner: (a) the Signatory Parties shall promptly convene a conference and in good faith attempt to resolve any such disagreement; and (b) if any such disagreement cannot be resolved by the Signatory Parties, any Signatory Party may petition the Commission for resolution of the disputed matter.

This Joint Proposal contains the entire agreement of the Signatory Parties regarding the matters contained herein and supersedes and replaces any and all prior or contemporaneous written and verbal agreements or understandings.

Nothing in this Joint Proposal shall prohibit the Commission (upon its own motion or upon motion of a Signatory Party) from exercising its ongoing statutory authority to act on the level of KEDNY's gas rates in the event of unforeseen circumstances that, in the Commission's judgment, have such a substantial impact on the rate of return as to render the return on the common equity devoted to KEDNY's gas operations unreasonable, unnecessary, or inadequate for the provision of safe and adequate service. Nothing in this Joint Proposal shall prohibit the Commission (upon its own motion or upon motion of a Signatory Party) from exercising its ongoing statutory authority to act on the level of KEDLI's gas rates in the event of unforeseen circumstances that, in the Commission's judgment, have such a substantial impact on the rate of return as to render the return on the common equity devoted to KEDLI's gas operations

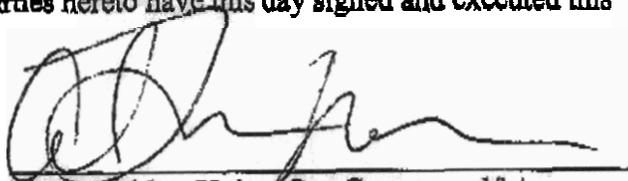
*Interim Energy Efficiency Joint Proposal*

unreasonable, unnecessary, or inadequate for the provision of safe and adequate service.

This Joint Proposal is being executed in counterpart originals, and will be binding on each Signatory Party when the counterparts have been executed.

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.



The Brooklyn Union Gas Company d/b/a  
KeySpan Energy Delivery New York and  
KeySpan Gas East Corporation d/b/a KeySpan  
Energy Delivery Long Island

Date: May 30, 2007

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

*Thomas G. Robinson*

*Robert H. Hoaglund II (csc)*

\_\_\_\_\_  
Thomas G. Robinson  
Robert H. Hoaglund II  
Attorneys for  
National Grid plc

Date: May 31, 2007

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

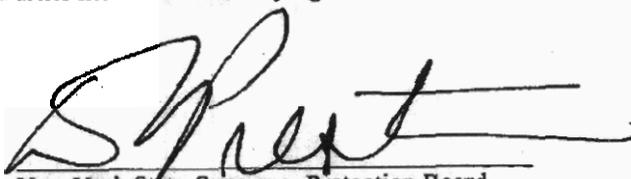


\_\_\_\_\_  
Staff of the New York State Department of  
Public Service

Date: May 31, 2007

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

  
\_\_\_\_\_  
New York State Consumer Protection Board  
Date: 5/30/07

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

On Behalf of  
Robert M. Soughney, Counsel  
City of New York  
Couch White, LLP  
Date: May 30, 2007

*Interim Energy Efficiency Joint Proposal*

**IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.**

*Eric A. Markowitz, Chief Deputy County Attorney*  
County of Nassau  
Date: *May 30, 2007*

*Interim Energy Efficiency Joint Proposal*

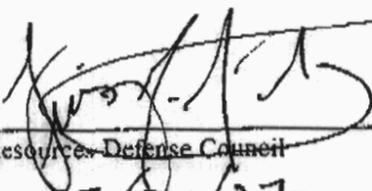
IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

Christine Malafi  
County Attorney  
by Dennis M. Brown  
  
\_\_\_\_\_  
County of Suffolk

Date: May 31, 2007

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

  
\_\_\_\_\_  
Natural Resources Defense Council  
Date: 5/30/07

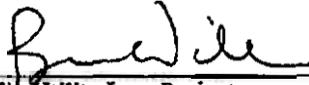
*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

  
\_\_\_\_\_  
Pace Energy Project  
Date: 5/31/07

*Interim Energy Efficiency Joint Proposal*

**IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.**

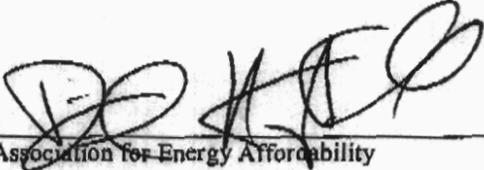


Public Utility Law Project

Date: June 1, 2007

*Interim Energy Efficiency Joint Proposal*

**IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.**



Association for Energy Affordability

Date: 5/30/07

*Interim Energy Efficiency Joint Proposal*

IN WITNESS WHEREOF, the Signatory Parties hereto have this day signed and executed this Joint Proposal.

Brian Lederer  
International Brotherhood of Electrical Workers  
Locals 1049 & 1381

Date: 5/31/07

## **APPENDIX A**

### ***Part One - Energy Efficiency Program Descriptions***

#### **Low Income Sector Program**

##### **Low Income**

The Residential Low-Income program allows eligible customers to receive up to \$4,500 in qualifying measures. The measures eligible to be provided through the program include an energy audit, attic insulation, wall insulation, air sealing, heating system repair/replacement (on a qualifying basis), and safety inspections. Small energy-related repairs for eligible heating units can also be performed, excluding asbestos removal and electrical work. Homes with heating units that do not qualify for a program heating system measure, may be eligible for air sealing and general heat waste measures. Single family homes are eligible for up to three hours of professional air sealing and general heat waste measures. To maximize the services provided, whenever possible program funds are leveraged with DOE weatherization funds.

#### **Residential Sector Programs**

##### **Weatherization**

The Residential Weatherization program provides a rebate of 20% of the cost of installing weatherization measures in a residential heating customer's home built prior to inception of the most recent building energy code. The maximum rebate available to a customer under this program is \$750. Measures eligible for a rebate under the program include: attic insulation, wall insulation, basement/crawl space insulation, rim joist insulation, duct insulation, heating system pipe insulation, attic ventilation (only in conjunction with attic insulation), ductwork leakage testing, ductwork leakage sealing, air infiltration testing, and air infiltration sealing. To be eligible for a rebate, a KeySpan pre-qualified contractor must be chosen to install program measures. Do-it-yourself work will not be allowed through the program.

##### **High Efficiency Heating**

Heating equipment is typically the largest energy user in the home. If a natural gas furnace or boiler is more than 20 years old, it is probably running very inefficiently compared to today's models. One way to help offset the rising cost of energy and significantly reduce heating costs is to replace an old furnace or boiler with new high-efficiency heating equipment. A cash REBATE of up to \$800 is available to KeySpan's residential heating customers, builders or homeowners who install high-efficiency natural gas heating equipment. To qualify, all equipment, where applicable, must meet the Energy Star guidelines for heating equipment.

##### **High Efficiency Water Heating**

Indirect water heaters use the home's boiler or furnace as the heat source. In boiler systems, hot water from the boiler is circulated through a heat exchanger in a separate insulated tank. In the less common furnace-based systems, water in a heat exchanger coil circulates through the furnace to be heated, then through the water storage tank. Since hot water is stored in an insulated storage tank, the boiler or furnace does not have to turn on and off as frequently, improving its fuel economy. Indirect water heaters, when used in combination with new, high-

efficiency boilers or furnaces, are an efficient way to provide hot water. KeySpan customers installing an indirect water heater are eligible for a \$300 rebate. On-demand tankless hot water systems are changing the way modern homes meet their hot water needs. Tankless systems use a high capacity gas burner and automatic controls to heat water on demand. Unlike standard water heaters that have a reservoir of water which is constantly reheated, tankless systems start the heating process only when the unit senses a demand for hot water. The Company will provide an incentive of \$300 for tankless water heaters with an Energy Factor of 0.82 or greater and an electronic ignition.

### **Energy Audit/Home Performance**

There are two levels (tiers) of service provided by this program. Tier One screening offers referrals to educational web sites and information about DSM programs and captures requests for literature such as the DOE “Energy Savers” booklet. Technical assistance regarding installation of energy savings measures is also available by phone. The Company has adopted a customized version of the online audit tool to guide the customer through Tier One. The tool provides the customer service representative (CSR) with discussion points along the way that allows her/him to engage the customer in a dialog that may lead to a better understanding of that particular customer’s needs. For example, a customer may call to request an in home assessment when all he/she really needs is the list of contractors who participate in the Company’s Weatherization program because he/she knows the home needs air sealing and insulation and plans to install them. Ultimately, the combination of information collected by Tier One staff and customer requests may result in a referral to Tier Two services. Tier Two services consist of a Home Energy Assessment (HEA) and installation of high quality, low cost energy efficiency Instant Savings Measures (ISMs) that have an average total value of \$20 to \$30. Recommendations will be made to customers on which major measure installations should be undertaken in order to achieve cost effective energy savings. Referral to the Company’s other energy efficiency programs will be provided at the time of audit. Customer follow-up will also occur post-audit in order to help drive implementation percentages higher.

### **ENERGY STAR® Products**

The ENERGY STAR Products program provides home heating customers with a rebate for the purchase and installation of ENERGY STAR labeled programmable thermostats. Through this program, customers are eligible for a \$25 mail-in rebate for installation of up to two ENERGY STAR qualified programmable clock thermostats. Eligible thermostats may be installed by homeowners, heating contractors, or energy auditors. In addition to mail-in rebates, instant rebates in the form of point-of-sale discounts are available through heating contractors and energy auditors. The program will also provide customers who install boiler reset controls to their home heating system with a \$100 rebate. In addition, the Company will provide customers who install ENERGY STAR Replacement Windows with a \$10 mail-in rebate per window.. Eligible participants must be residential heating customers who have installed ENERGY STAR labeled windows with an U-factor of .35 or less.<sup>1</sup> When applying for the window rebate, customers are required to submit the rebate application with proof-of-purchase and a copy of the National Fenestration Rating Council (“NFRC”) label(s) from the window(s) which were

---

<sup>1</sup> U-Factor = Measurement of thermal conductivity. A lower U-factor indicates a higher level of window insulation.

## *APPENDIX A*

purchased and installed. In order to ensure that prospective windows are installed as reported, the Company conducts inspections of the first two installations per new participating installation contractor, as well as random inspections of self-installations at 20% of the program's participation rate.

### **ENERGY STAR® Homes**

The ENERGY STAR Homes Program offers incentives to home buyers and home builders to promote the construction of homes which meet national ENERGY STAR Home's energy efficiency standards. ENERGY STAR Homes are nationally recognized for lower operating costs and energy consumption, increased durability, comfort, safety and greater resale value. ENERGY STAR Homes feature some of the industry's best building practices and technologies, including increased insulation levels, high-efficiency heating and air conditioning equipment, superior duct systems, and high performance windows. All segments of the housing market are eligible to participate in this program, including new as well as existing residential single family and multifamily dwellings, townhouses and condominium developments. Participants in the program receive design and technical support services, testing and inspection of energy efficiency measures, and an ENERGY STAR Homes certification following the passing of the ENERGY STAR Homes rating test.

### **Energy Analysis: Internet Audit**

Residential customers will be directed to [www.freeenergyanalysis.com/keyspan](http://www.freeenergyanalysis.com/keyspan) to log on and receive a quick assessment of their home's energy use, how it compares to homes similar to theirs, and tips on how to save energy. Users can choose to continue on to complete a more comprehensive analysis and get more detailed recommendations. The tool will help customers identify more ways to save by answering questions about their heating and cooling equipment, weatherization, hot water, kitchen appliances, lighting, and more. Customers will receive energy saving tips, simple pay backs using the offset in their energy bills, and direction to take advantage of KeySpan's energy saving rebates. The program will also be offered in Spanish as well at [www.freeenergyanalysis.com/keyspanspanish](http://www.freeenergyanalysis.com/keyspanspanish)

### **Building Practices and Demonstrations**

The Building Practices and Demonstration Program for residential markets will explore and demonstrate new and/or underutilized energy efficient procedures and equipment, including renewable energy system processes. In the first year, the Building Practices and Demonstration Program will work to identify which technologies or building techniques would be well suited for use and installation. Eligible participants in this program will include home owners, landlords, as well as home builders. Each participant may be asked to allow monitoring of the installation and/or results, provide tours of the installation by potential users or other interested stakeholders, and publication of the results in case study format.

## **Commercial and Multifamily Sector Programs**

### **1. Commercial Energy Efficiency**

The Commercial Energy Efficiency Program provides support services and financial incentives that encourage the Company's commercial and industrial customers to install energy efficient

## *APPENDIX A*

related natural gas equipment. Virtually any energy efficient technology or system design that exceeds the minimum requirements of the local energy code and which is not covered by another Company program offering, may be eligible for a rebate under this program. The program is open to all firm gas customers on a commercial tariff. Rebate incentives provided through the program must be pre-approved by the Company and/or the administrative vendor prior to delivery or installation of product (s) or service(s).

This program provides no cost energy audits, engineering grant assistance and financial incentives to help fund qualifying energy saving measures. Under this program customers may be eligible to receive up to 50% of the installation costs up to \$100,000 per project.

### **Economic Redevelopment**

This program targets commercial properties located in designated economic development areas. Working through Chambers of Commerce and other economic development organizations, KeySpan will fund qualifying energy savings measures that increase the energy efficiency of the building. These projects receive energy efficiency advising through an energy audit or engineering grant process. Projects also receive financial assistance to install qualifying energy saving measures, up to 50% of the installation cost up to a maximum of \$100,000. Participation is limited.

### **Commercial High-Efficiency Heating**

The Commercial High-Efficiency Heating program offers rebates to commercial, industrial, governmental, institutional, non-profit and multifamily facilities that install high-efficiency heating equipment. The rebates are provided to reduce the incremental cost between standard and high-efficiency equipment. Eligible products include furnaces, boilers, infrared heaters and water heaters. Rebate amounts vary according to the size and type of the heating equipment installed with a range of \$150 to \$6000. The Commercial High-Efficiency Heating Rebate Program efficiency ratings for smaller heating equipment (up to 300,000 btuh input) are measured using AFUE ratings. Efficiency ratings for larger heating equipment, which exceeds the size ranges for AFUE, will be measured using a thermal efficiency or steady state rating. The Company reserves the right to negotiate a lower rebate amount per-unit for multiple installations at a single site. This practice ensures that rebate dollars are helping participants reduce the true incremental costs of installing high-efficiency heating equipment.

### **Multifamily**

The Multifamily Housing Program offers energy audits and financial incentives for energy saving measures to multifamily facilities that are on a qualifying commercial rate. Examples of projects that qualify for funding through this program include redesign of space heating or water heating systems, steam system upgrades, building insulation, premium efficiency windows and doors. Programmable thermostats, heat recovery ventilation systems, digital energy management systems, or sophisticated burners and/or controls for boilers. Customers will be eligible to receive rebates up to 50% of the installation costs up to \$100,000 to assist with the installation of qualifying energy saving measures.

### **Building Practices and Demonstrations**

KeySpan identifies a few special projects each year to participate in the Building Practices and Technology Demonstration Program. Projects either showcase a new or underutilized

## *APPENDIX A*

technology available to the marketplace or a customer's new and innovative building energy operating methodology. The program is designed to promote the installation of new, emerging or underutilized gas related energy efficiency technologies and operating practices. These projects become case study examples for incorporating new technologies or improving practices in the energy efficiency program portfolio. These projects may be eligible to receive up to 50% of project costs up to \$100,000. Participation is limited.

### **Energy Analysis: Internet Audit**

Customer who log onto [www.freeenergyanalysis.com/keyspanbusiness](http://www.freeenergyanalysis.com/keyspanbusiness) have the opportunity to learn about energy savings as it relates to both their facility and their industry, the flexibility of addressing energy concerns at their leisure, and the ability to return to the site and review the recommendations. The tool allows customers to input their utility data or use simulated data to generate results. The tool also provides customers a vehicle to identify which energy saving rebates they may be eligible for from KeySpan Energy Delivery. In addition to the energy saving recommendations, customers will receive simple pay backs using the projected offset in their energy bills and be directed to take advantage of the energy efficiency rebates for qualifying measures.

APPENDIX A

**Part Two – Illustrative-Only Initial Budget Breakdown**

|                                      | KEDNY               | KEDLI              |
|--------------------------------------|---------------------|--------------------|
| <b>Low Income Total</b>              | <b>\$2,941,177</b>  | <b>\$1,470,588</b> |
| <b>Residential Total</b>             | <b>\$1,944,706</b>  | <b>\$1,525,588</b> |
| Weatherization                       | \$291,706           | \$228,838          |
| High Efficiency Heating              | \$680,647           | \$533,956          |
| High Efficiency Water Heating        | \$116,682           | \$91,535           |
| Energy Audit/Home Performance        | \$388,941           | \$305,118          |
| Energy Star Products                 | \$291,706           | \$122,047          |
| Energy Star Homes                    | \$97,235            | \$183,071          |
| Energy Analysis: Internet Audit      | \$38,894            | \$30,512           |
| Building Practices & Demonstrations  | \$38,894            | \$30,512           |
| <b>Multifamily and C&amp;I Total</b> | <b>\$5,114,118</b>  | <b>\$2,003,824</b> |
| Comm Energy Efficiency Program       | \$645,562           | \$466,224          |
| Economic Redevelopment               | \$464,835           | \$240,650          |
| Comm High Efficiency Heating         | \$967,118           | \$395,421          |
| Multifamily                          | \$2,427,473         | \$641,224          |
| Building Practices & Demo            | \$204,564           | \$105,153          |
| Energy Analysis: Internet Audit      | \$404,564           | \$155,153          |
| <b>Grand Total</b>                   | <b>\$10,000,000</b> | <b>\$5,000,000</b> |

Note: All budget figures shown include costs for administration and evaluation.

APPENDIX A

**Part Three - Applicable Service Classes for Interim Energy Efficiency Programs**

| <b>Note: Applicability also applies to accompanying transportation classes.</b> | <b>KEDNY</b>         | <b>KEDLI</b>    |
|---|----------------------|-----------------|
| <b>Low Income</b>   | 1A, 1B, 1AR & 1BR    | 1A & 1B         |
| <b>Residential</b>  |                      |                 |
| Weatherization  | 1B, 1BI & 7          | 1B              |
| High Efficiency Heating   | 1B & 7               | 1B              |
| High Efficiency Water Heating   | 1A, 1B, 1BI & 7      | 1A & 1B         |
| Energy Audit/Home Performance   | 1A, 1B, 1BI & 7      | 1A & 1B         |
| Energy Star Products  | 1A, 1B, 1BI & 7      | 1A & 1B         |
| Energy Star Homes   | 1B, 1BI & 7          | 1B              |
| Energy Analysis: Internet Audit   | 1A, 1B, 1BI & 7      | 1A & 1B         |
| Building Practices & Demonstrations   | 1A, 1B, 1BI & 7      | 1A & 1B         |
| <b>Multifamily and C&amp;I</b>  |                      |                 |
| Comm Energy Efficiency Program  | 2-1, 2-2, 4A, 4B & 7 | 2A, 2B, 15 & 16 |
| Economic Redevelopment  | 2-1, 2-2, 4A, 4B & 7 | 2A, 2B, 15 & 16 |
| Comm High Efficiency Heating  | 2-2, 4A, 4B & 7      | 2B, 15 & 16     |
| Multifamily   | 3                    | 3               |
| Building Practices & Demo   | 2-1, 2-2, 4A, 4B & 7 | 2A, 2B, 15 & 16 |
| Energy Analysis: Internet Audit   | 2-1, 2-2, 4A & 4B    | 2A, 2B, 15 & 16 |



**APPENDIX B**

| <b>KEDLI</b>                         | <b>Jan</b> | <b>Feb</b> | <b>Mar</b> | <b>Apr</b> | <b>May</b> | <b>Jun</b> |
|--------------------------------------|------------|------------|------------|------------|------------|------------|
| <b>Low Income</b>                    | 72.5*      | 60.6*      | 49.4*      | 25.7*      | 8.9*       | 1.2*       |
| <b>Residential</b>                   |            |            |            |            |            |            |
| Weatherization                       | 78.9       | 65.9       | 53.8       | 28.0       | 9.7        | 1.3        |
| High Efficiency Heating              | 35.4       | 29.6       | 24.1       | 12.6       | 4.3        | 0.6        |
| High Efficiency Water Heating        | 6.6        | 6.6        | 6.6        | 6.6        | 6.6        | 6.6        |
| Energy Audit/Home Performance        | 78.9       | 65.9       | 53.8       | 28.0       | 9.7        | 1.3        |
| Energy Star Products                 | 16.1       | 13.4       | 11.0       | 5.7        | 2.0        | 0.3        |
| Energy Star Home                     | 58.8       | 49.1       | 40.0       | 20.9       | 7.2        | 1.0        |
| Energy Analysis: Internet Audit      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |
| Building Practices & Demonstrations  | 75.1       | 62.7       | 51.1       | 26.7       | 9.2        | 1.2        |
| <b>Commercial &amp; Industrial</b>   |            |            |            |            |            |            |
| Commercial Energy Efficiency Program | 1,000.8    | 836.1      | 681.5      | 355.4      | 122.8      | 16.2       |
| Economic Redevelopment               | 3,042.9    | 2,542.2    | 2,072.2    | 1,080.7    | 373.4      | 49.2       |
| Commercial High Efficiency Heating   | 73.1       | 61.1       | 49.8       | 26.0       | 9.0        | 1.2        |
| <b>Multi-Family</b>                  | 1,000.8    | 836.1      | 681.5      | 355.4      | 122.8      | 16.2       |
| Building Practices & Demo            | 5,444.8    | 4,548.7    | 3,707.8    | 1,933.7    | 668.1      | 88.1       |
| Energy Analysis: Internet Audit      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        |

| <b>KEDLI</b>                         | <b>Jul</b> | <b>Aug</b> | <b>Sep</b> | <b>Oct</b> | <b>Nov</b> | <b>Dec</b> | <b>Annual</b> |
|--------------------------------------|------------|------------|------------|------------|------------|------------|---------------|
| <b>Low Income</b>                    | 0.0*       | 0.1*       | 2.8*       | 19.0*      | 36.9*      | 60.9*      | 338.0*        |
| <b>Residential</b>                   |            |            |            |            |            |            |               |
| Weatherization                       | 0.0        | 0.1        | 3.0        | 20.6       | 40.2       | 66.4       | 367.9         |
| High Efficiency Heating              | 0.0        | 0.0        | 1.4        | 9.3        | 18.0       | 29.8       | 165.1         |
| High Efficiency Water Heating        | 6.6        | 6.6        | 6.6        | 6.6        | 6.6        | 6.6        | 79.2          |
| Energy Audit/Home Performance        | 0.0        | 0.1        | 3.0        | 20.6       | 40.2       | 66.4       | 367.9         |
| Energy Star Products                 | 0.0        | 0.0        | 0.6        | 4.2        | 8.2        | 13.5       | 75.0          |
| Energy Star Home                     | 0.0        | 0.1        | 2.3        | 15.4       | 29.9       | 49.4       | 274.1         |
| Energy Analysis: Internet Audit      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0           |
| Building Practices & Demonstrations  | 0.0        | 0.1        | 2.9        | 19.6       | 38.3       | 63.1       | 350.0         |
| <b>Commercial &amp; Industrial</b>   |            |            |            |            |            |            |               |
| Commercial Energy Efficiency Program | 0.6        | 1.2        | 38.4       | 261.7      | 510.0      | 841.3      | 4,666.0       |
| Economic Redevelopment               | 1.8        | 3.6        | 116.7      | 795.7      | 1,550.6    | 2,558.0    | 14,187.0      |
| Commercial High Efficiency Heating   | 0.0        | 0.1        | 2.8        | 19.1       | 37.3       | 61.5       | 341.0         |
| <b>Multi-Family</b>                  | 0.6        | 1.2        | 38.4       | 261.7      | 510.0      | 841.3      | 4,666.0       |
| Building Practices & Demo            | 3.3        | 6.5        | 208.7      | 1,423.8    | 2,774.5    | 4,577.0    | 25,385.0      |
| Energy Analysis: Internet Audit      | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0           |

**\*Note: The Low Income figures shown are for multiple measures and in application are to be further broken down by applying the figures in the column applicable to the particular measures actually installed.**

APPENDIX B

**Table 2 - Stipulated Rates for the Calculation of Interim Lost Revenues**

|  |                   |
|--|-------------------|
| <b>Note: Rate also applies to accompanying transportation classes.</b> |                   |
|  |                   |
| <b>KEDNY Service Classes</b>   | <b>Rate/Therm</b> |
| SC-1A – Residential Non-Heating  | \$0.4380          |
| SC-1B – Residential Heating  | \$0.3550          |
| SC-1AR – Residential Non Heating<br>Reduced Rate                       | \$0.4380          |
| SC-1BI – 3-5 Family Residential Heating<br>Conversion                  | \$0.2250          |
| SC-1BR – Residential Heating Reduced<br>Rate                           | \$0.3150          |
| SC-2-1 – General Service Non-Residential<br>Non-Heating                | \$0.3180          |
| SC-2-2 – General Service Non-Residential<br>Heating                    | \$0.3030          |
| SC-3 – Heating and/or Water Heating<br>(Multi-family Buildings)        | \$0.2200          |
| SC-4A – High Load Factor   | \$0.1550          |
| SC-4B – Year-Round Air Conditioning<br>Service (Non-Residential)       | \$0.3090          |
| SC-7 – Seasonal Off-Peak   | \$0.2220          |
|  |                   |
| <b>KEDLI Service Classes</b>   | <b>Rate/Therm</b> |
| SC-1A - Residential Non-Heating  | \$0.4114          |
| SC-1B - Residential Heating  | \$0.4114          |
| SC-2A - Non-Residential Non-Heating                                    | \$0.3837          |
| SC-2B - Non-Residential Heating  | \$0.3289          |
| SC-3 - Multiple Dwelling   | \$0.1719          |
| SC-15 – High Load Factor   | \$0.1300          |
| SC-16 – Year-Round Space Conditioning                                  | \$0.2950          |

*APPENDIX B*

**Sample Calculation of Interim Lost Revenue**

In this example, KEDNY installs one Residential High Efficiency Water Heating measure for an SC-1A customer in January and one Residential High Efficiency Water Heating measure for an SC-1B customer in February.

For January, the Interim Lost Revenue is \$2.89, calculated as follows:

Stipulated Energy Savings for each installed Residential High Efficiency Water Heating measure for January: 6.6 therms  
SC-1A Rate/Therm: \$0.4380

$$1 \times 6.6 \text{ therms} \times \$0.4380 = \$2.89$$

For February, the Interim Lost Revenue is \$5.23, calculated as follows:

Stipulated Energy Savings for each installed Residential High Efficiency Water Heating measure for February: 6.6 therms  
SC-1A Rate/Therm: \$0.4380  
SC-1B Rate/Therm: \$0.3550

$$1 \times 6.6 \text{ therms} \times \$0.4380 = \$2.89$$
$$1 \times 6.6 \text{ therms} \times \$0.3550 = \$2.34$$
$$\$2.89 + \$2.34 = \$5.23$$