

➤ Insulation Rebate

Public Service provides this 60-day notice as agreed to in the Stipulation and Settlement Agreement Docket No. 10A-471EG. Specifically, the Settlement Agreement requires Public Service to do the following:

The Company agrees to evaluate insulation rebate options, including the potential for offering crawl space insulation, building envelope, ducts and new construction rebates. To the extent that such rebates can be provided cost-effectively or have positive benefits as part of a bundled product, the Company agrees to file a 60-day notice within the first quarter of 2011 to implement the insulation rebate options described in this paragraph.

Public Service has evaluated the above referenced insulation rebate options. At this time, these new options are non-cost effective, having a TRC score of 0.57. Our internal guidelines on including measures that are not cost-effective within a product portfolio are that the measure adds some benefit to the bundle even though it is non-cost-effective, such as it helps to sell the other measures or it makes sense because it is closely related to the other measures. In this case, there was a wide margin between the product being cost-effective and Public Service does not believe it would make the product more attractive to customers.

Public Service will continue to evaluate these measures for cost effectiveness and will propose to add them in the future if the Cost Benefit analysis indicates that these measures are cost effective.