1 I. IMPROPER TREATMENT OF AND TRANSITION OF EXISTING RENTAL CUSTOMERS

- Q. Mr. Cebulko claims that in its existing rental service PSE "continues to comply with the Commission's order to install water heaters with an efficiency of at least 0.6."45 Is this accurate?
- A. Yes. In fact, on April 15, <u>2015</u>2016, the National Appliance Energy Act went into
 effect requiring all manufactures to produce products that meet increased
 efficiency standards, see figure 3 below.

Figure 3: National Appliance Energy Act Standards

GAS	Up to 55 Gallon Capacity				Greater than 55 Gallon Capacity		
Rated Storage Vol. (Gallons)	Tankless	30	40	50	60	65	75
Current Standard	.62	.61	.59	.58	.56	.55	.53
2015 Standard	.82	.63	.62	.60	.75	.75	.74
FLESTRIS							
ELECTRIC		20-55 Galk	on Capacity		Greater tl	nan 55 Gallor	n Capacity
ELECTRIC Rated Storage Vol. (Gallons)	20	20-55 Galk	on Capacity	50	Greater th	nan 55 Gallor 80	n Capacity
		2000		50			10 5

PSE has worked with its existing distribution and installation partners to ensure that rental equipment being replaced is done so with equipment that meets or exceeds these standards.

Prefiled Rebuttal Testimony (Highly Confidential) of Malcolm B. McCulloch REVISED July 28, 2016

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⁴⁵ Cebulko, Exh. No. ___(BTC-1TH) at 16:10-11.