

1           A.     Absolutely. The Every Little Bit website provides extensive information to  
2 customers regarding the Company's DSM programs and rebates, as well as low-cost/no-cost steps  
3 customers can take to reduce their energy use. This messaging has been reinforced by the general  
4 societal push towards energy efficiency and being more environmentally conscious. Mr. Brosch  
5 states at Page 20, line 3, that it is “unlikely that such a modestly funded program yields any  
6 significant additional therm savings that have not been directly measured”, however he fails to  
7 provide any data or analysis to support this point. Ms. Alexander, at Page 4, line 11, states that the  
8 Every Little Bit program was an “expensive media campaign” which specifically targets only  
9 higher income customers who can participate in the Company’s rebate programs. Ms. Alexander  
10 provides no evidence that this is the case.

11           The facts are that the Every Little Bit program does lead to customers undertaking no-cost  
12 and low-cost steps towards being more efficient. Adjusting thermostats, replacing dirty furnace  
13 filters, turning down hot water tank temperatures, reducing overall hot water usage though shorter  
14 showers, installation of low-flow showerheads and aerators, all lead to an overall reduction in  
15 natural gas consumption, well beyond that which is specifically measured in the Company’s DSM  
16 programs. These efficiency suggestions are all a part of the Home Energy Audit, available at  
17 www.EveryLittleBit.com. In 2008, 12,477 customers completed the Home Energy Audit.

18           **Q.     Parties note that the Company’s deferrals are six to eight times larger than**  
19 **programmatically DSM lost margin. What is the Company’s response?**

20           A.     The Company agrees that this is the case. Fixed cost recovery related to  
21 programmatic DSM makes up a relatively small component of the deferrals. However, non-  
22 programmatic DSM as described above, in my opinion, makes up another meaningful portion of  
23 the deferrals. Further, the Company actively participates in various groups and organizations that