

1 Q. **Re: Cost of Service Study, Exhibit 9, s. 4.1.1, page 21**

2 Please provide explanations for the significant increases in actual amounts, in
3 relation to budgeted amounts, for Insulation, Windows and Thermostats for 2011
4 and 2012.

5

6

7 A. It is assumed the above question pertains to the amounts shown in Table 6, Section
8 4.1.2, page 21 of the Cost of Service Study/Utility and Rate Design Report, Exhibit 9.
9 The Insulation, Windows and Thermostat programs are promoted and delivered as
10 a residential bundle of energy efficiency programs. The increase in costs from
11 budgeted amounts in 2011 and 2012 was a result of heightened promotional
12 activities aimed at increasing customer participation in these programs. These
13 include increased promotion of the technologies and benefits at local retail
14 locations and an increase in program marketing costs. These activities resulted in
15 increased program participation compared to budget and in turn an increased
16 number of rebate incentives to the homeowners and builders who participated.