

NEW YORK STATE PUBLIC SERVICE COMMISSION

**CASE 13-G-0136
CASE 16-G-0257**

**PROCEEDING ON MOTION OF THE COMMISSION AS TO THE
RATES, CHARGES, RULES AND REGULATIONS OF NATIONAL
FUEL GAS DISTRIBUTION CORPORATION FOR GAS SERVICE**

GAS NETWORK ENHANCEMENT COLLABORATIVE ANNUAL REPORT

Submitted in Compliance to the Conditions of:

**ORDER ADOPTING TERMS OF JOINT PROPOSAL
AND ESTABLISHING RATE PLAN**

(13-G-0136, Issued and Effective May 8, 2014)

**And pursuant to Section V of the Gas Expansion Collaborative Report filed with the
Commission on January 26, 2015 and**

**ORDER ESTABLISHING RATES FOR GAS SERVICE
(16-G-0257, Issued and Effective April 20, 2017)**

Dated: December 2022

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I. INTRODUCTION

National Fuel Gas Distribution Corporation (“Distribution” or the “Company”) submits this annual report (“Report”) regarding the status and results of Distribution’s Collaborative Gas Network Enhancement Plan (“GNEP”), formerly known as the Gas Expansion Plan (“GEP”).¹ The GNEP Report is being submitted in accordance with: (1) the New York State Public Service Commission’s (the “Commission”) *Order Adopting Terms of Joint Proposal and Establishing Rate Plan* (issued and effective May 8, 2014) in Case 13-G-0136 (“Rate Order” adopting the terms of the "Joint Proposal"), (2) Section V of the Gas Expansion Collaborative Report (“2015 GNEP Collaborative report”) filed with the Commission on January 26, 2015, and (3) the *Order Establishing Rates for Gas Service* (issued and effective April 20, 2017) in Case 16-G-0257 (collectively “Rate Orders”).² Pursuant to the terms of the Joint Proposal, the GNEP Collaborative addressed the following:

1. Recognition of customer growth potential along a mainline project, in determining surcharges to be applied to customers receiving service from the specific system expansion (e.g., pre-piping agreements, municipalities’ involvement, natural gas producers, other property owners, etc.);
2. Provision of financial support or assistance in removing barriers to conversions (e.g., rebates for high efficiency furnaces and equipment purchase programs);
3. Expansion of outreach and education efforts to specifically target conversion to gas

¹ Case 13-G-0136 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service; Gas Expansion Plan; August 6, 2014; <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={F3CF7E08-80DA-4A5F-BD2E-B8272F38E450}> (“GEP”).

² Case 13-G-0136 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of National Fuel Gas Distribution Corporation for Gas Service; Order Adopting Terms of Joint Proposal and Establishing Rate Plan; issued and effective May 8, 2014 (“Rate Order”).

service, which includes cooperation and coordination with other state and local agencies (i.e., NYSEERDA programs, Division of Home and Community Renewal, etc.);

4. Additional assistance to improve saturation rate among low income customers and customers in rural areas;
5. Incorporation, as necessary, of the results of Case 12-G-0297; and
6. Determination of how the current Revenue Decoupling Mechanism and 90/10 symmetrical sharing mechanism impact expansion.

The 2015 GNEP Collaborative report identified a number of issues to be discussed in the annual GNEP report, including:

- Updates to strategic plan.
- Market strategies used, including results and how it may change in the future.
- Density of homes in the expansion area.
- Price comparisons between natural gas and alternative fuels.
- Geographic Information System (“GIS”) program modification results.
- Rebates provided in the expansion area.
- Upfront payment versus surcharge option results.
- Attachment rates in expansion areas.
- Capital Expenditures in expansion areas.

This annual report provides the status of the Company’s gas network enhancement activities, summarizes the work of the GNEP over the past six years and describes the initiatives that the Company and other interested parties have committed to undertake to promote gas growth and its associated benefits, including the implementation of a pilot program that has: simplified the Contribution in Aid of Construction ("CIAC") process, lead to easier mainline expansions, and increased natural gas conversions resulting in significant emissions reductions.

II. BACKGROUND

On May 8, 2014, the Commission approved a Joint Proposal establishing rates and services for the Company. The Joint Proposal included a provision requiring the Company to submit a plan, bearing specific features and services sought by the parties, for the reasonable extension of gas service to unserved applications and communities. The Company filed its GNEP on August 6, 2014 and notified parties of a collaborative scheduled to further develop the GNEP's terms and conditions.

The first collaborative meeting of the GNEP was held on September 4, 2014 in Niagara Falls, NY and a follow up meeting was conducted on September 23, 2014 in Albany, NY. On October 8, 2014, the Company submitted a compliance filing with the results of these collaborative meetings, in which the GNEP's terms and conditions were further developed. The October 2014 compliance report detailed the participants' belief that it would be useful to implement some of the proposals included in the GNEP immediately, so that benefits can be realized by homes and businesses within the Company's service territory right away, specifically in time for the heating season. The report detailed two programs that were implemented as a result of the two previous collaborative meetings: (1) a Network Enhancement Pilot Program; and (2) a program to provide financial support to low income customers, to enable their full participation in network enhancement. The October 2014 compliance report also stated that funding will be provided to enhance the Company's GIS to enable the Company to better identify areas for expansion and conversion. The programs being implemented were in compliance with the Rate Orders and the GNEP, and no tariff changes were requested.

Subsequent conference calls were held on October 21, 2014 and December 4, 2014, to discuss results and progression of the programs. All parties were invited to attend the collaborative sessions or participate by telephone.³ During these initial collaborative meetings, the Company provided an overview of current network enhancement activities, including: [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Company has also been directed to expand NGV customers and infrastructure within the service territory. The programs described herein are consistent with and are filed in compliance with the provisions of the GNEP contained in the Joint Proposal, and subsequently approved by the Commission in the Rate Orders. As a compliance filing, therefore, the programs described herein are being implemented under existing authority and no further approval is required of the Commission.⁵

On January 26, 2015, the Company filed a report on the results of the Gas Network Enhancement Plan Collaborative between the Company, Department of Public Service (“DPS”)

³ Parties in attendance (in person and/or via teleconference) at the collaborative sessions were Distribution, Staff, Utility Intervention Unit of the Department of State, the New York State Energy Research and Development Authority, and National Fuel Resources.

⁴ Allocation of expansion funding provided for in Case 13-G-0136 Joint Proposal.

⁵ GNEP is authorized by existing regulations and meets the requirements for gas expansion listed in the Joint Proposal at section 8.2 (a-f). Low income financial support is authorized by the Joint Proposal under section 8.1(d) and 8.2(b,d).

Staff (“Staff”) and interested parties. The Company conducted a meeting with Staff in Albany on June 4, 2015, and a collaborative call between the Company, Staff, UIU and NYSERDA was conducted on December 9, 2015.

On February 8, 2016, the Company filed an annual report on the results of the GNEP Collaborative and met with Staff in Albany on June 1, 2016. During the collaborative call and meeting with Staff, the Company provided an update on several pilot programs that will be discussed herein, as well as proposed an additional rebate program to encourage more conversions to natural gas.

On April 20, 2017, the Commission issued an Order Establishing Rates for Gas Service in Case 16-G-0257, which among other items, generally continued the GNEP along the previous collaborative approach.

On September 18, 2017, the Company filed the annual report on the results of the GNEP Collaborative and met with Staff in Albany on December 5, 2017.

On April 1, 2019, the Company filed the annual report on the results of the GNEP Collaborative and reviewed the results with Staff in Albany on April 9, 2019.

On September 29, 2020, the Company filed the annual report on the results of the GNEP Collaborative and reviewed the results with Staff via Zoom on October 20, 2020.

On November 5, 2021, the Company filed the annual report on the results of the GNEP Collaborative.

III. CHALLENGES

During the collaborative process and as highlighted in the 2016 GNEP Collaborative report, the Company discussed the challenges of expanding gas service in its service territory. Overall, the main obstacles that the Company faces in expansion include: a large existing market share of customers within the service territory, upfront costs necessary for enhancement of the system, customer conversion costs, and the difficulty of establishing a retail Natural Gas Vehicle (“NGV”) market.

- Nature of the Upstate Service Territory
 - Since the Company has such a high gas saturation rate in the more densely populated areas of its service territory, many of the remaining unserved customers are geographically dispersed. Reaching these prospective customers often requires significant capital investments to extend the gas distribution service system into outlying areas.
- Customer Conversion Costs
 - Contributions in Aid of Construction: In cases where contributions in aid of construction (“CIAC”) are necessary to offset the cost of mainline extensions, these additional costs can be prohibitive. CIACs can place a financial burden on customers looking to convert and add an additional layer of complexity to their conversion decision. For residential customers, the amount of CIAC (collected in a lump sum or through a monthly surcharge) normally depends on the length of main and service line required to connect the customer to the system, as well as the number of customers looking to connect to the proposed main extension. If there

are enough customers to “cover” the main extension through facilities entitlements (i.e., 100 feet of main per customer), there will be no CIAC. It is difficult to coordinate conversion commitments, and if customer interest changes over time, the CIAC amount changes. This leads to the “death spiral” of customers continually dropping out, which can prohibit completion of the enhancement project. Distribution’s current pilot programs look to simplify this process.

- Equipment Costs: The upfront costs of installing natural gas fired equipment can also discourage customers from converting. Even in cases where the savings realized from the significantly lower cost of fuel results in a relatively short payback period, customers are often unwilling to make the initial upfront payment to convert to natural gas.

- Capped Rate for Public Access NGV Filling Stations

- The Company believes development of the retail NGV markets will hinge upon facilities operated by parties other than the Company.

The decreasing diesel price within the market has also made it more difficult to attract parties to NGVs as the fuel cost savings are not as pronounced.

The Collaborative Parties and the Company focused on issues directly affecting gas growth in the Company’s service territory, specifically considering: (i) ways to address the financial impediments that prevent customers from converting to natural gas (e.g., equipment conversion costs and customer CIAC), (ii) identifying potential customers in the Company’s service territory where the Company already has extremely high market share, and (iii) the use of partnerships to expand NGV and industrial customer service. In developing the initiatives discussed herein, the Collaborative Parties sought to address these barriers to growth through programs that are

specifically designed to be implemented quickly and efficiently, to allow new customers to take advantage of historically low natural gas commodity prices.⁶

⁶ The Joint Proposal also requested that the parties determine whether the current revenue decoupling mechanism and 90/10 sharing mechanism impact expansion. It was determined that these mechanisms will not impact system expansion decisions since the impact on these mechanism from customer expansion is not likely to be material.

IV. GAS NETWORK ENHANCEMENT PROGRAM RESULTS

The following is a summary of the results of the GNEP, regarding initiatives to promote the enhancement of gas service in the Company's service territory, as well as other items specifically identified for consideration in the Joint Proposal.

A. Mainline Extension Pilot Programs

With regard to the GNEP, the Joint Proposal provided that:

“The Company will develop a Gas Expansion Plan (“GEP”) detailing how it will attempt to reasonably expand its system to provide service to new customers.” (Joint Proposal § 8.1)

In response to this directive, the Company looked for opportunities to expand the availability of gas service within its service territory. With a limited opportunity for significant system expansion for customers within 100 feet of the main, due to large existing market share, the Company focused on expanding the system for customers that lie beyond 100 feet of the main. These customers are mostly found in the outer-ring of the suburbs and rural areas. While opportunities for enhancement in this category exist, identifying areas where additional customers could be connected through mainline extension, was only part of the challenge. The Company needed to consider how to approach the issue of coordinating customers' CIACs, a process which has often led to the “death spiral,” as well as the confusion that customers face when converting to natural gas. Under the then current policy, a group of customers jointly apply for service through the Mainline Extension Program (“MLEP”), to lower the gas line costs for each customer and decrease the payback periods. The cost per customer is calculated by taking the full length of mainline required and subtracting out 100 feet of tariff-provided mainline for

each customer.⁷ The remaining length is then priced out and distributed to all of the customers that have applied. If a customer drops out of the group, the project is re-priced and the remaining pool of interested customers is then given an adjusted CIAC amount for which they are responsible. This new, higher cost can cause more applicants to drop out which increases the CIAC once again for the remaining participants. This process leads to a pattern of increasing costs, and decreasing the number of applicants, until the whole project is discontinued due to the drop in interest.

To address the issue, the Company developed a Gas Network Enhancement Pilot Program. This program streamlined the approach to expanding the system by providing potential customers firm, long-term mainline extension price quotes based on total cost of the expansion, and a reasonable estimate of the expected number of customers (i.e., 75% of potential households) attaching to the system over a ten year period. The prepayment or surcharge would be the same for all customers regardless of expected usage. Interested customers are given two firm price options: a one-time pre-payment, or a monthly surcharge to be paid over ten years. Through this pilot program the Company will expand service throughout its service territory, while testing the market impact on customer conversions to natural gas. By providing firm, long-term price quotes, the Company will have greater certainty with respect to planning future system expansions.

The Company initially considered only areas that met specific requirements for pilot programs.⁸ The area needed to be of significant conversion potential where estimated monthly surcharges, based on expected customer conversions, can be \$30 or less.⁹ Eligible

⁷ 16 NYCRR Part 230

⁸ Requirements for pilot program areas is specified in an October 8, 2014 compliance filing in Case 13-G-0136.

⁹ Surcharges for utility extensions may extend up to ten years and the obligation to pay runs with the landowner. Section 242 of the New York Real Property Law requires sellers to provide written notice of the surcharge to prospective purchasers.

areas for the pilot were also limited to only those with at least 100 potential customers. This ensured that the tests were meaningful and significant. Initial pilots were only conducted in areas that had demonstrated a long-term interest in converting to natural gas. Number of applications previously received, frequency of inquiries, and local community and government support for expediting the construction of facilities necessary to support the system expansion, are all used in determining if an area meets program requirements. Based on this criteria two initial pilot programs were selected. One was located in Wilson, NY and the other in Richmond, NY.

1. *Phase IA - Wilson Pilot Program Background*

The first area chosen for a pilot program based on program requirements was Wilson, New York. Addresses included in the project ranged from 4200 to 5257 East Lake Road. The area was originally estimated to have 191 potential customers. This estimate has since risen to 228 potential customers. Over the last several years, more than 140 households have applied for service. The project was divided into two phases for construction and planning purposes. Phase I ran from 4200-4282 and 4286-4427 East Lake Road, and Phase II expanded to 4429-5257 East Lake Road, 4250-4395 Wilson-Burt Road, and 2000-2238 Maple Road.

To promote the program, the Company sent direct mail pieces during the month of July 2014, to the homes that fell within the area, where mainline was scheduled to be installed. The direct mail piece described the program and timeline, as well as promoted a town hall meeting the Company had scheduled. On July 28, 2014, the Company held a

town hall meeting to introduce the program to residents, and 36 local residents attended. Residents were provided with a folder encompassing the meeting agenda, a pilot program fact sheet, copy of the PowerPoint Presentation, Company service application with postage paid return envelope, a Conservation Incentive Program ("CIP") rebate application, heating contractor list, pipeline route map, and a Fuel for Thought brochure (describing strategies for using natural gas in an efficient manner). Firm pricing for the mainline was also provided at the meeting. After the first 100 feet given at no charge for each customer, [REDACTED]

[REDACTED] The service line cost included 100 feet at no charge to the customer, and after which, a standardized cost would be charged per foot to be paid up front.¹¹ Informational packets were also left with the Town Supervisor for interested residents that were not able to attend the meeting. The Company has continued promoting the pilot program through various measures. Direct mailings were sent to customers that have not yet applied for gas service, including a comparative fuel cost to show potential savings. E-mail updates on the project status have been sent out to residents and New Services representatives deliver informational folders to interested customers.

Wilson Pilot Program Progress

Construction on Phase I of the mainline began in August 2014 and was completed in November 2014. Phase II of the project was separated into three sections for bidding

[REDACTED]

¹¹ Amount per foot for service line is a per book price. This number is subject to change annually. Customer pays prevailing rate or a quoted rate that is good for 90 days.

and construction purposes and was completed in the fall of 2015. A total of 34,789 feet of mainline was installed for the project. [REDACTED]

Wilson Pilot Program Results

Overall, response from the residents was very positive. As of December 31, 2021, more than 150 applications for service have been received, and 126 residents (55% of potential households) have converted. Of those 126 conversions, 97 (77%) of these customers have chosen the upfront prepayment as opposed to the surcharge option. In spring 2017, customer satisfaction surveys were sent out to determine what was successful and what areas customers believe the Company can improve on. Two different surveys were sent out, one for those who have converted and one for those who have not yet converted. The surveys have helped the Company assess how many people did not move forward with conversion because of service line costs, so that the Company can gauge the effectiveness of the current pilot program format.

2. Phase IB - Richmond Pilot Program Background

The second area that the Company identified for a pilot program was Richmond, New York. Addresses included in the project ranged from 4995 to 6210 East Lake Road. The area has a potential 585 customers, more than 370 of which have expressed interest or submitted an application in the past several years. Eighty percent of these homes are estimated to be year-round-homes and twenty percent seasonal. Data from LandMax Data Systems, Inc. supports this estimate.¹² With the assumed conversion rate of 75%, the total

¹² LandMax Data Systems, Inc. 5919 East Henrietta Road, Rush, NY 14543. Parcel information for addresses included in the Richmond pilot program updated as of October 9, 2014.

pre-payment for customers applying for service is [REDACTED]

[REDACTED] Service line costs, after the 100 feet provided at no charge, are charged a standardized rate per foot, which is subject to annual adjustment and to be paid up front.

To market the program the Company once again sent out direct mail pieces to residents who fell within the area of the mainline extension. The direct mail piece described the program and timeline, and promoted a town hall meeting the Company had scheduled. The Company scheduled a town hall meeting in Richmond for December 17, 2014. Just over 75 residents attended the meeting and were provided with a folder encompassing the meeting agenda, a pilot program fact sheet, copy of the PowerPoint Presentation, Company service application with postage paid return envelope, CIP rebate application, heating contractor list, pipeline route map and a Fuel for Thought (described in greater detail above) brochure. Residents who attended the meeting expressed interest in the pilot project and were eager to switch to natural gas. Many had applied for service, either before the meeting, or after attending.

Throughout the winter of 2015, the Company began to obtain rights of way (“ROW”) agreements. Construction began in summer 2015 and gas service was available to some residents in fall 2015. The project was completed in winter 2016.

In spring of 2017, customer satisfaction surveys were sent out to determine what was successful and what areas customers believe the company can improve on. Two different surveys were sent out, one for those who have converted and one for those who have not yet converted. The surveys have helped the Company assess how many people did not move forward with conversion because of service line costs, so that in conjunction with the other Pilot Program results the Company can gauge the effectiveness of the

current program format.

Richmond Pilot Program Progress

The Richmond Pilot totaled 56,500 feet of mainline at an estimated cost of [REDACTED]. A system improvement in the town of Honeoye was completed to ensure gas pressure. Four inch mainline was installed along East Lake Road and two inch mainline was installed along the remaining side roads. The project was completed in December 2016.

Richmond Pilot Program Results

Overall, response from the residents was very positive and As of December 31, 2021, 376 applications for service have been received, and 298 residents (51% of the potential households) have converted. Of those 298 conversions, 268 (90%) of these customers have chosen the upfront prepayment as opposed to the surcharge option.

3. Additional Pilot Programs

Aside from the Wilson and Richmond Pilot Programs, the Company has also identified several other smaller pilots that will test the fixed price theory on a smaller scale. The list of projects has been split into six additional phases which will be referred to as Phase II Gas Network Enhancement Pilot Projects (“Phase II”), Phase III Gas Network Enhancement Pilot Projects (“Phase III”), Phase IV Gas Network Enhancement Pilot Projects (“Phase IV”), Phase V Gas Network Enhancement Pilot Projects (“Phase V”), Phase VI Gas Network Enhancement Pilot Projects (“Phase VI”), and Phase VII Gas Network Enhancement Pilot Projects (“Phase VII”).

4. Phase II Gas Network Enhancement Projects

Phase II includes seven projects that are a combination of failed MLEPs and groups

of homes that the GIS system recognized as potential enhancement areas. Appendix A shows the list of Phase II projects, as well as details such as: estimated potential homes, number of applications to date, number of conversions to date, estimated length of mainline needed, and the monthly surcharge or required prepayment.

In total, there are 294 homes included in Phase II and over 65% of these homes have submitted applications for service. The size of projects ranges from 16 to 105 homes. The required pipe to complete all Phase II projects totals 56,175 feet. The length of pipe, per project, ranges from 2,135 to 20,800 feet. Again, based on a 75% conversion rate, monthly surcharges range from [REDACTED] and prepayments range from [REDACTED]. This follows the same requirements as the Phase I pilots regarding pricing. Three projects required GNEP funding to bring both the prepayment and monthly surcharge under the limit.

To market these programs, the Company sent out introductory mailings, which are similar to the Wilson and Richmond pilot letters. These letters also included comparative fuel cost summaries and New Services representatives are delivering conversion folders to interested residents. These folders include detailed information regarding the conversion process required for their specific fuel type.

Phase II Gas Network Enhancement Progress

Construction on Phase II projects was completed between April and July 2016. A total of 56,175 feet of mainline was installed for the seven projects. [REDACTED]

Phase II Gas Network Enhancement Results

Overall, response from the residents was very positive and As of December 31, 2021,

220 applications for service have been received, and 167 residents (57% of potential households) have converted. Of those 167 conversions, 133 (79%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. In spring 2017, satisfaction surveys were sent out to determine what was successful and what areas customers believe the Company can improve on. Two different surveys were sent out, one for those who have converted and one for those who have not yet converted.

5. Phase III Network Enhancement Projects

Phase III includes fourteen projects that are a combination of failed MLEPs and groups of homes that the GIS system recognized as potential enhancement areas. Appendix A lists the projects, as well as details such as: estimated potential homes, number of applications to date, number of conversions to date, estimated length of mainline needed, and the monthly surcharge or required prepayment.

In total, there are 442 homes included in Phase III and more than 60% of these homes have submitted applications for service. The size of projects ranges from 4 to 75 homes. The required mainline to complete all Phase III projects totals 80,773 feet. The length of mainline, per project, ranges from 697 feet to 11,750 feet. Based on a 75% conversion rate, monthly surcharges range from [REDACTED], with prepayments ranging from [REDACTED]. This follows the same requirements as the Phase I and Phase II pilots regarding pricing. Nine of the projects required GNEP funding to bring both the prepayment and monthly surcharge under the limit.

Phase III Gas Network Enhancement Progress

Construction on the 13 of 14 projects was completed throughout 2017. Due to delays

in securing New York State approval, the Woodcliff Drive project in the town of Lewiston was completed in the early summer of 2020. To market these projects, the Company sent out introductory mailings which are similar to the previous pilot letters. These letters also included comparative fuel cost summaries and New Services representatives delivered conversion folders to interested residents. A total of 80,773 feet of mainline was installed, at an estimated cost of [REDACTED]

Phase III Gas Network Enhancement Results

Overall, response from the residents has been very positive and As of December 31, 2021, more than 287 applications for service have been received, and 224 residents (51% of potential households) have converted. Of those 224 conversions, 191 (85%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. In the fall of 2019, satisfaction surveys were sent out to determine what was successful and what areas customers believe the Company can improve on. Two different surveys were sent out, one for those who have converted and one for those who have not yet converted.

6. Phase IV Network Enhancement Projects

Phase IV includes nine projects that are a combination of failed MLEPs and groups of homes that the GIS system recognized as potential enhancement areas. Appendix A lists the projects, as well as details such as: estimated potential homes, number of applications to date, number of conversions to date, estimated length of mainline needed, and the monthly surcharge or required prepayment.

In total, there are 345 homes included in Phase IV, and over 60% of these homes have previously sent in applications for services. The size of projects ranges from 5 to 83 homes. The required mainline to complete all Phase IV projects totals 64,691 feet. The

length of mainline, per project, ranges from 1,385 feet to 18,640 feet. Based on a 75% conversion rate, monthly surcharges range from [REDACTED] with prepayments ranging from [REDACTED]. The pricing requirements for Phase IV differ slightly from the previous pilot program requirements. Seven of the projects required GNEP funding to bring both the prepayment and monthly surcharge under the limit. Customer interest letters were sent out to confirm interest, due to experience from Phase III, with respect to right of way signings. Results from the interest letters were positive. Out of 266 letters mailed, 116 were returned, with a response rate of 43%. Of the responses returned, 96 responders (83%) were in favor of the natural gas pilot projects.

Phase IV Gas Network Enhancement Progress

Construction on the nine projects was completed throughout the end of 2018 and all of 2019. To market these projects, the Company sent out introductory mailings, which are similar to the previous pilot letters. These letters also included comparative fuel cost summaries and conversion rebate information. A total of 64,691 feet of mainline was installed, at an estimated cost of [REDACTED].

Phase IV Gas Network Enhancement Results

Overall, response from the residents has been positive. As of December 31, 2021, 220 applications for service have been received, and 190 residents (55% of potential households) have converted. Of those 190 conversions, 165 (86%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. In the fall of 2019, homeowner satisfaction surveys were sent to homeowners of completed projects to determine what successful and what areas homeowners believe that the Company can improve. In the summer of 2021, homeowner satisfaction surveys were sent to the

remaining homeowners to determine what was successful and what areas the homeowners believe the Company can improve.

7. Phase V Gas Network Enhancement Projects

Phase V includes fourteen projects that are a combination of failed MLEPs and groups of homes that the GIS system recognized as potential enhancement areas. Appendix A lists the projects, as well as details such as: estimated potential homes, number of applications to date, number of conversions to date, estimated length of mainline needed, and the monthly surcharge or required prepayment.

In total, there are 334 homes included in Phase V, and over 40% of these homes have previously expressed interest in natural gas or sent in applications for services. The size of projects ranges from 5 to 55 homes. The required mainline to complete all Phase V projects totals an estimated 84,420 feet. The length of mainline, per project, ranges from 1,000 feet to 15,230 feet. Based on a 75% conversion rate, monthly surcharges range from [REDACTED] with prepayments ranging from [REDACTED]. The pricing requirements for Phase V are similar to that of Phase IV. All of the projects require GNEP funding to bring both the prepayment and monthly surcharge under the limit. Customer interest letters were sent out to confirm homeowner interest for eight of the projects, due to experience from previous phases, with respect to right of way signings. Results from the interest letters were positive. Out of 229 letters mailed, 149 were returned, with a response rate of 65%. Of the responses returned, 139 responders (93%) were in favor of the natural gas pilot projects.

Phase V Gas Network Enhancement Progress

Construction on these 14 projects was completed between late 2019 and 2021. To market these projects, the Company sent out introductory mailings, which are similar to the previous pilot letters. These letters also included comparative fuel cost summaries and information regarding our energy efficiency rebate programs. A total of 84,420 feet of mainline is expected to be installed, at an estimated cost of [REDACTED]

Phase V Gas Network Enhancement Results

Overall, response from the residents has been positive. As of December 31, 2021, more than 235 applications for service have been received, and 177 residents (53% of potential households) have converted. Of those 177 conversions, 147 (83%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. In the summer of 2021, homeowner satisfaction surveys were sent to homeowners of projects that have been completed for at least one year to determine what was successful and what areas homeowners believe that the Company can improve. In 2022, homeowner satisfaction surveys were sent to the remaining homeowners to determine what was successful and what areas the homeowners believe the Company can improve.

8. Phase VI Gas Network Enhancement Projects

Phase VI includes fifteen projects that were found using GIS, homeowner inquiry, and New Services representative input. Phase VI includes 376 potential homes and the scale of the projects range from 2,300 feet to 13,660 feet. To confirm interest in natural gas service, the Company sent out a customer interest survey to homeowners in each of the potential locations. Overall, the results from the letter have been positive. Out of the 346 letters that were mailed out, 209 (60%) were returned. Of the responses returned,

191 respondents (91%) were in favor of the natural gas pilot projects. A total of 93,885 feet of mainline is expected to be installed, at an estimated cost of [REDACTED]. Construction on 6 of the projects was completed in 2021 and the remaining projects are expected to be completed in 2022.

Appendix A lists the projects in Phases I-VI, including the estimated distance, potential number of homes, number of applications to date, and origin of the project.

Phase VI Gas Network Enhancement Results

As of December 31, 2021, 152 applications for service have been received, and 22 residents (6% of potential households) have converted. Of those 22 conversions, 19 (86%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. In the second half of 2022, homeowner satisfaction surveys will be sent to homeowners of projects that have been completed for at least one year to determine what successful and what areas homeowners believe that the Company can improve.

9. Phase VII Gas Network Enhancement Project(s)

Phase VII includes one project that was identified via homeowner inquiry and New Services representative input. Phase VII will include 192 potential homes and the distance of the project is 22,000 feet. The Company has been in the process of obtaining the permits and right of way required for this project. Construction is expected to take place in 2022 and 2023.

10. Overall Pilot Program Results

In total there are 62 pilot locations with 2,772 potential customers. The size of projects range from 4 to 585 homes. As of December 31, 2021, the Company has installed

over 75 miles of mainline and anticipates installing an additional 17 miles through December 31, 2023. Based on a 75% conversion rate, monthly surcharges range from [REDACTED] with prepayments ranging from [REDACTED]. 51 projects required GNEP funding to bring the prepayment and monthly surcharge to the Company's targeted goal. Response from the residents has been positive. As of December 31, 2021, 1,622 applications for service have been received, and 1,204 residents have converted (43% of the 2,772 potential households, including projects not yet completed). As of December 31, 2021, pilot projects have resulted in an estimated 97,570 MTCO₂e emission reduction. **Appendix B** provides conversions by month for Phase I, Phase II, Phase III, Phase IV, Phase V and Phase VI projects. Of those 1,182 conversions, 1,013 (85%) of these customers have chosen the upfront prepayment, as opposed to the surcharge option. **Appendix C** provides overall pilot program results. **Appendix D** provides a chart with overall emission reductions. **Appendix E** provides a map of all pilot locations.

11. Customer Satisfaction Survey Results.

In 2017, The Company mailed out satisfaction surveys to approximately 1,100 homeowners that were a part of the 9 completed Phase I and Phase II Pilot Projects. A different survey was sent out depending on whether or not the homeowner converted to natural gas. Each survey consisted of six questions inquiring about the homeowner's pilot project experience and conversion process. The Company received 360 completed surveys for a 32.2% response rate.

For the homeowners that converted, 84% were either satisfied or very satisfied with the overall installation of mainline, service line, and meter installation. Saving money and the convenience of having natural gas were the overwhelming favorite benefits of converted

customers. Nearly 84% of homeowners who converted are experiencing fuel savings.

For the homeowners who have not converted, the majority are neutral to the project (44%). Almost 48% of homeowners are either satisfied or very satisfied with their current fuel type. The most common fuel type among homeowners is propane. The leading factors contributing to homeowners not converting are appliance replacement cost and project cost. The overwhelming resource that homeowners asked for was financial incentives. More than 50% of these homeowners are still undecided whether they will convert to natural gas in the future.

In 2019, The Company mailed out satisfaction surveys to approximately 525 homeowners that were a part of the 13 completed Phase III projects and 3 of the Phase IV projects. A different survey was sent out depending on whether the homeowner converted to natural gas. Each survey consisted of six questions inquiring about the homeowner's pilot project experience and conversion process. Appendix G is an example of the surveys mailed out. The Company received 177 completed surveys for a 33.7% response rate.

For the homeowners that converted, 83% were either satisfied or very satisfied with the overall installation of mainline, service line, and meter installation. Saving money and the convenience of having natural gas were the overwhelming favorite benefits of converted customers. Approximately 81% of homeowners who converted are experiencing fuel savings.

For the homeowners who have not converted, the majority were neutral to the project (57%). Almost 39% of homeowners are either satisfied or very satisfied with their current fuel type. The most common fuel type among homeowners is propane. The leading factors contributing to homeowners not converting are appliance replacement cost and project cost. The overwhelming resource that homeowners asked for was financial incentives. More than

50% of these homeowners are still undecided whether or not they will convert to natural gas in the future.

In 2021, the Company mailed out satisfaction surveys to approximately 430 homeowners that were a part of 1 Phase III project, 4 Phase IV projects, and 10 Phase V projects. A different survey was sent out depending on whether the homeowner converted to natural gas. Each survey consisted of six questions inquiring about the homeowner's pilot project experience and conversion process. Appendix G is an example of the surveys mailed out. The Company received 159 completed surveys for a 37% response rate.

For the homeowners that converted, 78% were either satisfied or very satisfied with the overall installation of mainline, service line, and meter installation. Saving money and the convenience of having natural gas were the overwhelming favorite benefits of converted customers. Approximately 76% of homeowners who converted are experiencing fuel savings.

For the homeowners who have not converted, 37% were neutral to the project and almost 39% of homeowners are either satisfied or very satisfied with their current fuel type. The most common fuel type among homeowners is propane. The leading factors contributing to homeowners not converting are appliance replacement cost and project cost. The overwhelming resource that homeowners asked for was financial incentives. More than 50% of these homeowners are still undecided whether they will convert to natural gas in the future. About 30% of these homeowner's plan to convert to natural gas in the future. Refer to **Appendix F** for survey results.

Conversion or non-conversion homeowners from all projects that were surveyed were most concerned with issues such as restoration, communication, and the price of the

project. In order to resolve these issues moving forward, the Company plans to continue working with contractors on improved restoration procedures and to better inform the customer about what they can expect. In addition to improved communication, the Company has developed a Conversion Checklist brochure, outlining the roles and responsibilities for the customer. This will help the customer know what is required of them and help aid in communication. Finally, the Company decreased the required homeowner contribution for Phases IV-VII and increased heating and water heating equipment rebates in the Gas Conversion Rebate Program.

12. Potential Franchise Expansion

The Company has received interest from individuals in a non-franchise area in the Town of Canadice, New York, about a potential franchise expansion opportunity. A number of residents along the southwest shore of Honeoye Lake have expressed interest in receiving natural gas service to their homes. A potential franchise expansion could see 450 customers added. The Company's concerns regarding this franchise expansion include, regulatory requirements, location, staffing, franchise timing, and balancing resources for expansions in current franchise areas with new potential franchise areas. The Rate Order issued April 20, 2017, in Case 16-G-0257 specifically declined to direct the Company to expand its franchise areas, and declined to modify the Recommended Decision, which found that extraterritorial expansion could dilute the Company's resources and that the Company should focus on opportunities in its existing territory.

13. Gas Network Enhancement Pilot Program Summary

Overall, the Company has had favorable responses to all Network Enhancement

Pilot Projects. Figures provided in this report are As of December 31, 2021. The Company has learned valuable information about monthly surcharge and upfront payment options, and the impact on the rate of expansion from the gas network enhancement pilots. The Company intends to continue to file annual progress updates for transparency purposes, and conduct an annual meeting with DPS Staff, to review the progress of the Pilot Programs during the term of GNEP. In total, the Company intends to invest more than [REDACTED] install over 93 miles of mainline, and offer natural gas service to homeowners not previously served. These pilot programs not only provide customers with natural gas service, but also provide valuable information that will help the Company design future enhancements to additional areas and projects.

B. Gas Conversion Rebate Program

Throughout October and November 2015, the Company conducted focus groups and several in-depth phone interviews, to assess motives and drivers for converting to natural gas for heating, as well as the barriers to conversion that existed. A large focus of the study was on what keeps potential customers from converting to natural gas and their awareness of the rebates that exist. Most participants noted that the extremely high upfront cost to convert to natural gas is a large barrier that kept them from converting. There was general awareness of available rebates, but they were seen as a nice afterthought and not a main conversion driver because the dollar amounts were perceived to be insignificant. Participants of the study stated that a rebate number closer to \$1,000 would stand out much more to them and a payback of no longer than five years would be preferred.

Based on this information, the Company worked to develop a Gas Conversion Rebate Program (“GCRP”) that would attempt to provide more substantial rebates for converters, as well as decrease the payback period that converters were experiencing. The Gas Conversion Rebate Program (as initially proposed in the collaborative conference call on December 9, 2015) offered rebates for high-efficiency space heating equipment only and exist as complementary incentives to the CIP incentives currently in place. The program is administered by the existing contractor for CIP and the rebate is paid directly to the customer. These rebates will be effective for installations occurring on or after January 1, 2016, and the Company will verify conversion by requiring that the applicant include a copy of their most recent alternative fuel bill, and/or complete an on-site inspection (where necessary). These rebates are available for MLEPs, non-heating customers, houses on the gas mainline who are not currently customers (non-customers commonly referred to as SKIPs), and Pilot Program non-customers. The rebates are not available for new construction homes.

In 2018, the program was expanded to include water heating equipment. Rebates for space heating were also increased to help customers with the large upfront cost of converting to natural gas. **Appendix G** shows the GCRP rebates for different types of space heating and water heating equipment. This new enhanced program brings potential customers closer to the thousand-dollar rebate mark that was mentioned several times throughout the focus groups. The water heating rebate will encourage customers to convert their water heater for minimal cost and get natural gas service to their home. This will allow them to convert their space heating equipment at a later time, when it is more convenient to them, or when their furnace/boiler needs to be replaced (whether it be planned or unplanned).

In 2021, the Company started working with White Whale Solutions (“White Whale”) on marketing campaigns for the program to increase awareness of the GCRP among the general public, as well as in each target market segment. Outreach created by White Whale in 2021 included digital media, direct mailings, email blasts, and paid social media. The Company continues to utilize the conversion brochure, conversion calculator, and videos previously developed. The Company continues to educate local heating contractors on the new rebate program with direct mailings. **Appendix H** provides examples of the Company’s GCRP outreach material utilized in 2021, including: postcards, social and digital ads, the conversion brochure, conversion calculator, and conversion and testimonial videos.

As of December 31, 2021, more than 600 rebates have been paid out for a total of nearly [REDACTED] for program years 2016-2021. The majority of the rebates are for heating equipment. **Appendix I** provides GCRP results.

The Company implemented the GCRP in September of 2016 with the program being retroactive to January 2016. The Company expects participation rates to continue to grow over the spring and fall months, as customers who may have initially converted (by only converting a water heater, dryer, or stove) may convert their furnace/boiler over the spring and fall (when they don’t have to consider temporary heating solutions during the winter months). Furthermore, the addition of pilot project locations and marketing efforts will be continued, and program awareness among potential participants and contractors will increase.

C. Income-Based Conversion Program (Previously Low Income Conversion Program)

Enhancement of natural gas service to low to moderate income customers presents

unique challenges that the Company has worked to address. While replacing delivered fuels with natural gas will have real benefits for low to moderate income customers, especially when considering savings as a percent of income, the upfront cost of equipment needed to convert to natural gas can be a barrier. The Company currently offers many services for low income customers, as well as special needs customers.

1. Low Income Conversion Program: 2016-2019

Aside from existing programs, and as a part of the Commission approved Joint Proposal, the Company worked with NYSERDA to implement a Low Income Conversion Program between 2016 and 2019. Customers eligible for assistance include owner occupied residences or tenants in the Company's New York service territory that qualify as income-eligible for EmPower New York or Assisted Home Performance and also currently heat with a fuel source other than natural gas, including oil, propane, electricity, wood, or coal.¹³ A budget of [REDACTED] of which was available for incentives, was authorized to assist with the expansion of heating conversions for low to moderate income customers. Qualified homeowners were eligible for grants typically up to \$6,000 per household, from the Company, for houseline installations, equipment conversion costs, and service and/ or main line extensions. It is anticipated that grants applied toward conversion costs for low income customers in the program will range between \$400 (simple orifice change for propane equipment and houseline installation) to \$6,000 (replacement of oil or electric equipment, houseline installation, service line installation beyond initial 100 feet). Additionally, these customers would also be able to receive weatherization and energy efficiency upgrades at no cost, by participating in the

¹³ To be eligible, tenant must be paying for the alternative fuel source. Landlord will also be required to pay 25% of the conversion costs, unless landlord is income-eligible for HEAP and the building is owner-occupied.

Company's Low Income Usage Reduction Program ("LIURP") and NYSERDA's EmPower program.¹⁴ See **Appendix J** for a summary of the Low Income Conversion Program.

Multiple outreach campaigns have been completed. As of December 31, 2019, 3,135 postcards and 7,443 e-mails were sent to potential low income conversion customers during NYSERDA's administration. As of December 31, 2019, the program had assisted a total of 26 low income conversions, with grants totaling [REDACTED]. This included 21 oil conversions, 4 propane conversions, and 1 electric conversion. See **Appendix K** for a summary of these results.

2. Contractor Meeting October 2019

After discussions with NYSERDA regarding the recent stagnation of projects, it was determined that reaching out to the NYSERDA qualified contractors in the service territory would prove helpful. In October of 2019, the Company held a workshop with NYSERDA qualified contractors to review and discuss the Low Income Conversion Program. The Company worked with NYSERDA and its subcontractor, CLEAResult, to identify NYSERDA qualified contractors that work in the Company's service territory. A total of 30 contractors were identified and invited to the workshop. Of those 30 contractors, only 5 had previously taken advantage of the Low Income Conversion Program. Ultimately, 17 representatives from 12 different contractors attended the workshop. The Company presented a PowerPoint presentation outlining the Low Income

¹⁴ LIURP, part of the Company's CIP portfolio, would provide gas measures to customers while NYSERDA's EmPower program would provide electric measures to customers contemporaneously. The average monetary value of the gas measures provided in the Company's LIURP is approximately \$4,500, but may vary based on each customer's unique circumstances

Conversion Program and ended with a group Q&A and discussion. Upon the conclusion of the group discussion, attendees were asked to complete a brief survey. Through the group discussion and survey, the Company learned that only a handful of contractors were able to actually complete conversions and that the majority of contractors were only NYSERDA qualified to complete building shell work. Furthermore, the contractors who complete shell work were not advising homeowners on the Low Income Conversion Program due to the misunderstanding that they would have to give the full project to a mechanical contractor. Finally, 5 of the 17 attendees were not aware that National Fuel offered the Low Income Conversion Program through NYSERDA's EmPower program. Following this meeting, the Company and NYSERDA met to discuss the future of this program, and mutually decided that the program may see greater success with a new, local program administrator.

3. Income-Based Conversion Program (2020-2021)

At the start of 2020, the Company rebranded the program to be called the Income-Based Conversion Program and brought on C.J. Brown Energy, P.C. ("C.J. Brown") as the new, local program administrator to take on the administration and outreach for the program. The program has the same guidelines as the Low Income Conversion Program, however explicitly indicates that both low and moderate income ("LMI") customers are eligible for the program. Customers eligible for assistance include owner occupied residences or tenants in the Company's New York service territory that qualify as income-eligible under the State's low and moderate income guidelines and also currently heat with a fuel source other than natural gas, including oil, propane, electricity, wood, or coal. See the application for the program in **Appendix L**. As of December 31, 2021, the Income-Based Conversion Program has assisted a total of 16 LMI conversions, with conversion costs totaling about [REDACTED]

This includes 10 oil conversions, 4 propane conversions, and 2 electric conversions. See **Appendix M** for a summary of these results.

The Company and C.J. Brown have continued conducting outreach and marketing initiatives throughout the service territory to identify customers who may qualify for the program. Additionally, the Company will continue partnering with Niagara County and Erie County Department of Social Services for additional program marketing and outreach. Currently, the counties pay the heating bill for low-income residents and are very interested in the program.

D. Partnership for Urban Revitalization in Western New York (“PUR-WNY”)

The Company has developed a program to assist in the revitalization of residential households, and neighborhoods with vacant lots, or vacant homes where utility infrastructure is already in place, with an emphasis on urban locales. This program, the Partnership for Urban Revitalization in Western New York (“PUR-WNY”), permits the Company to buy down the initial capital costs of gas space heating and water heating appliances, any internal gas house lines, and main and service lines. The focus is on new construction or rehabilitation of vacant homes with no connected gas service for over a year.

Program requirements include requiring the home building envelope to be energy efficient and the home to have gas appliances, minimally for space heating and water heating. The natural gas appliances must meet or exceed the established minimum efficiency levels outlined in the application form. These projects must be in low-income neighborhoods based on census tract and zip code. See **Appendix N** for the application form and program requirements.

The Company is working with a local program administrator, C.J. Brown, who handles all aspects of the program including marketing and outreach, application processing, installation verification, and reporting. C.J. Brown conducts targeted outreach, focusing on personal meetings with representatives from local organizations such as Habitat for Humanity, Buffalo Erie Niagara Land Improvement Corporation (“BENLIC”), and Local Initiatives Support Corporation (“LISC”), to spread awareness of the program.

As of December 31, 2021, the program has received 119 applications and has processed 67 grants to date for an estimated total of [REDACTED] **Appendix O** provides the program results summary.

E. Overall GNEP Budget and Expenditures

Appendix P shows the overall GNEP budget and actual/projected expenditures through fiscal year 2023. Starting with the [REDACTED] available annually, estimated expenses are withdrawn from GNEP funding, as needed. The budget includes actual and potential spending for GIS prospect identification, non-customer focus groups, Phase I-VI mainline subsidies, the Income-Based Conversion Program, the Gas Conversion Rebate Program, and the PUR-WNY Program. Total estimated expenses from fiscal year 2014 to fiscal year 2025 are [REDACTED]

V. OTHER PROGRAMS

A. NGV Program

The Joint Proposal provides that the GNEP will address expansion to “Natural Gas Vehicle customers including potential liquefied natural gas (“LNG”) filling stations”

(Joint Proposal § 8.1).

The Company has a significant target market for NGVs within its service territory and is continuing to add new NGV customers and expand service. Service is currently being provided to a number of individuals and fleets of natural gas vehicles. **Appendix Q** shows how the conversion of these vehicles to natural gas has led to a significant continual increase in usage every year while decreasing their environmental impact by 7.77 lbs of CO₂ per gallon by displacing diesel/gasoline consumption. Annual usage in 2021 was 517,471 Mcf, a 608.75% increase from the 2012 usage of 73,012 Mcf, while experiencing an end-use CO₂ reduction of 12,162 MTCO₂e.

Even with continued growth, the Company still faces significant barriers to expanding its NGV market. Currently, the main barriers to enhancement are the high cost and lack of widespread refueling infrastructure, followed by the incremental cost of a compressed natural gas (“CNG”)/LNG vehicle over a similar gasoline/diesel vehicle, and the declining diesel prices that decrease fuel cost savings. Refueling stations can cost anywhere from \$100,000 to \$1.5 million for a Time-Fill Station and from \$500,000 to \$2 million for a Fast-Fill Station. Additionally, while several NGV options are now more commonly available compared to previous years, these vehicles cost anywhere from \$7,000 to \$50,000 more than their gasoline or diesel counterparts. In 2014, the difference between CNG and diesel, in the Company’s service territory, was approximately \$2.50 to \$3.00 per diesel-gallon-equivalent (“DGE”). This number has decreased to less than \$1.00 in some areas. All of these issues listed above can hinder companies from considering NGVs for their fleets. Distribution believes its NGV Program can help. The program offers funding for customers to buy down the cost of a NGV refueling station, and/or vehicles, in an attempt to lower the payback period. In 2021, there were seven companies that

participated in the program. These participants have an annual combined [REDACTED]
[REDACTED] A total of [REDACTED] in funding has been utilized under the program. This program was initially approved by the Commission on November 18, 2011, re-authorized for three years on May 15, 2015, and made tariff permanent effective December 1, 2018.

There are currently 6 public access stations located throughout the Company's service territory and 6 private access stations. **Appendix R** is a map of the current private and public access stations in the Company's service territory. While the highest concentration of stations is in the City of Buffalo and the surrounding suburbs, stations reach as far as Chautauqua, Salamanca, and Rochester.

The Company owns a public access station in West Seneca, New York. The Company believes that the future development of NGV markets in its service territory will hinge on the development of retail fueling stations operated by parties other than the Company. The Company met with DPS Staff on June 4, 2015, to discuss the concept of a third-party retailer taking over the retail/billing operation of the Company's Mineral Springs NGV station. The Company proposed to Staff that the third-party retailer would offer market-based pricing that would be phased in over 6 months. The Company would still maintain ownership of the facility and provide maintenance for all components of the station, while the third-party retailer would establish pricing, brand the station, and develop and operate a billing system to invoice customers. In August 2015, the Company and Staff agreed it was reasonable to proceed with issuing a Request for Proposal ("RFP") to a list of potentially interested bidders.

An RFP was issued in November 2015, and American Natural Gas ("ANG") was selected to take over the retail operation of the station. The Company transferred

retail billing operation of the station to ANG in December 2017 and the station has been successfully operated by ANG since that date.

B. PRIME-WNY Pilot Program

Similar to the design of the NGV Program, the Company has developed a program to assist large commercial and industrial customers, called PRIME-WNY. This pilot program permits the Company to buy down the initial capital costs of system improvements, “house” piping, and gas-fired equipment to help lower payback periods. These costs are recovered through incremental revenues that are derived from increased transportation throughput, as well as contractual payments to recover buy down amounts above the incremental transportation revenues. The term of individual participating customer contracts is up to seven years.

The Company filed proposed tariff leafs for PRIME-WNY on December 5, 2014, and on May 15, 2015 the Commission approved the pilot program. The PRIME-WNY pilot program became effective June 1, 2015, and has an annual cap of \$2 million per year, for a total of \$6 million. It initially required a \$0.10/Mcf surcharge, as a contribution to overall system costs to benefit ratepayers, and the Company was authorized to charge above the otherwise applicable delivery rate (if necessary) to recover the loan. To date, the Company has contracted with two customers, which resulted in incremental annual usage of [REDACTED] On November 21, 2018, the pilot program was extended for another three-year term, in Case 17-G-0799. The existing \$0.10 per Mcf surcharge was modified to reflect an equal percentage of transportation charges for all applicable service classifications, ranging from \$0.0193 per Mcf to \$0.10 per Mcf, depending on the size of the customer. This modification will help to minimize potential

barriers to customer participation, especially for larger volume customers.

VI. ANNUAL REPORT AND PERIODIC PROGRAM UPDATES

The Company will continue to provide an annual report regarding the status of its gas system enhancement activities during the term of the GNEP pilot.

The Company may propose to reconvene the expansion collaborative group to provide status reports on all or certain aspects of the gas expansion plan, as needed.

VII. SUMMARY

In accordance with the Rate Order, the Company has created a GNEP; worked with collaborating parties to develop initiatives to promote the enhancement of gas service in the Company's service territory, as well as other items specifically identified by the Commission for consideration in the GNEP; and hereby submits its report on the results of the GNEP. To promote gas enhancement in the service territory, the Company has implemented 62 separate pilot projects (as discussed herein) that will connect customers to the Company's gas system, using a simplified method for customer contribution. Additionally, the Company has implemented a Gas Conversion Rebate Program to assist those converting to natural gas. This rebate program provides a rebate in response to market feedback and decreases the payback period customers were experiencing. Furthermore, the Company is now working with C.J. Brown to enhance the impact of programming for low to moderate income customers converting to natural gas as well as to promote energy efficient growth within the service territory through the PUR-WNY

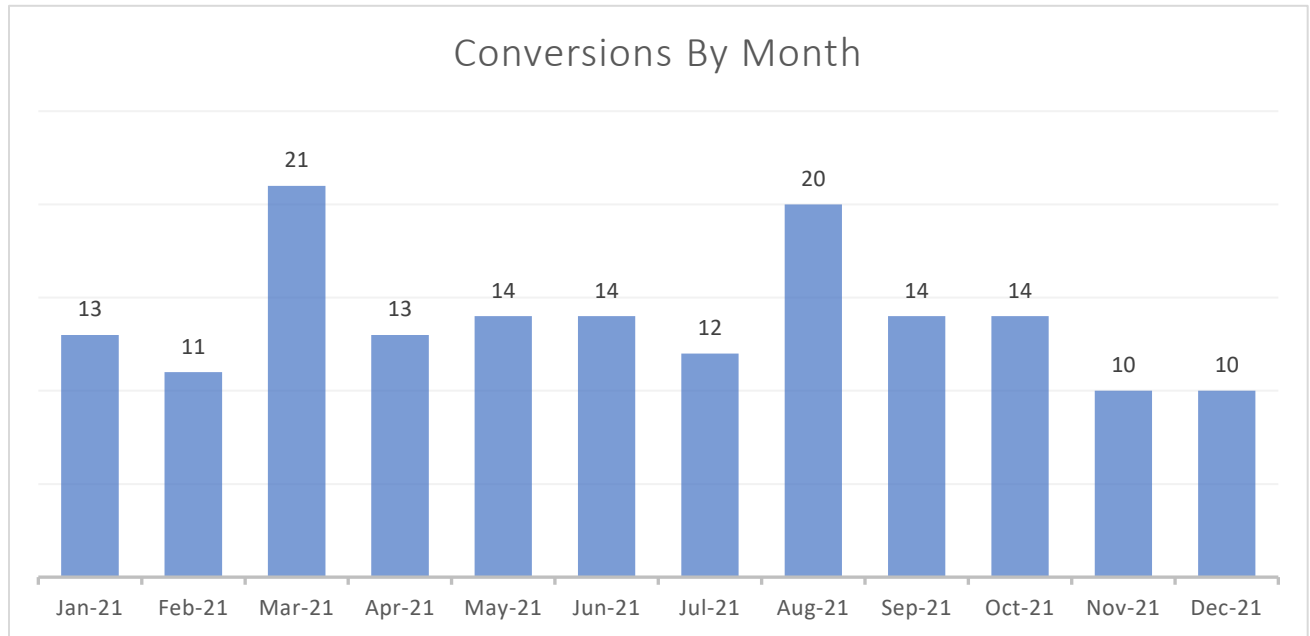
program. The Company continues to prospect NGV customers, in an attempt to expand service, and create a positive impact on the environment. In addition, the Company continues to utilize the PRIME-WNY pilot program as a tool to meet the growing energy needs of commercial and industrial customers¹⁵.

¹⁵ The Company submitted a filing under case 21-G-0423 on July 30, 2021 to extend the PRIME-WNY pilot for an additional three years, through November 30, 2024.

Appendix A: Phase I -VI Pilot Projects

									GEP @ 75% Conversion of potential homes	
	Project	Town	Prospect Source	Estimated Potential Homes	Number of Applications as of 12/31/2021	Number of Conversions as of 12/31/2021	Percent Converted as of 12/31/2021	Estimated Distance of Main Line (ft.)	Prepayment	Monthly Surcharge
Phase I - 2 Locations										
1	Wilson	Wilson	Customer Inquiry	228	150	126	55%	34,789		
2	Richmond	Richmond	Customer Inquiry	585	376	298	51%	56,500		
Total Phase I				813	508	424	52%	91,289		
Phase II - 7 Locations										
1	Scribner Road	Corfu	New Services	16	16	15	94%	2,135		
2	Utley	Akron	New Services	23	23	19	83%	3,180		
3	Swann Road	Ransomville	New Services	29	22	12	41%	6,300		
4	Woods/Schang	East Aurora	New Services	57	46	38	67%	12,250		
5	Beebe/Chestnut/North	Wilson	GIS	105	70	43	41%	20,800		
6	Calkins Road	Youngstown	GIS	25	20	18	72%	4,710		
7	Dickersonville/Schoolhouse	Ransomville	GIS	42	23	22	52%	6,800		
Total Phase II				294	220	167	57%	56,175		
Phase III - 14 Locations										
1	Admirals Walk	Amherst	New Services	21	17	16	71%	4,675		
2	Cain Road	Youngstown	GIS	46	32	29	59%	6,550		
3	Clarence Center - East of Dye	Akron	New Services	9	6	3	22%	2,832		
4	Fletcher & Rapids	Akron	New Services	44	24	17	30%	7,934		
5	Davison/Salt/Clarence Center	Akron	New Services	24	20	13	46%	8,400		
6	German Road	Ransomville	GIS	18	15	13	72%	3,600		
7	Howe Road	Clarence Center	New Services	7	7	4	43%	1,800		
8	Palmer/Braleay	Ransomville	GIS	33	19	15	42%	7,650		
9	Pratt/Slusser	Corfu	New Services	60	40	31	48%	8,400		
10	Rice/Zimmerman	Boston	New Services	46	37	25	50%	9,035		
11	Sibley Road	Honeoye Falls	New Services	26	14	8	31%	3,150		
12	Stage Road	Akron	New Services	4	2	1	0%	697		
13	Woodcliff Drive	Youngstown	Customer Inquiry	29	15	13	0%	4,300		
14	Youngstown - Lockport	Ransomville	GIS	75	39	36	36%	11,750		
Total Phase III				442	287	224	51%	80,773		
Phase IV - 9 Locations										
1	Silver Lake	Castile	Customer Inquiry	63	43	37	59%	4,525		
2	Scribner Road - Phase II	Corfu	New Services	17	12	11	65%	3,825		
3	Galloway/Kelsey	Batavia	New Services	18	12	5	28%	2,461		
4	Sandrock/Tice	Eden	GIS	23	13	11	48%	4,200		
5	Rapids/Sand Hill	Akron	New Services	53	41	42	79%	13,000		
6	Maple/Carney/Cedar	Akron	GIS	83	48	40	48%	14,255		
7	Human Road	Sanborn	Customer Inquiry	5	5	4	80%	1,385		
8	Lower Mountain Road	Sanborn	New Services	77	42	36	47%	18,640		
9	Eastwood Road	Marilla	Customer Inquiry	6	4	4	67%	2,400		
Total Phase IV				345	220	190	55%	64,691		
Phase V - 14 Locations										
1	Baer Road	Sanborn	New Services	9	7	6	67%	1,540		
2	Rapids/Greenbush/Swift Mills/Mill	Akron	New Services	49	35	26	53%	8,580		
3	Vermont/Hunters Creek	Holland	New Services	25	19	9	36%	4,750		
4	Salt Road	Clarence Center	New Services	21	14	10	48%	5,930		
5	Schang Extension	Wales	Customer Inquiry	5	4	3	60%	3,665		
6	Dorsch Road	Akron	GIS	14	12	4	29%	15,230		
7	Meahl/Draper/Hunts Corner	Akron	New Services	55	47	43	78%	5,500		
8	Langford/Rocky Mtn./ Applewood	North Collins	New Services	54	23	19	35%	14,950		
9	Jolls Road	Perrysburg	New Services	12	7	7	58%	3,415		
10	Daniels Road	Ransomville	GIS	21	19	14	67%	7,305		
11	Getman/Gadd	Alden	Customer Inquiry	25	14	10	40%	1,000		
12	Swift Mills - Cedar - Martin	Akron	Customer Inquiry	24	21	16	67%	6,505		
13	Meahl Road (from Sandhill)	Akron	Customer Inquiry	9	7	5	56%	2,650		
14	Kelsey Road Extension	Batavia	New Services	11	6	5	45%	3,400		
Total Phase V				334	235	177	53%	84,420		
Phase VI - 15 Locations										
1	Ritchie Ave	Tonawanda	Customer Inquiry	30	0	0	0%	2,300		
2	Baer - Lower Mountain	Sanborn	Customer Inquiry	63	4	0	0%	10,210		
3	Newton-Bunting	Orchard Park	GIS	10	26	9	35%	5,830		
4	Partridge Road	Holland	New Services	35	7	0	0%	2,005		
5	Moore Road	Akron	New Services	43	16	1	6%	5,550		
6	Albion - Lockport Road	Oakfield	New Services	25	19	0	0%	7,920		
7	Rapids Rd	Ransomville	GIS	30	9	0	0%	5,400		
8	Sharp St/Genesee Rd	East Concord	Customer Inquiry	21	7	0	0%	9,900		
9	Clarksburg Road	Perrysburg	New Services	35	6	5	83%	3,200		
10	Cedar Road	Alden	New Services	10	11	0	0%	3,500		
11	Warner Hill - Vermont Hill	Wales	Customer Inquiry	11	28	0	0%	13,660		
12	Shadagee Road	Eden	New Services	8	5	0	0%	2,760		
13	Stage Road	Akron	Customer Inquiry	17	6	0	0%	5,750		
14	Wagner Road	Holland	New Services	10	8	7	0%	4,000		
15	Bank St Road	Batavia	Customer Inquiry	28	0	0	0%	11,900		
Total Phase VI				376	152	22	8%	93,885		
				2,604	1,622	1,204	46%	471,233		

Appendix B: Pilot Project Conversions by Month



Appendix C: Overall Pilot Project Results Summary

Network Enhancement Overview

Projects	Fiscal Year	Total Number of Homes	Number of Applications to Date	Number of Conversions to Date	Total Percent Converted*	Estimated Mainline (feet)	Estimated Project Cost	CIAC		
Phase I - 2 Locations										
Total Phase I	2014 - 2015	813	508	424	52%	91,289				
Phase II - 7 Locations										
Total/Average Phase II	2016	293	220	167	57%	56,175				
Phase III - 14 Locations										
Total/Average Phase III	2017	444	287	224	50%	80,773				
Phase IV - 9 Locations										
Total/Average Phase IV	2018 - 2019	320	220	190	59%	64,691				
Phase V - 14 Locations										
Total/Average Phase V	2019 - 2021	334	235	177	53%	84,420				
Phase VI - 15 Locations										
Total/Average Phase VI	2021-2022	376	152	22	6%	93,885				
Phase VII - 1 Location										
Total/Average Phase VII	2022-2023	192	0	0	0%	22,000				
Projects	Fiscal Year	Estimated Number of Homes	Number of Applications to Date	Number of Conversions to Date	Percent Converted**	Estimated Mainline (feet)	Estimated Project Cost	CIAC		
Total Phase I - VII	2014 - 2023	2,772	1,622	1,204	43%	493,233				
Total 62 Locations										
			Estimated Net Mainline Plant Additions Phase 1-6							

*Company target is 75% of potential homes converted.

**Includes Phase VI & VII projects, which have not yet been completed.

Total Number of Hom Number of Applicat Number of Conversions to Date Estimated Mai Estimated Project CIAC

Appendix D: Pilot Project Emission Reductions Results

Year	Conversions (by year)	MTCO2e Emission Reductions (by year)	Conversions (cumulative)	MTCO2e Emission Reductions (cumulative)
2014	7	16	7	16
2015	64	145	71	161
2016	295	951	366	1,112
2017	184	2,755	550	3,868
2018	94	4,992	644	8,859
2019	169	7,540	813	16,399
2020	165	10,476	978	26,876
2021	195	13,402	1,173	40,278
Grand Total	1,173	40,278	--	97,570

	Btu Content	Pounds CO2 per Unit ^{4,5}	Average Usage	Avg. Annual Usage	Avg. Monthly Usage	Avg. Monthly Emissions	Emission Differential/ Month (lbs)
Natural Gas (per Mcf) ¹	1,036,000	117.10	Natural Gas (Mcf) ⁶	101.35	8.4	989.0	-
Propane (per gallon) ¹	91,333	12.70	Propane (gallons)	1,149.57	96	1,216.6	227.7
Oil (per gallon) ¹	138,500	22.40	Oil (gallons)	758.08	63	1,415.1	426.1
Electric (per kWh) ¹	3,412	1.56	Electric (kWh)	30,771.93	2,564	4,000.4	3,011.4
Wood (per cord) ²	19,814,815	5,037.87	Wood (cord)	5.30	0.44	2,224.5	1,235.6
Unknown ³			Weighted Average of Alt. Fuel Emissions			2,008.2	1,019.3

1) Source: <https://www.eia.gov/energyexplained/>

2) Source: <https://futuremetrics.info/wp-content/uploads/2013/07/CO2-from-Wood-and-Coal-Combustion.pdf> (average of all species)

3) Source: <https://www.nysed.gov/-/media/Files/Publications/building-stock-potential-studies/residential-baseline-study/Vol-1-Single-Family-Res>

4) Source: https://www.eia.gov/environment/emissions/co2_vol_mass.php

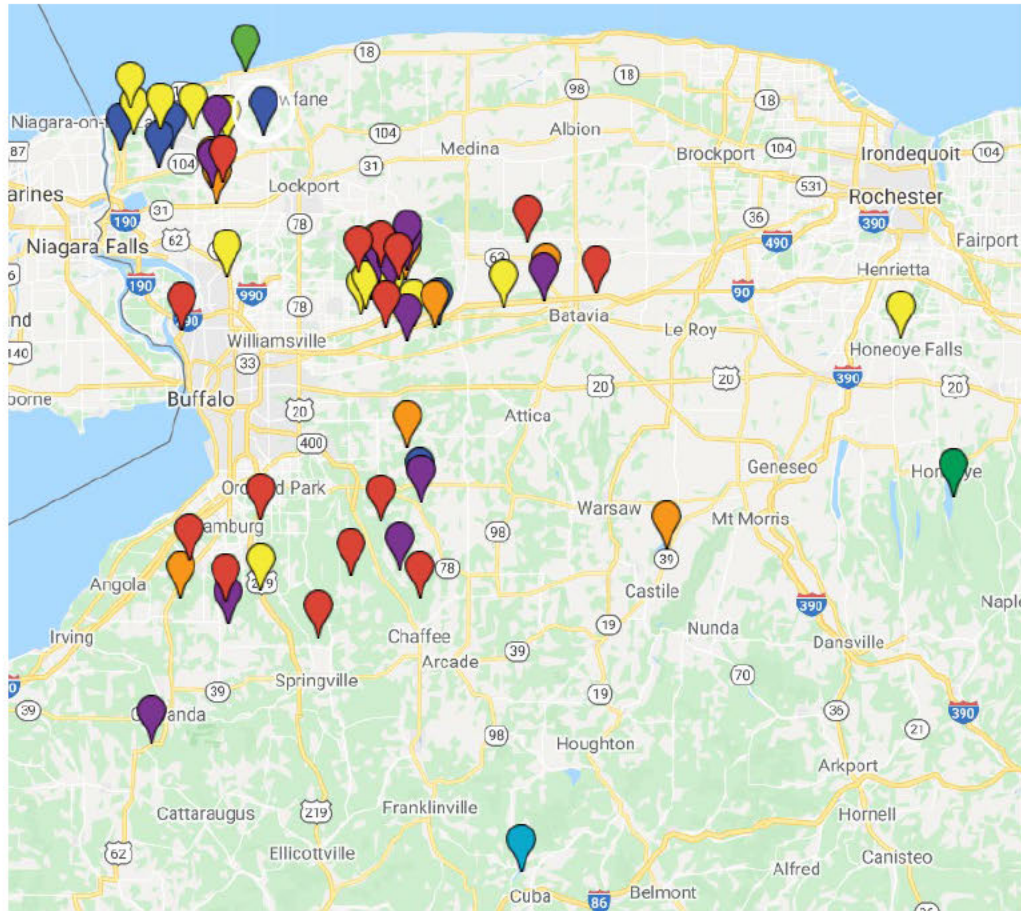
5) Source: <https://futuremetrics.info/wp-content/uploads/2013/07/CO2-from-Wood-and-Coal-Combustion.pdf> (average of all species)

6) Average of 2016 - 2020 actual usage/acct from RDM filing with PSC

Convert pounds to MT 2,204.62

Convert kg to pounds 2.205

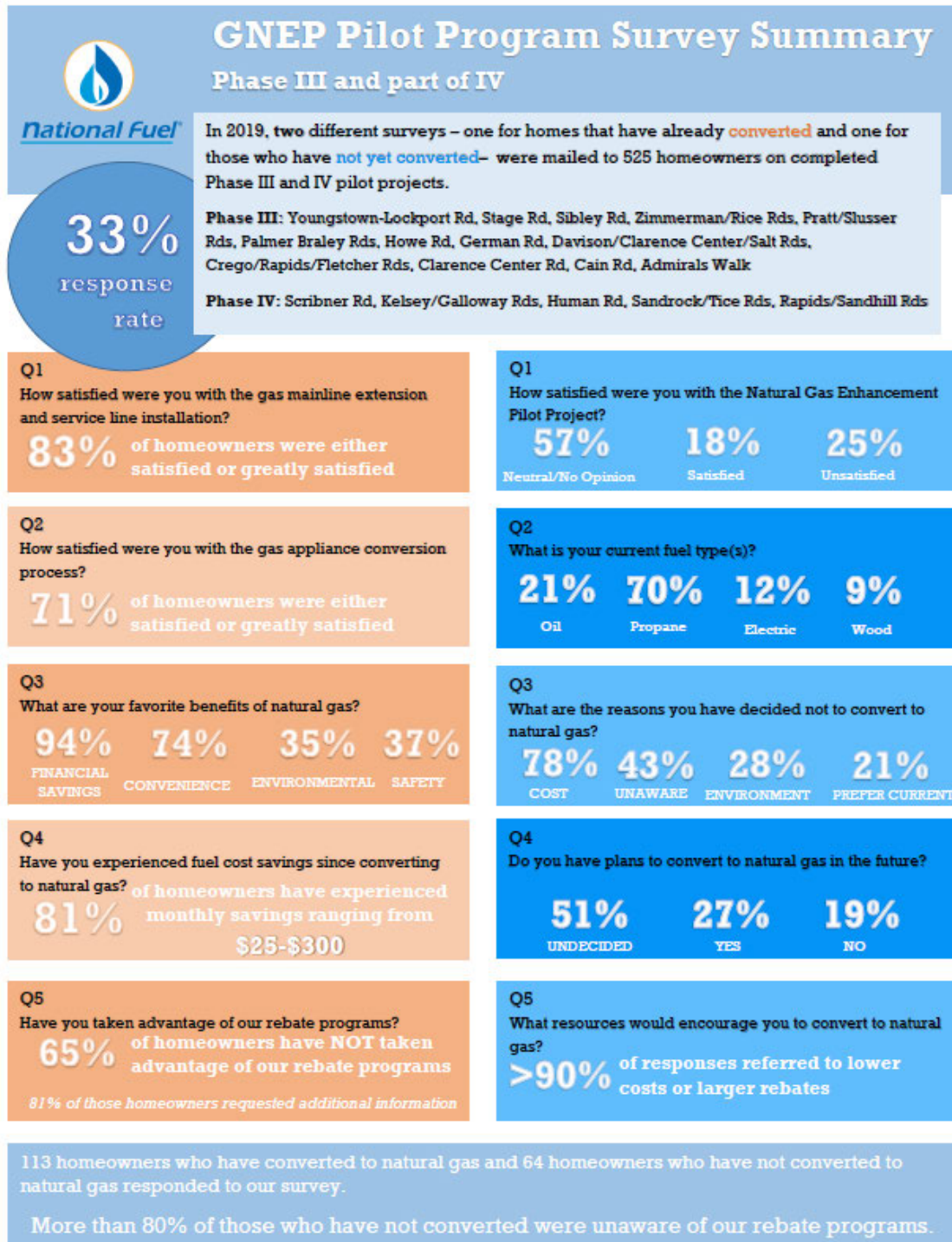
Appendix E: Map of Pilot Project Locations



Phase I 2014-2015	Green
Phase II 2016	Blue
Phase III 2017	Yellow
Phase IV 2018-2019	Orange
Phase V 2019-2020	Purple
Phase VI 2021-2022	Red
Phase VII 2022-2023	Light Blue

Appendix F: Homeowner Satisfaction Survey Results

a. Phases III & IV



Q6: How can National Fuel improve the conversion process?

Just want to thank you for gas.

Nothing, waited a long time for this opportunity.

None that I know of.

They did an awesome job. We love natural gas.

Unsure. Only problem I had was in converting some appliances with my own technician. Maybe NFG could have done some conversions for me? Furnace x 2, water heater, clothes dryer, range, fire place.

Satisfied

Not put that blue pole right on our lawn - ugly.

All good by me.

I submitted my rebate for furnace and hot water heater after months of calling, never received it. The sell pitch was "we help you pay for the switch". We bought a new furnace and hot water heat - NO rebate - excuses.

Went very smoothly.

You could have answered my numerous calls instead of going to voice mail and never getting a call back.

Have a list of exclusive contractors that work in the area of installation in conjunction with NFG. Turnbull was very unprofessional.

It ran smooth - very happy with NFG.

By giving rebates to self installers.

It took five yards of topsoil to undo the mess your machine (there is a unit you walk behind that would do the same job without the damage) left leaving 6-7 inch trench where Trax went through.

Everything went smoothly and quickly. Very happy with the switch to natural gas.

Better landscaping after installation of pipe to the house.

Specifically on cost to convert current electric hot water tank to natural gas.

Make it cheaper.

Easier rebate program. Filled out forms and provided material exactly as requested. Retruned with new additional requests. Could not go back to installer again.

All done.

Submitted application for rebate, never heard back.

My husband installed new hot water tank - not eligible for rebate since not installed by professional.

The conversion after a few e-mail issues pretty much was flawless. No problems.

Include an option to have yard damage repaired though a selected contractor at a small discounted rate.

Do a better job at cleaning up the dirt/lawn that is torn up during the process.

Speed up the process. Possibly a better company cheapest isn't always the best. Company started then left for two months and a little better communication on NFG's part.

A referral list for contractors looking to pipe a house for natural gas would be helpful.

Everything was good.

Make it easier to contact by phone a representative for rebates. It is a difficult process.

It has been a very smooth transition. I don't think you could make it any easier.

Not sure need more information.

Is it still possible to take advantage of the rebate program? I have all the receipts.

Create an online portal to apply and guide the process, upload documents and show progress of scheduling.

I don't see the need for any improvement. The men did a great job. They were speedy and quick.

The service line to my home was done in a hurry and very sloppy.

At the end of our driveway the gas pipe is sticking out of the ground. Can't get it to go down. Please fix it. Thanks.

More accurate bill estimating. More regular meter reading.

Everything was excellent until Spring 2019 when NFG was to complete the cleanup and reseed. We ended up doing it ourselves and have made several attempts to see if we can be compensated. NO ONE has called us!

I was told by Steve's Heating, the company that put new furnace in, that I would get a \$1,000 rebate. Did not happen because they had wrong information. I would like some explanation of what I would be eligible for.

Put the property back the way it was found.

Call me at xxxxxxxx if you want my opinion on gas line install. Thank you.

More information about the pipe line size requirements inside the home. A house that used propane might need all new lines.

It was hard to get a hold of anyone that knew what was going on. The area's rep. phone was always "mailbox is full".

Never fixed low areas in driveway after they dug for line. Put in large stones - we had small. Not happy and yes I have called. Furnace was expensive, stove only two years old but no conversion available. Had to buy a new one.

Give more information up front before the process.

Better yard cleanup after installation of the gas line.

Everything went wonderful - extremely happy.

Never once was able to reach project manager. Was always in the field and never returned call or e-mail.

Everything went smoothly.

Provide a "recommended" list of HVAC contractors to install natural gas products or convert existing appliances.

If people do not convert to gas, they are foolish.

I am very satisfied with all NFG has done. I would like to convert to a gas dryer, any rebates?

Q7: How can National Fuel improve the conversion process?

Funding.

Contact me.

Cost of installation, property restoration work.

We do not want to incur the costs involved. We may be leaving the area in the next five years.

Hook us up for no charge. NFG will sell gas to the address forever. That will pay for the service hook up.

Better communication with your customers especially when our neighbors try getting you on the phone and it took way too long to have our lawn fixed.

No cost of any kind to install.

Understand that incomes in this area don't equal exhorberant changes for your services.

Fewer fees to convert.

Please just iniate the process. I am slow at paper work. Please just get the process started.

More info.

Minimize or eliminate conversion cost.

Convert my home at no cost to me.

Supply more information on installation and information on appliance offers.

By not charging for the line from the street to the house, to use your product that I pay for.

Please let us know what is available.

Reduce my cost for line to house or let me install.

Increased information, breakdown of cost factors on converting.

Right now not much, because of cost to replace appliances, don't have the money to do so.

Help to get it.

Unknown.

No cost.

We feel NFG should run lines at a much smaller cost or free as we would be giving you lifetime service. Thank you.

More affordable pricing for bringing the line 300 feet off the road to our house.

Great.

No clue.

Reduce cost.

Cost.

I would like to know how to get \$2,000 towards the conversion I did in July.

Please, more information on converting cost, appliance conversion and/or necessary purchase needed.

Let me know when they complete main gas line, cost to convert, payment and/or rebate options, financial assistance.

More paperwork on the offers/rebates NFG offers to customers.

Your subcontractor hit my power line. He did have it fixed but was angry with me when I told NFG about it. I have a dedicated whole house generator, hot water tank and fire place. Pay me \$20,000 to accept your service.

Quote.

Explain exactly what is what.

What are the incentives? It has been inconvenient for me when you put gas to my neighbor's - as my yard has the gas line and repair of disrupted property is very slow to occur.

Restoration - who will come and restore our property? The amount of money paid to get access was very high.

Pay for gas line to house and conversion.

Contact me at [REDACTED]

Cost.

No improvement necessary.

The process was fine, communication was fantastic and timely. It is not you, it is me.

I think we are good.

Lower cost.

Better communication and help evaluating whether it will be worth converting. I came close to converting in 2018 but was given incorrect information by an NFG representative which caused confusion and frustration.

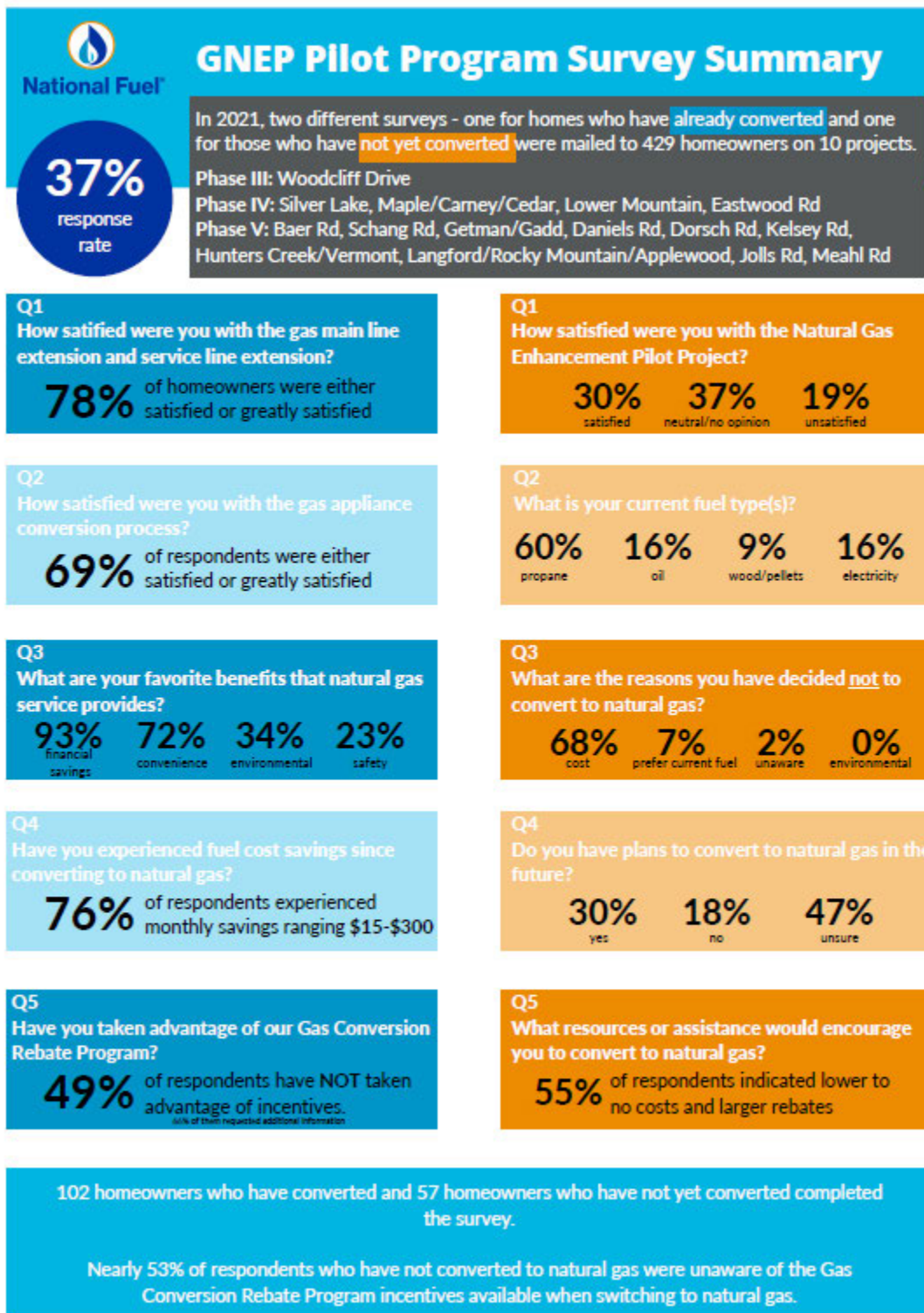
Complete the process.

Contact me directly by phone. I look forward to possibly doing business and receiving the gift card.

They have done a great job. Very professional.

Grant money. Cover cost of conversion and replacement costs.

B. Phases III, IV & V





National Fuel®

Q: How can National Fuel improve the Conversion Process?

- Have a list of companies that can convert appliances from propane to natural gas.
- All good.
- All okay here
- Assist homeowners with gas hook ups to gas fireplace inserts.
- Better install contractors.
- Did most work in home myself. Received several quotes that were completely ridiculous. Saved thousands.
- Easier knowledge of rebates/incentives?
- Everything went well.
- Find more employee's like Dennis Calaruso at OP or Bill in Arcade.
- Follow up with the line from the road to the house. They never came back and leveled off my yard. It is a mess.
- Have electric range we are considering on converting.
- Hire a new installation company. The crew that did the dig at my house left an absolute mess that I was left with. I had to make several calls for National Fuel to come out to my home to remedy their mess.
- Hot water, dryer, range, furnace soon barn heater.
- I don't think it could get much better.
- I had an independent contractor switch us over.
- I thought it was very well done.
- It was a little hard to get the information due to it being a seasonal area.
- It went fine.
- Make aware the possible conversion issues. I have been a business owner for 35+ years. This is easily my worst business decision ever.
- Making sure the process rebate and incentive programs are clearly understood. Providing a technician to look at the users for advise you don't know. That's odd.
- Nothing - very smooth process.
- Offer a list of qualified service people to convert appliances.
- Offer rebate to convert from propane.
- Rake and reseed lawn.
- Scheduling with customer (subcontractor and National Fuel) on installing service line and meter was difficult to coordinate.
- The inability to replace propane with gas orifices in a gas fireplace lead to an expensive replacement.
- Too many people to deal with when coordinating the conversion.
- Worked very well the way it is set up.

- Getting more info out to cost benefits.
- Nothing
- Filled out an application online. After two months of waiting I called and was told you received nothing. I was transferred to New Services. Nobody answered so I left a message and nobody called back. I called multiple times over multiple months and had the exact same result.
- Restore the lawn once the mainline is completed. I had to bring in soil and reseed the area that was dug up.
- Would be helpful to cover all line costs. House is set back from road. Living on fixed income with no additional revenue available.
- Payment plan or better pricing.
- No mainline cost. I am 81 years old on limited income - \$1,300/month. HEAP pays my oil bill, don't know how long I can afford to stay here much less a new furnace, etc. Then whole crew that installed line was so nice to me. Thanks.
- There should be no installation fee like most neighborhoods and utilities.
- Supply the service to convert the existing appliances.
- Why does meter have to be in front requiring more cost from inside gas line and cost of connecting in the rear of building.
- Reach out to me and discuss opportunities.
- Cost of installation and in-home hookup.
- Follow through with promises.
- Give homeowners more incentive to convert over to National Fuel by offering lower costs of connecting and monthly fuel bills lowered.
- Pre-buy propane and costs are non-refundable unless moving. In February 2019, inquired to NFG on projections/timing for natural gas installations - NFG response was "non-responsive". Circumstances (e.g. covid) have tempered recent conversion considerations.
- Follow up with a customer's request, accurate rebate information, communication.
- They would have to pay most of it.
- I am planning an addition for year round use. Not ready yet. Would like free hook up when time comes. Would like zero monthly charge when not in use. Would like to know basic billing rules, etc.
- Be honest. Care about the individual. Don't lie. Actually do the restoration. Good enough is not restored. I can't even mow my front lawn.
- Free hook up for a product. I'm going to pay for the rest of our lives.
- I have the plate to change my furnace to natural gas. Also I have a hot water boiler so the gas would be a big help over wood and propane.
- I thought the entire process went pretty smooth.
- Follow up after install of gas line is complete, cost to convert, monthly base charge for service.
- Tell me what the fuel cost to me would be.
- Need a new cost to put line to house.
- Give me more information on it.
- Let homeowners be able to hire other companies to dig fuel line.
- Neighbors who converted were very pleased with process.
- Give out an estimate of the cost to put in natural gas line to residence.
- I have recently updated to new tankless hot water and furnace for propane. Better communication.
- The workers involved with the restoration left a huge mud whole by our mailbox and we had to fill it in and fix it ourselves. Our vehicles could sometimes get stuck and mud would get all over our vehicles.
- If homeowner is responsible for trenching/laying pipe and hooking up to appliances, it is a real burden. Not only for cost but in getting contractors. It would be nice to get a general idea of the cost involved.
- Can I have the line brought to the house but not hooked up yet?
- Really can't.
- I thought your company work was fine until it came time to convert our property. Then the process unraveled quickly.
- Future surveys are not necessary.
- To close to previous major surgery.
- Pay full amount.

Appendix G: Gas Conversion Rebate Program Rebates

Appliance/Equipment	Required Minimum Efficiency 2016-2019	Required Minimum Efficiency 2020-2021	Rebate Amount		
			2016-2017	2018-2019	2020-2021
Space Heating					
Hot Air Furnace	92% AFUE	95% AFUE	\$650	\$1,000	\$1,500
Hot Water Boiler	85% AFUE	90% AFUE	\$1,400	\$1,000	\$1,500
Hot Air Furnace w/ ECM	92% AFUE	95% AFUE	\$400	\$1,000	\$1,500
Steam Boiler	82% AFUE	82% AFUE	\$800	\$1,000	\$1,500
Furnace Orifice or Burner Replacement	N/A	N/A	N/A	N/A	\$1,500
Boiler Orifice or Burner Replacement	N/A	N/A	N/A	N/A	\$1,500
Water Heating					
Storage Tank Water Heater (55 Gallons or Less)	0.67 EF	0.64 UEF or 0.67 EF	N/A	\$800	\$1,200
Storage Tank Water Heater (More than 55 Gallons)	0.77 EF	0.78 UEF or 0.77 EF	N/A	\$800	\$1,200
Storage Tank Water Heater (55 Gallons or Less)	N/A	0.80 UEF	N/A	N/A	\$1,500
Tankless Water Heater	0.82 EF	0.87 UEF or 0.90 EF	N/A	\$800	\$1,500
Water Heater Orifice or Burner Replacement	N/A	N/A	N/A	N/A	\$250

Appendix H: Gas Conversion Rebate Program Marketing

1. Direct Mail

This is your sign that natural gas is available in your area.

Your wait is over! The most affordable, reliable, and consistent heating fuel is available in your neighborhood. Connect your home to natural gas and save.

 **National Fuel®**

National Fuel is excited to announce the expansion of natural gas service into your neighborhood. Switch now to save on energy bills and enjoy the peace of mind that comes with our 99.9% winter reliability rate. Clean, affordable, and consistent. There's no fuel like natural gas. **Convert your home today!**



Affordable

Natural gas is the most affordable fuel source today. A home powered with natural gas means more money in your wallet.



Reliable

National Fuel's 99.9% winter reliability rate protects your home and family from the cold for less.



Consistent

Experience consistent hot water on demand when you convert your home to natural gas.

*Rebates are for new and existing National Fuel customers for the conversion of heating and water heating appliances to natural gas from an alternative fuel source. Appliances must meet minimum efficiency requirements and must be installed by a licensed contractor who can provide a tax identification number, business certificate, or certificate of insurance. Other restrictions may apply.

National Fuel offers up to **\$3,000 in rebates*** for the conversion of heating and water heating equipment.



Tankless Water Heater

\$1,500 in rebates



Hot Water Boiler

\$1,500 in rebates



Hot Air Furnace

\$1,500 in rebates

Visit [ConvertToNationalFuelGas.com](https://www.ConvertToNationalFuelGas.com) to see additional rebates

This is your ticket to comfort you can count on.

Long morning showers, screaming teapots, and cozy living rooms. No fuel is as affordable, reliable, and consistent as natural gas.



There's no cozier feeling than the comfort of home – and with affordable natural gas from National Fuel, the warmth you want will always be there when you need it most. **Convert to natural gas today.**



Affordable

Natural gas is the most affordable fuel source today. A home powered with natural gas means more money in your wallet.



Reliable

National Fuel's 99.9% winter reliability rate protects your home and family from the cold for less.



Consistent

Experience consistent hot water on demand when you convert your home to natural gas.

*Rebates are for new and existing National Fuel customers for the conversion of heating and water heating appliances to natural gas from an alternative fuel source. Appliances must meet minimum efficiency requirements and must be installed by a licensed contractor who can provide a tax identification number, business certificate, or certificate of insurance. Other restrictions may apply.

National Fuel offers up to **\$3,000 in rebates*** for the conversion of heating and water heating equipment.



Tankless Water Heater

\$1,500 in rebates



Hot Water Boiler

\$1,500 in rebates

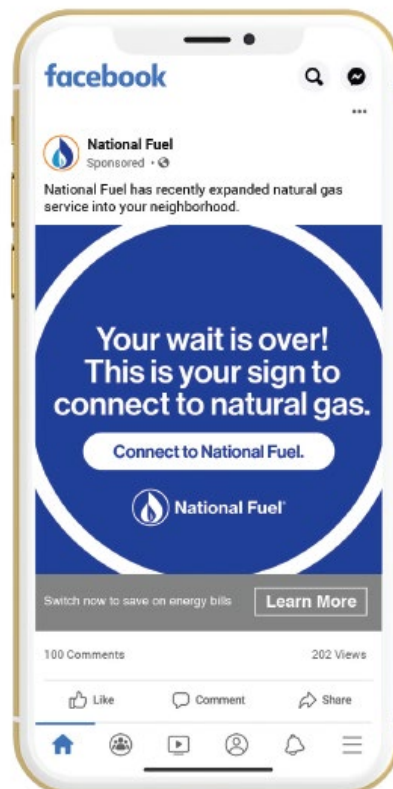
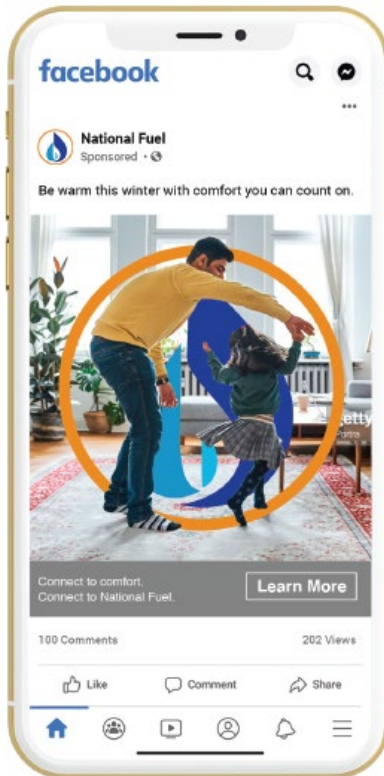


Hot Air Furnace

\$1,500 in rebates

Visit ConvertToNationalFuelGas.com to see additional rebates

2. Paid Social Media



3. Emails (Non-Heat)



This is your ticket to whole-home warmth.

As a valued National Fuel customer, we care about your comfort. That's why you should make your move to heating with natural gas.

Here are five great reasons why you'll love heating your home with natural gas:

-  **Cost Effective:** Heating your home with natural gas helps lower energy bills compared to alternative fuel sources.
-  **Reliable:** National Fuel's 99.9% winter reliability keeps your home warm when it matters.
-  **Efficient:** Natural gas is nearly 3 times more efficient than other fuel sources when the entire cycle of producing, processing, and transporting energy is considered.
-  **Kind:** Natural gas is kind to the environment by producing lower emissions than other sources of energy and has played a significant role in decarbonizing the U.S. economy.
-  **Safe:** Compared to other heating fuels, natural gas is the healthier choice for your family.

Switch today & receive a \$1,500 rebate!

Connect to comfort you can count on and start saving through National Fuel's Natural Gas Conversion Rebate Program!

A photograph of a family (a man, a woman, and two children) playing together in a living room. The photo is framed by a large, stylized circular graphic that resembles a ticket or a flame.

We're here to help you switch.

Get Started.

4. Conversion Checklist Brochure



Roles and responsibilities

Here's a helpful breakdown of who is responsible for what:

National Fuel

- Review residential natural gas application.
- Mail our information packet, which includes information on any National Fuel cost.
- Design project, apply for necessary permits, if required.
- Provide updates on construction timetable, if required.
- Install gas main line, if necessary.
- Install service line.
- Install meter at home and conduct safety test.
- Restore property associated with main line installation.
- Review rebate application for approval.

Customer

- Submit a no-obligation application.
- Select a licensed plumber or heating contractor.
- Send in required forms and payment.
- Have selected plumbing or heating contractor perform all necessary work inside the home.
- Work with contractor and National Fuel to coordinate meter installation.
- Cancel oil/propane/wood service.
- Restore property associated with service line installation.
- Submit rebate application.

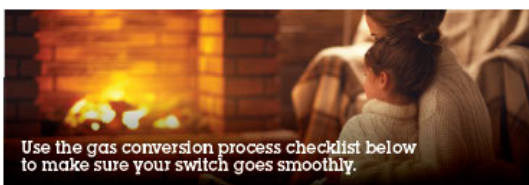
Plumbing/Heating Contractor

- Provide price quote for work inside the home.
- Replace or install any necessary internal house piping.
- Install new natural gas equipment.
- Connect house line to gas meter box outside of the house and complete safety test on internal house piping.

To learn more, contact the National Fuel Energy Services Department at (800) 343-4568 or visit ConvertToNationalFuelGas.com



Your guide
to converting
to natural gas
It has never been
easier—or more
affordable.



Use the gas conversion process checklist below to make sure your switch goes smoothly.

Step 1

Determine the availability and associated cost to get natural gas service to your house.

Note: If you know that a gas main line already exists near your house, or if you are a National Fuel customer already but don't use gas for the appliance you are looking to convert, you can skip this step.

- ☐ Call National Fuel at 1-716-327-2343 to determine the availability of natural gas service in your area.
- ☐ Submit a Residential Natural Gas Application to National Fuel to get a cost estimate. You can apply by one of 3 methods:
 - ☐ Online at NatFuel.com
 - ☐ By phone at 1-800-365-3234
 - ☐ Download an application at ConvertToNationalFuelGas.com and mail it to the address on the form.

Step 2

Determine the cost to install a new gas appliance and select a contractor to do the work.

- ☐ Select a licensed heating or plumbing contractor who will install the new gas appliance(s) in your house. It is your responsibility to have the internal housework completed, including:
 - ☐ Internal natural gas house line
 - ☐ Gas appliances (furnace, boiler, hot water heater, etc.)
- ☐ Work with your contractor to select and order the equipment.
 - ☐ Confirm if the equipment is eligible for National Fuel's Gas Conversion Rebate program. Go to ConvertToNationalFuelGas.com for eligibility requirements.

Step 3

Have National Fuel install the gas main line and/or service line to your house.

Note: If you are a National Fuel customer already but don't use gas for the appliance you are looking to convert, you can skip this step.

- ☐ Submit the completed paperwork you received from your cost estimate in Step 1 to National Fuel in order to have a gas service line installed, including:
 - ☐ Response Form: Select the payment option and agree to the terms and conditions.
 - ☐ Conversion Agreement: This document confirms that you agree to have a natural gas appliance installed in your home.
 - ☐ Certificate of Compliance: This document verifies that your home meets the minimum home insulation standards.
 - ☐ Make your payment to National Fuel (if necessary).
- ☐ Have the gas main line (if necessary) and service line installed by National Fuel.

Step 4

Have the gas appliance(s) installed by your contractor and the gas meter installed by National Fuel.

- ☐ Schedule the installation of your new equipment with your contractor.

Note: Prior to the gas meter installation, the internal gas house line piping inside your house needs to be piped, tested and connected to the gas meter box outside by your contractor.
- ☐ Contact National Fuel at 1-800-365-3234 to schedule your gas meter installation. (Please allow for 5 business days.)

Step 5

Take care of a few remaining items.

- ☐ Cancel your fuel service (oil, propane, etc.), if necessary, with your old fuel supplier.
- ☐ Submit an application to National Fuel to get your Natural Gas Conversion Program rebate.
 - ☐ Download an application at ConvertToNationalFuelGas.com and mail it to the address on the form.



5. Conversion Calculator

Whether you use propane, oil or electric to fuel your home, converting to natural gas can provide significant savings. See how much you may be leaving on the table with our conversion calculator.

National Fuel Conversion Calculator

Step 1 of 5: Current Heating Source

Select your current heating fuel source:

[Next >](#)

Step 2 of 5: Your Home's Information

Do you use natural gas for non-heating purposes (e.g. cooking, clothes drying, etc.)?

Step 3 of 5: Your Equipment Costs

Please estimate your natural gas equipment and installation costs (e.g. furnace, boiler, hot water tank, etc.).

?

Step 4 of 5: Current Fuel Usage

Number of gallons of propane used in the last 12 months ?

Average price per gallon of propane ?

Step 5 of 5: National Fuel Rebates

Please select which rebates you would apply for:

Space Heating

- ☐ Hot Air Furnace \$1,500
- ☐ Hot Air Furnace w/ ECM \$1,500
- ☐ Hot Water Boiler \$1,500
- ☐ Steam Boiler \$1,500
- ☐ Furnace Orifice or Burner Replacement \$250
- ☐ Boiler Orifice or Burner Replacement \$250
- ☐ None

Water Heating

- ☐ Storage Tank Water Heater (55 gallons or less - 0.64 UEF¹ or 0.67 EF²) \$1,200
- ☐ Storage Tank Water Heater (55 gallons or less - 0.80 UEF) \$1,500
- ☐ Storage Tank Water Heater (More than 55 gallons) \$1,200
- ☐ Tankless Water Heater \$1,500
- ☐ Water Heater Orifice or Burner Replacement \$250
- ☐ None

6. Conversion and Testimonial Videos

See how easy it is to convert



Our video will take you through the steps of converting to natural gas. See for yourself how easy it is.

Hear it from those who have converted



Cathie is only one of the customers who are reaping the benefits of natural gas.

Learn more about the benefits and savings that come with natural gas



Patti is another customer who is reaping the benefits of natural gas.

Appendix I: Gas Conversion Rebate Program Results

By Program Year

2016 - 2017					
Appliance/Equipment	Rebate Amount	Total Rebates	Total Rebate Amount	GNEP Amount	Total GNEP Funding
Hot Air Furnace	\$650			\$325	
Hot Water Boiler	\$1,400			\$700	
Hot Air Furnace w/ ECM	\$800			\$400	
Steam Boiler	\$400			\$200	
Totals:				-	

2018					
Appliance/Equipment	Rebate Amount	Total Rebates	Total Rebate Amount	GNEP Amount	Total GNEP Funding
Hot Air Furnace	\$1,000			\$775	
Hot Water Boiler	\$1,000			\$400	
Hot Air Furnace w/ ECM	\$1,000			\$750	
Storage Tank Water Heater	\$800			\$750	
Tankless Water Heater	\$1,000			\$800	
Totals:				-	

2019					
Appliance/Equipment	Rebate Amount	Total Rebates	Total Rebate Amount	GNEP Amount	Total GNEP Funding
Hot Air Furnace	\$1,000			\$600	
Hot Water Boiler	\$1,000			\$800	
Hot Air Furnace w/ ECM	\$1,000			\$475	
Steam Boiler	\$1,000			\$900	
Storage Tank Water Heater	\$800			\$750	
Tankless Water Heater	\$1,000			\$675	
Totals:				-	

2020					
Appliance/Equipment	Rebate Amount	Total Rebates	Total Rebate Amount	GNEP Amount	Total GNEP Funding
Hot Air Furnace	\$1,500			\$1,000	
Hot Water Boiler	\$1,500			\$900	
Steam Boiler	\$1,500			\$1,400	
Hot Air Furnace w/ ECM	\$1,500			\$975	
Storage Tank Water Heater	\$1,200			\$1,150	
Tankless Water Heater	\$1,500			\$1,175	
Direct Vent Storage Tank Water Heater	\$1,500			\$1,250	
Furnace Orifice or Burner Replacement	\$250			\$250	
Boiler Orifice or Burner Replacement	\$250			\$250	
Water Heater Orifice or Burner Replacement	\$250			\$250	
Totals:				-	

2021					
Appliance/Equipment	Rebate Amount	Total Rebates	Total Rebate Amount	GNEP Amount	Total GNEP Funding
Hot Air Furnace	\$1,500			\$1,400	
Hot Water Boiler	\$1,500			\$1,000	
Steam Boiler	\$1,500			\$1,400	
Hot Air Furnace w/ ECM	\$1,500			\$1,000	
Storage Tank Water Heater	\$1,200			\$1,125	
Tankless Water Heater	\$1,500			\$1,300	
Direct Vent Storage Tank Water Heater	\$1,500			\$1,250	
Furnace Orifice or Burner Replacement	\$250			\$250	
Boiler Orifice or Burner Replacement	\$250			\$250	
Water Heater Orifice or Burner Replacement	\$250			\$250	
Totals:				-	

Program Totals:					
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Appendix J: Low Income Conversion Program Summary



Low Income Gas Conversion Program

National Fuel's Low Income Gas Conversion Program assists eligible low-income households with the cost of converting their current heating and water heating system to natural gas. Choosing natural gas for your home offers many benefits and advantages that will help you save money, improve the environment, and increase your comfort.

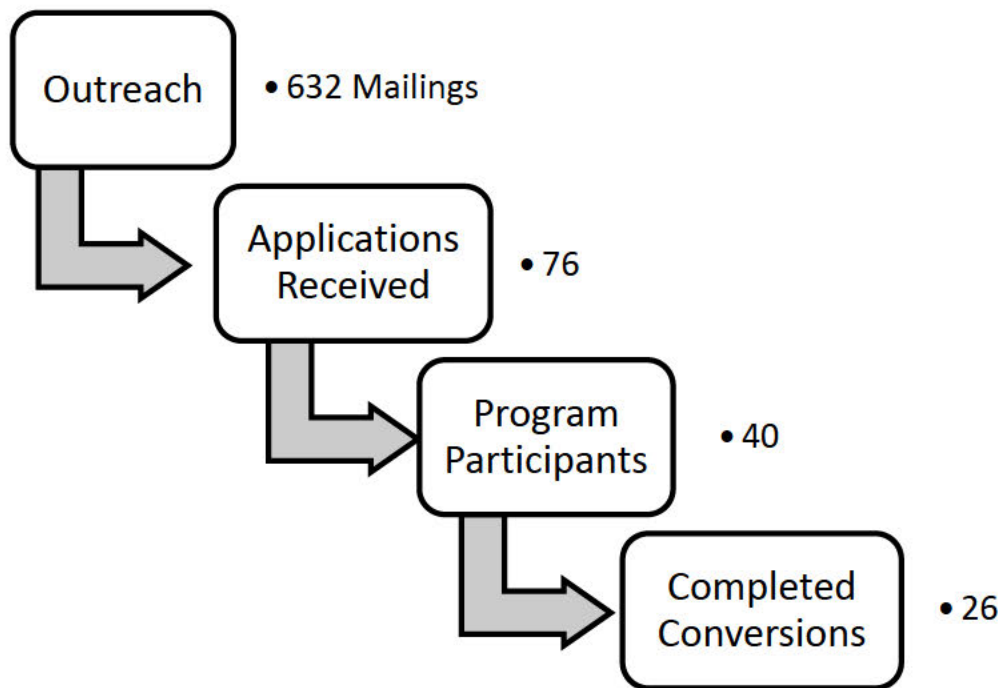
Program Eligibility Guidelines:

- Grants are available for individuals in National Fuel's WNY service territory only.
- Must be owner occupied residence or tenants that are responsible for their own utility bill.
- Must qualify as income-eligible for one of the following: National Fuel's Low Income Usage Reduction Program (LIURP), NYSEDA'S EmPower New York Program (i.e., HEAP eligible), or NYSEDA's Assisted Home Performance with ENERGY STAR® Program.
- Must heat with oil, propane, electricity, wood, or coal before the conversion occurs.
- Landlords will also be required to pay 25% of the conversion cost, except if the landlord is income eligible for HEAP, and the building is owner occupied.

Conversion Grant Guidelines:

- Customers will be eligible for conversion grants up to \$6,000 per household.
- Items eligible for the conversion grant include houseline installations, equipment conversion costs (i.e. furnaces, boilers, water heaters and thermostats) and main/service line extensions.
- For renters, the maximum grant is up to \$6,000, after the required 25% landlord investment is applied.

Appendix K: Low Income Conversion Program Results
(2016-2019)



V. PROGRAM RESULTS

Oil Conversions Completed	Jobs	Net Estimated Annual Energy Savings (Therms)	Estimated Annual Savings (\$)	Gallon Savings as a Result of Conversion	Total Cost of Measures	Average Cost per Measure
Gas Piping Cost	12		\$ -			
Heating Repair	8		\$ -			
Heating Replacement	20	1,867	\$ 12,960.58	1638		
Thermostat	18	976	\$ 986.21	747		
Sub-Total	21	2,843	13,947	2,385		

Note: Oil savings have been converted to Therms. Savings reported for heating replacement are the result of increased heating plant efficiency.

Propane Conversions Completed	Jobs	Net Estimated Annual Energy Savings (Therms)	Estimated Annual Savings (\$)	Gallon Savings as a Result of Conversion	Total Cost of Measures	Average Cost per Measure
Gas Piping Cost			\$ -			
Heating Repair	3	56	\$ 54.88			
Heating Replacement	3	1,082	\$ 1,235.48			
Thermostat	3	194	\$ 160.25			
Sub-Total	4	1,332		0		

Note: Propane savings have been converted to Therms. Savings reported for heating replacement are the result of increased heating plant efficiency.

Electric Conversions Completed	Jobs	Net Estimated Annual Energy Savings (Therms)	Estimated Annual Savings (\$)	MWh Savings as a Result of Conversion	Total Cost of Measures	Average Cost per Measure
Gas Piping Cost	1		\$ -			
Heating Repair	1		\$ -			
Heating Replacement	1	(141)	\$ 5,184.02	0.7319		
Thermostat	1	142	\$ 211.70			
Sub-Total	1	1	\$ 5,395.72	0.7319		

Note:

-The Therm increase estimate is based on calculated annual electric heating load and converting MWh to equivalent quantity of therms of Natural Gas including consideration for the efficiency of the heating unit being installed.
 -Therm cost savings are based on the average National Fuel Residential Utility Prices for January 2010 through December 2016 minus the non-bypassable service charge (\$.98 per therm) and pre-usage with an assumed \$.16/kWh.

Grand Total	Jobs	Net Estimated Annual Energy Savings (Therms)	Estimated Annual Savings (\$)		Total Cost of Measures	Average Cost per Measure
Audit Fees	24	-	\$ -			
Heating Repair	12	56	\$ 54.88			
Heating Replacement	24	2,808	\$ 19,380.08			
Thermostat	22	1,312	\$ 1,358.16			
Grand Total	26	4,176	\$ 20,793.12			

Appendix L: Income-Based Conversion Program Application



For Low to Moderate Income (LMI) Customers

Income-Based Gas Conversion Program Application

Income eligible customers in National Fuel's Western New York service territory may complete this application to apply for a grant to convert existing heating systems that use an alternative fuel source such as oil, propane, electric, wood, or coal to natural gas. **Applicant must own and reside in the home or be a tenant who is responsible for the utility bills.** If tenant is applying, the owner must complete the Income Property Owner Natural Gas Conversion Agreement.

Section 1: Applicant Information

☐ Single Family Residence ☐ Duplex

First Name Last Name County

Home Address City State Zip Code

Mailing Address (If different than Home Address) City State Zip Code

Primary Telephone E-mail address

Do you currently have a National Fuel Gas Account? ☐ No ☐ Yes, my account number is: _____

Please check one of the following: ☐ I am the homeowner of the address above. ☐ I rent the address above.

If you rent, please provide the owner's information below:

First Name Last Name Phone Number

Home Address City State Zip Code

Section 2: Primary Heating Fuel

☐ Oil ☐ Propane ☐ Electric ☐ Wood ☐ Coal ☐ Other: _____

Supplier: _____ Supplier Telephone (_____) _____

Section 3: Income Information

Income information and documentation is required.

- 1) Provide a copy of one of the following: entire HEAP award letter or documentation for **all** household gross income for the last 12 months (including but not limited to pay stubs, social security, disability, worker's compensation, unemployment, and child support).
- 2) Provide information on **all** household members. Provide all types of current gross annual income for all residents of the household, age 18 and over, who are not full-time students. If listing income from self-employment, business, rental, or farming income, list the net income after operating expenses. Please use additional pages, if needed.



For Low to Moderate Income (LMI) Customers

Name	Age	Student (Y/N)	Source of Income	Weekly	Monthly	Yearly
Total Income for the Household						

Eligibility

My signature below certifies that the information I have provided is true and correct. I hereby consent and authorize the above utility and other fuel suppliers to release any and all of my energy consumption information, including account number(s), to National Fuel and its administrator.

I authorize the release of my contact information and income documentation to National Fuel and/or its designated representatives for the purpose of determining my eligibility for the Income-Based Gas Conversion Program. I understand that such information will be kept confidential, to the extent permitted by law, and will be used only for determining program eligibility or participation in other National Fuel low programs and assistance.

I understand that program eligibility is based upon income and other requirements. Grants are provided based on the number of applications received and availability of funds, and my receipt of program benefits is not guaranteed.

I understand that if I am approved for the program, I will not be responsible for any costs (typically up to \$6,000) for the conversion of my current heating system, and water heating system (if applicable), to natural gas. If there are costs of natural gas conversion that will exceed the amount to be paid by National Fuel's grant, I understand that I will be provided with a cost itemization breakdown from my contractor and will need to sign it and agreeing to pay the amount not covered by National Fuel's conversion grant. I also understand that National Fuel will pay all conversion grant funds directly to the contractor who completes the work, and not to me.

I will cooperate and permit National Fuel representatives, independent contractors and agents to access my dwelling, pipes and equipment, at times which are mutually acceptable, for performance of all activities to successfully permit conversion of piping and equipment to natural gas. This also includes the performance of quality assurance activities following completion of the conversion work. Photos may be taken of the work performed.

I understand that neither National Fuel nor its program administrator are responsible for the installation of new natural gas appliances or for warranties. I also understand that I am responsible for any costs associated with maintenance of the installed equipment.

In consideration of conversion grant amounts provided by National Fuel without charge to me, to the extent permitted by law, I agree to indemnify, hold harmless, release and waive any and all claims against National Fuel and/or its administrator with respect to any loss, claims, actions or liability that relate to or arise out of the natural gas conversion work or program, or events or activities involved with any National Fuel programs or assistance.

If I am a tenant, I understand that the owner must complete the Income Property Owner Gas Conversion Agreement for the program and agree to contribute 25% of the project costs, unless the premises is owner occupied and the owner also qualifies for the program.

I understand that I must be currently heating my home with a fuel source other than natural gas in order to qualify for the natural gas conversion program. Any false information provided can result in denial of my application. I understand that National Fuel reserves the right to deny my application for any reason.

Applicant Signature

Date

Completed applications and supporting documentation can be mailed to:
CJ Brown Energy, Attn: Low Income Conversion NFRbateHelp@cjbrownenergy.com
4245 Union Rd, Suite 204
Buffalo, NY 14225

Referring Contractor (if applicable): _____

Appendix M: Income-Based Conversion Program Results
(2020-2021)

Fuel Type	Conversions Completed	Total Costs of Conversions	Average Cost Per Project	Estimated Annual Energy Savings Due to Conversion (mmBTU)
Propane	4			
Oil	10			
Electric	2			
Coal	0			
Wood	0			
Total	16			

Appendix N: PUR-WNY Program Requirements and Application Form



Partnership for Urban Revitalization

Grant Application Partnership for Urban Revitalization in Western New York

1. Complete this grant application, review the terms and conditions and sign the application form on page 2.
2. The following items are required:
 - ☐ Building plans and specifications, including elevations, sections and envelope details (New Construction only)*
 - ☐ Specification sheets for all equipment proposed for installation*
 - ☐ W-9 Form (Request for Taxpayer Identification Number and Certification)*
 - ☐ Building Permits and Certificate of Occupancy (or of Compliance)
3. Mail or scan the Application and supporting documentation to:

C.J. Brown Energy, P.C.
4245 Union Road, Suite 204
Buffalo, NY 14225

Email: PUR-WNY@cibrownenergy.com
Phone: 1-844-365-3493 Attn: PUR-WNY

Application Information *(All fields must be completed. Payment will be issued to the applicant.)*

Applicant/Organization or Company Name		Contact Name
Address 1		Day Phone
Address 2		E-mail
City	State	ZIP

Site Information *(Location where residence will be built.)*

Site Name		Project Type <input type="checkbox"/> New Construction <input type="checkbox"/> Renovation
Address 1		Number of Units *
Address 2		Will the residence be Owner Occupied? <input type="checkbox"/> Yes <input type="checkbox"/> No
City		Expected Construction Start Date
State	ZIP	When was this property acquired?
How was this property acquired?		

*Should be submitted with application.



Program Requirements:

Site must have National Fuel gas mainline in area.
 Site must be located in an eligible low-income neighborhood.
 Renovation projects must be without an active gas account for an extended period of time.
 Building Plans, Specification Sheets, and W-9 form should be submitted with this application prior to construction start.
 Project must install natural gas fired space and water heating equipment.
 Building permits and Certification of Occupancy (or of Compliance) are required.
 New construction projects must meet current building code for building envelope.
 Renovation projects must meet current building code for building envelope to the extent possible.
 Pre-installation site visit is required.
 Project sites will be inspected after a Certificate of Occupancy has been issued to verify compliance with program requirements.
 Gas equipment must be installed by a licensed heating or plumbing contractor.
 Gas appliances must meet the current Partnership for Urban Revitalization in Western New York efficiency levels.
 All eligible equipment must be purchased new.

Appliance	Required Minimum Efficiency
Space Heating	
Hot Air Furnace	92% AFUE (Annual Fuel Utilization Efficiency)
Hot Water Boiler	85% AFUE
Steam Boiler	82% AFUE
Water Heating	
Storage Tank Water Heater up to 55 gal.	0.67 EF (Energy Factor) or 0.64 UEF
Storage Tank Water Heater > 55 gal.	0.77 EF or 0.78 UEF
Tankless Water Heater	0.82 EF
Other Gas Appliances	
Clothes Dryer	Any
Range	Any
Fireplace	Any

Grant Amounts

Component	Grant	Requirements	Requested Grant
Core	\$ 5000 per unit **	Space heating and water heating equipment must be natural gas-fired and meet the minimum efficiency requirements	
Appliances	\$ 100	Clothes Dryer	
	\$ 100	Range	
	\$ 100	Fireplace	
Main/Service	Up to \$1,500	If more than 100 feet of gas service is required for the site.	
** \$25,000 max. for the first 5 units; additional unit incentives per the NRCIP			Total

Agreement to Terms and Conditions (See page 3)

Applicant/Company Name	
Print Name & Title	
Applicant Signature	Date



Terms and Conditions

1. To be eligible for a grant, applicant understands that: (a) the installation address must have natural gas service available in National Fuel's Western New York service territory, (b) the site must be located in an eligible low-income neighborhood, (c) the project is either for a new-build, or the renovation of an existing structure which has been without an active gas account for an extended period of time, (d) the project must install natural gas fired space and water heating equipment, (e) the product(s) installed must qualify as described on the Grant Application Form. Applicant understands they must complete an application for each installation address. For installations at multi-family dwellings, a separate application must be completed for each active meter. All uses herein of the words "install", "installation" or similar phrases shall mean complete installation such that the subject product(s) is/are fully functional at the time of final inspection.
2. The unit can either be a new-build or existing structure. All eligible furnaces, boilers, and water heaters must be installed by a licensed contractor, or a contractor that can supply you with either a Federal ID number, or a Certificate of Insurance, or a Business Certificate.
3. Applicant understands the Partnership for Urban Revitalization in Western New York grant term begins on January 1, 2018. Product purchases and installations made prior to December 31, 2017 do not qualify for a grant. Resale products, products leased, rebuilt, rented, received from insurance claims, won as a prize, or new parts installed in existing products do not qualify. All applications are processed on a first-come, first-served basis, as received. INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED. Resubmitted information/documentation is processed on a first-come, first-served basis, based on the new receipt date. This program may be modified or terminated at any time and without prior notice. In the event that the amount of a grant changes during the course of the program, the installation date will be used to determine product eligibility and grant amount.
4. Applicant understands that this signed and dated Grant Application Form, all appropriate Proof(s) of Purchase and other required documentation as referenced in this Application must be sent to National Fuel's Processing Center to be considered eligible for a grant. Generally, a grant check will be mailed upon project completion and verification.
5. Applicant will allow, if requested, a National Fuel representative reasonable access to the install address to verify the product has been purchased and is installed before a grant is paid. Applicant understands that a grant will not be paid if they refuse to participate in any required verification. Applicant understands that National Fuel may contact the qualifying product vendor and/or installer, if needed, to verify purchase and/or installation and may provide my name and/or address to complete this verification.
6. Applicant has installed a qualifying product(s) and understand the energy efficiency level of the qualifying product(s) must meet minimum efficiency (as defined in the Rebate Application Form).
7. Applicant understands that participation in this program disqualifies the premise from other National Fuel incentive programs for the same equipment. Failure to comply may result in applicant disqualification from this program.
8. Applicant agrees that the selection of qualifying product(s), selection of manufacturer, dealer, supplier and/or installer, and purchase, installation and ownership/maintenance of the qualifying product(s) referenced in this Application are their sole responsibility, and that the manufacturer, dealer, supplier or installer of these products and measures is not an agent or representative of National Fuel. Applicant understands that National Fuel makes no representations regarding manufacturers, dealers, contractors, materials or workmanship. APPLICANT ALSO UNDERSTANDS THAT NATIONAL FUEL MAKES NO WARRANTY WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, USE, OR APPLICATION OF THE PRODUCTS OR MEASURES. Applicant agrees that National Fuel has no liability whatsoever concerning (1) the quality, safety and/or installation of the products or measures, including their fitness for any purpose, (2) the estimated energy savings of the products or measures, (3) the workmanship of any third parties, (4) the installation or use of the products or measures including, but not limited to, effects on indoor pollutants, or (5) any other matter with respect to the National Fuel's Partnership for Urban Revitalization in Western New York. Applicant waives any and all claims against National Fuel, its parent companies, directors, officers, employees, or agents, arising out of activities conducted by or on behalf of National Fuel in connection with my application for any grant (s) under National Fuel's Partnership for Urban Revitalization in Western New York. Without limiting the generality of the foregoing, none of the above stated parties shall be liable hereunder for any type of damages, whether direct, indirect, incidental, consequential, exemplary, reliance, punitive or special damages, including damages for loss of use regardless of the form of action, whether in contract, indemnity, warranty, strict liability or tort, including negligence of any kind.
9. Applicant is responsible for meeting all program requirements and complying with their state/county/city governments, property owner and/or homeowner's association requirements (if any) in their area regarding local conditions, restrictions, codes, ordinances, rules, and regulations concerning this installation.
10. Applicant understands that National Fuel is not responsible for items lost or destroyed in the mail/transit.

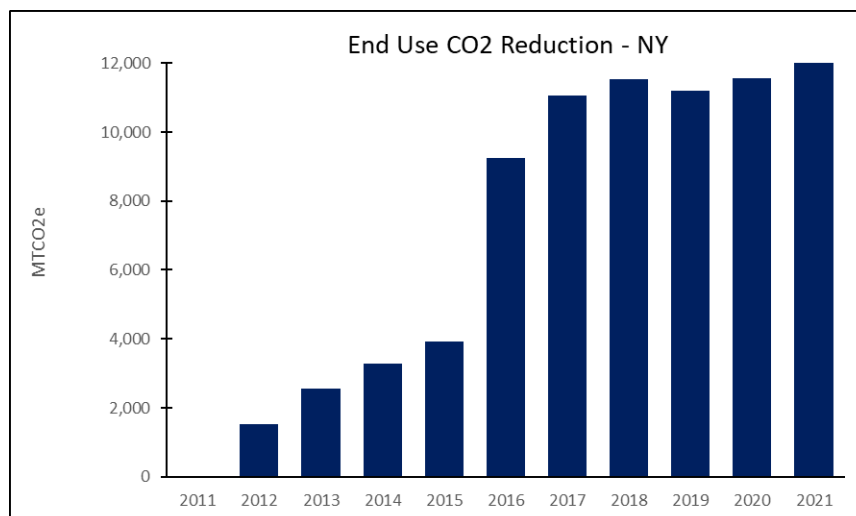
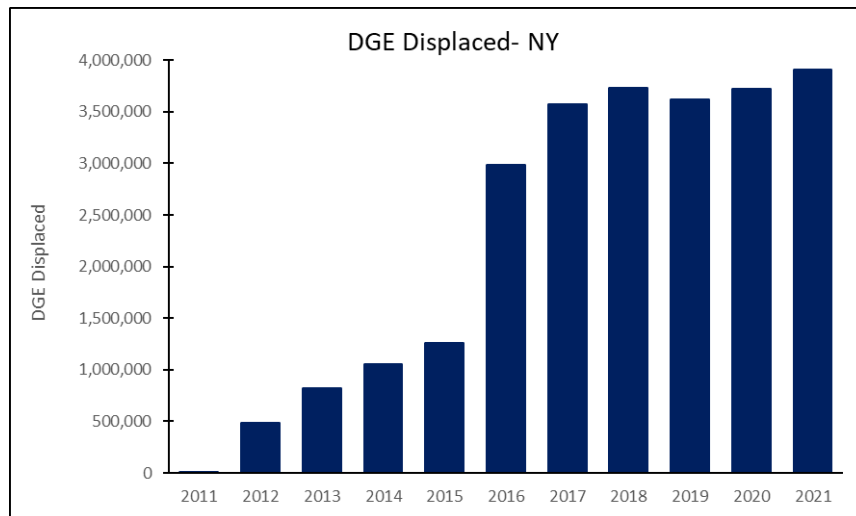
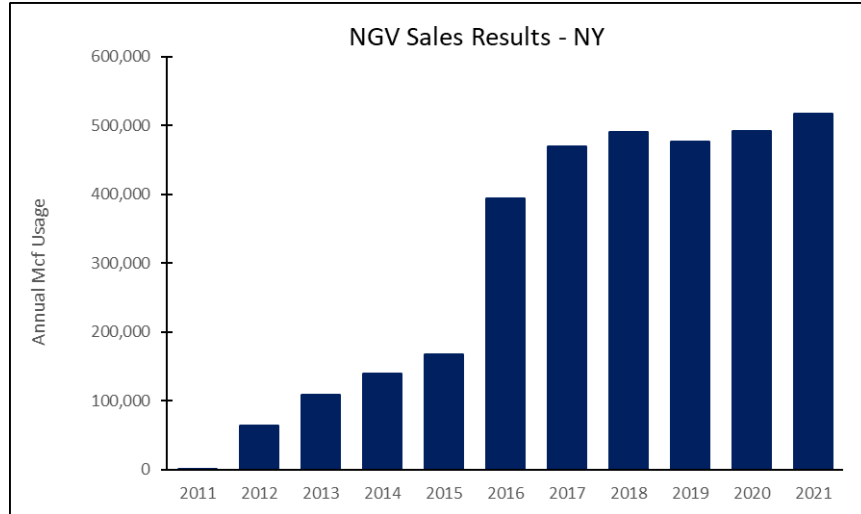
Appendix O : PUR-WNY Program Results

Applications		Grants	
Received	Approved	Grants Approved	Grants Paid

Appendix P: Gas Network Enhancement Program Budget and Expenditures Summary

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	12 Year Total
I. Funding Available													
II. Uses of Funding													
A. GIS Prospect Identification													
- Niagara County													
- Erie County													
- Remaining Counties													
B. Non-Customer Focus Groups													
C. Pilot Program Mainline Subsidies													
- Wilson Pilot													
- Phase 2 Pilots													
- Phase 3 Pilots													
- Phase 4 Pilots													
- Phase 5 Pilots													
- Phase 6 Pilots													
- Phase 7 Pilots													
- Phase 8 Pilots													
- Phase 9 Pilots													
D. Income Based Conversion Program *													
E. Partnership for Urban Revitalization (PUR-WNY)													
F. Gas Conversion Rebate Program (Including Marketing Outreach Co-Op)													
Total Expenses													
III. Cumulative Results													
A. Funding													
B. Expenditures													
C. Fund Balance													

Appendix Q: Growth in NGV Usage and Decrease in CO₂ Emissions



Appendix R: Private and Public NGV Stations in WNY

NGV Refueling Stations in New York

