

TGS Conservation Program Quarterly Report

March 23, 2010

Teri Green, Conservation Program Manager



Residential Programs

As of February 28, 2010

| Program | # of Participants | Spent to Date | Budget | |
|-----------------------------------|-------------------|---------------|-----------|--|
| Free Heater/Weatherization | 0 | 0 | \$110,000 | |
| Weatherization/Attic/Duct Sealing | 1,482 | \$271,157 | \$350.000 | |
| Water Heater/Tankless | 145 | \$42,200 | \$150,000 | |
| Furnace Incentive | 423 | `\$31,725 | \$ 40,000 | |
| Hydronic Heating | 0 | 0 | \$145,000 | |
| WashWise | 1120 | \$56,000 | \$105,000 | |
| Natural Gas Vehicle | . 2 | · \$9,000 | \$ 10,000 | |
| Green Saver Tariff* | 349 | \$8,376 | \$ 60,000 | |

^{*\$2} per month credit for 24 months for customers who participate in the Home Performance program, live in a three star or above Green home or participate in the Free Weatherization Program



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Commercial Programs

| Program | # of Participants | Spent to Date | Budget | |
|---------------------|-------------------|---------------|----------|--|
| Misc. Gas Equipment | 0 | 0 | \$32,150 | |
| Commercial WashWise | 14 | \$1,100 | | |
| Natural Gas Vehicle | 40 | 0 | \$30,000 | |

*TGS is working with Foundation Communities on a custom solar/gas water heater project that will qualify for a rebate. More details to come.



Energy/Carbon Savings Report

| PROGRAM | PARTICIPANTS | BUDGET | ACTUALS | VARIANCE | MCF | KWH | MCF Carbon Emissions | KWH Carbon Emissions | NG Reduction of Carbon Emissions |
|---|--------------|------------------|-------------------|--------------|-----------|-----------------|-------------------------|-------------------------|-------------------------------------|
| rea treatar and Vezithurization | 10% | 5310,000 | 1390 | (0100000) | | | | | |
| urnace Incentive | 423 | \$40,000 | 531,725 | (64,425). | 370 | 111.545 | 51:294 | 58,450 | 7,152 |
| Residential Weatherization | | \$350,000 | \$291,147 | (practal) | | | | | |
| - Duct Sealing | 820 | | 157,565 | | 1,275 | 384,416 | 176,788 | 701,434 | 24,646 |
| Attit insulation | 66) | | 5 113,592 | | 100 | 171,963 | 124,072 | 192.594 | 17,447 |
| Natural Sas Water Heeter | | \$150,000 | \$42,200 | (\$1777,000) | | | | | 1 |
| High efficiency Tankless | 140 | | \$200 \$42,000 | | (6 170 | 1,831 51,225 | 23,581 | 960. 26,868 | 117. 3,287 |
| lesidential Hydronis Hugling | .0 | \$195,000 | 10 | (0.00300) | .0 | D | D | D. | .0: |
| WaitiWite | 1,134 | \$105,000 | \$57,100 | T9AT.0000 | 864 | 260,493 | 119,797 | 135,499 | 46,701 |
| Natural Gan Vehicle Program | | | | | | | | | |
| Residential | .2 | 000,012 | \$9,000 | H (,000) | | | | 7 | 1.41 |
| Edmointstal | - 0 | \$30,000 | -50. | (Siototti | | | | | |
| Commercial Equipment and Availablished | -0) | \$42,190 | 30 | (KCLXKO) | | | | | |
| OTAL INCOVIVE EXPENSES | 3187 | 5982,150 | \$724,929 | (8520,078) | | | | | 69,347 |
| | | Total Rebates | \$724,929 | | | | | Carbon Reduction | |

GAS SERVICE

Highlights

Most programs are on track,

TGS will launch a new education campaign this year "Money's Waiting For You" 3 year campaign

TGS Conservation Program won a Silver Spur Award for Marketing from the Texas Public Relations Association

Green Saver Credit---\$2 credit for 24 months

Available to residential and commercial customers who

- 1. Receive a certificate of completion for Home Performance w/ Energy Star Program
 - 2. Own a Green Home w/ at least a 3 star rating
 - 3. Participate in Free Gas Equipment Program



New Gas Technologies

Heat Pump

AISIN Gas Heat Pump

- Same basic system for heating/cooling as the electric heat pump.
- Main difference is that it uses natural gas or propane engine to drive compressors

Primary market segment - Commercial

Secondary market segment - Residential (large custom homes)

2010: Roll out test market includes Las Vegas, Tuscon, Phoenix Six to 12 months monitoring/ evaluation

2011: Expand to California, Texas, Tennessee, Carolinas

TBA: Cold Weather Unit





New Gas Technologies

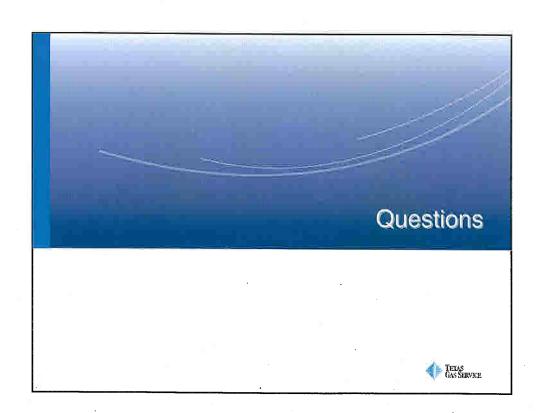
Water heater

Phoenix Solar Water Heater

- The first solar water heater with an integrated gas fired backup – all in one water heater.
- Designed with an internal solar heat exchanger for a solar panel that combines with a highly efficient 97 percent gas fired back-up heat exchanger all in one storage tank.
- The Phoenix Solar will transfer all the energy the sun can provide and also provide plenty of hot water through the internal gas fired back-up when the sun is not shining.







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