

Schedule 3.8

Retention and Incentive Programs Report

Retention and Incentive Program Report

The Board approved \$500,000 for a commercial retention program and \$100,000 for a residential incentive program in EGNB's 2016 rate application. In both cases, minimal activity or results have been generated since the oral Decision on April 27th, 2016 which approved the budget for both programs. Set out below is information on the programs, data to date and plans for the remainder of 2016.

Retention Program

As outlined in Matter 306, this program is available to qualifying MGS, LGS and CGS customers. Each potential customer is evaluated individually based on variables and qualifying conditions which include:

- Customers must prove that they have been offered a competitive program in writing
- Customers must sign a contract with EGNB for a specific period of time
- Customers must continue to use natural gas for a specific period of time or they must return all funds to EGNB

MGS customers sign a contract to remain on the system a minimum of two years. LGS and CGS customers sign a contract to remain on the system a minimum of one year. Set out below is information to date for the Retention Program:

Customer	Rate Class	Amount payable	Annual Revenue Saved
Customer 1	MGS-L	\$ 6,500	\$ 10,298
Customer 2	MGS-L	\$ 6,500	\$ 11,697
Customer 3	MGS-L	\$ 7,000	\$ 12,708
Customer 4	LGS-S	\$ 7,000	\$ 28,916
Customer 5	LGS-S	\$ 7,000	\$ 37,786
Customer 6	LGS-S	\$ 7,000	\$ 28,770
		\$ 41,000	\$ 130,175

Competitive activity has decreased as propane prices have increased since the low prices witnessed in 2015. For the remainder of 2016, account managers will continue to evaluate the

market and potential competitive offers. EGNB will respond accordingly with offers that are beneficial to the customer and the utility as approved by the Board.

For 2017, the budget for the program has been reduced to \$100,000 as the typical historical price variance between natural gas and propane is expected to continue to trend favorably.

Incentive Program

As outlined in Matter 306, this program is available to qualifying SGS customers. New natural gas customers will qualify for an incentive up to \$2000 depending on the equipment being selected for installation. Qualification requirements include:

- New natural gas residential customers only
- Property must currently have access to a natural gas pipeline
- New home construction or existing home retrofit

Customers will sign a form confirming details and provide receipts. Amounts are not payable until after all appliances are inspected and turned on.

Since the oral decision on April 27th, 2016 minimal marketing and communications activity have occurred, therefore awareness of the program is minimal. To date, three customers have been signed who will benefit from the program.

For the remainder of 2016, a marketing and communications plan for the program has been prepared. Communication in the marketplace will begin this summer and continue this fall.

For 2017, the budget for the program remains the same. The program is expected to be similar to the 2016 one.