

Fuel Switching Working Group
Comments of Columbia Gas of Pennsylvania, Inc.

At its January 6, 2010 meeting, the Fuel Switching Working Group formed a subcommittee that was charged with providing cost-benefit analyses for five specific fuel switching programs. On January 25, 2010, the subcommittee submitted strawman fuel switching proposals that contained cost-benefit analyses for the following programs:

- A water heater conversion program;
- A space heating conversion program;
- A clothes drying conversion program;
- A combined heat and power distributed generation program (standard size);
- A micro combined heat and power distributed generation program (residential size).

Columbia Gas of Pennsylvania, Inc. ("Columbia") hereby submits its comments regarding the subcommittee's submission.

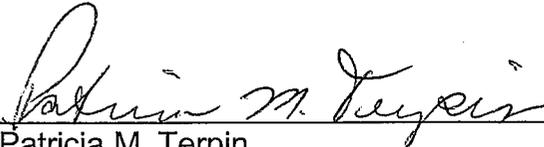
At the outset, Columbia wishes to echo a point that the subcommittee highlighted, which was also a subject of discussion at the January 6 Working Group meeting. That is, site-to-source energy usage statistics demonstrate that natural gas fuel switching can result in an overall reduction of energy consumption. As noted by the subcommittee, the process of generating electricity is a manufacturing process in which "manufacturing losses exceed the total energy consumed by the end use of electricity and natural gas combined" in the United States.

In its report, the subcommittee provided benefit-cost ratios for each of the five programs under several tests, including the Act 129 Total Resource Cost test. In almost every instance, the analyses demonstrated a positive benefit-cost ratio. In all instances, the analyses demonstrated positive total energy savings. Thus, the report demonstrates that natural gas fuel switching would be a viable component of energy conservation plans. While various aspects or assumptions in the report may be subject to debate, the report serves as a good starting point for further consideration about how natural gas fuel switching can assist EDCs in attaining their Act 129 usage and demand reduction targets.

Columbia appreciates the opportunity to participate in the Commission's Fuel Switching Working Group, and thanks the Commission for its consideration of Columbia's comments.

Respectfully submitted,

COLUMBIA GAS OF PENNSYLVANIA, INC.

By 
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