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April 5, 2010

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Training Certifications for Weatherization Installations and Audits
Docket No. M-2010-2152691**

Dear Mr. McNulty:

Enclosed please find an original and four (4) copies of Comments of Columbia Gas of Pennsylvania, Inc. regarding the above-referenced matter. Please file the original and three (3) copies and return the extra copy to me, file stamped, in the self-addressed envelope provided.

I thank you for your assistance.

Sincerely,



Theodore J. Gallagher

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PA PUBLIC UTILITY COMMISSION
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Training Certifications for Weatherization :
Installations and Audits : Docket No. M-2010-2152691
:

COMMENTS OF COLUMBIA GAS OF PENNSYLVANIA, INC.

A. INTRODUCTION

On March 2, 2010, the Commission entered an Order in the above-captioned proceeding. Therein, the Commission sought comments “on the level of training and certification that should be required of residential weatherization installers and auditors employed by electric distribution companies (“EDCs”), natural gas distribution companies (“NGDCs”) and their contractors.” The Commission also sought comments “on the current training required by electric and gas utilities of their employees and contractors who conduct weatherization installations and audits, as well as the impact on the companies’ Low Income Usage Reduction Program (“LIURP”).” The Commission states in its Order that due to an influx in Federal Stimulus dollars to the Pennsylvania Weatherization Assistance Program (“WAP”), and the expansion of such programs, Pennsylvania will need to train additional weatherization auditors and installers. The Order also states that a “uniform set of standards to qualify energy efficiency... workers may also ensure customers that work will be completed correctly and produce the expected energy savings and benefits.” On March 2, 2010, the Commission entered an Order directing comments on the Order be submitted within 30 days of the date of entry of the Order.

Columbia Gas of Pennsylvania, Inc. (“Columbia”), by and through its attorneys, submits its comments in response to the Commission’s Training Certifications for Weatherization Installations and Audits Order. At the outset, Columbia commends to the Commission’s attention and consideration the Comments submitted by the Energy Association of Pennsylvania (“EAPA”), particularly EAPA’s discussion of issues not addressed herein. In addition to the

EAPA's Comments on those issues, Columbia submits its own Comments in order to highlight issues that will significantly impact programs and practices already in place around the LIURP and weatherization programs in Columbia's service territory.

B. BACKGROUND

Columbia provides natural gas distribution service to approximately 413,000 customers in 26 counties in western, central, and south-central Pennsylvania, subject to the Commission's regulatory jurisdiction. Columbia has provided weatherization assistance to its customers through its LIURP since 1988, and approximately 5,500 homes have been weatherized in Columbia's territory since the program's inception. Customers who have received weatherization services through Columbia's LIURP have seen average consumption savings of 21-24%. In addition, these weatherization efforts directed at low-income customers have produced reductions in those customers' arrearages, and reduced bad debt in over 50% of the homes that have been weatherized.

Columbia and other NGDCs have Commission-approved Universal Service Plans, including LIURP, that help low-income residential customers reduce natural gas consumption. In addition to LIURP, Columbia has an energy efficiency audit program, Income Qualified Energy Efficiency Program (IQEEP). As part of its recently filed rate case, Columbia has also proposed a Home Energy Efficiency Program ("HEEP") that is designed to assist customers across its entire residential customer base to reduce energy consumption, not just customers who qualify for programs that are designed for low-income customers.

A recent influx of federal stimulus dollars provided Pennsylvania's WAP with \$252.8 million that must be fully expended by March 31, 2012.¹ As a condition to the acceptance of the federal dollars, all workers participating in the WAP must be certified, and the American Recovery and Reinvestment Act WAP budget includes adequate funding to expand an already existing state training program.

The Commission seeks comments as to whether training all weatherization workers to meet a uniform minimum standard is necessary to ensure customers that work will be completed and produce the expected savings.

¹ Pennsylvania ARRA Weatherization Final State Plan, www.newpa.com (detailing program parameters and expenditures).

C. COMMENTS

Columbia supports the Commission's desire to assure weatherization work is completed correctly and produces the desired energy savings. While Columbia understands that the standardization of training and certification that is required of residential weatherization installers and auditors throughout Pennsylvania could be beneficial, Columbia believes the Commission should promote standardization of quality performance over standardization of certification requirements. Columbia supports a sound quality performance program which monitors the work of its contractors and sets expectation levels through established standards. In addition, Columbia is concerned about the impact that standardized training will have on its LIURP funds once the ARRA dollars are expended. Finally, Columbia does not believe standardization of certification standards is necessary, given the utilities' successful 20-year history of implementing weatherization programs, and the measurable desired savings. Columbia supports standardization of quality performance, but not the standardization of training and certification because the costs of such training will outweigh any measurable benefit.

Columbia suggests that we must not lose sight of the fact that standardization is merely a means to an end rather than the end itself. In other words, a standardized protocol is no better than the status quo if it reduces the utility's ability to assist low-income customers or if it is too difficult or costly to implement. Any standardized protocol should be proven and time-tested. Columbia notes that it has long-term experience in operating successful weatherization programs, with measurable savings, and as of the writing of these comments, Columbia has had no formal complaints resulting from its LIURP contractors. Furthermore, Columbia notes that it voluntarily sponsored an evaluation of its LIURP by Michael Blasnik in 2007, who offered in his final report that "Columbia Gas of Pennsylvania's Warm Choice program produces impressive energy savings that rival the best residential retrofit programs in the nation."²

Columbia, in addition to most other Pennsylvania NGDCs, contracts through third parties for weatherization and audit services. Most Columbia contractors are WAP-certified, and some contractors seek additional training on their own accord. Columbia does not pay for its contractors' training, Columbia has not experienced any problems as a result of operating its program under these conditions, and Columbia continues to operate a successful program with

² *LIURP Impact Cost Effectiveness Evaluation - Michael Blasnik and Associates, March 2007.*

measurable savings. Columbia supports the Commission's goal to assure that weatherization work is completed correctly and produces the desired energy savings, but believes standardized training of weatherization workers is not the avenue to achieving that goal.

Columbia is concerned that costly training will eventually impact the budget amount set for its LIURP, and will therefore reduce the number of homes Columbia can weatherize in the future. With that concern in mind, Columbia submits that requiring a minimum level of certification for all weatherization contractors will ultimately have such an impact on Columbia's LIURP. While such a requirement may currently be cost-effective with an influx of federal stimulus dollars, it will most assuredly limit program spending once the federal stimulus dollars are expended. Due to the success and measurable savings customers draw from Columbia's LIURP, Columbia is resistant to the idea of minimum certification standards for its contractors. Columbia's LIURP is currently budgeted at \$3 million annually, with an average spend of \$5,800 per household. Costly training required for contractors will be imputed to Columbia's LIURP customers as an additional cost and will reduce the amount of funding available for weatherization measures.

Moreover, Columbia acknowledges that federal stimulus dollars are available now, and for the next couple of years, and supports the use of such dollars for weatherization training, but urges the Commission to consider the cost impact to the low-income programs once the federal dollars have been expended. If the Commission, in light of the comments filed by the utilities and the EAPA, decides standardized certification is necessary, Columbia would urge that such certification be limited to auditors and crew supervisors only, and not all weatherization employees.

D. CONCLUSION

As discussed above, Columbia respectfully submits that the proposed effort to assure weatherization work is completed correctly and produces desired benefits emphasize quality performance measures rather than standardize training certifications. Moreover, the historical success and measurable savings available today shows that Columbia and other Pennsylvania NGDCs operate and manage successful weatherization programs. Additionally, while the federal stimulus dollars make such standardization attractive due to readily available subsidies,

the inherent costs presented by training standards will limit LIURP funding available for weatherization in the future, and will ultimately limit the number of households that receive weatherization measures. Columbia points out that it has been a frontrunner in promoting customer access to weatherization dollars, and that Columbia's customer see average consumption savings of 21-24%. Again, Columbia endorses and commends to the Commission's attention the Comments submitted in this matter by the EAPA.

Respectfully submitted,

COLUMBIA GAS OF PENNSYLVANIA, INC.

By:



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Its Attorney

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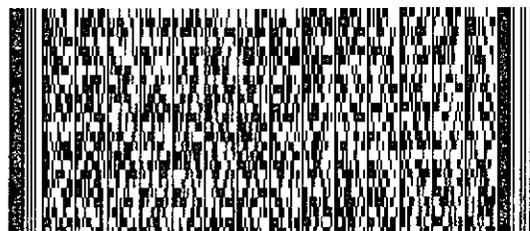
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