



national fuel

November 15, 2013

Honorable Kathleen H. Burgess
Secretary
New York State Department of Public Service
Three Empire State Plaza, 19th Floor
Albany, NY 12223

Re: Case 07-M-0548 – Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard

Case 07-G-0141 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules, and Regulations of National Fuel Gas Distribution Corporation for Gas Service – Conservation Incentive Program

Dear Secretary Burgess,

Pursuant to the Energy Efficiency Portfolio Standard (“EEPS”) reporting guidelines as clarified in the April 20, 2012 letter to program administrators from the Director of the Office of Energy Efficiency and the Environment, attached please find the quarterly report for National Fuel Gas Distribution Corporation for the quarter ended September 30, 2013.

Any questions you may have regarding the attached can be directed to the undersigned at (716) 857-7440 or at crahene@natfuel.com.

Respectfully submitted,

Evan M. Crahen
Regulatory Analyst
Rates and Regulatory Affairs

Attachments

Program Administrator	National Fuel Gas Distribution Corporation
Program/Project	Residential Rebate Program
Reporting Period	Quarter 3 (July Through September) 2013
Report Contact	Evan Crahen

Summary of Evaluation Activities

National Fuel Gas Distribution Corporation completed a Process Evaluation report with its evaluation contractor¹ in December 2011. The Company immediately started to take action on the recommendations from the Process Evaluation report, upon its completion, and developed a formal implementation plan. Staff approved and accepted the Process Evaluation report on September 26, 2013. A copy of the report is publically available on the Company's Fuel for Thought website.

Distribution has prepared a pre/post billing analysis of customer consumption for determining savings associated with the program. The proposed pre-post analysis is one of several statistical techniques for determining the savings of energy-efficiency programs. This method involves using monthly—or interval—consumption data to measure program impacts. Cadmus has conducted an assessment of Distribution's pre post billing analysis. Distribution included a copy of the results of the Cadmus pre post billing analysis in Appendix I of its quarterly CIP status report filed with the Commission on November 15, 2011.² The billing analysis does provide solid evidence that customers participating in the Company's residential rebate program are reducing consumption significantly more than the average customer base. Distribution plans to update the pre/post billing analysis with more recent program results, once uncertainty within the energy efficiency environment is alleviated, as more fully described in Staff's EEPS Restructuring Proposal.³

Distribution is currently participating with other program administrators in a statewide Residential Gas HVAC Program impact evaluation. This project kicked off on October 25, 2012. The Company has provided timely responses to a number of data requests received from Opinion Dynamics, the consultant selected to perform the evaluation. In addition, Distribution has been actively involved in project meetings and in reviewing and providing comments on project documents, including: the detailed evaluation work plan, an overview of primary data collection efforts, sample design, and the cost estimation process, the net impact evaluation approach, and individual participant, contractor, and distributor data collection instruments. As the project progresses, the Company plans to continue to provide program information and data, review work products, documents and results, work with the team of joint utilities to further advance the project, and keep the project moving in order to produce evaluation results in a timely fashion.

¹ The Cadmus Group, Inc. / Energy Services; 720 SW Washington Street, Suite 400; Portland, OR 97205.

² <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={CDD359CA-F0DD-4161-A273-11E5C811FF7}>.

³ Case 07-M-0548 – Energy Efficiency Portfolio Standard Restructuring Proposal, filed on September 13, 2013.

Program Administrator	National Fuel Gas Distribution Corporation
Program/Project	Small Non-Residential Rebate Program (NRCIP)
Reporting Period	Quarter 3 (July Through September) 2013
Report Contact	Evan Crahen

Summary of Evaluation Activities

National Fuel Gas Distribution Corporation completed a Process Evaluation report with its evaluation contractor⁴ in December 2011. The Company immediately started to take action on the recommendations from the Process Evaluation report, upon its completion, and developed a formal implementation plan. Staff approved and accepted the Process Evaluation report on September 26, 2013. A copy of the report is publically available on the Company's Fuel for Thought website.

Distribution has received confirmation from NYSERDA that a joint impact analysis of NRCIP could be completed in the near future. In fact, Distribution participated in a long-term project planning and scoping meeting with NYSERDA, as the first step to initiate joint efforts in evaluating the Existing Facilities program. The meeting provided a brainstorming session to assess the project and jointly determine requirements of NYSERDA and Distribution. The Company is looking forward to continuing this collaborative opportunity. Since NRCIP is very similar to NYSERDA's Existing Facilities program, a joint impact analysis would provide for an efficient use of resources.

If a joint impact analysis cannot be completed with NYSERDA, the Company will continue to explore participating in statewide impact studies of the small commercial marketplace, where such studies are determined to be cost effective. If there is no opportunity to participate in statewide studies to determine the impact of this program, the Company will develop an individual impact study proposal.

Distribution is also in the process of having its evaluation contractor to complete a review of NYSERDA's impact analysis for the Existing Facilities program, as well as other evaluations that have been completed for similar programs across the region and country, in order to assess the applicability of existing evaluation results to NRCIP.

⁴ The Cadmus Group, Inc. / Energy Services; 720 SW Washington Street, Suite 400; Portland, OR 97205.

Program Administrator	National Fuel Gas Distribution Corporation
Program/Project	Low Income Usage Reduction Program (LIURP)
Reporting Period	Quarter 3 (July Through September) 2013
Report Contact	Evan Crahen

Summary of Evaluation Activities – Page 1 of 2

National Fuel Gas Distribution Corporation completed a Process Evaluation report with its evaluation contractor⁵ in December 2011. The Company immediately started to take action on the recommendations from the Process Evaluation report, upon its completion, and developed a formal implementation plan. Staff approved and accepted the Process Evaluation report on September 26, 2013. A copy of the report is publically available on the Company’s Fuel for Thought website.

Distribution has prepared a pre/post billing analysis of customer consumption for determining savings associated with the program. The proposed pre-post analysis is one of several statistical techniques for determining the savings of energy-efficiency programs. This method involves using monthly—or interval—consumption data to measure program impacts. Cadmus has conducted an assessment of Distribution’s pre post billing analysis. Distribution included a copy of the results of the Cadmus pre post billing analysis in Appendix I of its quarterly CIP status report filed with the Commission on November 15, 2011.⁶ The billing analysis does provide solid evidence that customers participating in the Company’s LIURP are reducing consumption significantly more than the average customer base. Distribution plans to update the pre/post billing analysis with more recent program results, once uncertainty within the energy efficiency environment is alleviated, as more fully described in Staff’s EEPS Restructuring Proposal.⁷

Cadmus also completed a review of NYSERDA’s impact analysis for the EmPower program, in order to assess its applicability to Distribution’s LIURP. The review noted that the gas impact results from NYSERDA’s impact analysis appear to be applicable to LIURP. Further, Cadmus believes that the Company’s billing analysis can be used to assess usage impacts for LIURP. Distribution included a copy of Cadmus’ review in Appendix I of its quarterly CIP status report filed with the Commission on November 15, 2011.⁸

⁵ The Cadmus Group, Inc. / Energy Services; 720 SW Washington Street, Suite 400; Portland, OR 97205.

⁶ <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={CDD359CA-F0DD-4161-A273-11E5C811FF7}>.

⁷ Case 07-M-0548 – Energy Efficiency Portfolio Standard Restructuring Proposal, filed on September 13, 2013.

⁸ <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={CDD359CA-F0DD-4161-A273-11E5C811FF7}>.

Program Administrator	National Fuel Gas Distribution Corporation
Program/Project	Low Income Usage Reduction Program (LIURP)
Reporting Period	Quarter 3 (July Through September) 2013
Report Contact	Evan Crahen

Summary of Evaluation Activities – Page 2 of 2

Distribution is currently in the process of participating in a joint impact evaluation with NYSERDA, including Distribution’s LIURP, as well as NYSERDA’s Home Performance with Energy Star and EmPower programs, for calendar years 2010 and 2011. Since Distribution’s LIURP is administered by NYSERDA, both parties felt there would be evaluation efficiencies by completing a joint evaluation. This project kicked off on February 7, 2013 and Itron and Energy & Resource Solutions are the consultants selected to perform the work. The Company has provided timely responses to NYSERDA and the consultants’ data requests for program information, tracking and design, as well as billing information. In addition, Distribution has been actively involved in project meetings and in reviewing and providing comments on project documents, including the Phase I billing analysis recently completed. Distribution also participated in a joint meeting further clarifying the final evaluation results from Phase I, which was held on September 11, 2013. On an on-going basis, providing that final contracting and logistical concerns can be addressed, the Company plans to continue to provide program information and data, review work products and results, work with NYSERDA to further advance the project, and keep the project moving in order to produce evaluation results in a timely fashion.

Looking forward, the company plans to continue to partner with NYSERDA in order to continue the coordination of impact evaluation activities, where logical and feasible. Distribution has indicated to NYSERDA its intent to participate in Phase II of this project. A kickoff meeting to determine the scope and schedule of Phase II was held on July 8, 2013.

If on-going impact coordination with NYSERDA cannot be achieved, the Company will continue to explore participating in statewide impact studies for LIURP, where such studies are determined to be cost effective. If there is no opportunity to participate in statewide studies to determine the impact of this program, the Company will develop an individual impact study proposal.