

Ribeka S. Danhires
Manager, Rates & Regulatory Service

VIA: E-FILING ONLY

March 28, 2025

Secretary's Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Columbia Gas
of Pennsylvania, Inc.
Docket No. R-2022-3031211**

Dear Ms. Chiavetta:

On December 8, 2022, the Pennsylvania Public Utility Commission ("Commission") approved Columbia Gas of Pennsylvania, Inc.'s ("Columbia") Energy Efficiency and Conservation Program Plan at Docket No. R-2022-3031211. Consistent with the Commission's Order to submit a report each April, three months after the close of the program year, enclosed is Columbia's annual report for the period from January 1, 2024 through December 31, 2024.

Questions regarding this filing may be directed to me via email at rdanhires@nisource.com, or by telephone at 724-420-6377.

Respectfully Submitted,



Ribeka S. Danhires
Manager, Rates & Regulatory Service

Enclosures

Cc: Office of Consumer Advocate
Bureau of Investigation and Enforcement
Office of Small Business Advocate

Report to the Pennsylvania Public Utility Commission

Columbia Gas of Pennsylvania
Non-Low-Income Energy Efficiency
Year Ended December 31, 2024

Prepared by Columbia Gas of Pennsylvania

Filing Date: 04/01/2025

Contents

1	EXECUTIVE SUMMARY	2
2	PORTFOLIO OVERVIEW.....	2
2.1	Background	2
2.2	Summary of Activity	3
2.3	Progress in Support of Plan Commitments	5
3	PROGRAM RESULTS	7
3.1	Online Audit and Kit Program.....	7
3.1.1	Program Description	7
3.1.2	Program Highlights.....	7
3.1.3	Marketing Activity	8
3.1.4	Inspection and Evaluation Activity.....	8
3.1.5	Program Results.....	9
3.2	Residential Prescriptive Program.....	10
3.2.1	Program Description	10
3.2.2	Program Highlights.....	10
3.2.3	Marketing Activity	11
3.2.4	Inspection and Evaluation	11
3.2.5	Program Results.....	12

1 EXECUTIVE SUMMARY

This annual report is for the year ending December 31, 2024, the second year of Columbia Gas of Pennsylvania's ("Columbia" or "the Company") Energy Efficiency and Conservation Portfolio of Programs Plan ("Plan") which the Commission approved on December 8, 2022, in Columbia's 2022 Base Rate filing in Docket No. R-2022-3031211. This plan covers the pilot period from January 1, 2023 – December 31, 2025. Highlights of 2024 include:

- Total costs were \$1,328,018 or 94% of annual approved budget which was revised in the 2024 Rate Case filing in March 2024 - Docket No. 2024-3046519.
- First Year Savings were: 5,368 Dth for the Online Energy Audit and Kit (OAK) Program and 25,861 Dth for the Residential Prescriptive (RP) Program.
- Lifetime Savings were: 54,032 Dth for the OAK Program and 480,448 Dth for the RP Program.
- These programs provided \$3,368,121 in present value of net benefits to customers with a benefits-to-cost ratio (BCR) of 2.87 as calculated under the Total Resource Cost (TRC) Test.
- The OAK program spent 31% of 2024 revised budget, provided 2,987 kits which is approximately 34% of the total 3-year kit projection and achieved 38% of annual savings for 2024.
- The RP program rebated 2,497 EE measures, spent 124% of the 2024 budget and achieved 165% of annual savings for 2024.
- Within the 2024 Rate Case, Columbia provided updated participation numbers for both programs based on 2023 results. In addition, Columbia added insulation and air sealing rebates as well as natural gas-fired heat pumps as rebate measures within the RP Program. These rebates will be offered in 2025.

2 PORTFOLIO OVERVIEW

2.1 Background

In December of 2022, the Commission approved Columbia's \$4 million 3-year plan to offer an energy efficiency and conservation portfolio to educate and assist customers with saving energy (R-2022-3031211). The plan outlined a target launch date of July 2023 with the official launch on August 1, 2023. In 2024, Columbia included a revised energy efficiency plan within the 2024 Rate Case (Docket No. 2024-3046519) based on the early success of the first year of the plan in 2023. In addition, the case also included a request to offer two new energy efficiency measures within the RP Program . The new measures are a natural gas fired heat pump and insulation and air-sealing. This request was approved by the Commission and the new measures will be offered to Columbia customers in 2025.

Columbia’s plan includes two energy efficiency programs -- Online Audit and Kit Program (OAK) and the Residential Prescriptive (RP) Program. The OAK program’s goal is to help educate customers regarding energy efficiency by showing that taking small steps to conserve energy can make a difference. The RP program offers customers incentives to upgrade to higher efficiency ENERGY STAR® certified equipment (when available) in order to realize greater energy savings. These programs followed the design and goals established as part of the 2022 Rider EE filing and the 2024 Rate Case filing. Both programs are voluntary and available to residential customers within Columbia’s service territory.

Columbia’s approved plan includes a commitment to submit a report each April, three months after the close of the program year. The Company respectfully submits this report documenting the 2024 results the first full year of operation within this 3-year program.

2.2 Summary of Activity

The total portfolio spending was \$1,328,018 or 94% of budget, with annual savings of 31,229 (Dth) or 105% of 2024 projections and lifetime savings of 534,480 Dth or 125% of 2024 projections. The savings were primarily driven by the RP program exceeding the rebate quantity projections by 124%. In addition, the OAK Program contributed to the savings goal by providing 2,987 kits to customers for a total savings of 5,368 Dth. Both EE Programs provided a combined \$3,368,121 in present value net benefits with a BCR 2.87.

The following tables provide a high-level overview of the non-low-income EE portfolio’s spending and savings for 2024.

Please note: In-order to tie savings and costs together as effectively as possible, results will be reported based on commitments made. Any measures that have been verified as installed within a program year along with any costs committed to these measures, including administration costs, will be counted for that year.

Table 1: EE Portfolio Summary

<i>Portfolio Summary</i>	<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>		
	Actual	Budget	%	Actual	Budget	%
Portfolio Spending (Nominal \$)						
Residential Prescriptive Program	\$1,010,417	\$626,000	161%	\$1,296,496	\$1,992,800	65%
Online Energy Audit & Kit Program	\$172,658	\$551,300	31%	\$386,043	\$1,410,200	27%
Portfolio Wide Cost	\$144,943	\$234,000	62%	\$265,283	\$597,000	44%
Total	\$1,328,018	\$1,411,300	94%	\$1,947,822	\$4,000,000	49%
Natural Gas Savings						
Annual (Dth)	31,229	29,742	105%	45,551	81,567	56%
Lifetime (Dth)	534,480	427,082	125%	748,583	1,229,978	61%

2.2.1 Summary of Program Costs

Table 2: EE Portfolio Costs and Participation by Program 2024

Portfolio Costs and Participation by Program - CY 2024

Program	Total	Incentive	Non-Incentive	Rebates/Kits
Residential Prescriptive Program	\$1,010,417	\$749,956	\$260,461	2,497
Online Energy Audit & Kit Program	\$172,658	\$90,174	\$82,484	2,987
Total	\$1,183,075	\$840,129	\$342,945	5,484

2.2.2 Summary of Program Savings

Table 3: EE Portfolio Savings by Program – 2024

Portfolio Savings by Program - CY 2024

Program	Natural Gas (Dth)		Electric Energy (MWh)		Water (Million Gal)	
	Annual	Lifetime	Annual	Lifetime	Annual	Lifetime
Residential Prescriptive Program	25,861	480,448	75.0	825.2	0.0	0.0
Online Energy Audit & Kit Program	5,368	54,032	0.0	0.0	8.7	82.4
Total	31,229	534,480	75.0	825.2	8.7	82.4

2.2.3 Summary of Program Cost Effectiveness

Table 4: EE Portfolio Cost-Effectiveness by Program – 2024

Portfolio Cost-Effectiveness by Program - Phase to Date (2022\$)

Program	TRC PV Benefits	TRC PV Costs	TRC PV Net	TRC BCR
Residential Prescriptive Program	\$3,880,433	\$1,501,704	\$2,378,729	2.58
Online Energy Audit & Kit Program	\$1,290,941	\$156,606	\$1,134,334	8.24
Portfolio Wide Cost	\$0	\$144,943	-\$144,943	0.00
Total	\$5,171,374	\$1,803,253	\$3,368,120	2.87

2.3 Progress in Support of Plan Commitments

- Over the three years of the Plan, Columbia plans to spend \$4.0 million on the administration and delivery of the two programs. In 2024, total spend was \$1,328,018. The total spending for 2023 and 2024 was \$1,947,822 or approximately 49% of the total budget three-year program budget.
- The programs are projected to save 1.23 million Dth of natural gas over the lifetime of the measures. Current progress to goal through 2024 is 748,583 Dth of lifetime savings or 61% of the three-year goal.
- The portfolio's present value of benefits is \$5.2 million, with \$1.8 million in present value of costs, leading to a present value of net benefits of \$3.4 million and a TRC BCR of 2.87.
- The Plan is also expected to save 3,467 MWh of electricity and save 479 million gallons of water over the lifetime of the measures. In 2024, the Plan realized a lifetime savings of electricity was 825 MWh and a lifetime savings of 82 million gallons of water.
- The Plan filing discussed exploring specific marketing tactics to share information about Columbia's new programs.
 - *Explore a micro-website for program advertising to lead back to.* Rather than spending additional money to create a separate micro-site, the programs utilize Columbia Gas' website (www.columbiagaspa.com) to share important information with customers. The information is found under the "Ways to Save" tab. The programs further utilize web-links in all advertising efforts to direct customers back to the website where they can learn more about Columbia's EE programs. Some examples include:
 - Columbiagaspa.com/WarmWise
 - Columbiagaspa.com/rebates
 - Columbiagaspa.com/kits
 - *Partner with local businesses and trade allies to generate awareness of programs.* In 2024, Columbia continued to build upon relationships with local HVAC contractors within Columbia's territory. Word of mouth advertising via Columbia customers and directly contacting HVAC and plumbing companies to discuss program requirements has led to early success with the program.
 - *Target equipment manufacturers to ensure they offer higher efficiency equipment and to make Columbia's customers aware of our programs.* In 2024, Columbia found it was not necessary to reach out to manufacturers as a strong relationship was developed with the trade allies who participated in the RP program. These trade allies in turn partner directly with manufacturers.
 - *Partner with community-based organizations to share information about the new programs.* The WarmWise Community Liaison continues to share the new EE programs with customers throughout Columbia's territory. In addition, on several occasions, Columbia met with the low-income service providers to share details regarding the programs to expand outreach.
 - *Work with ACT 129 electric administrators to see if there are partnership opportunities available.* In 2024, Columbia did not reach out to electric administrators regarding partnership opportunities. The primary reason for this was due to early program successes. Columbia was awaiting the results of our

2024 rate case (Docket No. 2024-3046519) to ensure the shifting of funding request was approved before any participation outreach was conducted. With this now approved, Columbia plans to connect with ACT 129 EDCs and believes more opportunities may be available with the recent addition of the insulation and air sealing rebates.

2.3.1 Portfolio Costs

Table 5: EE Portfolio Costs by Category

<i>Portfolio Costs by Category</i>				<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>		
Component (Nominal \$)	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
Direct Utility Costs	\$1,328,018	\$1,411,300	94%	\$1,947,822	\$4,000,000	49%	\$1,165,764	\$2,066,000	56%
Customer Incentives	\$840,129	\$714,300	118%	\$656,032	\$1,526,000	43%	\$90,562	\$217,000	42%
Administration	\$365,506	\$581,000	63%	\$29,610	\$61,000	49%	\$5,854	\$130,000	5%
Marketing	\$89,519	\$72,000	124%						
Inspections	\$27,010	\$24,000	113%						
Evaluations	\$5,854	\$20,000	29%						
Direct Participant Cost	\$645,212	\$404,821	159%	\$827,696	\$1,691,832	49%			

Table 6: Portfolio Wide Costs

<i>Portfolio Wide Costs</i>				<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>		
Component (Nominal \$)	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
Direct Utility Costs	\$144,943	\$234,000	62%	\$265,282	\$597,000	44%	\$0	\$0	-
Customer Incentives	\$0	\$0	-	\$265,282	\$597,000	44%	\$0	\$0	-
Administration	\$144,943	\$234,000	62%	\$0	\$0	-	\$0	\$0	-
Marketing	\$0	\$0	-	\$0	\$0	-	\$0	\$0	-
Inspections	\$0	\$0	-	\$0	\$0	-	\$0	\$0	-
Evaluations	\$0	\$0	-	\$0	\$0	-	\$0	\$0	-
Participant Cost	\$0	\$0	-	\$0	\$0	-	\$0	\$0	-

2.3.2 Portfolio Savings

Table 7: EE Portfolio Savings

<i>Portfolio Savings</i>	<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>			
	Type	Actual	Projected	%	Actual	Projected	%
Natural Gas (Dth)							
Annual	31,229	29,742	105%	45,551	81,567	56%	
Lifetime	534,480	427,082	125%	748,583	1,229,978	61%	
Electric Energy (MWh)							
Annual	75	95	79%	98	265	37%	
Lifetime	825	1,040	79%	1,082	3,467	31%	
Electric Demand (kW)	13.0	16.9	77%	17.0	64.4	26%	
Water (Millions Gallons)							
Annual	8.7	19.7	44%	16.6	47.9	35%	
Lifetime	82.4	197.4	42%	156.6	478.5	33%	

3 PROGRAM RESULTS

3.1 Online Audit and Kit Program

(Rate Class: All residential)

3.1.1 Program Description

The OAK Program is designed to provide residential customers with information on how to improve the energy efficiency of their homes along with free, targeted energy savings kits. The program also provides a way for customers to engage with Columbia Gas and learn about the WarmWise Low Income Programs as well as the RP Program.

3.1.2 Program Highlights

Columbia continued to contract with Silver Blaze in 2024 to provide the online audit and with AM Conservation as the fulfillment vendor for the energy efficiency kits. The program spent \$172,658 in 2024 of which \$90,174 was for customer incentives (kits). Below is a chart of 2024 program participation. The program provided first year annual gas savings of 5,368 Dth with 54,032 Dth in lifetime savings. Under the TRC Test, the OAK Program provided \$1,134,335 in present value of net benefits with a BCR of 8.24.

Table 8: OAK Program Participation

OAK Program Participation		CY 2024		CY 2023 - CY 2025		
Equipment	Actual Kits	Projected Kits	%	Actual Kits	Projected Kits	%
Water Savings Kit	2,725	6,150	44%	5,180	14,905	35%
Space Heat Savings Kit	262	1,400	19%	1,601	4,839	33%
Total	2,987	7,550	40%	6,781	19,744	34%

3.1.3 Marketing Activity

In 2024, the primary methods of educating residential customers about the program were through Columbia’s website and customer newsletters. Columbia also utilized the following outreach methods for the new program:

- Met with Columbia’s low-income service providers to educate them about the new program so they can encourage customers to take the online energy audit and receive energy efficiency measures to help save additional energy and money.

Through these efforts, 2,987 customers completed the online survey to receive an energy saving kit. In 2024, Columbia paused marketing efforts for the program beginning in the second quarter until the 2024 Rate Case was approved in November. In addition, Columbia’s marketing team also paused all marketing through the national election cycle to avoid the program’s message getting lost with customers being inundated with political advertising.

The total 2024 spend for the OAK program marketing activities and expenses was \$25,542 where approximately \$16,634 is recognized a carry-over expense from 2023 marketing efforts.

3.1.4 Inspection and Evaluation Activity

Columbia sent a usage survey to OAK kit recipients from August of 2023 through July of 2024 for program evaluation purposes. The evaluation is in process and the results should be completed in early 2025.

3.1.5 Program Results

Table 9: OAK Program Costs

<i>OAK Program Costs</i>		<i>CY 2024</i>		<i>CY 2023 - CY 2025</i>		
Component (Nominal \$)	Actual	Budget	%	Actual	Budget	%
Direct Utility Costs	\$172,658	\$551,300	31%	\$386,043	\$1,410,200	27%
Customer Incentives	\$90,174	\$234,300	38%	\$205,225	\$593,200	35%
Administration	\$51,088	\$277,000	18%	\$148,864	\$677,000	22%
Marketing	\$25,542	\$20,000	128%	\$26,100	\$70,000	37%
Inspections	\$0	\$0	-	\$0	\$0	-
Evaluations	\$5,854	\$20,000	29%	\$5,854	\$70,000	8%
Participant Cost	\$0	\$0	-	\$0	\$0	-

Table 10: OAK Program Savings

<i>OAK Program Savings</i>		<i>CY 2024</i>		<i>CY 2023 - CY 2025</i>		
Type	Actual	Projected	%	Actual	Projected	%
Natural Gas (Dth)						
Annual	5,368	14,024	38%	12,829	37,413	34%
Lifetime	54,032	156,820	34%	142,086	431,455	33%
Electric Energy (MWh)						
Annual	0	0	-	0	0	-
Lifetime	0	0	-	0	0	-
Electric Demand (kW)	0	0	-	0	0	-
Water (Millions Gallons)						
Annual	8.7	19.7	44%	16.6	47.9	35%
Lifetime	82.4	197.4	42%	156.6	478.5	33%

Table 11: OAK Program Cost-Effectiveness

OAK Program TRC Test Results		CY 2024	CY 2023 - CY 2025	
Benefit/Cost Component	Value (2022\$)		Value (2022\$)	
TRC PV Benefits	\$1,290,941		\$2,831,979	
TRC PV Costs	\$156,606		\$359,830	
TRC PV Net Benefits	\$1,134,335		\$2,472,149	
TRC Benefit/Cost Ratio	8.24		7.87	

3.2 Residential Prescriptive Program

(Rate Class: RS/RTC not available to CAP customers)

3.2.1 Program Description

The RP program is designed to overcome market barriers to energy efficient space and water heating equipment in the residential sector through rebates and customer awareness. The objective of the program is to avoid lost opportunities by encouraging consumers to install the most efficient gas heating technologies available when replacing older, less efficient equipment. The program also aims to strengthen Columbia Gas' relationship with HVAC contractors, suppliers, and other trade allies.

3.2.2 Program Highlights

Columbia continued to contract with Resource Innovations to process rebate applications for the RP Program. The program spent \$1,010,417 in 2024 of which \$749,956 was customer incentives. Below is the chart of the number of rebate applications fulfilled in 2024. The program provided first year annual gas savings of 25,861 Dth with 480,448 in lifetime savings. Under the TRC Test, the RP Program provided \$2,378,729 in present value of net benefits with a BCR of 2.58.

Table 12: RP Program Participation

RP Program Participation				CY2024			CY 2023 - CY 2025		
Equipment	Actual Rebates	Projected Rebates	%	Actual Rebates	Projected Rebates	%			
Energy Star® certified Smart Thermostat	1,107	1,300	85%	1,452	3,245	45%			
Residential Furnace	1,059	500	212%	1,296	1,337	97%			
Residential Boiler	53	30	177%	72	89	81%			
Residential Combi Boiler	72	60	120%	105	193	54%			
Tankless Water Heater	206	120	172%	269	333	81%			
Total	2,497	2,010	124%	3,194	5,197	61%			

3.2.3 Marketing Activity

In 2024, Columbia's primary method of introducing the program to residential customers was through customer newsletters, bill inserts and emails to Columbia's residential customer base. Columbia also employed the following outreach methods for this program:

- Columbia utilized Google® paid search which uses key energy saving terms to drive customers to our website.
- Columbia's social media posts and paid ads.
- Word of mouth activity with HVAC contractors sharing information about Columbia's rebates in our service territory has been highly effective.
- A company called Ecorebates reached out to Columbia about including their smart thermostat rebate information on sites such as Nest, the Home Depot and Amazon. Ecorebates does not charge utilities, rather they charge the retailers as utility rebates help their sales volumes. Columbia views this as a low-risk, no-cost opportunity to generate continued awareness of rebate opportunities.

Total 2024 spend for the RP program's marketing activities was \$63,976 which includes \$18,360 2023 carry over marketing expense.

3.2.4 Inspection and Evaluation

Resource Innovations (RI) provides a BPI certified inspector to conduct in-person inspections for the RP program. RI also performs photo inspections on a case-by-case basis where an in-person inspection is not possible in addition to inspections for smart thermostats. In 2024, Resource Innovations inspected and met its goal of inspecting approximately 10% of all rebate applications. The 2024 Rate Case Plan indicated that Columbia would inspect 5% of non-thermostat equipment and 1% of Wi-Fi thermostat rebates with an inspection budget of \$24,000 in 2024. Columbia spent \$27,010 for inspections in 2024.

3.2.5 Program Results

Table 13: RP Program Costs

<i>RP Program Costs</i>				<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>		
Component (Nominal \$)	Actual	Budget	%	Actual	Budget	%	Actual	Budget	%
Direct Utility Costs	\$1,010,417	\$626,000	161%	\$1,296,496	\$1,992,800	65%			
Customer Incentives	\$749,956	\$480,000	156%	\$960,540	\$1,472,800	65%			
Administration	\$169,475	\$70,000	242%	\$241,885	\$252,000	96%			
Marketing	\$63,976	\$52,000	123%	\$64,461	\$147,000	44%			
Inspections	\$27,010	\$24,000	113%	\$29,610	\$61,000	49%			
Evaluations	\$0	\$0	-	\$0	\$60,000	0%			
Participant Cost	\$645,212	\$404,821	159%	\$827,696	\$1,691,832	49%			

Table 14: RP Program Savings

<i>RP Program Savings</i>				<i>CY 2024</i>			<i>CY 2023 - CY 2025</i>		
Type	Actual	Projected	%	Actual	Projected	%	Actual	Projected	%
Natural Gas (Dth)									
Annual	25,861	15,719	165%	32,722	44,154	74%			
Lifetime	480,448	270,261	178%	606,497	798,523	76%			
Electric Energy (MWh)									
Annual	75.0	94.6	79%	98.4	265.1	37%			
Lifetime	825.2	1040.5	79%	1082.4	3466.8	31%			
Electric Demand (kW)	13.0	16.9	77%	17.0	64.4	26%			
Water (Millions Gallons)									
Annual	0	0	-	0	0	-			
Lifetime	0	0	-	0	0	-			

Table 15: RP Program Cost-Effectiveness

<i>RP Program TRC Test Results</i>		<i>CY 2024</i>	<i>CY 2023 - CY 2025</i>
Benefit/Cost Component	Value (2022\$)		Value (2022\$)
TRC PV Benefits	\$3,880,433		\$4,911,742
TRC PV Costs	\$1,501,704		\$1,947,955
TRC PV Net Benefits	\$2,378,729		\$2,963,787
TRC Benefit/Cost Ratio	2.58		2.52