



Our My Switch to Gas Program



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Lambeth Riding

Presented by: My Switch to Gas Team
March 26, 2018

Background

February 2014

- Delaware PSC approves new gas main extension policy, which also instructs Delmarva Power to develop and implement a marketing plan for growing its natural gas customer base in New Castle County
- The policy change stemmed from former Gov. Jack Markell leading the expanded use of natural gas in Delaware for both its environmental and economical benefits

2014—Present

- More than 25 subdivisions converted to natural gas
- More than 2,300 individual residential gas conversions, mostly from oil and propane
- More than 7,500 metric tons of reduced CO2 emissions as a result of our MSTG program
- More affordable winter heating bills



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What changed?

The New Gas Main Extension Policy:

- Enables Delmarva Power to provide 100 feet of gas main per resident, at no construction cost to the future customer;
- Requires a percentage of the development and/or street residents to commit to converting to natural gas within a five-year period via a \$200 refundable deposit
- Deposit refunded when meter is set for gas service, such as cooking, grilling, air/water heating, drying, etc.

Direct Marketing:

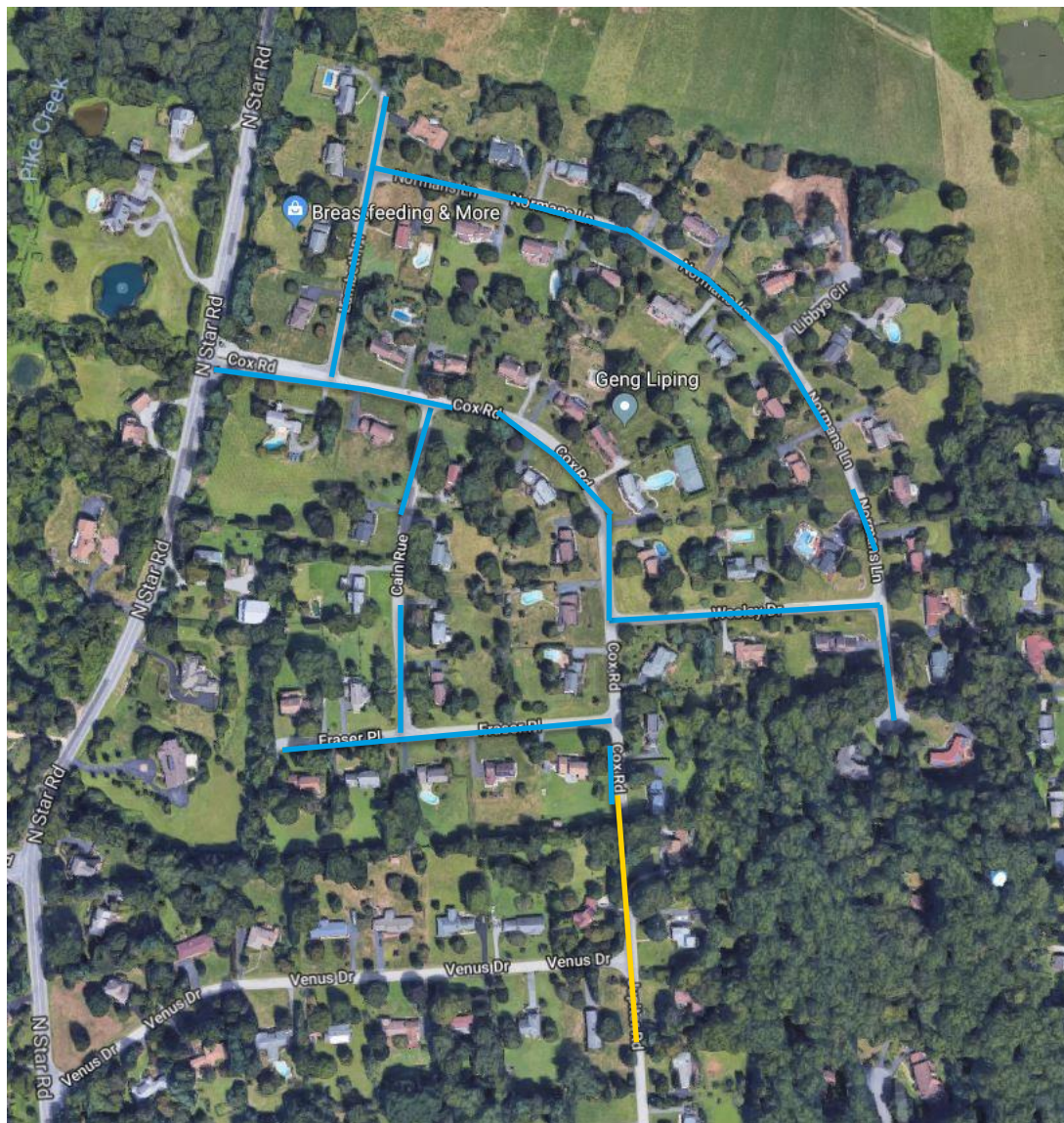
- Delmarva Power is now proactively seeking fuel conversions
- Visit delmarva.com/myswitchtogas, email myswitchtogas@delmarva.com, or call 302.429.3117



The Lambeth Riding Experience

- There are 63 individual homes without access to a gas main for future service
- Gas main footage: 7,290 total feet
- Possible construction in 2020
- We will need approximately 45 households to commit to the project via a gas service application (no security deposits will be collected at this time)
- The sooner that threshold is met, the sooner Lambeth Riding would get slotted in our Neighborhood Expansion Master Plan
- Our MSTG team would collect security deposits when the project is slated to move forward (fall/winter 2019)

Lambeth Riding – Our Gas Main Feed



 Future Main

 Existing Main



Construction Overview:

- Gas main installed in state right-of-way, curbside, grass area
- Directional, underground drilling
- Open-cut installation
- Main before service lines

Ground Restoration

- Will restore best possible to original condition but requires owner to water grass seed, where applicable
- Includes restoring disturbed pavement, ex. driveway aprons



Why Switch to Natural Gas?



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Why Switch to Gas?

We are committed to the safety and reliability of our natural gas delivery system. Natural Gas is:

- **Economical:** more affordable than other heating sources
- **Reliable:** delivered safely to your home and no need to refill fuel storage tanks
- **Domestic:** a highly-efficient, domestic fuel
- **Cleaner:** the cleanest burning fossil fuel
- **Versatile:** use it for heating, cooking, grilling, water heating and drying clothes. Take advantage of its affordability throughout your home

Some furnaces can be retrofit for natural gas, saving on installation costs. Ask your HVAC contractor for more information.



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What's my estimated long-term savings vs. my upfront costs?

- Neighbor Sally Jones decides to switch to natural gas
- Her new gas-fired furnace and installation cost would range between \$5,000 - \$8,000
- She currently has a forced-air oil system and locked-in at paying \$2.30 per gallon this winter. She typically uses 600 gallons a winter season, spending approximately \$1,380 on heat.

Fuel source	Avg. amount used for winter season*	Avg. spent during winter months**	Avg. savings if using natural gas***
Heating Oil	600 gallons (\$2.30 per gallon)	\$1,380	\$750
Propane	1000 gallons (\$3.00 per gallon)	\$3,000	\$2,370
Electric Heat Pump	9000 kwh (\$0.13 per kwh)	\$1,170	\$540
Natural Gas	600 ccfs (\$1.05 per ccf)	\$630	<i>There is no greater home heating value...</i>

***The information provided as to potential savings is an estimate only and should not be relied upon in determining each customer's actual savings. Your actual savings will depend upon a number of variables, including your individual usage.

*Market prices as presented for "Area: Delaware" by the U.S. Energy Administration.
**The winter heating season in Delaware is five months, Nov.-March.

Investment payback period

- Ms. Jones could have saved \$750.00 on her heating bill if she had natural gas.
- Based on the \$5,000-\$8,000 installation estimate, she could expect to get her investment back in six to ten years.
- This estimate varies based on new heating equipment system.
- Heat Pump/Electric backup is a more complicated calculation.
- Electric heat widely considered one of the least efficient heat sources.
- Calculate your savings at delmarva.com with the Switch to Gas Calculator.

Calculate Your Fuel Savings at Delmarva.com

Zip Code: 20004

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GO

SWITCH TO GAS CALCULATOR*

CALCULATE YOUR ESTIMATED SAVINGS

Switching to natural gas may reduce your fuel costs.

Step 1: Select your current fuel



Fuel Oil

Step 2: Enter total gallons used in last year

Fuel Oil Usage (Gal/Year)

Step 3: Enter your Fuel Cost per Gallon

Fuel Oil Cost (\$/Gal)

Step 4: Calculate your savings

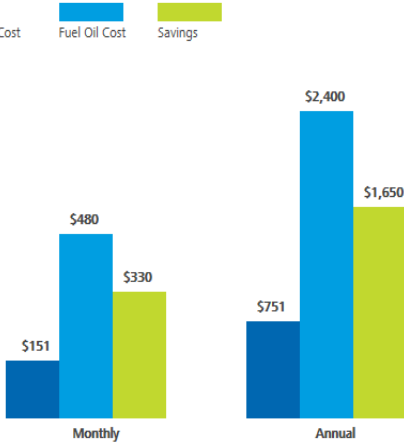
Calculate

Your estimated annual savings is \$1,650.

Natural Gas Cost

Fuel Oil Cost

Savings



Category	Natural Gas Cost	Fuel Oil Cost	Savings
Monthly	\$151	\$480	\$330
Annual	\$751	\$2,400	\$1,650

Based on the following assumptions:

- Heating for 5 months/year.
- Monthly customer charge of \$11.41 will apply to new customers.
- Average monthly residential gas supply and delivery rate as of Nov.1, 2014 is \$0.9812 /ccf.
- Fuel Oil Efficiency: 70% & Natural Gas Efficiency: 80%
- Values shown are rounded down to the nearest dollar.

Fuel conversions take a village...

Garfield Park resident Luella Allen, at right, was using electric space heaters when her oil boiler failed and she didn't have the money to replace it.



"I thanked the Lord when my neighbors and I successfully brought natural gas to our street," Luella said.



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Marketing collateral samples

SWITCHING TO NATURAL GAS IS EASY.

Learn how we can help you save.

"We saved more than \$2,300 on our heating bills by switching to natural gas."

— Susan F., Residential Gas Customer
Wilmington, Del.

Switching to Natural Gas Makes Sense

Natural Gas has many benefits. Switching to gas makes sense because it is:

- **Economical:** generally more affordable than other heating sources
- **Reliable:** delivered safely to your home and no need to refill fuel storage tanks
- **Domestic:** a highly-efficient, domestic fuel
- **Cleaner:** the cleanest burning fossil fuel
- **Versatile:** use it for heating, cooking, grilling, water heating, and drying clothes. Take advantage of its affordability throughout your home

Natural gas prices have hit a 10-year low during the past five years due to its abundant, domestic supply. Compared to other fuels, the cost of natural gas is expected to remain low.

Natural Gas can Lower Your Winter Heating Bills

Winter Heating Season	Heating Oil (600 gallons)	Natural Gas (600 ccf)	Electric (9,000 kwh)	Propane (1000 gallons)
2012-13	\$2,370 (\$3.95/gallon)	\$708 (\$1.18/ccf)	\$1,260 (\$0.14/kwh)	\$3,050 (\$3.05/gallon)
2013-14	\$2,310 (\$3.85/gallon)	\$708 (\$1.18/ccf)	\$1,170 (\$0.13/kwh)	\$3,480 (\$3.48/gallon)
2014-15	\$1,860 (\$3.10/gallon)	\$588 (\$0.98/ccf)	\$1,080 (\$0.12/kwh)	\$3,050 (\$3.05/gallon)

SOURCE: The above costs are based on actual market prices for Delaware area, U.S. Energy Information Admin. The heating season price comparison is Nov.-March. Fuel consumption depends on winter temperatures. The above consumption levels are based on average residential use during an average winter, five-month period for the Delaware area. This chart reflects an estimate of the potential savings associated with converting to natural gas as your heating source. Individual results may vary based upon a number of factors. Delmarva Power makes no representations or warranties of any kind or nature, either express or implied, as to the particular savings that a customer may experience, if any, by converting to natural gas. www.eia.gov/special/heatingfuels

Feel free to contact your neighbor _____ at _____, or our Switch to Gas Team at 302-429-3117 to learn more about your neighborhood's opportunity to switch to natural gas.



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To learn more about switching to natural gas and its benefits, visit delmarva.com/myswitchtogas or contact Delmarva Power today at 302-429-3117.

Special Note:
Neighborhood "block captains" can request our brochures by calling our Switch to Gas Team at 302.429.3117.



"Natural gas is much cleaner. I really feel as though I am contributing to the environment."

— Margaret W., Residential Gas Customer
New Castle, Del.

FAQ



Making the Switch to Natural Gas Frequently Asked Questions

- Can I save money by switching to natural gas for heating my home?** Yes, you can lower your energy bill compared to what it costs to heat your home with oil, propane or resistance heat. Savings vary according to fuel source and heating equipment.
- How will Delmarva Power determine if natural gas is available to me?** We will review gas system maps to see how close existing mains are to your home. The review will also determine if it will be economically feasible to serve you and your neighbors (if you live in a neighborhood).
- If gas is available in my neighborhood, what is the next step that I need to take to initiate the process of bringing gas to my house?** We encourage you and as many of your interested neighbors (the more that switch, the lower the cost) to each submit a customer application today. You can get a customer application at delmarva.com or by calling our Residential Gas Coordinator at 302-429-3117.
- How much is the required deposit?** To confirm the customer's commitment to bring gas into a neighborhood, we will collect a \$200 refundable deposit with each customer application. The deposit is refundable if you switch to natural gas within five years of the date that gas became available to your home. We will also return the deposit if the project does not proceed to construction for reasons unrelated to your application.
- How will you determine the costs associated with bringing gas to my house?** There are many variables that determine your individual customer cost such as whether or not your property is in a neighborhood and whether or not other property owners in your neighborhood are also interested in switching to gas. In addition to providing the first 100 feet of gas main pipeline at no charge, we will also provide the first 100 feet of service line (the pipe from the main to your meter) at no cost to you. If the length of your service line exceeds 100 feet, you will have to pay an additional cost based upon the average construction cost per foot of additional service. To expedite your service request, contact our Residential Gas Coordinator at 302-429-3117 or by email at myswitchtogas@delmarva.com.
- What is Delmarva Power responsible for during the installation process?** We will install gas mains just behind the curb along the front of your home on one side of the street or the other. We will also install a service line from the main pipeline to the location where your gas meter will be placed, usually on a front or side wall of your house, as close to the street as possible.
- What is the customer's responsibility during the installation process?** You will be responsible for installing all gas-burning appliances and the piping from the outside meter location to the appliances. The piping will have to be pressure tested by the installing contractor and certified as gas-tight by the New Castle County or

COMPARE WINTER HEATING COSTS

Winter Heating Season	Heating Oil	Natural Gas	Electric	Propane
2010-11	\$2,298	\$724	\$946	\$1,350
2011-12	\$2,087	\$608	\$902	\$1,260
2012-13	\$2,442	\$657	\$939	\$1,417
2013-14	\$2,393	\$742	\$958	\$1,444

SOURCE: Prices based on Short Term Outlook, Energy Information Admin & State UNIRAP Surveys. The heating season price comparison is Oct.-March.

delmarva.com

Next Steps

- My Switch to Gas Team presents at civic association meeting
- Block Captains form a team to distribute door hangers, leaving contact name and phone number
- Campaign emerges to encourage neighbors to submit a gas service application (no security deposits needed at this time)
- Submit applications to My Switch to Gas Team for achieving required threshold
- MSTG Team considers slotting Lambeth Riding in its neighborhood expansion master plan when application threshold is met. Deposits will then be due.



Gas Service Agreement—please fill out completely to ensure prompt service Date: _____

APPLICANT INFORMATION

Customer: _____

Address : _____ Unit #: _____

Subdivision: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Alternate Phone Number: _____

Email (optional) _____

Preferred Method of Contact: ☐ E-mail ☐ Phone

Billing Address (if different than above address): _____

City: _____ State: _____ Zip Code: _____

Residential Inquiry Form

• ☐ Relocate Service ☐ New Service Installation
☐ Meter Install (existing service on property)

• Equipment to be Connected:

<input type="checkbox"/> Furnace	<input type="checkbox"/> Boiler
<input type="checkbox"/> Hot Water (Tank)	<input type="checkbox"/> Hot Water (On Demand)
<input type="checkbox"/> Cooking	<input type="checkbox"/> Dryer
<input type="checkbox"/> Fireplace	<input type="checkbox"/> Pool Heater
<input type="checkbox"/> Emergency Generator	<input type="checkbox"/> Other: _____

• See pg. 3 for detailed equipment information and instructions to be filled out by selected contractor.

• Current Primary Heat Source: ☐ Oil ☐ Propane ☐ Electric ☐ Other: _____

• Contact (if different than applicant information above):
 Contact Number: _____

• Estimated date for installing gas equipment at the premise is _____

• Plumbing / HVAC Contractor:
 Name: _____
 Company Phone number: _____
 Company Rep. Name: _____
 Company Rep. Phone Number: _____

Please read and acknowledge the following conditions:

☐ I am aware that a gas main extension is required in conjunction with this service and understand that a refundable qualifying deposit (RQD) in the amount of \$200.00 must be submitted with application. If I do not begin receiving natural gas delivery within 5 years of the gas main installation, I understand that Delmarva Power will retain the RQD as a Contribution In Aid of Construction (CIAC).

☐ Final restoration will be completed with 15 business days, weather permitting.

☐ I am aware that Delmarva Power's intent is to install all services based on the customer's in service and/or need date. I understand that Delmarva Power reserves the right to install all new and/or upgraded services at anytime based on Delmarva's needs and resources.

Signature: _____ Date: _____

Please sign back page agreeing to Terms and Conditions

FOR DELMARVA USE ONLY

Account Number: _____ Premise Number: _____

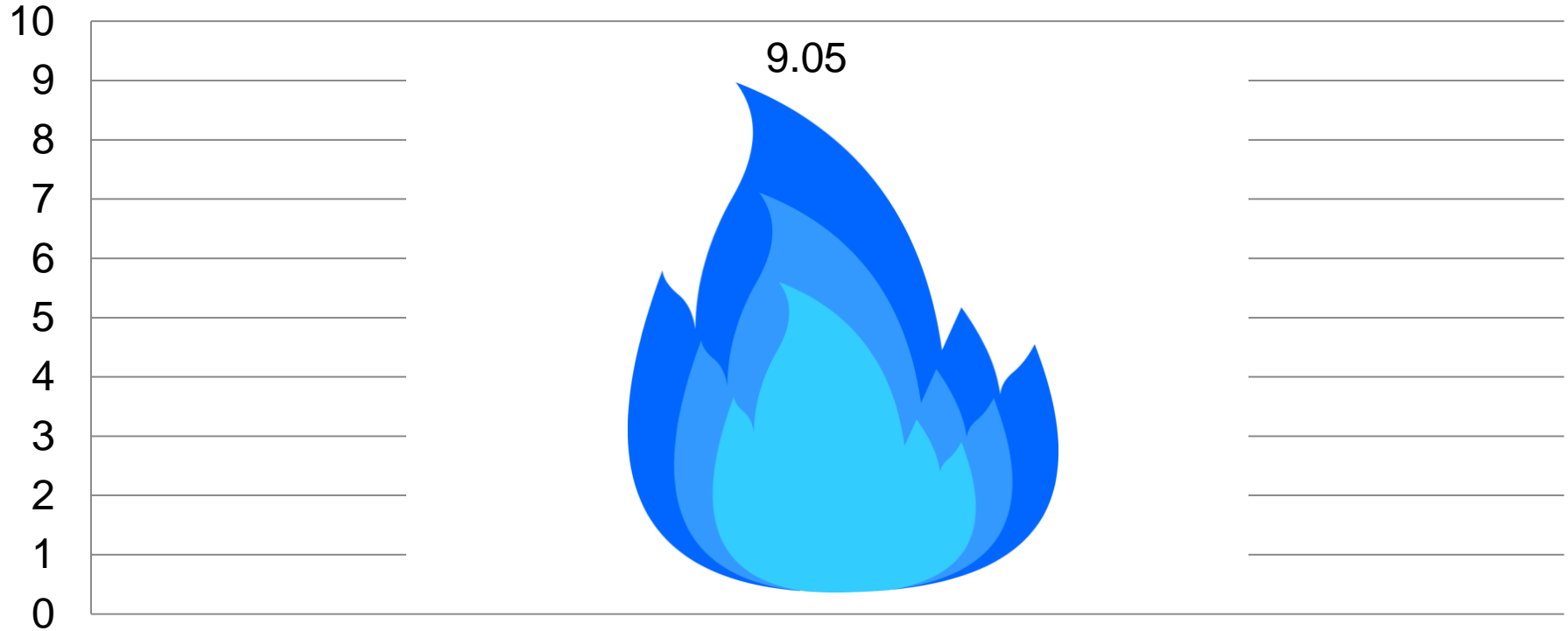
Job Order Number: _____ Meter Rate: 88/02 63/01 77/21

Meter Set Date: _____ Meter Type: _____ Meter Location: _____ GSS #: _____

Comments: _____

1

Overall Customer Fuel Conversion Satisfaction Score



HOW SATISFIED ARE YOU WITH YOUR CONVERSION TO NATURAL GAS?

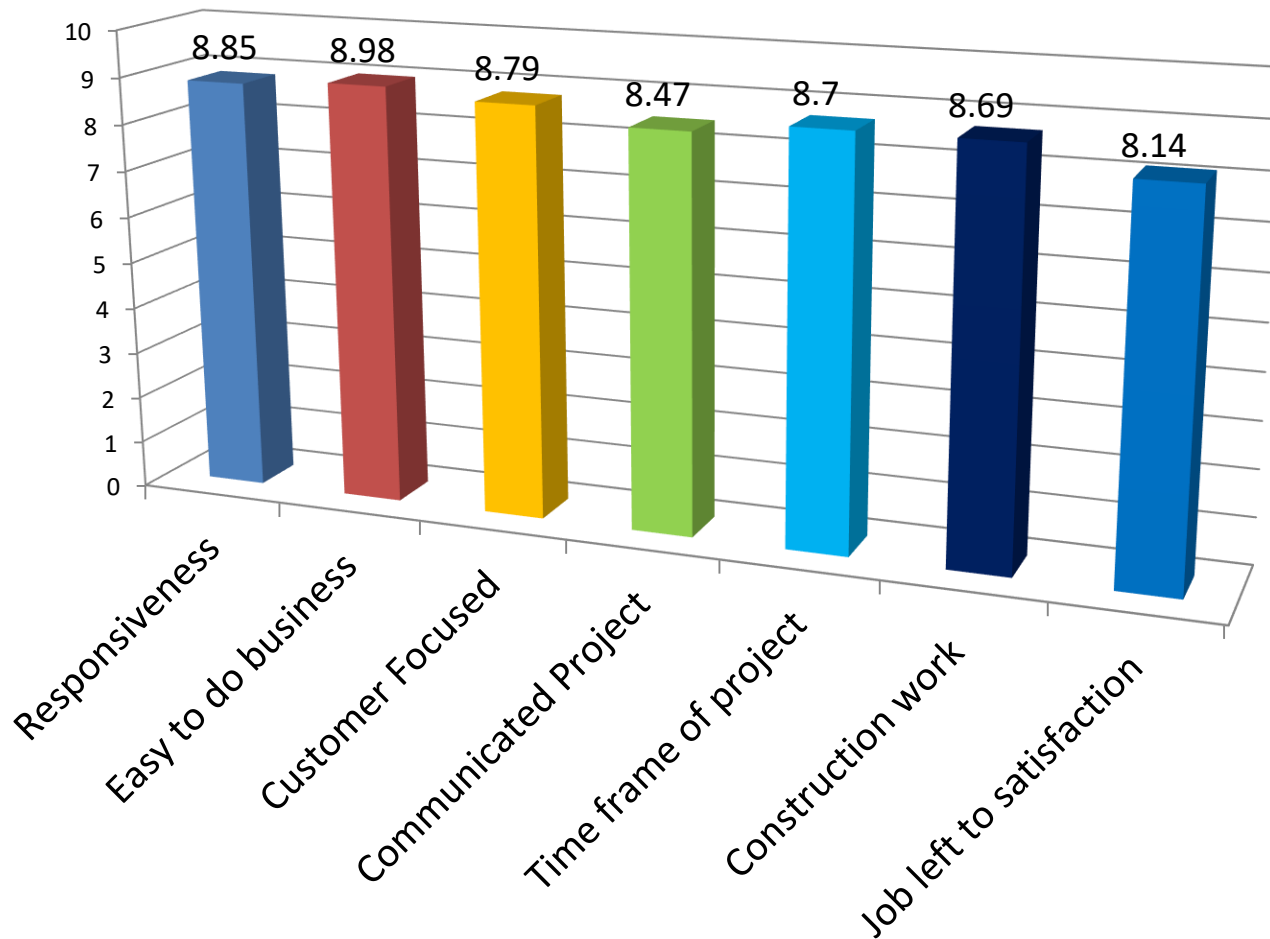
How data was received?

- Data is compiled from surveys mailed out in 2014, 2015 and 2016
- 1303 surveys mailed out, and 373 responses received for a 28.62% return rate

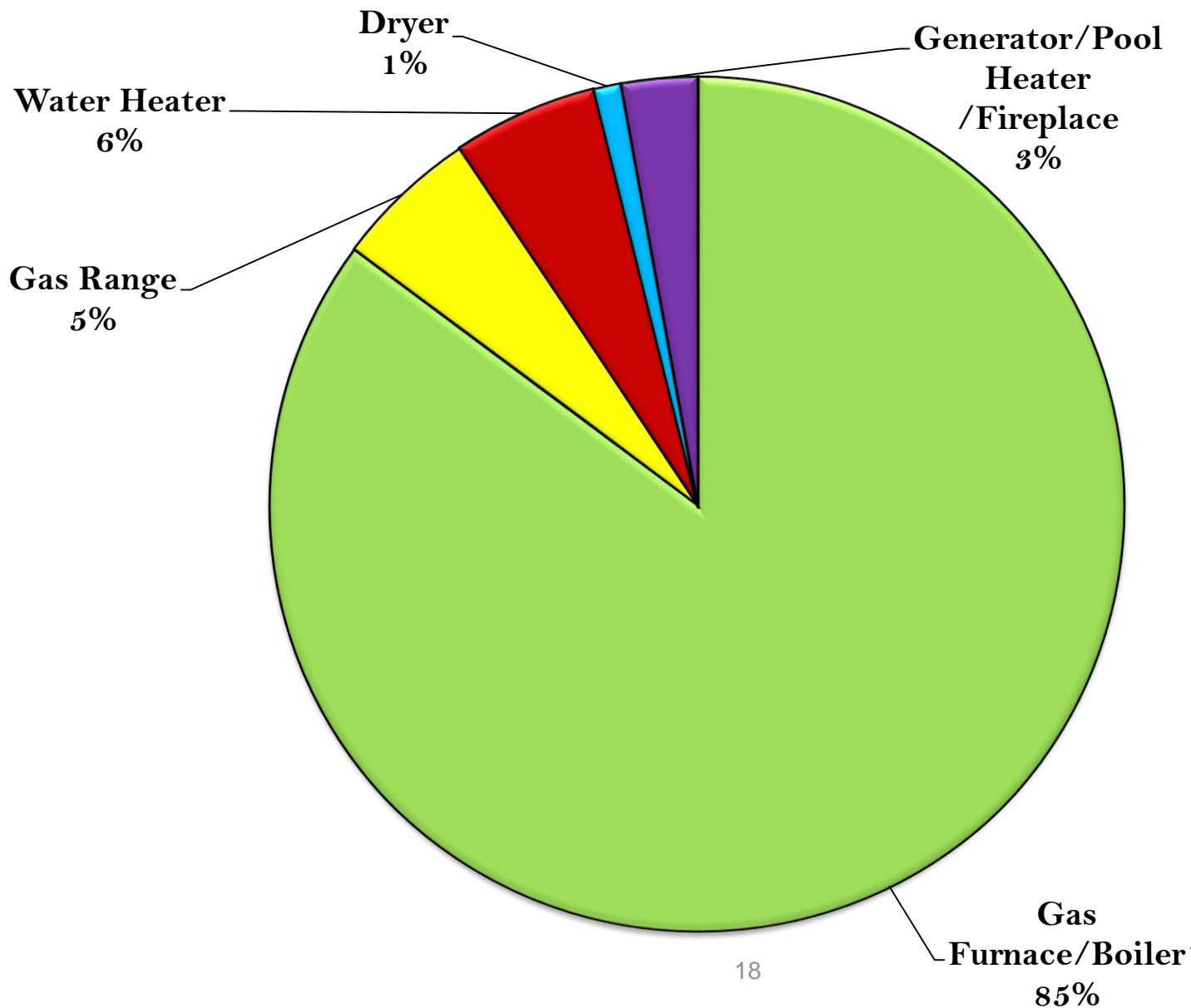


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Sub-driver Scores for Customer Satisfaction



Customer Conversion Report



Thank you....Questions?

Appendix Slides

Natural Gas Safety

- Safety is and always has been our first priority. We make significant investments each year to help enhance the safety of our natural gas system.
- We are subject not only to our own internal controls, but also meet rigorous federal and state oversight. Inspections are performed regularly by federal and state regulators to help ensure that compliance is being met.
- Delmarva Power performs the following:
 - Leak surveys are performed on the gas mains once per year and on individual service lines on a three (3) year cycle.
 - Corrosion surveys are performed on the gas meter sets and piping on a three (3) year cycle.
 - Gas valves, depending upon their function, are inspected annually or on a five (5) year cycle.
- We educate our customers and the public on natural gas safety through our customer newsletter, bill inserts, direct mail and at community events. Please visit delmarva.com for more information on natural gas safety.
- We have gas safety materials available to you at this meeting upon request.

Fast Facts on Natural Gas

- Natural gas customers saved an average of \$693 per year from 2012-2013 while reducing their carbon dioxide emissions by half a million metric tons. In addition, emissions from distribution pipelines dropped an additional six percent in 2014 as utilities continued to upgrade and modernize infrastructure to enhance safety.

Safety remains a core value for natural gas utilities.

- Pipeline incidents have declined approximately 40 percent over the past three decades as natural gas utilities continue to work to enhance safety. Natural gas utilities spend \$19 billion annually and take a number of voluntary actions to help enhance the safety of natural gas distribution and transmission systems.

Emissions from natural gas distribution systems continue to decline.

- Emissions from natural gas systems dropped another 6 percent from 2014. In total, emissions from natural gas distribution systems have dropped 22 percent since 1990, even as the industry has added more than 600,000 miles of pipeline to serve over 17 million more customers.

Natural gas utilities continue to increase investments in energy efficiency programs.

- Utilities invested \$1.1 billion in energy efficiency programs in 2012 and 2013, an increase of \$100 million from 2011.



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Appendix Slides

Miscellaneous Images



Riser & Meter Bar



Tied in meter bar with meter