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# **IOWA NATURAL GAS ASSOCIATION**

## **BRIEF NEWSLETTER**

### **MAY, 2014**

#### **THIS BRIEF NEWS LETTER INCLUDES THE FOLLOWING INFORMATION**

- IOWA CODE CHAPTER 480 CHANGE IN 2014
- CHOOSING NATURAL GAS APPLIANCES CAN DOUBLE ENERGY SAVINGS
- NATURAL GAS MET THE CHALLENGE OF WINTER 2013-2014
- WHAT AMERICA IS THINKING ON ENERGY ISSUES – POLL:

#### **IOWA CODE CHAPTER 480 CHANGE IN 2014**

Some changes were made in the Iowa code, Chapter 480 in regards to Underground Facilities. The following change would affect you if you do excavations around or near Natural Gas transmission lines.

**480-4 (3) Unless otherwise agreed by the operator and excavator in writing, no excavation shall be performed within twenty-five feet of an underground natural gas transmission line as defined in 49 C.F.R. pt. 192.3 (Federal Code) unless a representative of the operator of the underground natural gas transmission line is present at the planned excavation area. This requirement shall not apply, however, when a representative of the operator fails to be present at the proposed excavation area at the time work is scheduled to commence or as otherwise agreed by the operator and the excavator in writing. In this event, the excavator shall notify the operator that the representative failed to appear, and excavation operations can begin; provided the excavator uses due care to avoid damaging the underground facilities.**

## **CHOOSING NATURAL GAS APPLIANCES CAN DOUBLE ENERGY SAVINGS**

The American Gas Association (AGA) announced that residential customers could cut their annual heating costs nearly in half by choosing natural gas appliances. These findings come with the release of AGA's 2014 Representative Average Residential Space Heating and Water Heating Costs analysis, which compare average annual costs for various types of space and water heating appliances. According to estimates, customers can save up to \$1,262 on space heating and more than \$300 on water heating costs annually by using appliances powered by natural gas instead of other common energy choices. The cost comparisons are based on the United States Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy's

America's natural gas utilities are dedicated to helping their customers achieve even greater savings. In 2012, natural gas utilities spent \$1.1 billion on efficiency programs, providing valuable tools, incentives and information to help their customers understand and reduce their energy usage. Many in the nation continue to struggle to pay their energy bills, and these resources, along with assistance to low income customers provided by utilities and government programs such as LIHEAP, are essential to ensuring that no American needs to choose between energy and other basic needs.

A piece of equipment with a higher annual fuel utilization efficiency (AFUE) rating provides greater savings for customers. For example, a 97 percent AFUE natural gas furnace provides the lowest cost space heating option for homeowners, followed by an 80 percent AFUE natural gas furnace. Both offer significant annual operating cost savings over comparable space heating options.

The tables below demonstrate estimated cost comparisons for home and water heating devices.

**SPACE HEATING ANALYSIS SUMMARY:** The space heating analysis is based on a 2,072 square foot house located in St. Louis and represents a 5,000 Heating Degree Day location. The house meets the energy conservation provisions in the 2012 International Residential Code and the space heating equipment is selected from the AHRI online directory. The 97 percent AFUE natural gas furnace provides the lowest annual operating cost followed by the 80 percent AFUE gas furnace.

### **2014 Space Heating Annual Cost Summary (Annual Operating Cost)**

<b>Heating Equipment Type</b>	<b>Annual Operating Cost</b>
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97% AFUE Gas Furnace	\$544
80% AFUE Gas Furnace	\$714
7.7 HSPF Electric Heat Pump	\$1,029
97% AFUE Propane Furnace	\$1,409
87% AFUE Oil Furnace	\$1,500
80% AFUE Propane Furnace	\$1,793

80% AFUE Oil Furnace \$1,614

**WATER HEATER ANALYSIS SUMMARY:** The water heater analysis is based on the equivalent First Hour Rating (FHR), national average energy usage, and the 2014 energy costs as published by DOE. A natural gas 40-gallon and an electric 50-gallon, both conventional storage types, are chosen based on their FHR. The natural gas water heater would provide the lowest annual operating cost.

**2014 Water Heating Annual Cost Summary  
(Annual Operating Cost from Low to High)**

Water Heater Type	Annual Cost
40 Gallon Natural Gas (FHR = 74 gallons)	\$275
50 Gallon Electric (FHR = 67 gallons)	\$576

## **NATURAL GAS MET THE CHALLENGE OF WINTER 2013-2014**

### **Record Demand Served During Sustained, Widespread, Extreme Cold**

*Background: According to the National Climatic Data Center, energy demand in the continental United States was 27 percent higher than average this winter. Numerous cold Arctic air outbreaks impacted the Midwest throughout the winter and seven Midwestern states experienced a top ten cold winter. The Northeast, High Plains and the South were colder than normal with frequent spells of unusual cold and snow. According to Bentek Energy LLC, peak day natural gas consumption in January 2014 was 20 Bcf per day more than normal, leading to total consumption that month reaching nearly 3,200 Bcf—a 500 Bcf increase compared with average consumption for January during the past ten years. Weather-driven residential and commercial demand exceeded 65 Bcf per day for eight days in January alone, representing extraordinary demand load.*

Much of the nation experienced extreme, sustained cold weather during the winter of 2014. Freezing temperatures frequently covered large portions of the United States at once, placing exponentially greater pressure on peak-day demand for natural gas, with little recovery time between cold spells.

As the natural gas traveled along the supply and delivery chain, each segment of the natural gas industry played a key role in helping to ensure that customer demand was met.

Barry Russell, president and CEO of the Independent Petroleum Association of America (IPAA), said, “The shale technology revolution has made record amounts of natural gas available to the domestic market. For the first time in 25 years, we are producing more than 94 percent of the nation’s natural gas from resources here at home. Even during one of the nation’s coldest winters, this abundance has created a dependable, domestic supply of fuel for American households, electric power generation, as well as growing industrial and transportation markets.”

“The 2014 record-setting winter with prolonged cold temperatures and peak demand conditions has demonstrated the readiness and resiliency of America’s natural gas network. Natural gas utilities work all year to prepare for these types of cold temperatures, and employ a portfolio approach to help ensure they can meet the needs of their customers at affordable prices. Providing this kind of safe and reliable service has been not just the core business, but the mission of natural gas utilities for decades,” said Dave McCurdy, president and CEO of the American Gas Association (AGA).

## **What America is Thinking on Energy Issues – Poll: Large majorities of Iowa voters support investments in oil and natural gas**

WASHINGTON, April 17, 2014 — Strong bipartisan majorities of registered Iowa voters support increased investment in energy infrastructure, according to a [new poll](#) API is unveiling as part of a [campaign](#) highlighting the voices of Americans.

“Today’s poll shows strong majorities of Iowa voters support more domestic oil and natural gas development, regardless of party affiliation,” said Judith Thorman, API central region director. “Forward-looking policies that allow the United States to capitalize on its bright energy future are imperative for this nation to realize its job creation and economic potential.

“Iowans get it; America’s economic future, the availability of affordable and reliable energy, depends on the policies created today.”

API will use [social media](#), [advertising](#) and its grassroots resources of more than 24 million Americans to communicate the importance of America’s energy future to members of Congress, the administration and elected officials at every level of government.

The state-wide telephone poll, conducted for API by Harris Poll among 602 registered Iowa voters also found that:

- 93 percent of registered Iowa voters agree that increased development of the country's energy infrastructure would help create jobs in the U.S.
- 92 percent say that increased production of domestic oil and natural gas resources could lead to more jobs in the U.S.
- 91 percent say increased development of the country's energy infrastructure is good for American consumers.
- 89 percent say increased production of domestic oil and natural gas resources could help stimulate the economy.

API represents all segments of America's oil and natural gas industry. Its more than 600 members produce, process, and distribute most of the nation's energy. The industry also supports 9.8 million U.S. jobs and 8 percent of the U.S. economy.

## **A NEW DAY IS DAWNING FOR RESIDENTIAL GAS COOLING**

Although popular during the 1960s, natural gas air conditioning fell out of favor until recently due to lower efficiencies and higher purchase costs. Since that time, conventional electric air conditioning gained in popularity but did not offer acceptable solutions to the need for zoned cooling in larger, high-end homes.

Increasingly larger newly constructed homes teamed with recent advances in cooling technology are making natural gas a practical option for air conditioning. As reported in the ASHRAE Journal, the average new home size has grown to more than 2,000 ft<sup>2</sup>. Increasingly larger newly constructed homes teamed with recent advances in cooling technology are making natural gas a practical option for air conditioning. As reported in the ASHRAE Journal, the average new home size has grown to more than 2,000 ft<sup>2</sup> and more than 10% of all new single-family detached homes built today are more than 4000 ft<sup>2</sup>. According to ASHRAE, the installation of traditional electric air conditioning units in such large homes results in uneven temperature distribution or requires multiple, expensive and complex zones with two or more noisy cooling units. Additionally, as electricity costs increase, the efficiency and economy of natural gas becomes an attractive solution to the high cost of comfort cooling.

Over the last decade, advances in natural gas cooling technology made

large chiller units available to business and industry, allowing them to take advantage of the efficiency, economy, reliability and superior performance of natural gas. Now, this same technology has been applied to small packaged units in sizes suitable for residential homes.

Additionally, for maximum cooling efficiency, residential homeowners can now take advantage of a cooling technology that's been successfully applied in and enjoyed by the occupants of many commercial, institutional and industrial facilities for years—gas-fired desiccant dehumidification. Teamed with natural gas cooling, gas-fired dehumidification provides maximum cooling comfort, efficiency and economy.

## **IOWA NATURAL GAS ASSOCIATION WEBB SITE**

<http://www.iowanaturalgasassociation.org>

The Webb site for the association has been on line for some time and we are continually trying for fine ways that we can improve it and keep it up to date.

This is your Webb site and we would appreciate any suggestions you might have to improve it, to provide the service that would be beneficial to you and the association. Are there any new links that you would like to have added? What additional information would you like to see on the website?

Also, if there is any addition information you would like included in the Brief News Letters. We want to provide you with the information that is important for you to better serve your customers. Please let us know of any ideas you might have.