

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Implementation of an Energy Conservation Improvement Program for Minnegasco, Inc.

ISSUE DATE: May 11, 1988

DOCKET NO. G-008/M-88-255

ORDER CONDITIONALLY ACCEPTING MINNEGASCO, INC.'S 1988 ANNUAL CIP FILING

PROCEDURAL HISTORY

On May 2, 1988, Minnegasco, Inc. (Minnegasco) filed its Conservation Improvement Program (CIP) for 1988 with the Minnesota Public Utilities Commission (Commission), pursuant to the provisions of Minn. Rules, part 7840.0500.

On May 2, 1988, Minnegasco filed a letter with the Commission indicating that it had provided notice of the CIP filing to persons on the list maintained by the Commission, pursuant to the provisions of Minn. Rules, part 7840.0800.

FINDINGS AND CONCLUSIONS

The Commission has examined the filing for completeness. The Commission finds that it cannot accept the filing unconditionally at this time because it fails to meet all of the requirements of Minn. Rules, part 7840.0500. Those areas of deficiency are discussed below.

First, Minnegasco has not provided a full five-year budget as required by Minn. Rules, part 7840.0500, item D. While it may be difficult for Minnegasco to identify which projects will receive funding, it should be possible to submit a projected level of total CIP spending. The Company's filing seems to suggest a substantially reduced commitment, with a total phaseout after the 1990-91 CIP year.

Second, the Commission provided several directives regarding this year's filing in the October 5, 1988 Order Approving Minnegasco, Inc.'s Conservation Improvement Program and Requiring New Project and Informational Filings. Minn. Rules, part 7840.0500, item L requires Minnegasco to comply with the requirements of the October 5, 1988 Order. Minnegasco has not fully complied with Order Paragraphs 8, 10, and 11.

Regarding Order Paragraph 8, the Commission is unable to find projected evaluation times for the Multifamily project and the Pilot Commercial New Construction Rebate project. Minnegasco will be ordered to provide such information. Alternatively, Minnegasco may indicate the location of the information in the filing of May 2, 1988.

Regarding Order Paragraphs 10 and 11, Minnegasco appears to have overlooked them. The Commission will order Minnegasco to describe its understanding of those paragraphs and indicate how its filing has complied with them. Alternatively, Minnegasco may submit evaluation costs by project to comply with those paragraphs.

Third, the Commission will order Minnegasco to clarify two of its statements in response to Minn. Rules, part 7840.0500, items B and G. Minnegasco states repeatedly that the House Doctor project is not cost-effective, regardless of the assumptions used. It is not clear from the filing what decision criterion was used by the Company in reaching that conclusion.

Also, Minnegasco states repeatedly that:

The amount of natural gas conserved in total by CIP participants has not been significantly greater than that saved by the average Minnesota customer and, therefore, has not been a factor by itself in forecasting gas sendout.

The Commission is not certain what is being compared in the first part of the above-quoted sentence. Nor does the filing specify the empirical basis for the statement. The statement undermines the viability and credibility of Minnegasco's proposed CIP and must be fully analyzed. The Commission will order the Company to clarify the meaning of that sentence and provide numerical support for it.

Failure to comment on other information in this filing in no way indicates that all of the other submitted information is deemed correct by the Commission or that the entire program is adequate as filed. Further, issuance of this Order does not relieve

Minnegasco from providing other information which may be requested by the Commission or other participants during the review process.

Finally, the Commission finds that interested persons are afforded a 30-day period from the filing of a proposed CIP to comment on it. Minn. Rules, part 7840.0900. The Commission believes that the deficiencies in the Company's May 2 filing may preclude meaningful comments by interested persons at this time. The Commission will order Minnegasco to correct the deficiencies by May 25, 1988. The 30-day comment period therefore will end on June 24, 1988, pursuant to Minn. Rules, part 7840.0900.

ORDER

1. The May 2, 1988 Conservation Improvement Program filing of Minnegasco, Inc. is hereby accepted on the condition that the Company file with the Commission by May 25, 1988 the following information, pursuant to Minn. Rules, part 7840.0500:
 - a. a projection of total CIP spending for each of the next five years or an explanation for its inability to do so;
 - b. expected times for completion of the evaluations for the Multifamily project and the Pilot Commercial New Construction Rebate project;
 - c. its understanding of Order Paragraphs 10 and 11 in the October 5, 1988 Order Approving Minnegasco, Inc.'s Conservation Improvement Program and Requiring New Project and Informational Filings; and an explanation of how its filing of May 2, 1988 complies with those paragraphs, or information designed to bring the filing into compliance;
 - d. a specific description of the decision criterion used to conclude that the House Doctor project is not cost-effective; and
 - e. empirical evidence supporting its contention that CIP participants have not reduced their natural gas usage any more than the "average Minnesota customer."

2. Minnegasco shall provide notice of the May 25, 1988 filing to interested persons, pursuant to Minn. Rules, part 7840.0800.
3. The 30-day comment period prescribed by Minn. Rules, part 7840.0900 will end on June 24, 1988.
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)