

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 Peoples Natural Gas Company, a Division of UtiliCorp United Inc.

ISSUE DATE: May 20, 1988

DOCKET NO. G-011/M-88-258

ORDER CONDITIONALLY ACCEPTING  
PEOPLES NATURAL GAS COMPANY'S  
1988 ANNUAL CIP FILING

PROCEDURAL HISTORY

On April 29, 1988, Peoples Natural Gas Company (Peoples or the Company) filed its proposed Conservation Improvement Program (CIP) for 1988 under Minn. Rules, part 7840.0500. On May 4 Peoples certified that it had provided notice of the CIP filing to persons on the service list maintained pursuant to the provisions of Minn. Rules, part 7840.0800.

STATEMENT OF THE ISSUE

The issue before the Commission is whether the filing meets the filing requirements of Minn. Rules, part 7840.0500 and should be accepted as complete.

FINDINGS AND CONCLUSIONS

The Commission has examined the filing and finds that it cannot accept it unconditionally because it fails to meet all the filing requirements of Minn. Rules, part 7840.0500. Areas of deficiency are discussed below.

### Additional Information Previously Required in This Filing

Peoples' filing fails to include the interim evaluations of the MAHUBE and SEMCAC projects required under the November 5, 1987 Order in Docket No. G-011/M-87-236. That Order required Peoples to include those interim evaluations in its May 1 CIP filing. (Order, p. 12, item 7.) Peoples has only included status reports on these two projects. The Company should refer to its evaluation plan, filed December 4, 1987, and provide as much of the required information as possible on these two projects.

### Cost-Effectiveness Data

Minn. Rules, part 7840.0500, B. requires the provision of cost-effectiveness data for all projects included in the filing. The Company's filing provided full cost-effectiveness analysis for only its two new projects.

Some cost-effectiveness data on the other projects was included in the Company's January 4 and February 1 filings. Since those filings, however, Peoples has met with the DPS to refine the Bencost cost-effectiveness analysis model on which that data was based. Also, practical experience with the projects since then may well lead to conclusions other those reached in January and February. Updated cost-effectiveness data may be necessary.

If Peoples is now using an updated Bencost model, if project activity has changed significantly, or if the number of project participants has substantially increased, new cost-effectiveness analyses are required. In the absence of these conditions, the January 4 and February 1 filings may be adequate. In the supplementary filing required herein, Peoples should inform the Commission whether any of the conditions above pertain, and, if not, whether the Company believes the cost-effectiveness information supplied earlier is still valid. If the cost-effectiveness information is no longer valid, new cost-effectiveness analysis is required.

To facilitate cost-effectiveness review in the future, Peoples should reference where the latest cost-effectiveness analyses can be found, if they are not included in the annual CIP filing.

### Detailed Budget

Minn. Rules, part 7840.0500, D. requires submission of a detailed budget for each project for the next year. Since Peoples' CIP projects do not run on CIP years, and, instead, tend to start at other times of the year, clarification of the budget schedules is required. When each year's budget is specified, the starting and ending date of that year must be shown.

### Plan for Evaluation

Minn. Rules, part 7840.0500, J. requires that the CIP filing contain an outline of a proposed plan for evaluating the effectiveness of each project. On December 4, 1987, Peoples submitted an evaluation

plan for its CIP projects. Its annual CIP filing, however, does not indicate that this plan will be used to evaluate its 1988 CIP projects.

Peoples should indicate whether it wishes to use the evaluation plan set forth in the December filing, or some other mechanism, to evaluate its 1988 projects.

### Status Reports

Under Minn. Rules, part 7840.0500, K. the annual CIP filing must include status reports on the previous year's projects, including the number of low income customers and the number of renters each project served. Peoples' filing failed to provide this information.

### Miscellaneous Information on Mahube Community Council, Inc. Project

The information submitted on the Mahube Community Council, Inc. project was incomplete in two regards. First, the filing requested an annual budget of \$15,000, while a table in the filing listed its first year budget as \$15,105. These numbers must be reconciled under the detailed budget requirements of Minn. Rules, part 7840.0500, D.

Second, information on how customers will be contacted and how the project will be explained to them must be provided, as required under Minn. Rules, part 7840.0500, F.

### Extension of Comment Period

The Commission finds it necessary to extend the 30-day comment period provided under Minn. Rules, part 7840.0900, to allow interested parties 30 days from the submission of the Company's supplementary filing to comment on its proposed CIP. Although the filing's deficiencies were not serious enough to require its rejection, they are significant enough to warrant this extension of the comment period.

By requiring the additional information described above, the Commission is making no judgment regarding the merit of Peoples' proposed program or any individual project. Should the program be approved, the supplementary filing will have reduced the need to require post-approval compliance information from the Company.

Also, nothing in this Order should be construed as relieving Peoples from providing any further information requested by the Commission or other participants during the CIP review process. The supplementary filing is necessary because of deficiencies in the Company's initial filing. The Commission anticipates the normal volume of information exchange after the Company provides the additional information.

ORDER

1. The April 29, 1988 Conservation Improvement Program filing of Peoples Natural Gas Company is hereby accepted on the condition that the Company file with the Commission on or before June 3, 1988, the information needed to comply with Minn. Rules, part 7840.0500 in the areas detailed herein.
2. Peoples shall provide notice of the June 3, 1988 filing to interested persons, pursuant to Minn. Rules, part 7840.0800.
3. The 30-day comment and alternative project proposal period prescribed by Minn. Rules, part 7840.0900 will end on July 5, 1988.
4. The 15-day period for written responses on the comments and alternative projects prescribed by Minn. Rules, part 7840.0900 will end on July 20, 1988.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)