

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 Program for Northern
States Power Company (Gas Utility)

ISSUE DATE: August 4, 1988

DOCKET NO. G-002/M-87-233

ORDER APPROVING NEW PROJECT

PROCEDURAL HISTORY

On January 5, 1988 the Commission issued its ORDER APPROVING NORTHERN STATES POWER COMPANY'S (GAS UTILITY) CONSERVATION IMPROVEMENT PROGRAM AND REQUIRING NEW PROJECTS AND INFORMATIONAL FILINGS in the above-captioned docket. Among other things, that Order required Northern States Power Company (NSP or the Company) to develop and submit a Conservation Improvement Program (CIP) project to serve residential customers living outside the Twin Cities metropolitan area.

On March 7, 1988 the Company submitted a proposal for a CIP project to provide free furnace services to low income gas customers in Moorhead, Minnesota. The Commission subsequently issued an Order requiring the Company to provide more detailed information about the project prior to Commission action.

On May 10, 1988 the Company filed a more complete description of the project, titled Outstate Residential Project. On June 10 the Department of Public Service (DPS or the Department) filed comments recommending its approval. No other party commented on the proposed project.

FINDINGS AND CONCLUSIONS

Project Description

The Outstate Residential Project is designed to provide free heating system audits, furnace tune-ups, furnace repairs, and furnace replacement to low income gas customers in Moorhead, Minnesota. The project would be administered by a local non-profit organization, the Clay-Wilken Opportunity

Council, and all services would be provided by local contractors. The project's eligibility guidelines would be identical to those of the energy assistance program. The Company proposed a budget of \$46,840 and anticipated energy savings of 7% to 10%.

Commission Action

The Commission finds that this project meets the requirements of its January 5 Order and should be approved. In that Order, the Commission expressed general concern about the lack of non-metropolitan projects, and particular concern about the lack of any project designed to benefit low income non-metropolitan customers. This project proposal adequately addresses those concerns.

The proposal also meets the requirements of the April 22 Order, which approved the project's basic scheme, but required more information about how it would be carried out. The May 10 filing contained sufficient detail to meet the Commission's concerns.

The Commission is concerned about the fact that this project is not cost-effective by some measures. The Commission agrees with the Department, however, that the project's limited budget and research potential justify approving it nevertheless. To facilitate project monitoring, the Commission will require the Company to file a status report on the project within 90 days of the date of this Order.

ORDER

1. The Outstate Residential Project is approved for inclusion in NSP's (Gas Utility) 1988 Conservation Improvement Program.
2. The Company shall file a status report within 90 days of the date of this Order setting forth, by project activity, the number of participants, average cost, and total cost.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)