

G-002/M-89-189 APPROVING CONSERVATION IMPROVEMENT PROGRAM CHANGE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of the Implementation of an Energy Conservation Improvement Program for Northern States Power Company Gas Utility

ISSUE DATE: April 11, 1990

DOCKET NO. G-002/M-89-189

ORDER APPROVING CONSERVATION IMPROVEMENT PROGRAM CHANGE

PROCEDURAL HISTORY

For several years, Northern States Power Company Gas Utility (the Company) has conducted a Multifamily Loan Project as part of its Conservation Improvement Program (CIP). The Multifamily Loan Project has consisted of two separate programs: one with maximum loan of \$10,000 and the other with a maximum loan of \$4,000.

On March 2, 1990, the Company notified the Commission that due to financial difficulties of the bank which services the loan programs, the larger loan program will be discontinued. The Company proposes to replace the large loan program with a rebate program as described in its filing.

On March 19, 1990, the Minnesota Department of Public Service (the Department) submitted comments recommending approval of the project revision.

On April 3, 1990, the matter came before the Commission for determination.

FINDINGS AND CONCLUSIONS

The Company should offset the loss of the large loan program with an alternative that will maintain the integrity of the Company's CIP and continue the current level of conservation services to the Company's customers. The Commission is persuaded that the Company's proposed revised rebate program will meet these goals:

1. The project will retain the same budget: \$16,137.

2. The Commission has found that direct rebate projects are among the most cost-effective CIP projects offered by gas utilities. See, for example, Minnegasco's new construction rebate project. In the Matter of the Implementation of an Energy Conservation Program for Minnegasco, Inc., Docket No. G-008/M-89-188, ORDER ESTABLISHING 1989-90 CONSERVATION IMPROVEMENT PROGRAM (July 28, 1989), at 7.
3. The proposed rebate program will address the same type of energy user (multifamily buildings) and encourage the same kinds of improvements as the former loan program.
4. Finally, because of the reduced administrative costs associated with a direct rebate project, the project may reach more users and promote more conservation than the loan program.

Accordingly, the Commission will approve the Company's Multifamily Project as revised to include the rebate project in place of the larger loan (\$10,000) project.

ORDER

1. The part of Northern States Power Company Gas Utility's (NSP) Conservation Improvement Program known as the Multifamily Project, at the same budget amount of \$16,137 but revised to include a rebate program as filed in place of the previously offered larger loan program, is approved.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)