

DG 02-106

Energy Efficiency Programs for Gas Utilities

**Order Granting Motion for Leave to Intervene Out of Time
And
Affirming of Procedural Schedule**

O R D E R N O. 24,060

September 27, 2002

I. BACKGROUND

A. Procedural and Docketing Issues

In Order No. 24,043, dated August 23, 2002, the Commission approved a partial procedural schedule in this proceeding as follows:

08/20/02 Companies will provide a compare/contrast document
with respect to their programs

09/09/02 Companies will provide a NH Cost Benefit Analysis,
Incentive Computation (Goals) and Proposed Budgets

09/27/02 Technical Session at NH PUC, 9:30 AM

10/10/02 First Round of Data Requests to Companies

10/24/02 Responses Due

11/07/02 Technical Session/Settlement Discussions/Develop
Remainder of Procedural Schedule, at NHPUC, 9:30
AM

On August 22, 2002, the Governor's Office of Energy and Community Service (GOECS) submitted a letter to the Commission recommending that a separate docket be opened on Pay-as-You-Save (PAYS) programs and expressing their concern that the procedural schedule for consideration of other energy efficiency programs not be delayed. GOECS's position on this question was not

considered by the Commission in the above-referenced procedural order.

On September 25, 2002, Staff responded by letter to the GOECS's recommendation to open a separate docket to address PAYS. Staff states that addressing PAYS in the instant docket or in a separate docket would not delay deployment of energy efficiency programs. Staff viewed this question as an administrative rather than a substantive matter, and indicated that either alternative would afford an ample opportunity to address PAYS issues. Staff concurred with the GOECS that all efforts should be made to move forward with implementing energy efficiency programs as soon as possible.

B. Action Inc.'s Intervention

On September 3, 2002, Action Inc., an independent contractor with experience in the coordination and operation of low-income energy efficiency and weatherization programs doing business in Massachusetts, filed a Motion to Intervene Out-of-Time in this docket. Action states that if allowed as a party, it would accept the procedural posture the case as it stands, and, given its experience, would make a material contribution to the docket. Action, Inc. states KeySpan Energy Delivery New England, Department of Environmental Services, Save Our Homes Organization, New Hampshire Legal Assistance and GOECS consent to

the motion, and Northern Utilities, Inc., Commission Staff and the Office of Consumer Advocate do not object.

II. COMMISSION ANALYSIS

A. Procedural and Docketing Issues

At this time, the Commission does not see any adverse consequences of keeping the PAYS issue in the instant docket. We may revisit this determination upon receipt of additional information. The GOECS correctly noted that the experience gained from the PAYS pilot in the electric industry will benefit implementation of a PAYS program in the gas industry. The electric utility energy efficiency programs cited by the GOECS arose from DE 01-057, Core Energy Efficiency Programs, whereby the Commission approved the state's electric utilities' rollout of energy efficiency programs, effective June 1, 2002. See Order No. 23,982, dated May 31, 2002. In DE 01-080, the Commission approved a utility-specific PAYS pilot program for two electric utilities. See Order No. 23,851, dated November 29, 2001.

The Commission understands that analyses of the effectiveness of the electric utilities PAYS programs will not be available for several months and that parties may wish to review those results prior to deploying gas utility PAYS programs. However, we believe that it is appropriate to move ahead with the companies' energy efficiency programs and to concurrently address the feasibility of introducing a PAYS program. This solution

provides the opportunity for thorough review as well as early deployment. For this reason, we do not believe keeping the PAYS issue in DG 02-106 will delay the deployment of the other energy efficiency programs or in any way constrain them.

The Commission remains flexible in considering when programs should be deployed and what the programs should contain. We agree that having customers benefit from the companies' energy efficiency programs without undue delay is important and may necessitate a PAYS component being phased-in at a later date. Thus, consideration of PAYS within this case should not delay this process.

We also urge the parties to look closely at how phased-in energy efficiency and PAYS programs might be designed so as to minimize disincentives such as those caused by the different programs targeting the same products or services. We raised this issue in Order No. 23,982, dated May 31, 2002 in reference to Docket No. DE 01-080. In that docket it was not clear to the two electric utilities implementing PAYS whether PAYS would complement or detract from their other energy efficiency programs, if run simultaneously. The results are not yet known in the electric pilot and we believe this issue must also be addressed for the gas utility programs.

B. Intervention

The Commission finds the interests identified above by Action, Inc. satisfy the statutory requirement of RSA 541-A:32,I,(b) that its rights, duties, privileges, immunities or other substantial interests may be affected by the proceeding. Further, the Commission finds that Action, Inc.'s intervention would not impair the orderly and prompt conduct of the proceedings and may indeed enhance the proceedings. The intervention shall be granted.

Based upon the foregoing, it is hereby

ORDERED, that the procedural schedule approved in Order No. 24,043, dated August 23, 2002 is affirmed; and it is

FURTHER ORDERED, that Action, Inc.'s Motion for Leave to Intervene Out of Time be GRANTED.

By order of the Public Utilities Commission of New Hampshire this twenty-seventh day of September, 2002.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary