

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on February 11, 2010

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman  
Patricia L. Acampora  
Maureen F. Harris  
Robert E. Curry, Jr.  
James L. Larocca

CASE 08-G-1021 - Petition of St. Lawrence Gas Company, Inc. for  
Approval of an Energy Efficiency Portfolio  
Standard (EEPS) "Fast Track" Utility-  
Administered Gas Energy Efficiency Program.

ORDER APPROVING INCREASES IN "FAST TRACK"  
RESIDENTIAL GAS HVAC PROGRAM BUDGET

(Issued and Effective February 16, 2010)

BY THE COMMISSION:

INTRODUCTION

In this order, the Commission approves, with  
modification, the August 6, 2009 request by St. Lawrence Gas  
Company Inc. (St. Lawrence) for an increase in the budget of the  
company's Energy Efficiency Portfolio Standard (EEPS) "Fast  
Track" Residential Gas HVAC Program. The modification made is  
to also approve an increase to St. Lawrence's evaluation,  
measurement and verification (EM&V) budget so that it equals 5%  
of the approved total revised budget.

BACKGROUND AND SUMMARY

On April 9, 2009, the Commission authorized St.  
Lawrence to administer EEPS "Fast Track" Residential Gas HVAC  
Program with budgets of \$16,408 in 2009 and \$32,815 each year,

in 2010 and 2011.<sup>1</sup> On August 6, 2009, St. Lawrence submitted a petition requesting an increase to the customer rebate portion of their program budget to accommodate the large number of customers responding to the program. According to St. Lawrence, the 2009 rebate budget was essentially exhausted sometime in August 2009. Although, the company continued to accept applications, it placed a temporary moratorium on distributing rebates. As of November 2009, St. Lawrence had approximately \$22,000 worth of outstanding rebate applications on file. St. Lawrence requests a total rebate budget increase of \$82,000 consisting of \$32,000 for 2009 and \$25,000 each for 2010 and 2011. The petition did not request additional funds for administration or EM&V or include an energy savings estimate associated with an increased rebate budget.

#### NOTICE OF PROPOSED RULEMAKING

A Notice of Proposed Rulemaking concerning St. Lawrence's petition was published in the State Register on September 9, 2009 [SAPA 08-G-1021SP2]. The minimum time period for the receipt of public comments pursuant to the State Administrative Procedure Act (SAPA) regarding that notice expired on October 26, 2009. No comments were received.

#### DISCUSSION

The Commission is pleased with the high level of customer participation in St. Lawrence's "Fast Track" Residential Gas HVAC Program. We also appreciate the company's ability to manage its program to avoid overspending the approved budget. The Commission is always concerned about the potential

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<sup>1</sup> Case 08-G-1004, et al., - Orange and Rockland Utilities, Inc. - "Fast Track" Utility-Administered Gas Energy Efficiency, Order Approving "Fast Track" Utility-Administered Gas Energy Efficiency Programs with Modifications (issued April 9, 2009).

rate impacts of increasing EEPS program budgets. Here, however, the requested increase will be allocated entirely toward incentives for the installation of energy efficient equipment, thereby increasing program energy savings without increasing administrative costs. Although St. Lawrence did not request an increase for its evaluation budget, we are providing additional funds to maintain the EM&V budget component as five percent of the total program budget in conformance with the Evaluation policies established in the EEPS proceeding. Therefore, we will grant St. Lawrence a total increase of \$82,000 to the rebate budget and an additional \$4,316 to the EM&V budget. Because of the timing of this order, we will authorize a \$60,000 increase for 2010 and a \$26,316 increase for 2011.

#### SEQRA FINDINGS

Pursuant to our responsibilities under the State Environmental Quality Review Act (SEQRA), in conjunction with this order we find that programs modified here are within the overall action previously examined by us in Case 07-M-0548 and will not result in any different environmental impact than that previously examined. In addition, the SEQRA findings of the June 23, 2008 Order in Case 07-M-0548 are incorporated herein by reference and we certify that: (1) the requirements of SEQRA, as implemented by 6 NYCRR Part 617, have been met; and (2) consistent with social, economic, and other essential considerations from among the reasonable alternatives available, the action being undertaken is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable.

CONCLUSION

For the reasons discussed above, the Commission grants, with modifications, St. Lawrence's August 6, 2009 request for additional EEPS "Fast Track" Residential Gas HVAC Program funds.

The Commission orders:

1. The Commission authorizes St. Lawrence Gas Company, Inc. to increase the budget for its Energy Efficiency Portfolio Standard (EEPS) "Fast Track" Residential Gas HVAC Program in the manner described in the body of this order. The annual program budget, energy savings goals and gas surcharge collections schedule are accordingly modified and shall be as set forth in the Appendix to this order.

2. St. Lawrence Gas Company, Inc. shall file tariff amendments and/or statements on not less than 30 days' notice to become effective April 1, 2010, incorporating the revisions describe herein. The requirements of Section 66(12)(b) of the Public Service Law as to newspaper publication of the changes proposed by these filings is waived.

3. The Secretary may extend the deadlines set forth in this order.

4. This proceeding is continued.

By the Commission

(SIGNED)

JACLYN A. BRILLING  
Secretary

Table 1

**Original Program Costs & Savings Targets**

	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2009-2011</u></b>	
<b><u>St. Lawrence</u></b>					
<i>Residential Gas HVAC Program</i>					
Cumul. Savings (Dekatherms)	855	1,709	1,709	4,274	
Measures Costs	\$12,798	\$25,596	\$25,596	\$63,990	78%
Admin & Mktg Costs	\$2,789	\$5,579	\$5,579	\$13,946	17%
<u>Eval., M&amp;V Costs</u>	<u>\$820</u>	<u>\$1,641</u>	<u>\$1,641</u>	<u>\$4,102</u>	<u>5%</u>
Total Budget	\$16,408	\$32,815	\$32,815	\$82,038	100%

Table 2

**Revised Program Costs & Savings Targets**

	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2009-2011</u></b>	
<b><u>St. Lawrence</u></b>					
<i>Residential Gas HVAC Program</i>					
Cumul. Savings (Dekatherms)	855	5,206	3,243	9,305	
Measures Costs	\$12,798	\$82,596	\$50,596	\$145,990	87%
Admin & Mktg Costs	\$2,789	\$5,579	\$5,579	\$13,946	8%
<u>Eval., M&amp;V Costs</u>	<u>\$820</u>	<u>\$4,641</u>	<u>\$2,957</u>	<u>\$8,418</u>	<u>5%</u>
Total Budget	\$16,408	\$92,815	\$59,131	\$168,354	100%

Table 3

**Revised Schedule of Collections**

	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>Total</u></b>
Order Dated 6/23/08	\$25,942	\$103,766	\$103,766	\$103,766	\$0	\$0	\$0	\$337,240
Order Dated 10/23/09	\$0	\$0	\$0	\$0	\$15,230	\$2,223	\$0	\$17,453
<u>Order Dated 1/4/10</u>	<u>\$0</u>	<u>\$0</u>	<u>\$93,440</u>	<u>\$246,599</u>	<u>\$6,779</u>	<u>\$7,720</u>	<u>\$3,445</u>	<u>\$357,983</u>
Total Collections	\$25,942	\$103,766	\$197,206	\$350,365	\$22,009	\$9,943	\$3,445	\$712,676
<u>Additional Collections</u>	<u>\$0</u>	<u>\$0</u>	<u>\$60,000</u>	<u>\$26,316</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$86,316</u>
Revised Total Collections	\$25,942	\$103,766	\$257,206	\$376,681	\$22,009	\$9,943	\$3,445	\$798,992