

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE)
APPLICATION OF QUESTAR)
GAS COMPANY FOR AN) Docket No. 02-057-02
INCREASE IN RATES AND)
CHARGES)

**REBUTTAL TESTIMONY OF
ABDINASIR M. ABDULLE
FOR THE DIVISION OF PUBLIC UTILITIES**

October 4, 2002

Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

1 A: My name is Abdinasir M. Abdulle. My business address is Heber M. Wells
2 Building 4th Floor. 160 East 300 South. SM Box 146751. Salt Lake City,
3 Utah 84114-6751.

4

5 **Q: TO WHOM ARE YOU CURRENTLY EMPLOYED AND WHAT IS YOUR**
6 **JOB POSITION?**

7 A: I am presently employed as a Utility Analyst with the Utah Division of
8 Public Utilities.

9

10 **Q: WHAT IS YOUR EDUCATIONAL BACKGROUND?**

11 A: I graduated from Utah State University with a M.S. in Range Science,
12 emphasis in Range Economics in 1990 and a Ph.D. in Economics in 1999.

13 **Q: PLEASE STATE THE PURPOSE OF YOUR TESTIMONY?**

14 A: The purpose of my testimony is to provide DPU's response to the Salt Lake
15 Community Action Program (SLCAP), the Crossroads Urban Center
16 (Crossroads), and the Utah Legislative Watch (Collectively Known as
17 Ratepayers Alliance) proposal for the commission to allow Questar to
18 increase the amount of money currently included in rates from \$250,000 to
19 \$500,000 to fund a greater level of weatherization.

20

21 **Q: DID THE COMMISSION IDENTIFY CRITERIA FOR JUDGING A**
22 **WEATHERIZATION PROGRAM IN ORDERING QUESTAR TO**
23 **DO SO IN UPSC DOCKET NO. 99-057-20?**

24 A: No. However, in an earlier PacifiCorp case, UPSC Docket No. 97-
25 035-10, the Commission found that it had the authority to implement a
26 lifeline rate and established four criteria that it deemed appropriate for
27 judging the merits of a lifeline proposal. These four criteria are:

- 1 1. The need is real and is not being met by direct-payments programs.
- 2 2. The program is successfully targeted and would not overly burden
- 3 other customers.
- 4 3. The benefits offset negative impacts on objectives.
- 5 4. The program is easy and inexpensive to administer.
- 6

7 With regard to these criteria, the Commission concluded in Docket No. 99-
8 057-20 that the four criteria were sufficiently met to approve the low-
9 income weatherization program.

10

11 **Q: DOES THE DIVISION AGREE THAT EXPANSION OF THE**
12 **PROGRAM IS REASONABLE?**

13 A: Yes. Because the commission has previously found that the program meets
14 its criteria, the Division agrees with Rate Alliance witness that it is only
15 necessary now to show that the need has increased since the program was
16 first approved and that increasing funding for the program will assist in
17 meeting this need and will not overly burden other customers.

18 It has been previously established in Docket No. 99-057-20 that the low-
19 income weatherization program is reasonable and the Division believes that
20 the conditions have not changed. Increasing the funding for weatherization
21 program will expand the program with little increment to overhead cost
22 since the administrative systems are already in place.

23

24 **Q: HOW DOES THE RATEPAYER ALLIANCE PROPOSE TO FUND**
25 **THE PROGRAM?**

26 A: Ratepayers Alliance proposes that the additional \$250,000 be included in
27 the Questar's base rate and allocated to rate classes, the same way the
28 existing amount is funded and allocated.

29

1 **Q: DOES THE DIVISION OF PUBLIC UTILITIES SUPPORT THE**
2 **FUNDING METHOD?**

3 A: Yes. The Division of Public Utilities believes that, since the weatherization
4 program is a reasonable expansion of an existing program and the amount
5 to be allocated is not overly burdensome, the costs should be recovered
6 from all rate classes.

7
8 **Q: HOW WILL OTHER RATEPAYERS' MONTHLY BILL BE**
9 **AFFECTED BY THE INCREASED LEVEL OF FUNDING?**

10 A: If the proposed increase in the level of funding is allocated among all
11 customers, the monthly bill would increase by \$0.03 for the average
12 residential customer.

13
14 **Q. PLEASE DISCUSS HOW THE WEATHERIZATION PROGRAM**
15 **IMPACTS DEMAND SIDE MANAGEMENT?**

16 A: The Division supports cost effective demand side management programs.
17 The weatherization program provides DSM benefits by enabling
18 participants to use energy more efficiently, providing measurable energy
19 savings. Testimony from the Ratepayers Alliance discusses the program
20 benefits from an energy savings standpoint. In addition, The Division of
21 Public Utilities' report to the Public Service Commission of April 15, 2002
22 states that the weatherization program saves 20,123 Dth annually.
23 The Division believes that weatherization initiatives should be included in
24 discussions and evaluations of DSM as part of Questar's overall gas
25 procurement activities. Division witness Ron Burrup will discuss the
26 Division's view of DSM and its role in Questar's integrated resource
27 planning.

28

1 **Q: DOES THE DIVISION HAVE ANY RECOMMENDATIONS FOR**
2 **CHANGES THAT SHOULD BE MADE TO THE PROGRAM?**

3 A: Yes, the Division recommends that the Commission require the following
4 (some of which are currently being done):

- 5 1. DCED, the agency responsible for the funding, should be required to
6 submit annual reports, on a certain date, to the Commission and
7 Division. The reports should be available for public review.
- 8 2. DCED should be required to hold annual meetings to update the
9 Commission, Division, CCS, and other interested parties on the year
10 events.
- 11 3. The annual report and the annual meeting should include:
 - 12 1) An estimate of the annual gas savings and the method of
13 estimation.
 - 14 2) Annual receipts, expenditures, and any remaining funds at the
15 end of the year.
 - 16 3) Number of households receiving assistance, and average cost per
17 household.
 - 18 4) Specify any changes in Federal or State programs that impact the
19 weatherization program in Utah
 - 20 5) Other program details that DCED considers important
- 21 4. At the end of three years from the date of the order in this case, the
22 Division should conduct an audit of the program and report to the
23 commission its assessment of the following:
 - 24 1) How well the program is accomplishing the goals established by
25 the Commission.
 - 26 2) The reasonableness of funding levels.
 - 27 3) If the program needs to be changed or terminated.

28 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

29 A: Yes. It does.