

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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IN THE MATTER OF THE )  
PROPOSED CHANGES TO ROCKY )  
MOUNTAIN POWER'S HOME ) DOCKET NO. 09-035-T04  
ENERGY SAVINGS PROGRAM )  
OFFERED THROUGH TARIFF )  
SCHEDULE 111. )  
  
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TRANSCRIPT OF HEARING PROCEEDINGS

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HELD AT: Public Service Commission  
160 East 300 South, Room 403  
Salt Lake City, Utah

DATE: April 16, 2009

TIME: 9:30 a.m.

REPORTED BY: RENEE L. STACY, CSR, RPR

A P P E A R A N C E S

ADMINISTRATIVE LAW JUDGE:

RUBEN ARREDONDO

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WESTERN RESOURCE ADVOCATES

I N D E X

WITNESS: DONALD JONES, JR.

Direct Examination by Ms. Hogle. . . . .	5
Cross Examination by Mr. Ginsberg. . . . .	24
Redirect Examination by Ms. Hogle. . . . .	36, 59

WITNESS: ABDINASIR ABDULLE

Direct Examination by Mr. Ginsberg . . . . .	41
Cross Examination by Ms. Hogle . . . . .	49
Redirect Examination by Mr. Ginsberg . . . . .	57

WITNESS: MICHELE BECK

Direct Examination by Mr. Proctor. . . . .	61
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PUBLIC WITNESS: KEVIN EMERSON

Unsworn statement. . . . .	61
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E X H I B I T S

Exhibit No.	Received
RPM Exhibit A	7
DPU Exhibit 1	41

1  
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3  
4  
5  
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April 16, 2009  
9:30 a.m.

P R O C E E D I N G S

JUDGE ARREDONDO: Let's go on the record.  
My name is Ruben Arredondo. I'm the hearing officer  
assigned by the Commission to hear this matter.

This is the matter of the application for  
changes to Rocky Mountain Power's Home Energy Savings  
Program, Docket Number 09-035-T04.

Let's take appearances, beginning with the  
Company, please.

MS. HOGLE: Good morning. My name is  
Yvonne Hogle on behalf of Rocky Mountain Power, and  
with me I have Don Jones, Jr., the Company's witness.

JUDGE ARREDONDO: Thank you. And the  
Division.

MR. GINSBERG: Yes. My name is Michael  
Ginsberg. I'm appearing for the Division of Public  
Utilities, and the Division's witness this morning  
will be Abdinasir Abdulle.

JUDGE ARREDONDO: Thank you. And the  
Committee, please.

MR. PROCTOR: Paul Proctor on behalf of the  
Committee of Consumer Services. Michele Beck, the

1 director, will be the witness today.

2 JUDGE ARREDONDO: Thank you. And let's  
3 begin with Rocky Mountain Power, then.

4 MS. HOGLE: Thank you. I believe he --  
5 Mr. Jones has to be sworn.

6 JUDGE ARREDONDO: Okay. Mr. Jones, would  
7 you raise your right hand for me, please?

8 DONALD JONES, JR.  
9 called as a witness and sworn, was examined and  
10 testified as follows:

11 JUDGE ARREDONDO: Thank you.

12 MR. GINSBERG: There was a handout that was  
13 just made, and we only got one copy. Are there other  
14 copies of it?

15 MS. HOGLE: There are.

16 MR. GINSBERG: Can we get a couple others?

17 MS. HOGLE: Sure.

18 MR. GINSBERG: Okay. Thank you. Sorry.

19 JUDGE ARREDONDO: That's fine.

20 DIRECT EXAMINATION

21 BY MS. HOGLE:

22 Q Can you please state your name, business  
23 address, and present position with Rocky Mountain  
24 Power?

25 A My name is Don Jones, Jr. My business

1 address is 825 NE Multnomah, Suite 600, Portland,  
2 Oregon 97232.

3 Q And your position?

4 A I'm the energy efficiency segment manager  
5 for Rocky Mountain Power.

6 Q What did you do prior to being the energy  
7 efficiency segment manager for Rocky Mountain Power?

8 A I worked for the Company as a commercial  
9 and industrial energy efficiency project manager.  
10 Before being hired by the Company in 1995, I worked  
11 as a construction manager for PayLess Drug stores. I  
12 have personal experience in residential and  
13 commercial construction. I'm also a member of the  
14 Association of Professional Energy Managers and  
15 attended Reed College.

16 Q And what are your responsibilities as  
17 energy and efficiency segment manager for the  
18 Company?

19 A My responsibilities include identification  
20 and analysis of energy efficiency opportunities and  
21 results for PacifiCorp's Rocky Mountain Power and  
22 Pacific Power service territories. I work on energy  
23 efficiency issues and have responsibility for making  
24 recommendations to PacifiCorp management regarding  
25 energy efficiency programs, program design and

1 program management for all customer sectors,  
2 including residential.

3 Q What is the purpose of your testimony here  
4 today?

5 A I will explain why the Company offers  
6 demand side management programs and the proposed  
7 changes to the Home Energy Savings Program.

8 Q And are you sponsoring any exhibits as part  
9 of your testimony?

10 A Yes. Exhibit A is the Company's response  
11 to CCS Data Request 1.3. It includes a set of cost  
12 effectiveness assessments related to program level  
13 impacts of the proposed changes.

14 Q Was this exhibit prepared by you or at your  
15 direction?

16 A Yes.

17 MS. HOGLE: Your Honor, the Company has  
18 premarked Exhibit A as Rocky Mountain Power Hearing  
19 Exhibit A and would now like to offer Exhibit A as  
20 evidence into the record.

21 JUDGE ARREDONDO: No objections? Exhibit A  
22 is admitted.

23 Q (BY MS. HOGLE) Mr. Jones, I would like to  
24 direct your attention to the Company's filing dated  
25 March 23rd, 2009. Do you have that in front of you?

1 A Yes.

2 Q Can you turn to Page 3?

3 A Yes.

4 Q Do you see the paragraph entitled "Program  
5 Design"?

6 A Yes.

7 Q Is it the Company's position that one or  
8 more of the parties in this proceeding has taken the  
9 last sentence in the first paragraph under the  
10 heading "Program Design" out of context, and, if so,  
11 how?

12 A Yes. When we first introduced the program,  
13 the Company believed that insulation incentives were  
14 necessary to cover a majority of the costs to incent  
  
15 participation, but this assessment was made in the  
16 general context of program design and incentive level  
17 assessments that say "set incentive levels necessary  
18 to cause participation."

19 Basically, the Company should only pay what  
20 is necessary to encourage participation. This is an  
21 important consideration of incentive design.

22 Q And do the current insulation market  
23 conditions warrant the change in position?

24 A Yes.

25 Q Can you please explain why the Company



1 offers demand side management programs such as the  
2 Home Energy Savings Program?

3 A Yes. The Company offers demand side  
4 management programs, including the Home Energy  
5 Savings Program, as part of a strategy to acquire  
6 least cost energy resources. Reduced customer energy  
7 usage reduces the amount of supply side resources the  
8 Company must acquire to meet customer load. The  
9 Company implements DSM resources when such resources  
10 prove to be cost effective, and the Company believes,  
11 in the long run, DSM programs will reduce the costs  
12 to ratepayers of meeting customer loads.

13 Q How does a customer -- or, excuse me, how  
14 does the Company encourage customers to participate  
15 in these programs?

16 A Participation is encouraged by offering  
17 incentives, such as those in the Home Energy Savings  
18 Program for home insulation projects. It should be  
19 noted that these incentives, however, are at a cost  
20 to the Company. As with supply side costs the  
21 Company incurs, the Company should not spend more  
22 than is necessary in customer incentives to acquire  
23 demand side resources.

24 Q Can you tell us how these demand side  
25 resources programs are funded?

1           A     Yes. Customers fund the entire cost of the  
2 Company's DSM programs through the customer  
3 efficiency services charge included on their bills.

4           Q     And are these charges incurred by all  
5 customers, even though some customers do not  
6 participate in these programs?

7           A     Yes. All customers, even nonparticipants,  
8 benefit from cost effective DSM resource acquisition  
9 in the form of lower electricity bills when the  
10 program replaces more expensive supply side  
11 resources. Since all customers benefit from these  
12 programs, the Company's position is all customers  
13 should help fund them. It should be noted that there  
14 are no free DSM programs, however, as all customers  
15 fund a portion of the DSM resources costs, similar to  
16 supply side resources.

17          Q     Can you please describe the Company's Home  
18 Energy Savings Program, specifically?

19          A     Yes. The Home Energy Savings Program is  
20 available to customers in new or existing residences,  
21 multifamily units or manufactured homes. The program  
22 is administered by the Company by a third party,  
23 PECCI. To provide as many participation opportunities  
24 as possible, the program provides incentives to  
25 customers to assist in the purchase and installation

1 of appliances, lighting, weatherization measures that  
2 exceed code or common practice.

3 Q And when was this program introduced in the  
4 state of Utah?

5 A September 2006.

6 Q What was the design purpose of the program?

7 A The program is designed to deliver these  
8 least cost resources to the Company by reducing  
9 residential customers' electric bills and improving  
10 the energy efficiency in their homes. Specifically,  
11 incentives are in the program to assist customers  
12 with the incremental costs of the energy efficiency  
13 projects by funding a portion of the overall  
14 investment.

15 Participating customers recover  
16 out-of-project costs beyond the incentives through  
17 bill savings.

18 Q Would you say that the program has been  
19 successful or popular with customers?

20 A It has. Savings acquired through the  
21 program have increased steadily over the three years  
22 it has been running: 4,000 megawatt hours,  
23 approximately, in 2006, climbing to 14,000 megawatt  
24 hours in 2007, and exceeding 39,000 megawatt hours in  
25 2008.

1           Eighteen separate measures are eligible for  
2 incentives. Program expenses in 2006 were \$240,000,  
3 more than \$3 million in 2007, and over \$7.8 million  
4 in 2008.

5           Specific to insulation, more than 16,000  
6 customers submitted incentive applications for  
7 insulation between the end of 2006, through early  
8 2009, March of 2009, with the majority of these  
9 projects occurring in the last six months.

10           As shown in Attachment A of the Company's  
11 filing, attic insulation is the most widely utilized  
12 measure out of all the insulation measures.

13           Q     Can you now explain the proposed changes to  
14 the Home Energy Savings Program?

15           A     Yes. There are three primary changes the  
16 Company is proposing. First is the methodology used  
17 for calculating the unit savings for insulation is  
18 being changed to better reflect cooling savings for  
19 the Utah climate.

20           Second, the insulation category will be  
21 divided into two sections, one for residences with  
22 electric space heating and one for residences with  
23 electric cooling.

24           Third, new incentive levels for wall,  
25 ceiling, and floor insulation are being proposed to

1 more accurately reflect installed costs of the  
2 measure and return the program to its design intent.

3 The original insulation measure savings  
4 were based on the Regional Technical Forum data from  
5 the Northwest. They did not explicitly include  
6 electric cooling savings, and the estimates  
7 originally used relied upon a weighted average of  
8 heating fuel types and heating and cooling degree  
9 days.

10 The new estimates used by the Company  
11 utilize a building simulation model widely supported  
12 in the public sector by the Lawrence Berkeley  
13 Laboratory. The model provides separate climate zone  
14 specific savings estimates for heating and cooling  
15 savings, which enables the Company to more accurately  
16 estimate savings for the Utah climate.

17 It should also be noted this is the same  
18 model used by Questar to estimate gas savings for  
19 their program for insulation.

20 Prior and revised savings estimates were  
21 provided in Attachment C of the Company's filings.

22 Q Can you tell us what the existing incentive  
23 levels are in the program?

24 A Yes. Existing incentive levels now on a  
25 per-square-foot basis are 35 cents for floor and

1 attic insulation. For wall insulation, they're 45  
2 cents. The insulation incentive levels that the  
3 Company is proposing for electrically heated homes  
4 will be adjusted for attics to 30 cents, down from 35  
5 cents; the floors, 25 cents, down from 35 cents; and  
6 for electrically heated homes, walls, 45 cents will  
7 remain as unchanged.

8 Proposed incentive levels for electrically  
9 cooled homes, for attics, it will be 10 cents a  
10 square foot, down from 35 cents; walls will be 15  
11 cents a square foot, down from 45 cents; and the  
12 incentive for floor insulation will be discontinued.

13 Q So what was the analysis and other  
14 considerations that the Company used in order to  
15 determine the magnitude of the revisions to the  
16 insulation measure incentive levels?

17 A The analysis used focused on revisiting  
18 about six key data elements. We looked at the cost  
19 of insulation. We looked at Questar's revised  
20 incentive levels. We looked at what other programs  
21 are paying for insulation on a stand-alone basis.

22 We took a look at the estimated energy  
23 savings from each unit of insulation, including how  
24 long they would deliver savings. We looked at the  
25 value of those insulation savings to the utility and

1 the ratepayers. We looked at the original program  
2 design intent and program delivery infrastructure  
3 that's in place and utilized for price and quality  
4 assurance protections.

5 This analysis is typical of the work we do  
6 for these measures.

7 Q And what necessitated proposing the  
8 changes?

9 A These changes are being driven by three key  
10 factors. First, the installed cost of attic  
11 insulation has declined over the last year. This is  
12 evidenced by the widespread offers of free attic  
13 insulation. As a result, the Company's incentive  
14 levels will be adjusted downward to reflect current  
15 market conditions.

16 Second, at the current incentive levels,  
17 which cover a majority or all of the project costs,  
18 the program has effectively been changed into a  
19 direct install program for insulation. This  
20 disengages customers from actively managing their  
21 project costs and the quality of that project. And  
22 as currently designed, the Home Energy Savings  
23 Program would require changes around quality  
24 assurance and cost management to compensate for this  
25 unintended lack of customer involvement.

1           Third, at current incentive levels, the  
2 program cost effectiveness is negatively impacted.  
3 This is provided in Attachment C in Table 6.  
4 However, from a purely economic perspective, when  
5 participation for measure is modest, a degree of  
6 economic drag is acceptable if it contributes to a  
7 comprehensiveness of projects.

8           However, if participation dramatically  
9 increases, as in the case of attic insulation, it is  
10 appropriate to re-evaluate the cost-benefit  
11 contributions of the measure and make adjustments in  
12 order to protect program economics and avoid  
13 overpaying for the resource.

14           The Company estimates that if no  
15 adjustments are made to the program, the expenses  
16 will exceed \$25 million for 2009.

17           Q     Why does the Company believe that the  
18 proposed incentive levels are appropriate and  
19 reasonable?

20           A     As I mentioned earlier, in setting  
21 incentive levels for DSM programs, the Company and  
22 ratepayers should basically pay what's necessary to  
23 acquire the resource to incent participation in the  
24 program. They shouldn't pay any more than that.

25           The Company -- at the Company's current



1 incentive levels, combined with Questar's recent  
2 incentive levels, participants are being paid more  
3 than what the programs originally intended to pay.  
4 It's the Company's position that the proposed  
5 incentive levels strike the proper balance between  
6 providing the necessary incentive to encourage  
7 participation and not paying more for the resource  
8 than is necessary.

9 Q Let's talk a little bit more about the cost  
10 effectiveness of the program and how it has been  
11 impacted by the current incentive levels. Can you  
12 elaborate?

13 A Yes. Using the current incentive levels  
14 and the current reported savings estimates represent  
15 a burden on the program cost effectiveness, which is  
16 illustrated in Attachment C. However, the precise  
17 level of insulation participation that would sink the  
18 program's economics on a program level is challenging  
19 to estimate, given the overall program cost  
20 effectiveness is dependent on contributions and costs  
21 from all of the measures beyond just insulation.

22 To help estimate impacts, the Company  
23 prepared three scenarios to demonstrate the  
24 sensitivity of program economics to changes in the  
25 volume and costs of attic insulation. These are

1 provided as Exhibit A.

2 To control for the impact of other program  
3 measures, noninsulation measure costs and savings  
4 were held constant at 2008 levels within each  
5 scenario. The first two scenarios, only the date of  
6 when the proposed insulation changes are to be  
7 implemented was varied. And in the third scenario,  
8 the Company assumed that there were no changes in the  
9 current insulation incentive levels.

10 The program was then -- was projected,  
11 basically, to remain in a free insulation mode. This  
12 analysis shows that the benefit-cost ratios decline  
13 the longer the Company postpones the changes.

14 Q You mentioned that the program has  
15 effectively changed to a direct install program. Can  
16 you describe or explain what a direct install program  
17 is?

18 A Yes. A direct install is a program that  
19 provides or installs energy efficiency measures for  
20 free at a customer's house. Typical design  
21 considerations for direct install include negotiated  
22 market pricing for installed measures; strict  
23 guidelines and controls around the installation  
24 measures; prequalified and trained contractors and  
25 vendors who understand the program objectives, the

1 measures to be installed, and measure installation  
2 specifications; customer communications clearly  
3 delineating the offer is free and the process to  
4 participate; quality assurance processes and  
5 inspection criteria are designed specifically for  
6 direct installations; and incentive processing and  
7 payments are done in the aggregate.

8 Q So what is the problem with the insulation  
9 measures within the Home Energy Savings Program  
10 effectively becoming a direct install program?

11 A The program is not designed as a direct  
12 install program for insulation. It doesn't have the  
13 controls or considerations typically found in a  
14 direct install program, and typically the customer is  
15 offered direct install programs for low income  
16 customers. The customers believe it is not a prudent  
17 use of ratepayers' funds to subsidize direct install  
18 programs for participants who can afford to cover a  
19 portion of these costs.

20 Q Have the current incentive levels led to  
21 additional unintended consequences in the promotion  
22 of home insulation projects?

23 A Yes, they have. The generous incentives  
24 have resulted in contractors advertising free attic  
25 insulation in areas where both Rocky Mountain Power

1 and Questar provide incentives. It has increased  
2 customer confusion, as demonstrated by calls to our  
3 program administrator's call center with requests to  
4 validate contractor offers. We've seen the emergence  
5 of creative and, in some cases, questionable  
6 financing schemes that are intended to redirect  
7 incentive payments from customers to contractors,  
8 which further removes the customer from the project  
9 cost and payment process.

10 We've seen an increase in program  
11 administrator cost for inspections and quality  
12 assurance work beyond that originally intended.  
13 Again, much of this is driven by the absence of  
14 customer involvements in the key project phases,  
15 including the bidding, quality acceptance, and  
16 payment of the completed project.

17 Collectively, all of these factors are  
18 moving the insulation portion of the program away  
19 from a customer initiated and funded measure and are  
20 resulting in all customers paying more for the  
21 resource than they have to.

22 Q Why is the Company proposing these changes  
23 now instead of allowing more time for public meetings  
24 to take place with contractors and other parties?

25 A The impact of the current incentive levels

1 and market reaction is known and measurable. Further  
2 delays will only result in higher resource costs,  
3 increasing market activity, continued market behavior  
4 around the direct install feature. It erodes program  
5 economics and continues the misconception of the  
6 program's design.

7 Further, the Company made its plans clear  
8 to contractors in mid February at a meeting. The  
9 local media has been reporting on Rocky Mountain  
10 Power's proposal to reduce insulation incentives for  
11 nearly two months. Notifications have been present  
12 on our program and Company Web site since late March,  
13 with updates on the revised May 2nd effective date  
14 posted to these sites on April 8th.

15 The Company feels sufficient notifications  
16 have taken place and are in place to support our  
17 requested effective date of May 2nd.

18 Q So in its original filing, the Company  
19 requested that the effective date be April 1 or a  
20 date effective simultaneous with the effective date  
21 for changes in Questar Gas incentive levels program.  
22 Why did the Company make that request?

23 A The Company made this request in  
24 recognition of the fact that the programs are used in  
25 conjunction with each other for the majority of the

1 market. A common effective date was selected to  
2 align changes so we could send a unified marketing  
3 message. Both customers and contractor confusion  
4 would be minimized if we had similar effective dates.

5 Q Can you tell us what would be the  
6 consequences of not making the proposed changes to  
7 the program at this time?

8 A Certainly. We'd experience higher program  
9 costs, eroding program economics, and continuing  
10 customer confusion. The market will continue to  
11 treat the program as direct install offering until  
12 these changes are made. This is likely true even  
13 after the Questar incentive adjustments become  
14 effective May 2nd.

15 The best available install cost information  
16 suggests that, at 55 cents, 35 cents from Rocky  
17 Mountain Power, the current incentive level, and 20  
18 cents a square foot for Questar Gas, their adjusted  
19 level, these would still be within the range to allow  
20 for promotion of free attic insulation offers, and,  
21 again, program costs could exceed \$25 million for  
22 2009.

23 Q Can you again tell us what action the  
24 Company has taken to communicate the proposed changes  
25 to insulation contractors and, more importantly, to

1 the customers?

2 A Certainly. Contractors received notice  
3 about the changes in a meeting for insulation  
4 contractors on February 18th of this year. There was  
5 media coverage on March 5th and again on March 12th,  
6 which signaled the Company's intent to adjust  
7 incentives.

8 On March 27th, information about changes  
9 and a link to our filing was posted on a program  
10 accessible Web site, which is also available on the  
11 Company Web site. In late March, the Company and  
12 program administrator call center personnel received  
13 information about these proposed changes so customers  
14 calling about status would have current information.  
15 And on April 8, Web site and call center  
16 communications were updated to reflect the effective  
17 revised date of May 2nd.

18 Q Thank you, Mr. Jones. Do you have any  
19 final comments?

20 A Yes. As of April 16th, 2009, the Company  
21 has provided all responses to the data requests  
22 submitted by the Division of Public Utilities in the  
23 docket. The Company acknowledges that these  
24 responses were not provided timely enough for the  
25 Division to prepare its recommendation to the

1 Commission dated April 15th, 2009. If the Company  
2 responses address the Division's concern, the Company  
3 asks the Division to revise its recommendations to  
4 the Commission.

5 Finally, the Company believes, as  
6 demonstrated, that its proposed changes are equitable  
7 and in the best interests of the customers and the  
8 Company. The changes realign the program of the  
9 original intent to provide the appropriate incentives  
10 necessary to encourage customers to improve energy  
11 efficiency in their homes.

12 Q And does this conclude your testimony?

13 A Yes.

14 MS. HOGLE: Mr. Jones is now available for  
15 questioning.

16 JUDGE ARREDONDO: Mr. Ginsberg, any  
17 questions for Mr. Jones?

18 MR. GINSBERG: Yes, I have questions.

19 JUDGE ARREDONDO: Okay. Go ahead.

20 CROSS EXAMINATION

21 BY MR. GINSBERG:

22 Q To start off, Mr. Jones, you're from  
23 Portland, so are you in charge of the DSM programs  
24 for all of PacifiCorp states?

25 A I have planning and management



1 responsibilities for energy efficiency across the  
2 states. There are program managers who manage  
3 specific programs.

4 Q Does a DSM program similar to what exists  
5 in Utah exist in all your states?

6 A For the Home Energy Savings?

7 Q Yes.

8 A Home Energy Savings exists in Washington,  
9 California, Idaho, and Wyoming. Yes, it's in all  
10 states except Oregon.

11 Q And when you filed this on May 23rd, did  
12 you file it on all your states?

13 A No. We did not adjust incentive levels.  
14 Incentive levels are different in other states.

15 Q So the only place you're proposing to  
16 change the incentive levels is in Utah?

17 A Yes.

18 Q Now, you talked a little bit about how you  
19 gave notice. Is there a DSM advisory group that  
20 exists in Utah?

21 A There is.

22 Q And what's its purpose?

23 A To advise the Company on demand side  
24 management issues.

25 Q Who participates in that?

1           A     Regulators, interested parties.

2           Q     Who would be the interested parties besides  
3 groups like the Division and Committee?

4           A     There are customer groups, individual  
5 members.

6           Q     Energy conservation groups, such as various  
7 conservation groups that exist in Utah?

8           A     I don't have the DSM advisory group  
9 membership list in front of me, but, in general, yes.

10          Q     Did these proposed changes -- did you  
11 present them to the -- your DSM advisory group?

12          A     Since we're trying to align with the  
13 Questar filing, we presented our filing to the DSM  
14 advisory group, but we did not -- we did not discuss  
15 it ahead of time with them.

16          Q     Why didn't you?

17          A     Because of the time issues.

18          Q     Well, apparently you were considering this  
19 way back in February or January; is that right?

20          A     We were considering it then; however, we  
21 did not have a DSM advisory group scheduled.

22          Q     Couldn't you have scheduled one?

23          A     Timing schedules were challenging.

24          Q     How have you gone about -- you talked about  
25 you had these various meetings with contractors and

1 put some information on your Web site. Have you  
2 actually sent out any kind of a bill insert or  
3 anything to your customers advising them of these  
4 proposed changes?

5 A I don't believe we sent out bill inserts.

6 Q Let's talk about -- your proposal is that  
7 this effective date be May 2nd; is that correct?

8 A Yes.

9 Q And originally your proposal was that the  
10 effective date be April 1st?

11 A Yes.

12 Q So about a week's period of time before --  
13 from the time you filed to the effective date?

14 A Yes.

15 Q And now you're proposing it be  
16 approximately two weeks -- depending on when the

17 Commission's order, it will be less than two weeks  
18 before the effective date?

19 A Yes.

20 Q And the main reason that you want the May  
21 2nd effective date is because that's what came out of  
22 the Questar order?

23 A Yeah, it aligns with Questar.

24 Q Now -- And your proposal is that  
25 customers -- now, the difference between you and the

1 Division's recommendation is the Division says the  
2 effective date should be June 2nd -- or June 1st; is  
3 that correct?

4 A That's correct.

5 Q And am I correct that the only reason  
6 you've selected the effective date of May 2nd is that  
7 that happened to be what came out of the Questar  
8 order?

9 A Well, it's important to note that we're  
10 selecting the effective date to align with Questar  
11 for, you know, ease of marketing messages, but that  
12 every month that this goes on, we're running a direct  
13 install program for insulation and we're incurring  
14 higher costs than necessary.

15 Q Well, the Questar rates will have come down  
16 as of May 2nd; is that correct?

17 A Yes, the Questar rates will come down as of  
18 May 2nd; however, with Questar's rates at 20 cents  
19 for attic insulation and the Company's at 35, we  
20 still believe that's close to the installed cost of  
21 some of these insulation measures.

22 Q Now, there's also a difference on how much  
23 time you want to give folks to put in their  
24 application; is that correct? You're suggesting that  
25 they have to provide the Company an application for

1 the rebate by May 15th?

2 A Yes, May 15th.

3 Q So approximately two weeks after the  
4 program ends?

5 A Correct.

6 Q Now, was that your original date, May 15th,  
7 or did you change that when the Commission extended  
8 the effective day till May 2nd?

9 A I believe we changed that.

10 Q You think that 15 days is adequate time,  
11 after a customer has insulation, to get the  
12 application in?

13 A Well, it's important to note that this --  
14 you know, these changes have been in the market --  
15 the notices of these changes -- the possibility of  
16 these changes have been in the market for a while so  
17 that contractors and customers are aware of it. The  
18 application is a one-page form. Two pages, I guess,  
19 if there's a front and back. So the application  
20 submittal process is not unnecessarily burdensome.

21 Q The Questar decision gave the customer more  
22 time, did it not, than 15 days to get the application  
23 in?

24 MS. HOGLE: Objection. He wouldn't know,  
25 your Honor.

1 MR. GINSBERG: Well, how could he not know?

2 Q Did you read the Questar order? I mean,  
3 you proposed to conform the May 2nd date with  
4 Questar. Are you proposing to conform how long it  
5 takes to get the application in to the Questar order?

6 A I need to consult with our original filing  
7 intent here. We filed a concession letter that  
8 adjusted those dates.

9 Q Do you have any objections to making -- to  
10 conforming yours to the same amount of time that the  
11 Questar order had for getting the applications in?

12 MS. HOGLE: Objection, your Honor.

13 JUDGE ARREDONDO: I'm going to overrule the  
14 objection.

15 THE WITNESS: I don't have any objections  
16 to that.

17 Q (BY MR. GINSBERG) Okay. Now, you said one  
18 of the purposes or the objective of these home  
19 insulation programs is to reduce the amount of supply  
20 side resources that the Company is going to have to  
21 install, that that's the ultimate objective; is that  
22 right?

23 A Yes.

24 Q And would you agree that the Company has  
25 significant deficits in the future for electrical

1 needs in Utah?

2 MS. HOGLE: Objection, your Honor.

3 THE WITNESS: I'm not the integrated  
4 resource planner.

5 Q (BY MR. GINSBERG) You don't have any idea  
6 how -- what the deficits are?

7 JUDGE ARREDONDO: Sustained.

8 MR. GINSBERG: Well, sorry. You know, he  
9 brought up that the -- what the purpose of the  
10 program is. It seems reasonable we should be able to  
11 inquire into what the deficits are.

12 JUDGE ARREDONDO: Does he have any  
13 knowledge of that?

14 MS. HOGLE: Your Honor --

15 Do you know, Mr. Jones?

16 THE WITNESS: I can -- I can refer the  
17 parties to the integrated resource plan. The  
18 programs -- the DSM programs in place are part of,  
19 you know, acquiring the targets established in the  
20 integrated resource plan.

21 Q (BY MR. GINSBERG) What are the deficits in  
22 the integrated resource plan that you're aware of?

23 A I don't have that information in front of  
24 me at this time.

25 MR. GINSBERG: I'd ask that the Commission

1 take notice of the recent integrated resource plan  
2 filing that provides what the deficits are.

3 JUDGE ARREDONDO: Okay. We'll take -- any  
4 objection to taking administrative notice of that?

5 MS. HOGLE: No objection.

6 JUDGE ARREDONDO: Okay.

7 Q (BY MR. GINSBERG) Another difference  
8 between what -- the Division's recommendation and  
9 your proposal is that we're suggesting that the attic  
10 insulation reduction not be as large as you're  
11 proposing; is that correct?

12 A Correct.

13 Q You would agree, though, that the attic  
14 insulation rebate at both 10 cents and 20 cents is  
15 cost effective?

16 A With the new Lawrence Berkeley Lab savings  
17 assessments, yes.

18 Q Okay.

19 A But it's important to note that what the  
20 utility can pay should be balanced against what they  
21 have to pay and that that insulation incentive  
22 operates in conjunction with Questar's incentive and  
23 that the revised amount of Questar at 20 cents and  
24 Rocky Mountain Power at 10 cents, it's a combined  
25 total of 30 cents, and installed costs for attic



1 insulation vary widely and are difficult to estimate  
2 in this market, but range between -- somewhere  
3 between, you know, 35 and 55 cents, so 30 cents still  
4 represents a substantial contribution toward that  
5 project cost.

6 MR. GINSBERG: If I could take just a  
7 moment.

8 JUDGE ARREDONDO: Okay.  
9 (Time lapse.)

10 MR. GINSBERG: I do have a few more  
11 questions.

12 JUDGE ARREDONDO: Go ahead.

13 Q (BY MR. GINSBERG) What's the average --  
14 the average cost of insulation, attic insulation?

15 A The average cost of attic insulation at  
16 this point is a moving target. We saw, in terms of  
17 the installed costs that were reported to us, through  
18 about 14,000 applications, which was submitted in our  
19 filing, was somewhere around 70 cents. It seemed  
20 like that was awful close to the combined incentives.

21 We have contractors telling us that it can  
22 be done between 35 and 55 cents. It depends on the  
23 material, depends on the application. The RS Means  
24 Company, which is third-party data, says somewhere  
25 between 55 and 60 cents for the Salt Lake market.

1           Q     Are you also -- I think it's in your  
2 application -- say in some places it's as high as a  
3 dollar a square foot? It's on Page --

4           A     Some contractors have reported these costs.

5           Q     It's in your application.

6           A     Okay.

7           Q     So at 30 cents would be your proposal share  
8 of the costs that would be covered by both Questar  
9 and you; is that fair?

10          A     For electrically heated homes, most of  
11 those are eligible for the Questar incentive for gas  
12 heat, so that would be 10, plus 20, would be 30, yes.

13          Q     In your tariff, you also state, "Customers  
14 have 90 days after the date of purchase to submit a  
15 complete post-purchase application and request an  
16 incentive." That's in your current tariff for these  
17 programs?

18          A     Yes.

19          Q     And you're actually proposing here to drop  
20 that to 15 days?

21          A     We're proposing to drop it to 15 days for  
22 the insulation incentives at the prior levels.

23          Q     So for some things, customers will continue  
24 to have 90 days, while others they won't?

25          A     This applies to insulation incentives.

1           Q     And why are you proposing to change the  
2 amount of time that you felt was reasonable when you  
3 filed your tariff to 15 days?

4           A     We think it's important to reset the  
5 program to move it away from direct install. We  
6 think we should do that quickly and, as much as  
7 possible, coincident with Questar.

8           Q     But you must have considered that it took  
9 some period of time after a customer has insulation  
10 installed for him to get the necessary billings and  
11 information needed in order to apply for the  
12 incentive; is that right?

13          A     We do.

14          Q     And isn't that an important consideration  
15 that should still be taken into account, that --

16          A     It is an important consideration that  
17 should still be taken into account. Market  
18 intelligence indicates that customers are receiving  
19 information they need to process these applications  
20 quickly. The market has, we believe, anticipated  
21 these changes. We have seen evidence that  
22 contractors are advertising both incentives change on  
23 May 2nd, so we believe the market is moving quickly  
24 and efficiently to process incentive applications at  
25 the old rate.

1                   MR. GINSBERG: I think that's all I have  
2 right now.

3                   JUDGE ARREDONDO: Okay. Thank you,  
4 Mr. Ginsberg. Mr. Proctor?

5                   MR. PROCTOR: No questions.

6                   JUDGE ARREDONDO: Okay. Any redirect?

7                   MS. HOGLE: Yes, your Honor. Thank you.

8                                   REDIRECT EXAMINATION

9 BY MS. HOGLE:

10            Q     Mr. Jones, when did the Company notify the  
11 public in general about the proposed changes?

12            A     The Company's -- the notification started  
13 with media coverage. This was occurring in -- this  
14 was occurring in, you know, early March.

15            Q     So it's been approximately --

16            A     There's been knowledge of changes in  
17 incentives for Rocky Mountain Power, as well as  
18 Questar, for at least a couple of months. It's also  
19 important to note that the contractors -- we had, you  
20 know, several contractors in the meeting. They noted  
21 our proposed changes and presumably went back and  
22 told their customers that incentives were changing.

23            Q     Mr. Ginsberg asked you whether the Company  
24 had included bill inserts in customer invoices  
25 informing them of the proposed changes. Does the

1 Company typically send bill inserts to customers for  
2 changes that have not been approved by the  
3 Commission?

4 A That's a good question. We do not  
5 typically do that.

6 Q Okay. Mr. Jones, if there was a  
7 requirement under Utah law to give a minimum notice  
8 to the public with respect to insulation measure  
9 changes, wouldn't Rocky Mountain Power meet that  
10 requirement?

11 MR. PROCTOR: Objection. It's leading and  
12 it's beyond the scope of the cross.

13 JUDGE ARREDONDO: Sustained.

14 Q (BY MS. HOGLE) To your knowledge,  
15 Mr. Jones, is there a requirement under Utah law to  
16 give a minimum notice to the public with respect to  
17 insulation measure changes?

18 MR. PROCTOR: Objection. It calls for a  
19 legal conclusion. It's beyond the scope of cross.

20 JUDGE ARREDONDO: Sustained.

21 MS. HOGLE: I'll move on.

22 Q Mr. Jones, Mr. Ginsberg asked you whether  
23 20 cents per square foot was also a cost effective  
24 measure. Isn't it true that 10 cents per square foot  
25 is more cost effective?

1 MR. GINSBERG: It's leading.

2 JUDGE ARREDONDO: I'm going to overrule it.

3 THE WITNESS: Ten cents per square foot  
4 optimizes utility expenditures available in this  
5 program and elsewhere to acquire demand side  
6 resources. It's important to note that setting  
7 incentives is a process that looks at a number of  
8 things, what can the utility afford to pay, what  
9 should be paid to incent participation, so that the  
10 fact that you can pay 20 cents doesn't mean you  
11 necessarily should.

12 It's also very important to note that the  
13 costs of installed insulation in this market are a  
14 moving target.

15 Q (BY MS. HOGLE) You were asked earlier  
16 about possible adjustments, specifically whether the  
17 adjustments had been filed in other states, and you  
18 indicated that they haven't. Isn't it true that in  
19 Idaho there have been some adjustments?

20 A I would like to correct that. When  
21 originally filed in both Washington and Idaho, the  
22 insulation incentive levels have both been adjusted  
23 in both of those states.

24 Q Also, going back to the question on whether  
25 Rocky Mountain Power had included any bill inserts in

1 customer invoices, isn't it true that there are  
2 contractor fliers that are already -- that have  
3 already been disseminated that note the changes?

4 MR. PROCTOR: Objection. It's asked and  
5 answered.

6 JUDGE ARREDONDO: Overruled.

7 THE WITNESS: Yes. We have seen fliers  
8 that indicate both incentive levels were changing May  
9 2nd.

10 Q (BY MS. HOGLE) Mr. Ginsberg also asked you  
11 generally whether timing wasn't an important  
12 consideration for the Company to factor into when  
13 proposing changes. Isn't it also important to  
14 consider the costs that will be incurred by the  
15 Company, but ultimately the ratepayers, if the  
16 changes are not implemented?

17 A Overall costs of the program, including the  
18 costs of additional, you know, quality assurance and  
19 inspection, costs of, you know, answering a lot of  
20 calls about, you know, "Is it free?" "What does this  
21 mean?" "Is this a real offer?" Those are all costs  
22 that we hope to, you know, minimize by resetting the  
23 program to its original design.

24 Markets -- markets change and programs  
25 respond and interact with markets, so, as markets

1 change, one would expect programs to change, and this  
2 is part of program changes necessary to react to  
3 changing markets.

4 MS. HOGLE: That's all I have, your Honor.

5 JUDGE ARREDONDO: All right. Thank you.  
6 Then let's go ahead to the Division, please.

7 MR. GINSBERG: We have copies of our  
8 memorandum which was filed with the Commission on  
9 April 15th. Do you have that or --

10 JUDGE ARREDONDO: I do have it.

11 MR. GINSBERG: And if anyone in the  
12 audience wishes to have one, we have extra copies. I  
13 don't know if anyone wants it or not, but...

14 And the Division witness will be  
15 Dr. Abdulle Abdinasir.

16 JUDGE ARREDONDO: Okay. Mr. -- Dr.  
17 Abdulle, would you please raise your right hand for  
18 me?

19 ABDINASIR ABDULLE  
20 called as a witness and sworn, was examined and  
21 testified as follows:

22 JUDGE ARREDONDO: Thank you.

23 MR. GINSBERG: And could we go ahead and  
24 get the Division's memorandum marked as an exhibit?  
25 Maybe DPU 1?



1 JUDGE ARREDONDO: Okay. We'll mark it DPU

2 1. No objections, then? We'll admit it, DPU 1.

3 DIRECT EXAMINATION

4 BY MR. GINSBERG:

5 Q Can you state your name for the record?

6 A My name is Abdinasir Abdulle.

7 Q And can you provide us your role in  
8 preparing what's been marked as DPU Exhibit 1 and

9 your role generally in DSM?

10 A I am the lead in the DSM programs  
11 investigation for the Division, and I was heavily  
12 involved in putting together the memorandum that is  
13 in front of us today.

14 Q You participate in the DSM advisory group  
15 for the Division?

16 A Yes, I do.

17 Q And you participate in the development of  
18 the DSM programs generally for Rocky Mountain Power?

19 A Yes, I do.

20 Q You prepared what's been marked as DPU  
21 Exhibit 1?

22 A Yes.

23 Q Can you outline first what, specifically,  
24 the Division's recommendations are with respect to  
25 the proposed changes that Rocky Mountain Power is

1 making?

2 A Yes. The Division, after it has  
3 investigated the filing and the proposed changes of  
4 the Company, the following: The program's effective  
5 date should be moved from June -- to June 1st, 2009.  
6 The attic ceiling insulation incentive for residences  
7 with electrical cooling but without electric heat  
8 should be increased from 10 cents per square foot to  
9 20 cents per square foot.

10 The wall insulation incentive measure for  
11 residences with electric cooling but not -- but  
12 without electric heat should be increased from 15  
13 cents per square foot to 30 cents per square foot.  
14 The customer application deadline for customers that  
15 complete their installation before the Division  
16 proposed to be June 1st, 2009, effective date, should  
17 be moved from May 15, 2009 to August 1st, 2009.

18 Q The basis for those recommendations,  
19 justification for the proposed changes and your  
20 analysis of the general changes the Company is  
21 proposing is contained in DPU 1 exhibit; is that  
22 correct?

23 A Yes.

24 Q The Company indicated that they recently,  
25 as of apparently late yesterday and this morning,

1 filed some data request responses. Did you hear  
2 that?

3 A Yes, I do.

4 Q Have you had an opportunity to review  
5 those?

6 A I have skimmed through it, but I did not  
7 get enough time to analyze it and think about it  
8 deeply.

9 Q Can you go ahead and provide a general  
10 summary of the reasons that you're proposing each  
11 change recommendation that the Company is proposing?

12 A Yes, but before I do, let me give a little  
13 background as to what triggered this change from the  
14 Company point of view.

15 The program was introduced in Utah to  
16 encourage home energy savings by providing incentives  
17 large enough to cover the majority of the customer  
18 costs; however, when the Questar therm wise program  
19 was introduced, the home energy program incentives  
20 had to be adjusted to make it consistent with that of  
21 Questar. This way the customer would have to pay  
22 some of the costs while the incentive is covering the  
23 majority of the costs; however, the cost of  
24 installing attic insulation dropped to a level lower  
25 than, if not the same as, some of the two incentives

1 from the two companies.

2 This resulted in some contractors marketing  
3 attic insulation without associating utility  
4 incentives, and we have an attachment that shows that  
5 as an example. As of (unintelligible), the customer  
6 participation significantly increased. If this  
7 participation continues, the target for the 2009 will  
8 be (unintelligible) by the end of April. The Company  
9 claims that this may negatively impact the overall  
10 cost effectiveness of the program for which we do not  
11 have any evidence, but we asked in a data request,  
12 and the response we just got, we did not get enough  
13 time to look at.

14 As a result, the Company proposed the  
15 changes that were outlined by Mr. Jones.

16 The Division have concern about one of  
17 the -- some of the proposed changes by the Company.  
18 In particular, we are concerned about this one, the  
19 one that drops the ceiling incentive to 10 cents.  
20 We're concerned about reducing the wall insulator  
21 incentives down to 15 cents, and for the attic  
22 insulation incentives, our concern is that it  
23 (unintelligible) the intent of the program now that  
24 it's going to 10 cents, plus the Questar 20 cents.  
25 That's going to be about 30 cents.

1                   Looking at the range that the Company  
2 showed in their filing, which is from 35 cents to one  
3 dollar, approximately maybe 65, something like that,  
4 and looking at what we have as an attachment here  
5 from Sunroc, which shows that per-unit costs,  
6 per-square-foot cost would be about 55 cents. We  
7 think that is not going to cover the majority of the  
8 costs as was the intention of the program on the  
9 incentive level setting the incentives; however, we  
10 agree that it will put some costs on the customer.  
11 The customer would have to come up with something,  
12 but it will not be the minority -- I mean, a small  
13 amount.

14                   We think that dropping it to 10 cents will  
15 somehow cause a drop -- a big drop in participation  
16 rate, and along with that, savings will be going  
17 away, and the intention of the whole DSM program was  
18 to save energy, so participation will be negatively  
19 affected severely.

20                   However, in the Company filings, it shows  
21 that the -- when they drop the incentive level to 10  
22 cents, it's still the participation great level that  
23 they are forecasting is much higher than what it was  
24 before the changes happened or before -- what they  
25 were planning. So we have concerns, big concerns

1 about how they arrived in that forecast, because it  
2 doesn't make sense to us, defies economic theory.

3 Another concern we have is that back in  
4 '07, this program has been changed when the Questar  
5 program came into place, and the change was so that  
6 the two programs could be consistent with each other,  
7 so the incentive level for the attic was dropped down  
8 to 35 cents. That's how it came there to make it the  
9 same so that it's still the combination of the two  
10 programs will pay the majority, but not all the cost.

11 We would assume that now that they are  
12 again dropping down to -- because of the problems  
13 we -- I and Mr. Jones -- outlined, if we're going to  
14 come down, we would assume that the consistency  
15 between the two programs be kept in place, such that  
16 the drop should not go all the way to half of what  
17 Questar is paying, and for those reasons, we think  
18 that dropping it down to 20 cents would be more  
19 reasonable and would mitigate the problem of chasing  
20 customers away or dropping the participation rate  
21 further, and it will be consistent between the two  
22 programs.

23 According to the data response the Company  
24 gave to the Committee of Consumer Services, this  
25 level, the level of incentive we are proposing, is

1 also cost effective. Mind you, we're not trying to  
2 maximize cost effectiveness. We're trying to  
3 maximize energy savings, and as long as it's still  
4 cost effective, so we're not comparing with 10 cents.  
5 It's more cost effective than 20 cents or 25 cents.  
6 That's not the intention we had, and I think that  
7 should not be the intention at all.

8           We also have concerns about the reduction  
9 in the wall insulation incentives from -- down to 15  
10 cents for the same reasons that I outlined for the  
11 attic insulation, and we're proposing that it should  
12 be taken down to 30 cents, rather than 15 cents that  
13 the Company is proposing, and I would like to know  
14 that the influx of customers into the program and not  
15 -- it's not due to the wall insulation. It's due to  
16 the ceiling insulation, so we don't see a good reason  
17 to drop it that far, given that it's not the cost of  
18 the participation problem we are having now.

19           Another concern we had with this and how we  
20 arrived at our conclusion is the effective date for  
21 the program. The Division is not satisfied that the  
22 Company has provided adequate notification to the  
23 customers and to contractors, and because of that, we  
24 feel like -- and because we want to keep the  
25 consistency between the two programs, the Questar one

1 and this one, we would change the effective date of  
2 the program to June 1st, as I have mentioned earlier.

3 The application deadline, the reason we  
4 chose August 1st instead of May 15 is also a  
5 notification problem. Out of the customers  
6 (unintelligible) and we'll also like to keep the  
7 consistency between the two programs, where the other  
8 program was given 60 days for that kind of -- for the  
9 application to be turned in.

10 However, one has to know that the  
11 complexities in the application itself is different  
12 between the two programs. In the Rocky Mountain  
13 Power case, the customer has to fill his portion of  
14 the application, give it to the contractor, the  
15 contractor has to fill their own part, bring it back,  
16 and then they send it from there on. That adds a  
17 level of complexity that Questar's application did  
18 not have, and that seems to me that it will take more  
19 time to process, to turn in an application for  
20 Questar than it would -- for Rocky Mountain Power  
21 than it would for Questar, and for that reason, we  
22 think like that August 1st instead of May 15 would be  
23 an appropriate time to -- for the customers to turn  
24 in their application. That is our recommendations  
25 and that's how we get to that -- those conclusions.



1           Q     Do you have any final comments you wish to  
2     make, either -- in response to what Rocky Mountain  
3     Power has said this morning?

4           A     The only additional thing I would make is  
5     that we need to be very clear about the intentions of  
6     the DSM programs in general.  DSM programs need to be  
7     cost effective, but cost effectiveness is not the  
8     only reason we would keep it or let it go or modify  
9     or things like -- there are other objectives that we  
10    are weighing in other than the cost effectiveness.

11           And for that conclusion, I think we should not be --  
12    we should not try to maximize cost effectiveness.  
13    That's all I have to say.

14                   MR. GINSBERG:  Thank you.  That's all that  
15    the Division has to present.

16                   JUDGE ARREDONDO:  Thank you, Dr. Abdulle.  
17    Mr. Proctor, any questions?

18                   MR. PROCTOR:  None.

19                   JUDGE ARREDONDO:  Ms. Hogle?

20                   MS. HOGLE:  I do have a few, your Honor.

21                                   CROSS EXAMINATION

22           BY MS. HOGLE:

23           Q     Mr. Abdulle, do you know what the  
24    Division's initial recommendation with respect to the  
25    effective date was for the proposed changes in the

1 Questar --

2 UNIDENTIFIED SPEAKER: I don't think your  
3 microphone is on.

4 MS. HOGLE: I'll ask again.

5 Q Mr. Abdulle, do you know what the  
6 Division's initial recommendation was with respect to  
7 the effective date for the proposed changes offered  
8 by the Questar Gas program?

9 A Original, I don't understand it. This is  
10 the only (unintelligible) we put, other than the one  
11 we were responding to the request for an expedited  
12 treatment.

13 Q Would it surprise you that it was April 1,  
14 2009?

15 MR. GINSBERG: I guess he said he didn't  
16 know, and I guess the record speaks for itself. I  
17 mean, the record is whatever it is.

18 JUDGE ARREDONDO: Yeah. We can take  
19 administrative notice of that.

20 MS. HOGLE: I would like the Commission to  
21 take administrative notice of that, your Honor.

22 Q In your testimony, Mr. Abdulle, you  
23 indicate that changing the incentive from your  
24 proposed 20-cent level to our proposed 10-cent level  
25 would drop participation in the program

1 significantly. Can you -- do you have any basis for  
2 saying that, other than your opinion? I mean, what  
3 basis do you have for making that recommendation?

4 A I don't have any miracle basis where we  
5 have tested it, crunched the data and said this is  
6 the level, how much it will get. But it is economic  
7 principle that says when the price goes up, quantity  
8 demanded goes down, in such a way that, by reducing  
9 the incentive level that much, the out-of-pocket  
10 costs of the customer is increasing, which will  
11 result of the demand for the program will go down, so  
12 that is the basic economic principle that we're  
13 basing the idea on, not a numerical fact that we had  
14 crunched in.

15 Q It sounds to me like that is your primary  
16 factor, even though you've just also stated that it  
17 shouldn't be -- that cost effectiveness should not  
18 be -- or is not the only factor.

19 MR. GINSBERG: Do you understand the  
20 question?

21 I don't think that was his testimony. I  
22 think he gave a number of factors of why it should be  
23 20 cents rather than 10 cents.

24 MR. PROCTOR: And, your Honor, if I might,  
25 it's argumentative. It's testing the counsel's view

1 of something with what she perceives the witness's to  
2 be.

3 JUDGE ARREDONDO: You can say, "Yes," or,  
4 "No, it wasn't my testimony," and leave it at that,  
5 if she's misrepresenting your testimony.

6 THE WITNESS: Could you repeat the  
7 question?

8 Q (BY MS. HOGLE) I'll move on.

9 I believe you also said that -- or the  
10 Division, at least, in its recommendation to the  
11 Commission points out that customers would be paying  
12 a bigger share by Rocky Mountain Power's proposed  
13 changes from 20 cents -- or from 35 cents to 10 cents  
14 a square foot. Who is getting the most benefit out  
15 of that program, Mr. Abdulle? Do you know?

16 A The program, if cost effective, the  
17 benefits will be getting to everybody. All  
18 customers, the utility, everybody will be benefiting.  
19 The whole system will be benefiting from the program.

20 Q Isn't it true that the customer who is  
21 participating in the program is getting the most  
22 benefit and, therefore, isn't it reasonable to assume  
23 that that customer should pay a bigger share?

24 MR. GINSBERG: I think he just answered  
25 that question.

1 JUDGE ARREDONDO: Objection sustained.

2 Q (BY MS. HOGLE) Are you familiar with the  
3 1992 -- the Commission's 1992 report and order on  
4 standards and guidelines for integrated resource  
5 planning for PacifiCorp, Mr. Abdulle? The  
6 guidelines, the IRP guidelines, what we generally  
7 know as the IRP guidelines?

8 A I know they existed, but I don't much  
9 remember all the details of it.

10 MS. HOGLE: Okay. At this time I'd like  
11 the Commission to take administrative notice of that,  
12 your Honor.

13 JUDGE ARREDONDO: Now, there was a  
14 previous -- we took administrative notice of the --  
15 was it the IRP previously? Another one?

16 MS. HOGLE: These are the guidelines. The  
17 guidelines.

18 JUDGE ARREDONDO: Okay. We'll take  
19 administrative notice of that.

20 MR. GINSBERG: What's the relevance?

21 MS. HOGLE: I'm getting there.

22 JUDGE ARREDONDO: Do you want to wait for a  
23 question, and then make your objection?

24 Q (BY MS. HOGLE) Would it surprise you to  
25 know that in it the Commission states that the

1 integrated resource planning process must evaluate  
2 all loan resource on a consistent and comparable  
3 basis in order to meet current and future customer  
4 services and that they would have to be at the lowest  
5 total cost to the utility and its customers?

6 A It wouldn't surprise me.

7 Q Okay. And isn't it true, then, that the  
8 lowest reasonable cost is met more with the Company's  
9 proposed programs at 10 cents a square foot rather  
10 than 20 cents a square foot?

11 A Did you ask whether it would surprise me  
12 that it would cost more if it were 10 cents -- 20  
13 cents than it would if it's 10 cents? Did I  
14 understand the question properly?

15 Q Yes.

16 A I cannot answer that question, because with  
17 the increased costs resulting from the increased  
18 incentives, there would be an associated savings that  
19 will be coming and will be benefit. So in terms of  
20 balancing the benefits and the costs, I don't have an  
21 answer for that, but there will be a balance there.

22 Q I suppose the ultimate question is, why  
23 would we, as the Company, and the ratepayers and all  
24 the interested parties, why would we acquire DSM  
25 resources for less, or why would we spend more money

1 to acquire DSM resources when we can spend less  
2 money? Doesn't that make sense? Why should we spend  
3 more than we need to?

4 A We're not asking that the Company pay more  
5 than we need to, and the Company is just part of the  
6 system, so we're not asking the system to invest  
7 unnecessary larger amount of money into DSM, but what  
8 we're saying is that we're balancing here the  
9 incentive level. The incentive was -- the purpose of  
10 the incentive is to bring about participation,  
11 bringing customers, so we're looking at the level we  
12 think would entice reasonable participation so we can  
13 finally end up with a reasonable savings, but we're  
14 not saying the Company has to pay large amount of  
15 money. That's not cost effective or that's not  
16 reasonable.

17 Q And isn't it true that ultimately it's not  
18 the Company who is paying for it, because the Company  
19 will get reimbursed? It's actually the ratepayers?

20 MR. GINSBERG: Can we go off the record for  
21 a second?

22 (Discussion off the record.)

23 JUDGE ARREDONDO: Let's go back on the  
24 record.

25 Can you ask your question again, Ms. Hogle?

1 I'm sorry.

2 MS. HOGLE: I was just attempting to get  
3 him to acknowledge that it really isn't the Company  
4 who is paying for these resources. Ultimately, it's  
5 everybody. It's the ratepayers who pay for this  
6 resource and, therefore, why should ratepayers pay  
7 more than is necessary to acquire these demand side  
8 management resources.

9 THE WITNESS: And that's exactly what I was  
10 saying. By increasing the incentive level from 10  
11 cents to 20 cents does not necessarily mean  
12 ratepayers are paying unnecessarily large amount.  
13 What we are after is savings, and by increasing the  
14 incentive level, we are trying to increase the  
15 participation level to a reasonable level where there  
16 is a reasonable comparable savings (unintelligible).  
17 We're looking at those benefits from savings, not  
18 only the costs. So using it to assess the level  
19 where the participation would not be there is not the  
20 intent of the incent.

21 MS. HOGLE: I have no other questions, your  
22 Honor.

23 JUDGE ARREDONDO: All right. Thank you.  
24 Any redirect, Mr. Ginsberg?

25 MR. GINSBERG: Just a couple questions.



1 JUDGE ARREDONDO: Go ahead.

2 REDIRECT EXAMINATION

3 BY MR. GINSBERG:

4 Q You were asked about the IRP guidelines.  
5 Do you recall that?

6 A Yes, I do.

7 Q And she gave you a little definition of IRP  
8 guideline and you said you weren't surprised about  
9 what that guideline says. Do you recall that?

10 A Yes, I do.

11 Q And I think the guideline used the term  
12 "total cost," and can you define -- sort of provide a  
13 response of how you see that guideline and the  
14 definitions in it, consistent or inconsistent with  
15 what you're recommending here today?

16 A The consistency in terms of total cost  
17 rather than individual or unit cost.

18 Q Can you be a little more explicit what you  
19 mean by total cost versus unit cost?

20 A When we look at the program, for example,  
21 the DSM program -- and this is my recollection, which  
22 is not perfect. When we're looking at the DSM  
23 program, we're looking at the non-DSM, the supply  
24 side. We're looking at the (unintelligible) how much  
25 it will cost us to provide this much energy or power

1 to the system, if we provide it from here or here in  
2 terms of total cost, not the unit level, so that  
3 total cost is what we're looking at, so if we can  
4 displace at the cost certain amount of supply side  
5 with the demand side, that's how -- the data we are  
6 taking and comparing the two.

7 Q One final question. When you talked about  
8 program participation, you gave a little economic  
9 theory definition. Do you recall that?

10 A Yes, I do.

11 Q You have a PhD in economics, do you not?

12 A Yes, I do.

13 MR. GINSBERG: That's all the questions I  
14 have.

15 JUDGE ARREDONDO: All right. Thank you,  
16 Mr. Ginsberg.

17 Before we go to the Committee, can we take  
18 a -- let's take a five-minute break.

19 (Recess, 10:45 a.m.)

20 (Reconvened, 10:52 a.m.)

21 JUDGE ARREDONDO: Let's go back on the  
22 record. Do you want to wait till Mr. Jones gets  
23 back?

24 MS. HOGLE: I would like to wait, your  
25 Honor.

1 JUDGE ARREDONDO: Okay. That's fine.  
2 We'll wait.

3 (Time lapse.)

4 JUDGE ARREDONDO: All right, then. We'll  
5 proceed with the Committee, then.

6 MS. HOGLE: Your Honor, before we proceed  
7 with the Committee, the Company became aware that it  
8 misrepresented something on the record.

9 JUDGE ARREDONDO: Okay.

10 MS. HOGLE: And this was in answer -- in  
11 response to a question asked by Mr. Ginsberg.

12 JUDGE ARREDONDO: Okay. Then if -- you  
13 want to follow up with that question, just have your  
14 witness clarify that?

15 MS. HOGLE: Yes.

16 REDIRECT EXAMINATION (Continued)

17 BY MS. HOGLE:

18 Q Mr. Jones, when asked by Mr. Ginsberg  
19 regarding the customer application date deadline of  
20 May 15th that was originally indicated in the  
21 Company's filing on March 23rd, 2009, whether, in our  
22 April 6th, 2009 updated letter, it was an oversight  
23 that that date was not changed, can you speak to  
24 that? Can you correct the record on that?

25 A I can. I initially indicated that --

1 JUDGE ARREDONDO: Can you make sure your  
2 microphone is on?

3 THE WITNESS: I can. I initially indicated  
4 it was not an oversight on the Company's part. It  
5 was, indeed. In our initial filing on the 23rd of  
6 March with an April 1st effective date we provided a  
7 45-day window for customers to turn in applications.  
8 When we filed our concession letter adjusting that  
9 date to May 2nd, we should have also adjusted the  
10 45-day window for turning in applications as well.  
11 It was an oversight.

12 Q (BY MS. HOGLE) And so when would the  
13 deadline be with respect to customer application  
14 deadline filings?

15 A It would be approximately mid June.

16 Q And that would be a 45-day --

17 A Forty-five days.

18 MS. HOGLE: Okay. Thank you, your Honor.

19 JUDGE ARREDONDO: All right. Thank you.

20 The Committee, please.

21 MR. PROCTOR: Can we just have one moment,  
22 quickly?

23 JUDGE ARREDONDO: Sure.

24 (Time lapse.)

25 MR. PROCTOR: Thank you, your Honor.

1 JUDGE ARREDONDO: Sure.

2 MR. PROCTOR: Appreciate that.

3 The Committee's witness in this matter is  
4 Michele Beck. She does need to be sworn.

5 JUDGE ARREDONDO: Ms. Beck, if you would  
6 raise your right hand for me.

7 MICHELE BECK

8 called as a witness and sworn, was examined and  
9 testified as follows: I

10 DIRECT EXAMINATION

11 BY MR. PROCTOR:

12 Q Ms. Beck, if you would describe your  
13 position with the Committee and provide the statement  
14 or the evidence that the Committee wishes to present  
15 today.

16 A Yes, I will.

17 I am the director of the Committee of  
18 Consumer Services. The Committee is the State agency  
19 charged with the responsibility of representing small  
20 commercial and residential consumers in utility  
21 matters in front of the Commission and elsewhere.

22 So our -- the consumers we represent are  
23 the consumers who would participate in the program  
24 that is at issue in front of the Commission today.

25 Just as a little bit of background, I want

1 to go on record to say that the Committee supports  
2 all cost effective conservation. We believe that it  
3 both lowers consumers' bills today, those who  
4 participate in it, as well as helping to provide the  
5 least cost resources for the future, and we all --  
6 it's been noted several times -- we were all here  
7 three weeks ago on a similar Questar issue. In fact,  
8 Rocky Mountain has requested to align their date with  
9 that date of that change.

10           However, we want to note that, in the case  
11 of Rocky Mountain Power, these programs are even more  
12 critical, because Rocky Mountain Power, or the  
13 PacifiCorp system in total, is facing over a  
14 2,000-megawatt deficit in the year 2012. So  
15 resources, least cost resources, any available  
16 resource, are of critical importance when we are  
17 talking about this utility, and so I believe that  
18 that must be kept in the forefront in all discussions  
19 about demand side as well as supply side resources.

20           The Committee has two major policy concerns  
21 with the proposed changes and the manner in which the  
22 changes were proposed. The first one is just the  
23 issue that -- of adequate consumer information and  
24 notice about the programs. We believe that it's  
25 vital to maintain consumer confidence in these

1 programs, which ultimately helps to maintain consumer  
2 participation, to absolutely ensure that good  
3 information is available and in a timely manner.  
4 I'll speak to that more later.

5 The second major concern that we have is  
6 that the focus on program design must be on  
7 maximizing the total overall energy savings. This is  
8 not a regulatory exercise. It is an important tool  
9 to be used in maintaining resource adequacy. So I  
10 will pick up on some of the comments made by the  
11 Division with respect to the difference between  
12 maximizing savings and maximizing a single program's  
13 cost effectiveness.

14 Let me first speak towards the issue of  
15 consumer information. First of all, I'd like to  
16 thank Rocky Mountain Power for its efforts. We  
17 greatly appreciate the fact that they responded to  
18 the concerns we raised in the Questar case. It was  
19 the day after the Questar case that they made changes  
20 to their Web site.

21 We did receive additional information  
22 regarding what information they tried to provide to  
23 consumers in responses to data requests that came in  
24 late on Tuesday. They indicated that they had  
25 changed their scripts with customer service agents;

1     however, their staff person from the Committee called  
2     Rocky Mountain Power's customer service number on  
3     April 7th. The agent was very nice, tried to be very  
4     helpful, and tried to be very diligent, looking up  
5     the information.

6             However, despite a number of different  
7     proddings in terms of, "Well, what if I'm not going  
8     to be able to schedule my insulation to be installed  
9     until May or June or even July?" there was no mention  
10    of potential upcoming changes to the program, and,  
11    further, this customer service agent asked whether or  
12    not the caller was a Questar customer and told them  
13    about Questar's 35 cent rebate that could be combined  
14    with theirs.

15            Now, the agent did, however, direct the  
16    caller to the Web site, and on the Web site there was  
17    that notice, but I think we need to be mindful of the  
18    fact that, while more and more consumers are getting  
19    information from Web sites, it's not everyone, and so  
20    these changes with the customer service agents for  
21    callers need to be made the same time that they're  
22    made on the Web site for those who get their  
23    information from that method.

24            We also are aware of the media coverage and  
25    we're also aware of the contractor brochures. We do



1 not share the Company's view that the media or  
2 contractors are the ones who should be providing  
3 information to consumers. We think it should be the  
4 regulatory system and it should be the utility  
5 itself.

6 I know that in my personal experience I've  
7 seen a lot of media reports that are not 100 percent  
8 accurate, and I found that to be the case on some of  
9 the coverage of the insulation issue. So I'm  
10 somewhat offended that those were offered as customer  
11 communication.

12 But ultimately I want to go back and say  
13 that I am impressed by the Company's attempts to make  
14 that communication, and I think that as we, the  
15 community, put greater emphasis on this  
16 communication, we'll do a better job of it. I'm  
17 certain of that. I just don't think that this  
18 particular program is quite ready to be rolled out  
19 with the changes.

20 The second policy concern that the  
21 Committee has is that there has been an insufficient  
22 focus on maximizing total energy savings. One issue  
23 that the Company raised in its filing and reiterated  
24 numerous times in its responses to the Committee's  
25 DRs is that the intent for this program was never to

1 have a stand-alone insulation program, but, rather,  
2 that it would be in concert with the other home  
3 energy savings programs, and that having these  
4 programs work together would maximize savings, and  
5 the Committee thought that was a valid point to be  
6 raised and, really, rather compelling, although  
7 unsupported.

8 In fact, there are no design changes  
9 whatsoever being proposed to address that issue, a  
10 compelling issue and one that might lead to greater  
11 total energy savings, which should be all of our  
12 goal.

13 The other real fundamental issue goes back  
14 to the Division's concerns about the forecast of the  
15 number of participants. When Mr. Jones from the  
16 Company testified, he referenced optimizing the  
17 program; however, he had earlier testified about six  
18 specific factors used in determining the rebate  
19 levels, and one of those factors was not forecasting  
20 the number of participants.

21 Now, I don't presume that his six factors  
22 constituted the complete set of every analysis that  
23 they do; however, this analysis was not presented to  
24 us. We started to see some of it in the data  
25 responses. In particular, I noticed some information

1 in the responses that went to the Division, which I  
2 received as I was walking out the door last night, so  
3 certainly not enough time to further explore it,  
4 although I think it warrants further exploration.

5 The only way to maximize total savings is  
6 to understand what the costs are, what the rebates  
7 are, and what the participation levels will be at  
8 these various rebate levels. So, again, I made this  
9 point before. The highest cost-benefit test you're  
10 going to get is the lowest rebate cost, so a \$10  
11 rebate, a \$20 rebate, \$30, a hundred dollars, the  
12 higher the rebate, the lower the cost-ben test will  
13 be. That's almost by definition. That's how the  
14 tests are done.

15 But we're not trying to maximize cost-ben  
16 results of the test. We're trying to maximize  
17 savings results of the measures, so it's very much a  
18 price-quantity thing that's going on, and it is  
19 fundamental economics, and with the lack of  
20 additional supporting evidence, that's all we have to  
21 rely on, both as intervenors, as regulators, and as  
22 the administrative law judge in this process.

23 Another just minor note that I'd make is  
24 that this request has been requested to align with  
25 the Questar program; however, I think this would have

1     been relatively easy to do behind the scenes.  
2     Questar hadn't started to mention a change until well  
3     after Rocky Mountain Power had, yet they got their  
4     filing in, and so I think that's a laudable goal.  
5     Here in this jurisdiction where we have a somewhat  
6     unique situation of one regulated electric company,  
7     one regulated gas utility, even though there's not  
8     100 percent overlap, yes, it's a laudable goal to get  
9     these programs aligned, and so why not do it?

10            I think the way to do it is not to come in  
11     asking for expedited treatment. The way to do it is  
12     to coordinate behind the scenes. There's a large  
13     overlap in the DSM advisory group for both utilities,  
14     and I see no reason why we couldn't address that, so  
15     it just seems to me that here we've had a rush to a  
16     change because of this unanticipated change in the  
17     market, and, frankly, a lot of recent attention paid  
18     to it.

19            The change is fine. If we need to change  
20     because of changing market conditions, absolutely.  
21     It just needs to be done in a measured approach.

22            So, to conclude, I just want to end with  
23     what the Committee recommendations are. First of  
24     all, I think that we all share the same goal, and  
25     that is to maximize savings. The Company witness

1 talked about that's the primary -- the primary  
2 purpose of DSM programs. I heard the Division  
3 witness talk about that, and we certainly stress that  
4 strongly. I think we need to work better towards  
5 that goal.

6 I would turn around a question that the  
7 Company has asked earlier and ask, why would the  
8 Company oppose rebate levels that result in a higher  
9 level of total energy savings? I don't understand  
10 that. We're facing enormous deficits in the very  
11 near term.

12 If the answer is that it doesn't optimize  
13 or it isn't cost effective or it isn't the most cost  
14 effective, then my second question would be, where's  
15 the evidence? I think this is the kind of  
16 information analysis that needs to be brought in  
17 supporting applications like the one before you  
18 today, or even, preferably, to the DSM advisory  
19 group, which I understand is hard to schedule. All  
20 of us have difficult schedules, but I think all of us  
21 share priorities in terms of resource adequacy and  
22 cost effectiveness and will do our best to  
23 accommodate those schedules. More frequent meetings  
24 so that we can address these.

25 And I want to stress that, as the consumer

1 advocates, we do not want to overpay for resources,  
2 and that is not what this testimony is about. We  
3 want to maximize savings. So if we can get the same  
4 number of resources for a lower cost, that's fine,  
5 but if we lower the cost and the total amount of  
6 resources associated with it drops precipitously,  
7 that is absolutely not okay in this environment.

8           So, for all of these reasons, given that  
9 the evidence is not there to support the Company's  
10 changes, we will support the DPU's recommendations.  
11 We think that the level of rebate changes that  
12 they're proposing is much more reasonable, given the  
13 level of evidence that is out there.

14           And further changes could be made down the  
15 road after additional discussion, additional  
16 evaluation, additional analysis. Nothing ever  
17 precludes that.

18           Furthermore, given the inconsistency of the  
19 nature of information that went to consumers, we do  
20 think that additional time should be out there for  
21 that, so we support the June 1 date as well, and we  
22 believe the 60 days for completing the applications  
23 is also fair.

24           Thank you.

25           JUDGE ARREDONDO: Okay. Thank you, Ms.

1 Beck.

2 Mr. Ginsberg, any questions?

3 MR. GINSBERG: No, sir. No questions.

4 JUDGE ARREDONDO: Ms. Hogle?

5 MS. HOGLE: I have none.

6 JUDGE ARREDONDO: Okay. All right, then.

7 If that's it, let's have our first public witness.

8 Mr. Kevin Emerson. Mr. Emerson, let me  
9 just explain to you, you can testify under oath or --  
10 if you testify under oath, you can be cross examined,  
11 but it can also be considered by the Commission in  
12 reaching their decision.

13 If you'd just like to make general comments  
14 not under oath, you can be cross examined, but at the  
15 same time the Commission can't consider those in  
16 making its decision. Which do you prefer?

17 THE WITNESS: Okay. I'll just go without.

18 JUDGE ARREDONDO: Without. Okay. Go  
19 ahead. If you could just state for the record your  
20 name and address -- business address is okay -- and  
21 who you're with.

22 MR. EMERSON: Okay. My name is Kevin  
23 Emerson, and I'm the energy efficiency program  
24 associate with Utah Clean Energy. My business  
25 address is 1014 Second Avenue, Salt Lake City, Utah

1 841111.

2 And Utah Clean Energy, we're a nonprofit  
3 public interest organization. We work with Diverse  
4 Partners to advance energy efficiency and renewable  
5 energy and build a new clean energy economy.

6 And first I'd like to recognize Rocky  
7 Mountain Power and PacifiCorp and all their work  
8 they're doing to, you know, meet our growing energy  
9 demands and as well as their recent award as a 2009  
10 Energy Star partner from the EPA.

11 Regarding the attic, floor, and wall  
12 insulation participation that was submitted on March  
13 23rd by the Company, these are the kinds of energy  
14 savings or participation numbers that we would hope  
15 to see in the state to reach Utah's energy efficiency  
16 goals and to help save consumers energy and money in  
17 these down financial times, and we understand that  
18 there are indications in the market that it's begun  
19 to shift, that there are problems with insulation  
20 elements of Rocky Mountain Power's Home Energy  
21 Savings Program with respect to recent marketing by  
22 contractors, coordination between Rocky Mountain  
23 Power's and Questar's rebates, changes in customer  
24 costs, and the incentive becoming a direct install,  
25 which it wasn't intended to originally.



1                   We're supportive, in general, of the  
2                   concept to realign the incentive with current market  
3                   conditions and to improve oversight, quality control,  
4                   and coordination of the Company's rebate with other  
5                   incentives available.

6                   We do have some concern that the changes  
7                   are being proposed too quickly without adequate time  
8                   for full enough stakeholder input. And, in addition,  
9                   we're concerned that reduction to the wall  
10                  insulation, in particular, the incentive for wall  
11                  insulation, is too severe. The fact that insulating  
12                  walls is more costly and more difficult in  
13                  undertaking than other parts of a residence, we would  
14                  hope that the wall insulation would remain as high as  
15                  is cost effective, and it appears as though the cost  
16                  effectiveness table that was submitted with Rocky  
17                  Mountain Power's original filing on March 23rd  
18                  demonstrates that there might be room for a higher  
19                  wall insulation incentive based on the utility cost  
20                  test and the total resource cost test.

21                  We would support these changes with a  
22                  higher rebate for wall insulation if it is determined  
23                  to be cost effective. And, in addition, we would  
24                  support the changes if the Company is directed to  
25                  study, in the future, some kind of tiered incentive

1 to provide an option for insulation installations  
2 that exceed code, perhaps, whereas now the -- if I  
3 understand it correctly, the insulation needs to be a  
4 minimum of R19. If the insulation, you know, were to  
5 be a minimum of -- you know, the code in the future  
6 will be R49. That's something that we would like to  
7 see considered.

8 And with that, that concludes my remarks.

9 JUDGE ARREDONDO: All right. Thank you,  
10 Mr. Emerson.

11 Any other witnesses? No? We're scheduled  
12 to go till 12:30 for public witness. What we'll do  
13 is we'll recess until 12:30, and then at 12:30 we'll  
14 come back on, and if no additional witnesses have  
15 shown, then we'll adjourn and we'll submit it to the  
16 Commission for a decision. So let's go into recess.

17 (Recess, 11:15 a.m.)

18 (Reconvene, 12:27 p.m.)

19 JUDGE ARREDONDO: No more public witnesses?  
20 So if there's nothing else, we're going to recess --  
21 I mean, we'll adjourn this hearing and we'll submit a  
22 recommendation to the Commission.

23 Thank you.

24 (Whereupon the taking of the hearing was  
25 concluded at 12:28 p.m.)

STATE OF UTAH                    )  
  )  
COUNTY OF SALT LAKE        )     ss.

I, RENEE L. STACY, Certified Shorthand Reporter, Registered Professional Reporter and Notary Public for the State of Utah, certify:

That the foregoing transcript, consisting of Pages 1 to 75, was stenographically reported by me at the time and place hereinbefore set forth; that the same was thereafter reduced to typewritten form, and that the foregoing is a true and correct transcript of those proceedings.

I further certify that I am neither counsel for nor related to any party to said action nor in anyway interested in the outcome thereof.

IN WITNESS WHEREOF, I have subscribed my name and affixed my seal this 17th day of April, 2009.

\_\_\_\_\_  
RENEE L. STACY, CSR, RPR  
Notary Public in and for the  
County of Salt Lake, State of Utah

My Commission Expires:  
November 9, 2011