
Energy Efficiency Program

Low-Income Weatherization Assistance Program

Program Overview

Background

A low-income weatherization program, making available \$250,000 annually to weatherize the residences of low-income Questar Gas customers, was proposed for the first time and approved by the Utah Public Service Commission (Commission) in Docket No. 99-057-20. Customer funding of the program was found to be in the public interest. The approved funds, recovered in general rates, supplement the efforts of the Utah Department of Community and Economic Development (DCED). Supplementing DCED efforts was intended to minimize the administrative burden of the program. The Commission concluded that the funds would reduce the energy burden of participants, promote cost-effective energy conservation, help mitigate health and safety issues related to the participants' natural gas use, and leverage federal funds.

Proposal

In the stipulation in Docket No. 05-057-T01, approved by the Commission on October 5, 2006, the parties agreed to an additional funding of \$250,000 to be utilized by the state's Low Income Weatherization Assistance Program. The stipulation provides, "At least \$250,000, subject to Commission approval, of the amount spent on DSM in the first year of the Pilot Program will be allocated to the Low-Income Weatherization Program that the Company currently funds or other low-income energy-efficiency programs."

The Company proposes to disburse \$125,000 every six months, with the first disbursement of these DSM funds to occur within 30 days following approval of the program. The following table represents the cost-effectiveness of the proposed program based upon 179 furnace replacements and an annual usage savings of 14.2 decatherms per furnace replacement.

Cost-Effectiveness

COST BENEFIT TESTS - LOW INCOME WEATHERIZATION (3 Years)									
	Total Resource Cost		Participant Test		Utility Cost Test		Ratepayer Impact Measure Test		Total Participants
	NPV	B/C ¹	NPV	B/C ¹	NPV	B/C ¹	NPV	B/C ¹	3 Yrs
Low Income Furnace Replacement	\$682,583	N/A	\$742,605	N/A	\$682,583	N/A	\$515,719	4.1	537
Program Costs	-\$702,005	0.0	\$0	0.0	-\$702,005	0.0	-\$702,005	0.0	
Totals	-\$19,421	1.0	\$742,605	N/A	-\$19,421	1.0	-\$186,286	0.8	537

¹ Net Present Value of Benefits divided by the Net Present Value of Costs.