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AZ CORP COMMISSION
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2012 APR 20 PM 3 21

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE – CHAIRMAN
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

Arizona Corporation Commission
DOCKETED

APR 20 2012

DOCKETED BY *MS*

14 IN THE MATTER OF THE APPLICATION OF
15 SOUTHWEST GAS CORPORATION FOR THE
16 ESTABLISHMENT OF JUST AND REASONABLE
17 RATES AND CHARGES DESIGNED TO
18 REALIZE A REASONABLE RATE OF RETURN
19 ON THE FAIR VALUE OF ITS PROPERTIES
20 THROUGHOUT ARIZONA.

Docket No. G-01551A-10-0458

**NOTICE OF FILING COMMENTS
OF JEFF SCHLEGEL ON BEHALF
OF SOUTHWEST ENERGY
EFFICIENCY PROJECT**

21 Southwest Energy Efficiency Project (“SWEEP”), through its undersigned counsel,
22 hereby provides notice that it has this day filed the attached comments of Jeff Schlegel on
23 behalf of SWEEP in connection with the above-captioned matter.
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RESPECTFULLY SUBMITTED this 20th day of April, 2012.

ARIZONA CENTER FOR LAW
IN THE PUBLIC INTEREST

By 

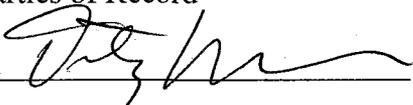
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ORIGINAL and 13 COPIES of the
foregoing filed this 20th day of
April, 2012 with:

Docketing Supervisor
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

COPIES of the foregoing
electronically mailed this
20th day of April, 2012 to:

All Parties of Record

By: 

1
2 **SWEEP Supplemental Comments on the Staff Report and ROO Regarding the**
3 **Modified Energy Efficiency and Renewable Energy Technology Implementation Plan**
4

5 The Southwest Energy Efficiency Project (“SWEEP”) appreciates the opportunity to submit
6 supplemental comments in response to the Report and Recommended Order filed by Staff on
7 September 30, 2011, regarding Southwest Gas Corporation’s (“Southwest” or “Company”)
8 Modified Energy Efficiency and Renewable Energy Resource Technology Portfolio
9 Implementation Plan (“Modified Plan”). *SWEEP’s initial comments on the Plan were filed with*
10 *the Commission on November 1, 2011.*
11

12 **1. SWEEP agrees with the Commission Staff’s report and recommendations, and SWEEP**
13 **supports Commission approval of the Modified Plan.**
14

15 SWEEP supports Commission approval of the Modified Plan, which will provide new energy-
16 savings opportunities for residents and businesses. The new opportunities recommended for
17 Commission approval will save consumers money through lower energy bills, resulting in lower
18 total costs for customers. These opportunities will also help to mitigate fuel price increases,
19 reduce customer vulnerability and exposure to natural gas price volatility, and deliver economic
20 and environmental benefits.
21

22 SWEEP also supports Commission Staff’s recommendation to approve the tankless water heater
23 and attic insulation measures and the recommendation that the Company should work actively to
24 drive down the implementation costs for the program that includes these two measures.
25

26 **2. SWEEP supports the Commission Staff’s recommendation to continue the low-income**
27 **weatherization program.**
28

29 SWEEP also supports the Commission Staff’s recommendation to continue the low-income
30 weatherization program, which helps low-income families save money and energy. SWEEP
31 notes that the approved Settlement Agreement created important opportunities to enhance this
32 program’s delivery and reach. For instance, the Company committed to work with stakeholders
33 to improve consumer education around the program and work on this effort has already
34 commenced. Additionally, the Company pledged to leverage ratepayer dollars by providing
35 shareholder money to better serve customers through the program.
36

37 **3. SWEEP understands from Staff that the full amount of energy savings required by the**
38 **terms of the Settlement Agreement will be achieved. SWEEP also understands that the**
39 **Company is committed to achieving the full amount of the required energy savings.**
40

41 In its November 1, 2011, filing, SWEEP explained that the energy savings from the proposed
42 opportunities under the Modified Plan should be increased by 75,000 therms in order to meet the
43 minimum terms of Section 5.8 of the Settlement Agreement. Indeed, Section 5.8 of the proposed
44 Settlement Agreement requires at least 1,250,000 therms of annual energy savings from energy
45 efficiency (EE) within nine months of Commission approval of the Modified Plan:
46

1 "The modified EE and RET Plan shall result in an incremental improvement of
2 EE that exceeds the current Southwest Gas approved portfolio budget of \$4.4
3 million, and that results in customer annual energy savings of at least
4 1,250,000 therms within nine months of Commission approval of the modified
5 Plan." (Settlement Agreement, Section 5.8).
6

7 According to our November 2011 calculations, in order to meet the minimum terms of the
8 Settlement Agreement, an additional 75,000 therms of annual energy savings from the Energy
9 Efficiency portion of the Modified EE&RET portfolio would be required, as shown in the table
10 below.
11

Energy Efficiency Program	Projected Annual Energy Savings from EE Within Nine Months (Therms)
<i>Smarter, Greener, Better Residential Rebates</i>	261,000
<i>Smarter, Greener, Better Homes</i>	241,000
<i>Smarter, Greener, Better Business Rebates</i>	223,000
<i>Smarter, Greener, Better Custom Business Rebates</i>	54,000
<i>Smarter, Greener, Better Distributed Generation</i>	250,000
<i>Smarter, Greener, Better Low-Income Energy Conservation</i>	21,000
<i>Smarter, Greener, Better Residential Conservation Behavior</i>	125,000
TOTAL	1,175,000
DIFFERENCE BETWEEN TOTAL EE SAVINGS AND EE SAVINGS REQUIRED BY SETTLEMENT AGREEMENT	75,000

12 In SWEEP's November 2011 filing, we recommended increasing the budget of the *Smarter,*
13 *Greener, Better Custom Business Rebates* Program to achieve the additional EE savings required
14 by the Settlement Agreement because this program delivers annual energy savings in a very cost-
15 effective manner and empowers business owners and energy managers to work with the
16 Company to identify and make energy efficiency improvements, thereby reducing their energy
17 costs and increasing their economic competitiveness.
18

19 Based on subsequent conversations with Commission Staff and the Company, SWEEP
20 understands that the full amount of energy savings required by the Settlement Agreement should
21 be achieved. In particular, according to Staff, the per-unit therm savings from the Tankless Water
22 Heater measure are likely to be higher than initially estimated by the Company. Consequently,
23 the therm savings for the EE portion of the EE&RET portfolio should increase to over 1,250,000
24 therms, and the total therm savings for the overall Modified Plan EE&RET portfolio including
25 the solar thermal program should increase to over 1,337,000 therms, thereby alleviating
26 SWEEP's concerns.
27

28
29 SWEEP recommends that the Commission confirm the above understandings with Staff and the
30 Company on the record during the Open Meeting.
31

32 Thank you for the opportunity to submit these supplemental comments.
33