

Universal System

Benefits

Public Service Commission

Department of Revenue

13P-06



Public Purpose Programs

- \$149.6 Million collected between 2007 – 2012
 - \$86.3 Million from regulated utilities
 - \$63.3 Million from rural electric cooperatives



Program Responsibilities

- Public Service Commission
 - Approves/Modifies USB activities
- Department of Revenue
 - Large customer review



Recommendations to PSC

- Recommendation 1 – Some utilities have not established a USB surcharge as required by statute
 - Surcharges are non-bypassable
- Recommendation 2a – Some utility USB expenditures are not in compliance with statutes
 - Components of a utility's USB programs are driven by whether they are electric or natural gas utilities
- Recommendation 2b – PSC needs to better document its USB-related decisions
 - Reasons for PSC decisions are not well documented at times



Recommendations to DOR

- Recommendation 3a – Request large customer reimbursement information from utilities
 - Self-reporting by large customers is inconsistent
- Recommendation 3b – Review information from large customers and utilities to identify non-compliance
 - Failure to report USB expenditures undermines confidence in self-directed activities



Weaknesses in large customer program

- Little oversight of large customer expenditures
- No clearly defined standards
- No utility involvement in process
- DOR limitations

Large Customer Project Cost Effectiveness

Project	Cost	Energy Savings (kWh)	Energy Cost/kWh	Energy Payback (years)
Replace Pumps/Motors	\$ 2,810,000	661,213	\$ 0.0116927	363.45
Recondition Pump	\$ 53,053	156,306	\$ 0.0116927	29.03
Recondition Pump	\$ 82,906	26,233	\$ 0.0116927	270.29
Fluid Additive	\$ 1,119,514	48,500,138	\$ 0.0117084	1.97
Fluid Additive	\$ 1,601,458	54,930,306	\$ 0.0116927	2.49
Prepurchase Parts	\$ 571,000	400,000	\$ 0.0074959	190.44
Component Replace	\$ 191,000	551,880	\$ 0.0052891	105.55
Turn off Lights in day	\$ 3,600			
Replace Air Filters	\$ 79,800	913,000	\$ 0.0065621	15.52
Moury Intake Pipes	\$ 95,018	414,000	\$ 0.0065621	34.98
Install Var. Freq. Drive	\$ 150,000	2,971,000	\$ 0.0065621	7.69
Light Bulb Change	\$ 60,000	3,942	\$ 0.0065172	2,225.47
Redirect Fuel Source	\$ 55,000	27,472,849	\$ 0.0065172	0.31
Install Var. Freq. Drive	\$ 22,000	87,600	\$ 0.0065172	38.54
Boiler Turndown	\$ 25,000	18,100,205	\$ 0.0065172	0.21
Replace Fuel Source	\$ 10,000	267,427,480	\$ 0.0065172	0.01
Replace H2O Treatmnt	\$ 389,060	656,443	\$ 0.0065319	90.74
Light Bulb Change	\$ 14,000	2,321	\$ 0.0067160	898.14
Compressor Upgrade	\$ 1,000,000		\$ 0.0067160	
Replace Wet Gas Comp	\$ 8,700,000	6,120,000	\$ 0.0077560	185.29
Snow Making Equip.	\$ 77,610	151,499	\$ 0.0839780	6.10
Light Bulb Change	\$ 4,500	11,484	\$ 0.0068142	37.71
Repl Instrumnt Dryer	\$ 155,770	1,500	\$ 0.0068142	13,283.05
Install Var. Freq. Drive	\$ 16,231	220,000	\$ 0.0174737	4.22
Compressor Replace	\$ 216,127	405,838	\$ 0.0067200	79.25
Motor Replacement	\$ 8,694	31,473	\$ 0.0902801	3.06
Uninterruptible Power	\$ 34,026	48,333	\$ 0.0006357	1,107.43
Pump Upgrade	\$ 159,868	43,842	\$ 0.0006357	5,736.13
Light Bulb Change	\$ 2,183	41,023	\$ 0.0006357	83.71



Legislative recommendation

- Determine if large customer self-directed USB expenditures are meeting the public purpose benefits of all other USB funded programs

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