

UCONS, L.L.C.
Utility Conservation Services

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November 30, 2012

Eric Russell
Regulatory Analyst
Washington Utilities and Transportation Commission

Subject: RE: Natural Gas Conservation Programs--UG-121207

Dear Mr. Russell,

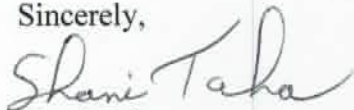
UCONS, LLC was pleased to have attended the November 16th meeting at the WUTC offices to participate in the discussion of cost effectiveness of gas conservation programs. We have extensive experience in providing conservation services to disadvantaged and hard to reach ratepayers living in manufactured homes and in multifamily buildings. Most of the nearly 90,000 manufactured homes (MH) we have supported over the past 12 years are heated by natural gas (in California). Nearly 1100 MH treated for PSE since January 2010, were heated by natural gas.

In achieving our program goals for the utilities we serve, our focus remains in working daily with the end use customer. While mindful of the needs of this customer class, we fully support the TRC cost effectiveness calculations of the utilities. Clearly the substantial reduction in commodity prices of natural gas – requires a new evaluation of cost effectiveness. Further, we do not generally support the cross subsidy of one class of customers – at the expense of another (with the exception of low income).

Because a low fraction of manufactured homes are heated by natural gas in Washington state (and because the RTF does not at this time address energy savings for gas measures), there is a lack of rigorous billing history evaluation (for gas programs and gas measures in Washington state). This is not the case in California (where almost no MH are heated by electricity).

The matter of TRC and cost effectiveness for the California homes we serve has undergone extensive evaluation in recent years. The CPUC recently approved gas MH programs of the California utilities for 2013-2014 with a TRC >1 (using similar gas commodity prices as in the Northwest). It is this experience that prompts a suggestion for consideration. We have been made aware that an evaluation of energy savings (for duct sealing in manufactured homes heated by both electric forced air -- and also by natural gas) should be concluded sometime in the 2nd quarter of 2013. An exemption through June 30, 2013 (for gas heated manufactured homes) would provide time for the Puget Sound study to be concluded and evaluated. If found to be cost effective, an exemption may no longer be required for this measure.

Sincerely,



Shani Taha
Executive Vice President
UCONS, LLC

Cc: Avista
Puget Sound Energy
Tom Eckhart, UCONS