

Nicor Gas

Comments and Questions on Guidehouse and ODC NEI Presentation on May 5, 2020

1. Overall comments:

The **societal** NEI analysis can be simply adapted for gas utilities by applying the EPA COBRA model to emissions from natural gas combustion in end use equipment. Nicor Gas plans to work with Guidehouse and EPA to develop values to use in its EEP filing.

Regarding **utility** and **participant** NEIs, it is unclear how the information presented on 5/5 will lead to results utilities can use in their EEP proposals that will be presented to stakeholders in October. The information presented on 5/5 is a combination of secondary research from other states; preliminary primary research for ComEd, and proposals for additional primary research. The COVID-19 pandemic is already delaying additional primary research, and it seems unlikely that any new research will be available for use during 2020. In addition, since the primary research targets income qualified programs, and since the Public Utilities Act does not require income qualified programs to meet cost-effectiveness thresholds, highly precise Illinois-specific research is not critical. Nicor Gas recommends that utilities and stakeholders work to develop reasonable estimates from the secondary data sources for the October presentations and 2021 filings. The utilities and stakeholders can then decide how much additional evaluation resource should be invested in continued primary research.

2. Specific comments and questions on the presentation:

2a. Utility NEIs (Page 46)

1. We cannot trace most entries in the table to specific values presented in the sources, so it is difficult to determine what the values in the table represent.
2. How are the values in the “Average” column calculated?
3. A cursory review of the source references indicates that the Maryland values seem to represent a range of financial impacts, including arrearages and participation in alternative payment programs. Since you include this value in the “financial and accounting” category, and then add in additional “arrearage” and “alternative payment” values based solely on Massachusetts, it looks like you are double counting.
4. Does Illinois have the type of “alternative payment programs” that occur in other states? Or is this referring to the federal LIHEAP program?
 - a. If there is no analogous IL program, would this value apply in IL?
 - b. And if there is an IL program, but if these programs are already over-subscribed, then would there be any reduction in utility costs if weatherization participants no longer need these services (but others at the back of the line continue to max out payment assistance resources)?
5. Are these one-time (or present value) benefits? Or are they annual benefits that would accrue year after year?
6. How would these values be applied to electric and gas utilities? Which values are additive across utilities? Which values should be allocated between utilities?
7. Is Guidehouse’s proposal that this would apply to only low-income programs? If not, how should they be applied?

2b: Participant NEIs (Page 48)

1. Again, it's difficult to track the values in the table to data presented in the source documents.
2. The Massachusetts source indicates that lower values should be used for multifamily households. Should values in this table only apply to single-family households?
3. Are these one-time (or present value) benefits? Or are they annual benefits that would accrue year after year?
4. How would these values be applied to electric and gas utilities? Which values are additive across utilities? Which values should be allocated between utilities?
5. Is Guidehouse's proposal that this would apply to only low-income programs? If not, how should they be applied?

2c: Cost Effectiveness Impact (Page 50)

1. The Massachusetts source indicates that lower values should be used per multifamily household than per single family household. Is that how Guidehouse applied the values?