

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

---

IN RE:  PEOPLES NATURAL GAS COMPANY, DIVISION OF UTILICORP UNITED INC.	DOCKET NO. TF-99-253 (ECR-93-3) (ECR-96-2)
---	--

---

**ORDER DISMISSING PROCEEDING AND APPROVING RECONCILIATION**

(Issued February 17, 2000)

On August 23, 1999, Peoples Natural Gas Company (Peoples), Division of UtilitiCorp United Inc., filed with the Utilities Board (Board) an annual reconciliation and revised energy efficiency factors pursuant to 199 IAC 35.12. On September 10, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to Peoples' proposed revised energy efficiency factors. On September 22, 1999, the Board docketed the filing, scheduled a prudence review, and set a procedural schedule.

On November 4, 1999, Peoples filed initial testimony, and on November 12, 1999, and December 17, 1999, Peoples filed revised testimony. On December 22, 1999, Consumer Advocate filed direct testimony. In the testimony, Consumer Advocate stated that after reviewing Peoples' filings, conducting discovery, and interviewing witnesses, it has concluded that Peoples' implementation of its energy efficiency plan has been reasonable. On January 20, 2000, the Board issued an order suspending the procedural schedule and directing its staff to meet with

Peoples and Consumer Advocate to discuss accounting procedures and Peoples' energy efficiency programs.

On January 28, 2000, the Board's staff and representatives from Peoples and Consumer Advocate met to discuss Peoples' revisions to its proposed energy cost recovery (ECR) factors. Peoples explained that the change in amounts proposed to be recovered is the result of accounting and timing problems. These problems have caused Peoples to underrecover in the past. The Board finds the proposed ECR factors, as amended by the December 17, 1999, testimony, to be reasonable and will approve them.

In reviewing the prudence of Peoples' implementation of its energy efficiency programs for the years 1996, 1997, and 1998, the Board notes that Peoples' energy efficiency programs were not performing up to projected goals in 1996. However, the testimony shows there has been improvement since 1996. Peoples' testimony indicates energy efficiency programs have been restored to their expected levels of performance, or better. Therefore, the Board does not find any evidence that Peoples is not taking all reasonable actions to cost-effectively implement its approved energy efficiency plan, pursuant to Iowa Code § 476.6(19)"e."

**IT IS THEREFORE ORDERED:**

1. The proceeding to investigate Peoples Natural Gas Company, Division of UtiliCorp United Inc.'s proposed reconciliation of its energy efficiency factors and review of Peoples' implementation of its energy efficiency plan is dismissed.

2. The energy efficiency cost recovery factors, identified as TF-99-253, as revised on December 17, 1999, are approved.

**UTILITIES BOARD**

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary, Deputy

/s/ Diane Munns

Dated at Des Moines, Iowa, this 17<sup>th</sup> day of February, 2000.