

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application for)
Approval of Fourth Year Budget for 2010) DOCKET NO. 09-057-15
Demand-Side Management Programs and)
Market Transformation Initiative) ORDER
)

ISSUED: January 12, 2010

SYNOPSIS

The Commission approves Questar Gas Company's proposed demand-side management and market transformation budget for 2010 with the enhanced reporting requirements requested by the Division of Public Utilities.

By The Commission:

On October 1, 2009, Questar Gas Company ("Questar", "Company") submitted its proposed demand-side management and market transformation 2010 budget for Commission approval. On November 17, 2009, the Utah Division of Public Utilities ("Division") filed a memorandum requesting that the Company update the cost benefit analyses in its filing to reflect current gas price projections. Subsequently, the Company provided the updated analysis to the Division. On December 23, 2009, the Division filed a memorandum, recommending approval of the budget as submitted. No other response to Questar's filing was received. In its recommendation the Division also requested that additional reporting requirements be imposed.

Specifically the Division requested:

In addition to the current requirement that the Company report to the Commission when any program reaches 90% of its budget, if any program reaches fifty percent (50%) of its' [sic] budgeted amount before June 2010 or eighty percent (80%) by August 2010, QGC must notify the Commission of the possibility of exceeding the allowed budget for that program if the present trend continues for the remainder of the year. At such a time, the Division may indicate a desire to receive monthly reports updating the status of those programs.

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The total requested budget for 2010 is \$36.125 million. We note the 2009 budget for Questar's DSM programs was \$17.787 million, but the actual amount spent was \$46.254 million. Due to changes and refinements made to the 2009 programs, Questar expects the level of participation, and the overall costs, to be lower in 2010 than was the case in 2009. The proposed 2010 budget consists of the following programs: ThermWise Appliance Rebates, ThermWise Builder Rebates, ThermWise Business Rebates, ThermWise Weatherization Rebates, ThermWise Home Energy Audit, Low-Income Weatherization Assistance, ThermWise Multifamily Rebates, ThermWise Business Custom Rebates, and Market Transformation programs. The Division reports all of the programs pass (or met) all of the standard cost benefit tests based on deemed savings and current gas price projections with the exceptions of the ThermWise Home Energy Audit, ThermWise Multifamily Rebates, Low Income Weatherization, and Market Transformation efforts. The ThermWise Home Energy Audit fails all of the standard tests except for the Participant Cost Test. The ThermWise Multifamily Rebates fails the Total Resource Cost Test and the Ratepayer Impact Measure Test. The cost tests were not provided separately for the Low-Income Weatherization program or the Market Transformation efforts. These two programs do not have identifiable savings and are therefore not tested in the Company's budget application, and therefore these measures receive a cost benefit ratio of zero. However, when the Low-Income Weatherization and Market Transformation programs' costs are added into the overall 2010 DSM program costs, the overall 2010 DSM program passes each of the cost benefit tests. We anticipate the upcoming formal impact evaluation of the full DSM pilot program, which is due to be completed before June 2010, will not only allow for complete cost benefit modeling to be undertaken in future

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evaluations, but will provide verified savings, or statistically valid Questar customer specific estimates of savings. This will allow the Commission to more accurately evaluate Questar's DSM programs with respect to the long-term public interest.

After review of the proposed budget and the Division's recommendation we find the proposed budget is in the public interest. We also find that the Division's recommended changes to the programs reporting requirements are in the public interest.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. In addition to the current requirement that Questar report to the Commission when any DSM program reaches 90% of its budget, if any DSM program reaches fifty percent (50%) of its budget before June 2010 or eighty percent (80%) by August 2010, Questar must notify the Commission.
2. Questar's proposed demand side management and market transformation 2010 budget, filed on October 1, 2009, is approved.

DATED at Salt Lake City, Utah, this 12th day of January, 2010.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#65010