



GARY HERBERT  
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GREG BELL  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

THAD LEVAR  
*Deputy Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Marlin H. Barrow, Technical Consultant  
Artie Powell, Manager

Date: April 6, 2012

Subject: 4th Quarter of 2011 QGC Energy Efficiency Programs, Docket No. 10-057-15

**ISSUE:**

On January 12, 2011, the Utah Public Service Commission (PSC or Commission) issued an order in Docket No. 10-057-15 authorizing Questar Gas Company (QGC or the Company) to continue to offer to customers in the GS Rate Class, Energy Efficiency Programs (EE) for 2011 with a budget of \$32.228 million.

The purpose of this report is to provide 2011 year end actual results, as they compare to the 2011 EE budget, as approved by the Commission in Docket No. 10-057-15.<sup>1</sup>

**REPORT:**

There are now seven (7) separate ThermWise EE programs designed to help customers improve the efficiency of their natural gas consumption in the 2011 QGC EE budget plan. In the 2011 plan, the ThermWise Multi-Family programs for Appliance, Builder and Weatherization were folded into the existing ThermWise Appliance, Weatherization and Builder Programs. The

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<sup>1</sup> Commission Order, Docket No. 10-057-15, January 12, 2011.

separate prescriptive measures for each Multi-Family program are still tracked separately within each program.

The programs contain multiple prescriptive measures designed to help customers reduce their natural gas consumption. These programs are (1) the **ThermWise Appliance Rebates Program**, (2) the **ThermWise Builder Rebates Program**, (3) the **ThermWise Business Rebates Program**, (4) the **ThermWise Custom Business Rebates Program**, (5) the **ThermWise Home Energy Audit Program**, (6) the **ThermWise Weatherization Program** and (7) **The Low Income Weatherization Assistance Program**. The **Low Income Weatherization Assistance Program** adds an additional annual funding of \$500,000 to the \$250,000 Low Income Weatherization Assistance Program, bringing the total annual amount provided by QGC to \$750,000. The Department of Community and Economic Development administers the funds and provides the expertise to improve energy efficiency for low income residents by using the additional \$500,000 to upgrade customers to high efficiency furnaces. In addition to these seven programs, funds were budgeted for a continuation of the **Market Transformation Initiative**. This Initiative is designed to help educate natural gas customers on the benefits of reducing their consumption of natural gas on an ongoing basis.

### **2011 ThermWise EE PROGRAM SUMMARY**

Table 1 on the following page compares the 2011 actual rebate expenditures with the 2011 annual budget. Table 1 shows that a total of \$22.3 million (col. E ln. 13), or 69.1% of the \$32.2 million total annual budget was spent. The table also shows that the expenditures resulted in 459,700 Dth of deemed savings during the year compared to an estimated budgeted deemed savings of 637,199 Dth. There were 83,283 participants during the year compared to an estimated 118,760 participants. The Total Resource Cost (TRC) ratio for all of the programs was 1.1. Col E, line 18 shows a net reduction of \$15.5 million in the FERC Account 184200 for the year resulting in a December 2011 ending balance of \$23.9 million.

| Table 1  |                |               |                    |                    |              |                |                |            |
|--|----------------|---------------|--------------------|--------------------|--------------|----------------|----------------|------------|
| QUESTAR GAS COMPANY  |                |               |                    |                    |              |                |                |            |
| ENERGY EFFICIENCY SUMMARY REPORT   |                |               |                    |                    |              |                |                |            |
| 31-Dec-11  |                |               |                    |                    |              |                |                |            |
| DOCKET NO. 10-057-15   |                |               |                    |                    |              |                |                |            |
| A  | B              | C             | D                  | E                  | F            | G              | H              | I          |
|  | 2011           | YTD           | 2011               | YTD                | YTD \$       | YTD            | 2011           | TRC        |
|  | Estimated      | Actual        | Budget             | Actual Costs       | % of         | Dth            | Dth            | B/C        |
|  | Participants   | Participants  | (000)              | (000)              | Budget       | Savings*       | Savings*       | Ratio      |
| ThermWise Appliance  | 31,445         | 22,522        | \$ 7,533.8         | \$ 5,862.4         | 77.8%        | 149,790        | 230,145        | 1.4        |
| ThermWise Builder  | 3,657          | 7,077         | \$ 2,639.7         | \$ 3,441.6         | 130.4%       | 44,574         | 31,006         | 0.6        |
| ThermWise Business   | 1,039          | 881           | \$ 1,299.2         | \$ 1,296.5         | 99.8%        | 64,997         | 48,534         | 2.3        |
| ThermWise Custom Business  | 20             | 17            | \$ 452.6           | \$ 416.4           | 92.0%        | 16,211         | 10,018         | 2.1        |
| ThermWise Audit  | 3,773          | 1,581         | \$ 760.6           | \$ 519.2           | 68.3%        | 4,011          | 9,334          | 0.3        |
| ThermWise Weatherization   | 78,826         | 51,205        | \$ 17,296.8        | \$ 8,843.4         | 51.1%        | 180,117        | 308,162        | 1.1        |
| Market Transformation  | NA             | NA            | \$ 1,752.1         | \$ 1,409.1         | 80.4%        | NA             | NA             | NA         |
| Low Income Weatherization  | NA             | NA            | \$ 500.0           | \$ 500.0           | 100.0%       | NA             | NA             | NA         |
| <b>Total</b>   | <b>118,760</b> | <b>83,283</b> | <b>\$ 32,234.8</b> | <b>\$ 22,288.6</b> | <b>69.1%</b> | <b>459,700</b> | <b>637,199</b> | <b>1.1</b> |
| DSM Interest   |                |               |                    | \$ 1,822.4         |              |                |                |            |
| DSM Amortization   |                |               |                    | \$ (39,595.5)      |              |                |                |            |
| DSM General Administration   |                |               |                    | \$ -               |              |                |                |            |
| R&D Funds Transfer   |                |               |                    | \$ -               |              |                |                |            |
| YTD Change Acct 182400   |                |               |                    | \$ (15,484.5)      |              |                |                |            |
| December 2010 Acct 182400 Bal  |                |               |                    | \$ 39,437.4        |              |                |                |            |
| Ending Balance Acct 182400   |                |               |                    | \$ 23,952.9        |              |                |                |            |
| *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio app |                |               |                    |                    |              |                |                |            |

## THERMWISE EE APPLIANCE PROGRAM

Table 2 on the next page summarizes the ThermWise EE Appliance Program. This program rebated 77.8% of the expected budget (col. F, ln. 19) however, \$1.9 million of the total \$5.9 million rebated is due to 2010 applications carrying over, mainly from 2010 furnace upgrades (\$1.4 million). When the 2010 carryover rebates are removed, only 53% of the 2011 EE Appliance Budget has been rebated during 2011. The 95% High-Efficiency Gas Furnace measure had the greatest participation, number wise, as well as dollars rebated, although the dollars were only 51% of the anticipated budget. The Solar Assisted Water Heating measure had the greatest increase in rebates paid, percentage wise (880%), over what was anticipated in the budget. The 2011 budget for the EE Appliance Program assumed a total weighted cost of \$24.75 per saved Dth. Due to the mix of measures chosen in 2011, the actual total weighted cost for those same measures was \$16.57 per saved Dth.

| Table 2  |              |              |            |             |        |          |          |
|--|--------------|--------------|------------|-------------|--------|----------|----------|
| QUESTAR GAS COMPANY  |              |              |            |             |        |          |          |
| THERMWISE APPLIANCE PROGRAM  |              |              |            |             |        |          |          |
| 31-Dec-11  |              |              |            |             |        |          |          |
| DOCKET NO. 10-057-15   |              |              |            |             |        |          |          |
| A  | B            | C            | D          | E           | F      | G        | H        |
|  | 2011         | YTD          | 2011       | YTD         | YTD \$ | Budget   | YTD      |
| Single and Multi-Family Appliance Rebates  | Budgeted     | Actual       | Budget     | Actual Cost | % of   | Dth      | Dth      |
|  | Participants | Participants | (000)      | (000)       | Budget | Savings* | Savings* |
| 4 High-Efficiency Gas Furnance - Tier 1  | 550          | 52           | \$ 110.0   | \$ 10.4     | 9.5%   | 5,584    | 562      |
| 5 High-Efficiency Gas Furnance - Tier 2  | 3,500        | 418          | \$ 1,050.0 | \$ 125.4    | 11.9%  | 42,080   | 5,472    |
| 6 High-Efficiency Gas Furnance - Tier 3  | 8,500        | 4,337        | \$ 2,975.0 | \$ 1,518.0  | 51.0%  | 138,280  | 70,266   |
| 7 High Efficiency Gas Water Heater - Tier 1  | 4,030        | 2,370        | \$ 201.5   | \$ 118.5    | 58.8%  | 5,513    | 3,242    |
| 8 High Efficiency Gas Water Heater - Tier 2  | 505          | 259          | \$ 50.5    | \$ 25.9     | 51.3%  | 1,600    | 821      |
| 9 Tank Less Gas Water Heater -tier 1   | 620          | 571          | \$ 186.0   | \$ 171.3    | 92.1%  | 5,456    | 4,019    |
| 10 Tank Less Gas Water Heater -tier 2  | 905          | 361          | \$ 316.8   | \$ 126.4    | 39.9%  | 8,688    | 2,772    |
| High Efficiency Condensing Gas Storage   |              |              |            |             |        |          |          |
| 11 Water Heater  | 25           | 33           | \$ 8.8     | \$ 11.6     | 132.6% | 184      | 243      |
| 12 High-Efficiency Hybrid Gas Water Heater   | 25           | 69           | \$ 8.8     | \$ 24.2     | 276.6% | 204      | 563      |
| 13 Residential Boiler  | 230          | 54           | \$ 138.0   | \$ 32.4     | 23.5%  | 4,600    | 703      |
| 14 Solar Assisted Water Heating  | 25           | 220          | \$ 18.8    | \$ 165.0    | 880.0% | 350      | 3,080    |
| 15 ENERGY STAR Clothes Washer  | 12,500       | 2,816        | \$ 625.0   | \$ 140.8    | 22.5%  | 17,400   | 3,920    |
| 16 Direct-Vent Gas Fireplace   | 30           | 58           | \$ 6.0     | \$ 11.6     | 193.3% | 206      | 491      |
| 17 2010 Carryover  | -            | 10,904       | -          | \$ 1,899.2  | NA     | 0        | 53,636   |
| 18 Administrative & Overheads  | NA           | NA           | \$ 1,838.8 | \$ 1,481.6  | 80.6%  | NA       | NA       |
| 19 TOTAL   | 31,445       | 22,522       | \$ 7,533.8 | \$ 5,862.4  | 77.8%  | 230,145  | 149,790  |
| 20   |              |              |            |             |        |          |          |
| 21 *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied. |              |              |            |             |        |          |          |

The Appliance Program has a TRC test ratio of 1.4 as shown in Table 1 (col. I, ln. 5).

## THERMWISE EE BUILDER PROGRAM

The ThermWise EE Builder Program is designed to offer builders (both contractors and self-build) who use energy efficient construction techniques specific rebates. There are three different construction tiers (1) that meet or exceed Energy Star v 2.0 with a 90% or greater AFUE furnace and a water heater with an EF of .62 or greater, (2) that meet or exceed Energy Star v 2.5 with a 92% or greater AFUE furnace and a water heater with an EF of .62 or greater, or (3) that meet or exceed Energy Star v 3.0 with a 95% or greater AFUE furnace and a water heater with an EF of .62 or greater that also exceeds the 2006 IECC standards by at least 30%. There are also separate prescriptive rebates available to builders for energy efficient appliance installations if one of the above construction conscripts is not followed.

As shown in Table 3 for 2011, the Builder Program rebated 130.4% of its budget (col. F, ln. 17). However, \$1.7 million (col. E, ln. 15) of the total \$3.4 million rebated resulted from 2010 carryover for homes that began under the 2010 standards (\$1.2 million) and 2010 furnace installations (\$0.5 million) which, if excluded from the total, leaves only 67.4% of the 2011 Builder Program prescriptive measures rebated during the year.

| QUESTAR GAS COMPANY       |   |              |        |              |            |          |          |        |
|---------------------------|---|--------------|--------|--------------|------------|----------|----------|--------|
| THERMWISE BUILDER PROGRAM |   |              |        |              |            |          |          |        |
| 31-Dec-11                 |   |              |        |              |            |          |          |        |
| DOCKET NO. 10-057-15      |   |              |        |              |            |          |          |        |
| A                         | B   | C            | D      | E            | F          | G        |          |        |
|                           | 2011  | YTD          | 2011   | YTD          | YTD \$     | Budget   | YTD      |        |
|                           | Estimated   | Actual       | Budget | Actual Costs | % of       | Dth      | Dth      |        |
|                           | Participants  | Participants | (000)  | (000)        | Budget     | Savings* | Savings* |        |
| THERMWISE BUILDER PROGRAM |   |              |        |              |            |          |          |        |
| Ln #                      |   |              |        |              |            |          |          |        |
| 1                         | ThermWise Builder Option 1 (Energy Star 2010 Compliant)   | 1,950        | 1,245  | \$ 1,030.0   | \$ 312.3   | 30.3%    | 18,494   | 5,864  |
| 2                         | ThermWise Builder Option 2 (Energy Star 2011 Compliant)   | 250          | 131    | \$ 155.0     | \$ 90.9    | 58.6%    | 3,170    | 2,102  |
| 3                         | ThermWise Builder Option 3 (High Performance home)  | 10           | 33     | \$ 8.5       | \$ 28.1    | 330.6%   | 224      | 739    |
| 4                         | High Efficiency Gas Water Heater - Tier 1   | 50           | 562    | \$ 2.5       | \$ 28.1    | 1124.0%  | 69       | 769    |
| 5                         | High Efficiency Gas Water Heater - Tier 2   | 10           | 27     | \$ 1.0       | \$ 2.7     | 270.0%   | 32       | 86     |
| 6                         | High Efficiency Condensing Gas Storage Water Heater   | 20           | 1      | \$ 7.0       | \$ 0.4     | 5.7%     | 147      | 7      |
| 7                         | High-Efficiency Hybrid Gas Water Heater   | 20           | 17     | \$ 7.0       | \$ 6.0     | 85.7%    | 163      | 139    |
| 8                         | Tank Less Gas Water Heater -tier 1  | 100          | 70     | \$ 30.0      | \$ 21.0    | 70.0%    | 880      | 616    |
| 9                         | Tank Less Gas Water Heater -tier 2  | 10           | 5      | \$ 3.5       | \$ 1.8     | 51.4%    | 96       | 48     |
| 10                        | High-Efficiency Gas Furnance - Tier 1 (90% AFUE Rated)  | 650          | 90     | \$ 130.0     | \$ 18.0    | 13.8%    | 3,828    | 587    |
| 11                        | High-Efficiency Gas Furnance - Tier 2 (92-94.9% AFUE Ra   | 520          | 551    | \$ 156.0     | \$ 165.3   | 106.0%   | 3,261    | 3,873  |
| 12                        | High-Efficiency Gas Furnance - Tier 3 (95% plus AFUE Ra   | 55           | 329    | \$ 19.3      | \$ 115.2   | 598.4%   | 485      | 2,828  |
| 13                        | Gas Boiler  | 10           | 5      | \$ 6.0       | \$ 3.0     | 50.0%    | 129      | 64     |
| 14                        | Solar Assisted Water Heater   | 2            | 31     | \$ 1.5       | \$ 23.3    | 1553.3%  | 28       | 434    |
| 15                        | 2010 Carryover  | -            | 3,980  | \$ -         | \$ 1,663.3 | NA       | NA       | 26,418 |
| 16                        | Administrative & Overheads  | NA           | NA     | \$ 1,082.4   | \$ 962.2   | 88.9%    | NA       | NA     |
| 17                        | TOTAL   | 3,657        | 7,077  | \$ 2,639.7   | \$ 3,441.6 | 130.4%   | 31,006   | 44,574 |
| 18                        |   |              |        |              |            |          |          |        |
| 19                        | *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied. |              |        |              |            |          |          |        |

The 2011 budget for the EE Builder Program assumed a total weighted cost of \$50.22 per saved Dth. The actual total weighted cost for the 2011 budgeted measures is \$18.31 per saved Dth due in large part to fewer ThermWise Builder Option 1 homes completed than planned. The TRC ratio for the Builder Program is 0.6. This less than optimal result is due to the weighting of the 2010 carry over home completions (TRC ratio of 0.4) which may have been rebated without the requirement to install energy efficient gas furnaces. Under the 2011 Builder Option guidelines, the ThermWise Builder Option 1 rebates that have been completed so far show a TRC ratio of 2.2.

## THERMWISE EE BUSINESS PROGRAM

In the Thermwise EE Business program, there are 40 prescriptive measures available to commercial entities to improve their energy efficiency. Table 4 provides the detail on 11 of those 40 measures that had \$5,000 or more total 2011 rebate incentive costs. The total rebate expense of these 11 measures is \$1261.1 million, which accounts for 97% of the \$1296.5 million shown in column E, line 16.

| Table 4                    |   |             |        |              |            |          |          |        |
|----------------------------|---|-------------|--------|--------------|------------|----------|----------|--------|
| QUESTAR GAS COMPANY        |   |             |        |              |            |          |          |        |
| THERMWISE BUSINESS PROGRAM |   |             |        |              |            |          |          |        |
| 31-Dec-11                  |   |             |        |              |            |          |          |        |
| DOCKET NO. 10-057-15       |   |             |        |              |            |          |          |        |
| A                          | B   | C           | D      | E            | F          | G        | H        |        |
|                            | 2011  | YTD         | 2011   | YTD          | YTD \$     | Budget   | YTD      |        |
|                            | Estimated   | Actual      | Budget | Actual Costs | % of       | Dth      | Dth      |        |
|                            | Participants  | Participate | (000)  | (000)        | Budget     | Savings* | Savings* |        |
| 4                          | COMMERCIAL REBATE PROGRAM   |             |        |              |            |          |          |        |
| 5                          | High Efficiency Gas Water Heater - Commercial   | 35          | 35     | \$ 5.3       | \$ 17.6    | 335.2%   | 368      | 1,232  |
| 6                          | High Efficiency Gas Water Heater - Commercial Tankless Tier 1   | 22          | 21     | \$ 8.8       | \$ 8.0     | 90.9%    | 620      | 566    |
| 7                          | 92% Plus AFUE Condensing Gas Furnace - Commercial   | 61          | 43     | \$ 18.3      | \$ 12.9    | 70.5%    | 791      | 557    |
| 8                          | 95% Plus AFUE Condensing Gas Furnace - Commercial   | 112         | 149    | \$ 44.8      | \$ 59.6    | 133.0%   | 1,622    | 2,158  |
| 9                          | High Efficiency Boiler Hot Water Tier 2   | 50          | 73     | \$ 243.8     | \$ 510.9   | 209.6%   | 20,358   | 42,671 |
| 10                         | High Efficiency Gas Unit Heater -90% plus Efficiency  | 80          | 17     | \$ 105.6     | \$ 23.1    | 21.9%    | 2,389    | 524    |
| 11                         | Gas Infrared Heating System   | 200         | 211    | \$ 60.0      | \$ 146.3   | 243.8%   | 4,620    | 11,262 |
| 12                         | High Efficiency Convection Oven   | 12          | 24     | \$ 12.0      | \$ 24.0    | 200.0%   | 310      | 620    |
| 13                         | Windows - Pre Fab New Construction  | 10          | 12     | \$ 16.8      | \$ 6.1     | 36.3%    | 998      | 364    |
| 14                         | Building Shell Attic Insulation Retrofit  | 35          | 49     | \$ 63.0      | \$ 103.9   | 164.9%   | 1,302    | 2,148  |
| 15                         | Administrative & Overheads  | NA          |        | \$ 523.6     | \$ 348.7   | 66.6%    | NA       | NA     |
| 16                         | TOTAL   | 1,039       | 881    | \$ 1,299.2   | \$ 1,296.5 | 99.8%    | 48,534   | 64,997 |
| 17                         |   |             |        |              |            |          |          |        |
| 18                         | *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied. |             |        |              |            |          |          |        |

For the year, the total program spent 99.8% of the annual budget. The 2011 budget cost per deemed Dth saved was \$15.98 compared to an actual cost of \$14.58.

As shown in Table 1, the ThermWise EE Business Program has a TRC benefit ratio of 2.3, which is the highest TRC benefit ratio of all of the available programs.

#### THERMWISE EE CUSTOM BUSINESS PROGRAM

The ThermWise EE Custom Business Program is designed for customer specific applications and requires longer development time before results are achieved.

Table 5 shows the results for the ThermWise EE Custom Business program. The table shows that 92% of the total budget has been spent but 119.2% of the budgeted rebate dollars has been funded to participating customers. These expenditures are the results of programs which began development in 2010 due to the longer development times required for implementation. Possible revisions to this program are being developed for implementation in 2012 to reduce the time required for program implementation.

| Table 5                  |  |              |        |              |          |         |          |        |
|--------------------------|--|--------------|--------|--------------|----------|---------|----------|--------|
| QUESTAR GAS COMPANY      |  |              |        |              |          |         |          |        |
| THERMWISE CUSTOM PROGRAM |  |              |        |              |          |         |          |        |
| 31-Dec-11                |  |              |        |              |          |         |          |        |
| DOCKET NO. 10-057-15     |  |              |        |              |          |         |          |        |
|                          | 2011   | YTD          | 2011   | YTD          | YTD \$   | Budget  | YTD      |        |
|                          | Estimated  | Actual       | Budget | Actual Costs | % of     | Dth     | Dth      |        |
|                          | Participan   | Participants | (000)  | (000)        | Budget   | Savings | Savings* |        |
| 4                        | BUSINESS CUSTOM REBATES PROGRAM  |              |        |              |          |         |          |        |
| 5                        | Business Custom Rebates Total  | 20           | 17     | \$ 100.2     | \$ 119.4 | 119.2%  | 10,018   | 16,211 |
| 6                        | Administrative & Overheads   |              | NA     | \$ 352.4     | \$ 297.0 | 84.3%   | NA       | NA     |
| 7                        |  | 20           | 17     | \$ 452.6     | \$ 416.4 | 92.0%   | 10,018   | 16,211 |
| 8                        | 1) NB - Not Budgeted, no participation anticipated   |              |        |              |          |         |          |        |
| 9                        | *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio appli |              |        |              |          |         |          |        |

The program's TRC benefit cost ratio is 2.1, which is the second highest of all of the ThermWise EE Programs.

### THERMWISE EE AUDIT PROGAM

The Thermwise EE Audit Program is designed to give customers an opportunity to have their current energy efficiency efforts evaluated and suggestions offered on ways to improve those efforts. The home energy audits can either be an on-site audit, conducted by a qualified QGC technician or a mail in audit in which the participants answers questions and receive advice from QGC.

| Table 6                 |   |              |             |          |              |        |          |          |
|-------------------------|---|--------------|-------------|----------|--------------|--------|----------|----------|
| QUESTAR GAS COMPANY     |   |              |             |          |              |        |          |          |
| THERMWISE AUDIT PROGRAM |   |              |             |          |              |        |          |          |
| 31-Dec-11               |   |              |             |          |              |        |          |          |
| DOCKET NO. 10-057-15    |   |              |             |          |              |        |          |          |
|                         | A   | B            | C           | D        | E            | F      | G        | H        |
|                         |   | 2011         | YTD         | 2011     | YTD          | YTD \$ | Budget   | YTD      |
|                         |   | Estimated    | Actual      | Budget   | Actual Costs | % of   | Dth      | Dth      |
|                         |   | Participants | participant | (000)    | (000)        | Budget | Savings* | Savings* |
| 4                       | RESIDENTIAL HOME ENERGY AUDIT PROGRAM   |              |             |          |              |        |          |          |
| 5                       | Audit Efficiency Measures (1)   | 3773         | 1,581       | \$ 24.33 | 8.5          | 34.9%  | 9,334    | 4,011    |
| 6                       | Administrative & Overheads  | NA           | NA          | \$ 736.3 | 510.7        | 69.4%  |          | NA       |
| 7                       |   | 3,773        | 1581        | \$ 760.6 | \$ 519.2     | 68.3%  | 9,334    | 4,011    |
| 8                       | (1) Participant numbers reflect total number of efficiency units given out, not number of in home audits performed. |              |             |          |              |        |          |          |
| 9                       | *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.   |              |             |          |              |        |          |          |

Table 6 shows the actual audit rebates given out amount to 34.9% of the budgeted amount. The value of this program provides a gateway for customers to see potential savings available to them by implementing additional energy efficiency measures through participation in other programs, namely the Thermwise EE Weatherization and Appliance programs.

## THERMWISE EE WEATHERIZATION PROGAM

Table 7 summarizes the results for the Thermwise EE Weatherization program. On a total program basis, the EE Weatherization program reached only 51% of the budgeted expenditures. The Tier 1 Attic Insulation measure is the primary driver for this program lagging behind in expected 2011 rebates as it achieved only 40.7% of its budgeted amount.

| Table 7                          |  |              |              |             |              |        |         |          |
|----------------------------------|--|--------------|--------------|-------------|--------------|--------|---------|----------|
| QUESTAR GAS COMPANY              |  |              |              |             |              |        |         |          |
| THERMWISE WEATHERIZATION PROGRAM |  |              |              |             |              |        |         |          |
| 31-Dec-11                        |  |              |              |             |              |        |         |          |
| DOCKET NO. 10-057-15             |  |              |              |             |              |        |         |          |
|                                  | A  | B            | C            | D           | E            | F      | G       |          |
| 1                                | RESIDENTIAL WEATHERIZATION   | 2011         | YTD          | 2011        | YTD          | YTD \$ | Budget  | YTD      |
| 2                                |  | Estimated    | Actual       | Budget      | Actual Costs | % of   | Dth     | Dth      |
| 3                                |  | Participants | Participants | (000)       | (000)        | Budget | Savings | Savings* |
| 4                                |  |              |              |             |              |        |         |          |
| 5                                | Windows - Residential  | 16,937       | 13,330       | \$ 818.9    | \$ 807.4     | 98.6%  | 28,410  | 28,012   |
| 6                                | Wall Insulation  | 2,225        | 1,420        | \$ 501.3    | \$ 370.2     | 73.8%  | 7,085   | 5,232    |
| 7                                | Attic Insulation Tier 1  | 39,465       | 16,845       | \$ 10,512.9 | \$ 4,275.3   | 40.7%  | 222,874 | 90,636   |
| 8                                | Attic Insulation Tier 2  | 16,252       | 13,023       | \$ 1,523.0  | \$ 1,120.0   | 73.5%  | 22,627  | 16,640   |
| 9                                | Floor Insulation   | 1,665        | 661          | \$ 281.7    | \$ 114.3     | 40.6%  | 7,662   | 3,108    |
| 10                               | Programmable Thermostat -  | 286          | 82           | \$ 8.6      | \$ 2.5       | 29.1%  | 609     | 174      |
| 11                               | Duct Sealing & Insulation  | 1,996        | 5,227        | \$ 778.2    | \$ 932.8     | 119.9% | 18,894  | 33,615   |
|                                  | 2010 Carryover   | 0            | 617          | \$ -        | \$ 130.3     | NA     | NA      | 2,700    |
| 13                               | Administrative & Overheads   | NA           | NA           | \$ 2,872.3  | \$ 1,090.7   | 38.0%  | NA      | NA       |
| 14                               |  | 78,826       | 51,205       | \$ 17,296.8 | \$ 8,843.4   | 51.1%  | 308,162 | 180,117  |
| 15                               |  |              |              |             |              |        |         |          |
| 16                               | *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio |              |              |             |              |        |         |          |

The 2011 budget for the EE Weatherization Program assumed a total weighted cost of \$46.81 per saved Dth. The actual total weighted cost for the same budgeted measures is \$43.04 per saved Dth. The program's TRC ratio was 1.1.

## THERMWISE MARKET TRANSFORMATION PROGAM

Table 1, on page 3, shows the ThermWise EE Market Transformation Program achieved 80% of the expected 2011 levels. Due to the late start of the Jazz basketball season, there were some dollars budgeted for advertising that did not occur.

## THERMWISE LOW INCOME PROGAM

The next ThermWise Low Income Weatherization Program funded its target amount of \$500,000. This \$500,000 is used to provide low-income qualified residences with energy efficient furnaces.



## **DSM Amortization Account Balance**

As shown in Table 1, FERC account 182.400 is the account where the company accumulates the costs expended in the multiple EE programs and at least semi-annually, requests permission from the Commission to amortize those accumulated balances. In table 1 on page 3 the balance at of the end of December 2011 was \$23.9 million (Col E, Line 20). The current amortization rate for the GS class is \$0.41 / Dth (rounded) which was set in Docket No. 11-057-15, effective February 1, 2012, to amortize an estimated January 2012 balance of \$25.4 million by the end of May 2014 as well as projected current annual expenditures of \$28,000,000 in continuing EE programs. At the end of January 2012, the FERC account 182.400 balance was \$16.6 million. The amortization rate will continue to be adjusted in order to target a zero outstanding balance no later than May 2014 as well as recover the current year's expected expenditures.

## **CONCLUSION & RECOMMENDATIONS:**

The Division is pleased with the success of the Energy Efficiency Programs initiated by Questar Gas Company as they benefit all rate payers by reducing usage levels. As shown on page 3, in Column I, Line 13 of Table 1, the TRC for all Energy Efficiency programs is 1.1.

When GS rate class customers pay their monthly gas bills, QGC is reimbursed by all those customers for the total costs of the Energy Efficiency programs. Because of this fact, the Division recommends all GS customers try to take advantage of the EE programs in order to avail themselves of the natural gas energy saving opportunities provided by the programs.

Cc:           Barrie McKay, Questar Gas Company  
              Steve Bateson, Questar Gas Company  
              Michele Beck, Office of Consumer Services  
              Eric Orton, Office of Consumer Services  
              Marialie Martinez, DPU Customer Service  
              Francine Giani, Department of Commerce