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Governor
GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

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Executive Director

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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: September 20, 2012

Subject: 2nd Quarter of 2012 QGC Energy Efficiency Programs, Docket No. 11-057-12

ISSUE:

On December 2, 2011, the Utah Public Service Commission (PSC or Commission) issued an order in Docket No. 11-057-12 authorizing Questar Gas Company (QGC or the Company) to continue to offer Energy Efficiency Programs (EE), with a 2012 budget of \$28.335 million, to customers in the GS Rate Class.

The purpose of this report is to provide an update of the actual results through June 2012, as they compare to the 2012 EE budget, as approved by the Commission in Docket No. 11-057-12¹.

REPORT:

There are now seven (7) separate EE programs designed to help customers improve the efficiency of their natural gas consumption in the 2012 QGC EE budget plan.

¹ Commission Order, Docket No. 11-057-12, December 2, 2011.

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. The 2012 annual budget for the EE Programs and the Market Transformation Initiative is \$28.3 million. 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**. QGC's EE budget also includes a **Market Transformation Initiative**. In 2012, the Low Income Weatherization Assistance Program was changed to allow the Department of Community and Economic Development, who administers the programs and provides the expertise to improve energy efficiency for low income residents to upgrade to high efficiency furnaces, additional rebate funds for energy efficiency improvements made low income residents.

2012 EE PROGRAM SUMMARY

Table 1 compares by program, the June 30, 2012 year to date rebate expenditures with the 2012 annual budget. Table 1 shows a June YTD 2012 expenditure of \$9.6 million (col E ln 13), or 33.7% of the \$28.3 million annual budget.

Table 1: DSM Energy Efficiency Report Summary									
QUESTAR GAS COMPANY									
ENERGY EFFICIENCY REPORT									
AS OF JUNE 30, 2012									
DOCKET NO. 11-057-12									
	A	B	C	D	E	F	G	H	I
	2012		YTD		2012		YTD		TRC
	Estimated	Actual	Budget	Actual Costs	YTD \$	% of	YTD	2012	B/C
	Participants	Participants	(000)	(000)	Budget	Savings*	Dth	Dth	Ratio
5	ThermWise Appliance	19,000	8,429	\$ 5,948.1	\$ 2,512.1	42.2%	71,382	181,616	0.9
6	ThermWise Builder	5,084	3,576	\$ 2,843.6	\$ 1,403.6	49.4%	31,502	64,079	0.7
7	ThermWise Business	1,904	569	\$ 2,327.3	\$ 808.1	34.7%	31,225	54,707	1.2
8	ThermWise Custom Business	40	8	\$ 845.8	\$ 169.6	20.1%	2,604	30,000	0.6
9	ThermWise Audit	3,857	1,073	\$ 845.8	\$ 309.1	36.5%	3,212	9,513	0.3
10	ThermWise Weatherization	58,522	18,504	\$ 12,180.0	\$ 3,472.8	28.5%	62,460	202,505	1.1
11	Market Transformation	NA	NA	\$ 2,115.0	\$ 631.2	29.8%	NA	NA	0.0
12	Low Income Weatherization	3,382	NA	\$ 1,229.4	\$ 250.0	20.3%	NA	35,573	0.0
13	Total	91,789	32,159	\$ 28,335.0	\$ 9,556.5	33.7%	202,385	577,993	0.9
14	DSM Interest				\$ 325.0				
15	DSM Amortization				\$ (24,244.5)				
16	DSM General Administration								
17	R&D Funds Transfer				\$ -				
18	YTD Change Acct 82400				\$ (14,362.9)				
19	December 2011 Acct 82400 Bal				\$ 23,952.9				
20	Ending Balance Acct 82400				\$ 9,590.0				
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.								

THERMWISE APPLIANCE PROGRAM

Table 2 summarizes the ThermWise Appliances Program. Year-to-date, this program has rebated 42% of the expected 2012 budget (col F, ln 29). Three measures, the 95% Gas Furnace with ECM motor, the Solar Water Heater and the Direct Vent Tier 2 Fireplace have all exceeded their annual budget while the 95% Plus AFUE Condensing Gas Furnace measure, the measure that's budget amount is 66% of the total 2012 Appliance budget has spent only 25% YTD of its budget.

	A	B	C	D	E	F	G	H
1		2012	YTD	2012	YTD	YTD \$	Budget	YTD
2		Budgeted	Actual	Budget	Actual Costs	% of	Dth	Dth
3		Participants	Participants	(000)	(000)	Budget	Savings*	Savings*
4	90% Plus AFUE Condensing Gas Furn	91	35	\$ 18.2	\$ 6.8	37.4%	947	215
5	92% Plus AFUE Condensing Gas Furn	703	349	\$ 210.9	\$ 104.7	49.6%	9,239	4,608
6	95% Plus AFUE Condensing Gas Furn	8,240	2,026	\$ 2,884.0	\$ 709.1	24.6%	133,658	31,961
7	95% Gas Furnace with ECM motor (a	815	1,193	\$ 325.4	\$ 477.2	146.7%	13,220	19,565
8	Energy Star Clothes Washer - Tier 2 (appliance)	5,231	2,583	\$ 261.6	\$ 129.2	49.4%	7,282	3,595
9	Gas Water Heater - Tier 1 (appliance)	2,316	1,170	\$ 115.8	\$ 58.5	50.5%	3,168	1,601
10	Gas Water Heater - Tier 2 (appliance)	182	138	\$ 18.2	\$ 13.8	75.8%	577	437
11	Condensing Gas Water Heater	41	19	\$ 14.4	\$ 6.6	46.0%	302	140
12	Hybrid Gas Water Heater (appliance)	91	43	\$ 31.9	\$ 15.1	47.4%	743	351
13	Residential Boiler - Tier 1 (appliance)	61	7	\$ 25.4	\$ 2.8	11.0%	886	105
14	Residential Boiler - Tier 2 (appliance)	110	44	\$ 45.0	\$ 26.4	58.7%	2,181	880
15	Solar Water Heater (appliance)	163	252	\$ 122.3	\$ 189.0	154.6%	2,282	3,528
16	Direct Vent Fireplace - Tier 1 (applia	-	-	\$ -	\$ -	NB	-	-
17	Direct Vent Fireplace - Tier 2 (applia	26	133	\$ 5.2	\$ 26.6	511.5%	198	1,149
18	Tank Less Gas Water Heater - Tier 1	326	96	\$ 97.8	\$ 28.8	29.4%	2,295	676
19	Tank Less Gas Water Heater - Tier 2	604	284	\$ 211.4	\$ 99.4	47.0%	4,639	2,181
20	CARRYOVER		-	\$ -	\$ -	NB	-	-
21			-	\$ -	\$ -	NB	-	-
22	High Efficiency Gas Clothes Washer		2	\$ -	\$ 0.1	NB	-	1
23	90% Plus AFUE Condensing Gas Furnace CO (appliance)		34	\$ -	\$ 10.2	NB	-	347
24	Energy Star Clothes Washer - Tier 1 CO (appliance)		1	\$ -	\$ 0.1	NB	-	1
25	Energy Star Clothes Washer - Tier 2 CO (appliance)		18	\$ -	\$ 1.4	NB	-	26
26	Tank Less Gas Water Heater - Tier 1 CO (appliance)		2	\$ -	\$ 0.6	NB	-	15
27	Administrative & Overhead	NA	NA	\$ 1,560.8	\$ 605.7	38.8%	NA	NA
28								
29	TOTAL	19,000	8,429	\$ 5,948.1	\$ 2,512.1	42.2%	181,616	71,382
30	2011 CARRYOVER TOTAL	-	57	\$ -	\$ 12.4	0.0%	-	390
31	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The Appliance Program has a Total Resource Cost ratio of 0.9 as shown in Table 1, and a Utility Cost Test ratio of 1.5.

THERMWISE BUILDER PROGRAM

The ThermWise Builder Program is designed to offer builders (both contractors and self-build) who use energy efficient construction techniques. The Energy Star Version 2.5 requires a field verification and a 2.5 compliance certificate by a HERS rater for a \$250 rebate for single family or \$150 dollar rebate for multi-family homes in addition to rebates for required qualifying gas furnace and water heaters. The Energy Star Version 3.0 requires field verification and a 3.0 compliance certificate by a HERS rater for a \$300 single family rebate or \$200 multi-family rebate that include qualifying gas furnace and water heaters. A single family rebate of \$500 or \$300 multi-family rebate is available for high performance homes that meet or exceed Energy Star Version 3.0 requirements and achieve a HERS score of 50 that include qualifying gas furnace and water heaters. There also is a Builder Option 1 in which the builder certifies that the home meets the IECC 2009 energy code and has qualifying gas furnace and water heater (\$50 rebate for both single and multi-family units) or the Builder Option 2 in which a HERS rater provides the documentation that the unit meets the IECC 2009 energy code and has qualifying gas furnace and water heater (\$100 rebate for both single and multi-family units).

Builders that don't build to the above standards can also receive individual rebates for appliances available under the ThermWise Appliance Program or for constructing 2009 IECC 2x6 R-20 exterior walls or R-5 windows.

As shown in Table 3, through June 2012, the Builder Program is 49.4% of its budget (col F, Line 37), the only program that is tracking closest to expected budget year to date.

Table 3							
QUESTAR GAS COMPANY							
THERMWISE BUILDER PROGRAM							
AS OF JUNE 30, 2012							
DOCKET NO. 11-057-12							
A	B	C	D	E	F	G	H
	2012	YTD	2012	YTD	YTD \$	Budget	YTD
	Estimated	Actual	Budget	Actual Cost	% of	Dth	Dth
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*
1	95	19	\$ 19.0	\$ 3.8	20.0%	492	126
2	179	551	\$ 53.7	\$ 165.3	307.8%	1,117	3,810
3	48	598	\$ 16.8	\$ 209.3	1245.8%	321	4,727
4	52	184	\$ 20.8	\$ 73.6	353.8%	458	1,020
5	463	503	\$ 382.2	\$ 113.5	29.7%	10,363	10,284
6	463	37	\$ 405.3	\$ 8.0	2.0%	10,851	512
7	4	27	\$ 4.2	\$ 9.2	221.7%	120	501
8	1,081	2	\$ 324.3	\$ 0.1	0.0%	14,033	27
9	1,081	1	\$ 378.4	\$ 0.1	0.0%	17,574	17
10	528	330	\$ 178.2	\$ 79.1	44.4%	5,174	2,098
11	478	475	\$ 23.9	\$ 23.8	99.6%	654	650
12	460	69	\$ 46.0	\$ 6.9	15.0%	1,457	219
13	14	-	\$ 4.9	\$ -	0.0%	103	-
14	14	9	\$ 4.9	\$ 3.2	65.3%	114	73
15	14	-	\$ 5.6	\$ -	0.0%	135	-
16	16	5	\$ 8.4	\$ 3.0	35.7%	180	64
17	15	93	\$ 11.3	\$ 69.8	620.4%	210	1,302
18	44	2	\$ 13.2	\$ 0.6	4.5%	387	14
19	29	14	\$ 10.2	\$ 4.9	48.3%	278	108
20	6	-	\$ 3.0	\$ -	0.0%	55	-
21	-	-	\$ -	\$ -	NB	-	-
22	-	-	\$ -	\$ -	NB	-	-
23	-	-	\$ -	\$ -	NB	-	-
24	-	12	\$ -	\$ 3.6	NB	-	87
25	-	29	\$ -	\$ 14.5	NB	-	139
26	-	10	\$ -	\$ 3.0	NB	-	21
27	-	-	\$ -	\$ -	NB	-	-
28	-	-	\$ -	\$ -	NB	-	-
29	-	199	\$ -	\$ 139.3	NB	-	3,248
30	-	6	\$ -	\$ 5.1	NB	-	134
31	-	228	\$ -	\$ 57.0	NB	-	1,071
32	-	173	\$ -	\$ 86.5	NB	-	1,250
33	NA	NA	\$ 929.5	\$ 320.4	34.5%	NA	NA
34	5,084	3,576	\$ 2,843.6	\$ 1,403.6	49.4%	64,079	31,502
35	-	657	\$ -	\$ 309.0	NA	-	5,950
36	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.						

The year-to-date TRC ratio for the Builder Program is 0.7. The Utility Cost Test ratio for the Builder Program is 1.6.

THERMWISE BUSINESS PROGRAM

Table 4 shows the Business program year to date expenditures results at 34.7% of the budgeted amount of \$2.3 million. Despite the lagging year to date results, there are several measures that have exceeded their annual expected budgeted expenditures with the infrared heating system measure having the highest expenditures year to date of \$0.152 million or 169% of its budgeted amount.

Table 4								
QUESTAR GAS COMPANY THERMWISE BUSINESS PROGRAM AS OF JUNE 30, 2012 DOCKET NO. 11-057-12								
A	B	C	D	E	F	G	H	
	2012	YTD	2012	YTD	YTD \$	Budget	YTD	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
	Participant	Participant	(000)	(000)	Budget	Savings*	Savings*	
3	COMMERCIAL REBATE PROGRAM							
4	90% Plus AFUE Condensing Gas Furnace - (business)	1	1	\$ 0.2	\$ 0.2	100.0%	11	
5	92% Plus AFUE Condensing Gas Furnace - (business)	77	4	\$ 23.1	\$ 1.2	5.2%	998	
6	94% Plus AFUE Condensing Gas Furnace - (business)	220	53	\$ 88.0	\$ 21.2	24.1%	3,186	
7	Boiler Reset Control	52	-	\$ 13.0	\$ -	0.0%	3,083	
8	Boiler Tune-up	69	92	\$ 19.2	\$ 27.5	143.5%	2,697	
9	Combination Oven	14	1	\$ 14.0	\$ 1.0	7.1%	451	
10	Commercial Fryer	10	-	\$ 10.0	\$ -	0.0%	323	
11	Convection Oven	15	12	\$ 15.0	\$ 6.0	40.0%	388	
12	Griddle	8	-	\$ 2.4	\$ -	0.0%	56	
13	Direct Contact Water Heater	2	-	\$ 15.4	\$ -	0.0%	2,565	
14	Energy Star Clothes Washer - Tier 2 (business 2010 specs)	2	-	\$ 0.1	\$ -	0.0%	3	
15	Energy Star Commercial Clothes Washer (business 2010 specs)	2	3	\$ 0.2	\$ 0.2	133.3%	4	
16	Gas Storage Water Heater - (business) Tier 1	2	2	\$ 0.1	\$ 0.1	100.0%	2	
17	Gas Storage Water Heater - (business) Tier 2	1	1	\$ 0.1	\$ 0.1	100.0%	3	
18	Gas Storage Water Heater - (business) >75kBtu	15	6	\$ 45.0	\$ 2.4	5.3%	3,150	
19	Building Shell - Attic Insulation (new construction)	55	-	\$ 33.0	\$ -	0.0%	858	
20	Building Shell - Attic Insulation (retrofit)	385	24	\$ 924.0	\$ 91.5	9.9%	14,322	
21	Building Shell - Wall Insulation (new construction)	3	-	\$ 0.8	\$ -	0.0%	12	
22	Building Shell - Wall Insulation (retrofit)	22	6	\$ 22.4	\$ 3.9	17.4%	542	
23	Building Shell - Windows - site built (new construction)	-	-	\$ -	\$ -	-	-	
24	Building Shell - Windows - pre fab (new construction)	5	-	\$ 8.4	\$ -	0.0%	499	
25	Building Shell - Windows - site built (retrofit)	-	-	\$ -	\$ -	-	-	
26	Building Shell - Windows - pre fab (retrofit)	2	3	\$ 4.4	\$ -	0.0%	330	
27	Gas Unit Heater NonCondensing	400	22	\$ 110.0	\$ 6.8	6.2%	3,886	
28	Gas Unit Heater Condensing	120	37	\$ 158.4	\$ 68.5	43.2%	3,583	
29	High Efficiency Boiler Hot Water Tier 1	20	2	\$ 4.0	\$ 0.7	17.5%	287	
30	High Efficiency Boiler Hot Water Tier 2	22	17	\$ 57.2	\$ 111.0	194.0%	4,778	
31	High Efficiency Boiler Steam Tier 1	2	-	\$ 0.4	\$ -	0.0%	29	
32	High Efficiency Boiler Steam Tier 2	2	8	\$ 6.0	\$ 69.7	1163.8%	178	
33	Commercial Tankless Water Heater - <200kBTU	29	1	\$ 6.6	\$ 0.4	6.1%	465	
34	Commercial Tankless Water Heater - >200kBTU	15	-	\$ 6.3	\$ -	0.0%	444	
35	Infrared Heating System	300	274	\$ 90.0	\$ 152.0	168.9%	6,932	
36	High Efficiency Gas Pack Roof-top Unit	2	-	\$ 2.0	\$ -	0.0%	20	
37	Low Flow Pre-rinse Spray Valve	15	-	\$ 0.4	\$ -	0.0%	403	
38	Steam Cooker	5	-	\$ 5.0	\$ -	0.0%	141	
39	Condensing Gas Water Heater (business)	5	-	\$ 1.8	\$ -	0.0%	37	
40	Hybrid Gas Water Heater (business)	5	-	\$ 1.8	\$ -	0.0%	41	
41	Administrative & Overheads	NA		\$ 638.7	\$ 243.7	38.2%	NA	
42	TOTAL	1,904	569	\$ 2,327.3	\$ 808.1	34.7%	54,707	
43	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							31,225

As shown in Table 1 on page 2, of all of the Thermwise Programs, this program provides the highest TRC benefit cost ratio of 1.2 (Col I, line 7) as well as the highest Utility Cost Test ratio of 1.9.

THERMWISE CUSTOM BUSINESS PROGRAM

The ThermWise 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 Custom Business program.

This program has reached only 20% of its targeted expenditures year to date.

QUESTAR GAS COMPANY								
THERMWISE CUSTOM PROGRAM								
AS OF JUNE 30, 2012								
DOCKET NO. 11-057-12								
	A	B	C	D	E	F	G	H
1		2012	YTD	2012	YTD	YTD \$	Budget	YTD
2	BUSINESS CUSTOM REBATES PROGRAM	Estimated	Actual	Budget	Actual Cost	% of	Dth	Dth
3		Participant	Participants	(000)	(000)	Budget	Savings	Savings*
4	Business Custom Rebates Total	40	8	\$ 268.2	\$ 18.1	6.7%	30,000	2,604
5		-	-	\$ -	\$ -		-	
6	Administrative & Overheads	-	-	\$ 577.6	\$ 151.5	26.2%	-	
7	TOTAL	40	8	\$ 845.8	\$ 169.6	20.1%	30,000	2,604
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 applied							

The program's TRC ratio is 0.6 and the Utility Cost Test ratio is 0.7, but, if administrative costs are removed, the TRC ratio for the actual measure is 2.9 and 6.4 for the Utility Cost Test ratio.

THERMWISE AUDIT PROGRAM

The Thermwise 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.

QUESTAR GAS COMPANY								
THERMWISE AUDIT PROGRAM								
AS OF JUNE 30, 2012								
DOCKET NO. 11-057-12								
	A	B	C	D	E	F	G	H
1		2012	YTD	2012	YTD	YTD \$	Budget	YTD
2	RESIDENTIAL HOME ENERGY AUDIT PROGRAM	Estimated	Actual	Budget	Actual Cost	% of	Dth	Dth
3								
4	Programmable Thermostat - Residential	30	48	\$ 2.52	1.4	55.6%	179	102
5	Audit Efficiency Measures (1)	3827	1,025	\$ 24.33	6.6	27.1%	9334	3110
6	Administrative & Overheads	-	-	\$ 819.0	301.1	36.8%	-	
7	TOTAL	3,857	1,073	\$ 845.8	309.1	36.5%	9,513	3,212
8								
9	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied							

Table 6 above shows that the year to date audit program amounts to 36.5% of the budgeted amount. 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 Weatherization and Appliance programs.

THERMWISE WEATHERIZATION PROGRAM

Table 7 summarizes the year to date Thermwise Weatherization program. On a total program basis, the Weatherization program year to date activity is only 28.5% of the budgeted

expenditures. Wall insulation has reached 70.9% of its budgeted amount while lower participation in Attic insulation is the primary driver for this program lagging below plan (Tier 1 insulation, including 2011 carryover expenditures, is at 26% of plan) .

QUESTAR GAS COMPANY								
THERMWISE WEATHERIZATION PROGRAM								
AS OF JUNE 30, 2012								
DOCKET NO. 11-057-12								
	A	B	C	D	E	F	G	H
1	RESIDENTIAL WEATHERIZATION PROGRAM	2012	YTD	2012	YTD	YTD \$	Budget	YTD
2		Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth
3		Participant	Participant	(000)	(000)	Budget	Savings	Savings*
4	Attic Insulation - Tier 1 (weatheriza	21,188	4,435	\$ 7,038	1326.5	18.8%	119,370	22,498
5	Attic Insulation - Tier 2 (weatheriza	14,984	5,940	\$ 1,376	471.4	34.3%	20,443	7,005
6	Floor Insulation (weatherization)	790	233	\$ 134	36.6	27.3%	3,640	995
7	Wall Insulation (weatherization)	1,630	1,160	\$ 368	260.8	70.9%	5,201	3,685
8	Windows (weatherization)	16,722	3,091	\$ 816	193.9	23.8%	28,299	6,729
9	Windows - R-5 (weatherization)	22	-	\$ 3	0.0	0.0%	61	-
10	Duct Sealing & Insulation (weatheriza	2,936	1,623	\$ 740	281.7	38.1%	22,894	10,458
11	Air Sealing (weatherization)	250	-	\$ 162	0.0	0.0%	2,596	-
12	CO Duct Insulation (weatherization)	-	3	\$ -	0.8	NB	-	17
13	CO Duct Sealing (weatherization)	-	-	\$ -	0.0	NB	-	-
14	Attic Insulation - Tier 1	-	1,619	\$ -	443.0	NB	-	9,391
15	Attic Insulation -Multifamily Tier 1	-	400	\$ -	79.3	NB	-	1,682
17	Administrative & Overheads	NA	NA	\$ 1,543	378.8	24.6%	-	-
18								
19	TOTAL	58,522	18,504	\$ 12,180	\$ 3,472.8	28.5%	202,505	62,460
20	2011 Carryover		2,022		\$ 523.1			11,090
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The program's TRC ratio was 1.1. The Utility Cost Test ratio for this program is 1.4.

THERMWISE MARKET TRANSFORMATION PROGRAM

Table 1, on page 2, shows the ThermWise Market Transformation Program at 29.8% of its 2012 budgeted amount of \$2.1 million primarily due to decreased advertising billings from the Utah Jazz as a result of the delayed start to the 2011-12 basketball season.

THERMWISE LOW INCOME PROGRAM

The funding for the ThermWise Low Income Weatherization Program was revised in the 2012 budget to include rebates for additional work performed by the Department of Community and Economic Development. Table 1, on page 2, shows this program at 20.3% of budget for 2012.

DSM Amortization Account Balance

FERC account 182.400 is the account where the company accumulates the costs expended in the DSM program and at least semi-annually, requests permission from the Commission to amortize

those accumulated balances. In table 1 on page 2 the balance at of the end of June 30, 2012 was \$9.6 million (Col E, Line 20). The current amortization rate for the GS class is \$0.307 / Dth which was set in Docket No. 12-057-10 to amortize an estimated balance of \$30 million by mid-year 2014.

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 2 in Table 1 of this report, due to the lower cost of natural gas, the TRC for all Energy Efficiency programs is 0.9. The Utility Cost Test ratio for all programs is 1.3.

As previously mentioned, QGC is reimbursed by customers of the GS rate class for the total costs of the DSM programs through amortization requests, which occur no less than twice a year but can occur more often. At the current amortization rate, a typical GS customer who consumes 80 Dth of gas per year will pay an estimated \$24.50 in their gas bills for Energy Efficiency programs. Because of this fact, the Division urges all GS customers to participate in the programs in order to take advantage of the energy savings 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
 Maria Martinez, DPU Customer Service