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ACTION REQUEST RESPONSE

To: Public Service Commission

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

Date: February 1, 2013

Subject: Action Request Docket No. 13-057-01 QUESTAR GAS COMPANY'S REPORT ON DSM EXPENDITURES AND DECATHERM (DTH) SAVINGS TO DATE
In the Matter of Questar Gas Company's Report on DSM Expenditures and Decatherm (Dth) Savings to Date.

ISSUE:

On January 4, 2013 Questar Gas Company (QGC) filed a report with the Utah Public Service Commission (Commission) indicating that expenditures for the 2012 ThermWise Builder Program exceeded its budgeted level of \$2.8 million during November and are forecasted to reach \$3.2 by year end. QGC requested Commission approval of the increase in expenditures for the Builder Program. On January 7, 2013 the Commission issued an Action Request to the Utah Division of Public Utilities (Division) to review the request for Agency Action and make recommendations. This is the Division's response to that request.

RECOMMENDATION: APPROVE INCREASE IN THERMWISE BUILDER PROGRAM EXPENDITURES

The Division finds the increased expenditures are in the public interest and recommends approval of the additional EE funds for the 2012 ThermWise Builder Program.

DISCUSSION:

At the end of September 30, 2012, the ThermWise Builder Program’s total expenditures were \$1.782 million or 63% of the total budget amount of \$2.844 million. By the end of November, the Builder Program’s expenditures reached its budgeted amount of \$2.8 million and is expected to end the year at \$3.2 million, 12% over budget.

The Company has provided the Division with an estimate of total 2012 EE expenditures for each ThermWise Program that shows a total of \$22.8 million or 80% of the total 2012 EE budget is expected to be spent.

	A	D	E	F
		2012	FORECASTED	YTD \$
		Budget	Actual Costs	% of
		(000)	(000)	Budget
5	ThermWise Appliance	\$ 5,948.1	\$ 4,900.0	82.4%
6	ThermWise Builder	\$ 2,843.6	\$ 3,200.0	112.5%
7	ThermWise Business	\$ 2,327.3	\$ 1,600.0	68.8%
8	ThermWise Custom Business	\$ 845.8	\$ 610.0	72.1%
9	ThermWise Audit	\$ 845.8	\$ 630.0	74.5%
10	ThermWise Weatherization	\$ 12,180.0	\$ 10,030.0	82.3%
11	Market Transformation	\$ 2,115.0	\$ 1,200.0	56.7%
12	Low Income Weatherization	\$ 1,229.4	\$ 620.0	50.4%
13	Total	\$ 28,335.0	\$ 22,790.0	80.4%

The table shows that with the exception of the ThermWise Builder program, all other programs are expected to end lower than their 2012 budgeted amounts with both the ThermWise Appliance and ThermWise Weatherization programs the next closest at 82% of budget.

The Division believes the Builder program overruns indicate a more vibrant rebound in building starts during 2012 than originally anticipated and that home builders are becoming more energy conscious in their building efforts which also indicates that prospective home buyers are seeking

more energy saving features in new homes. Also, as shown by the Appliance and Weatherization programs, customers are conscious of energy efficient measures and seeking to improve the overall energy efficiency of their existing homes.

SUMMARY:

The Division believes the increase in the Builder program is in the public interest and recommends approval by the Public Service Commission and no further action on the rest of the 2012 Energy Efficiency Budget is necessary.