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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Doug Wheelwright, Technical Consultant
Carolyn Roll, Utility Analyst

Date: November 27, 2013

Subject: Docket No. 13-057-14, Questar Gas 2014 Budget for Energy Efficiency Programs and Market Transformation Initiative. The Division recommends that the Commission approve the Company's application as filed in Docket No. 13-057-14.

RECOMMEND APPROVAL

The Division of Public Utilities (Division) has reviewed the Application and recommends approval of QGC's 2014 Energy Efficiency (EE) Programs and Market Transformation Initiative Budget.

ISSUE

On October 16, 2013, Questar Gas Company (QGC) filed an application with the Utah Public Service Commission (Commission or PSC) for approval of its Energy Efficiency Programs and Market Transformation Initiative Budget for 2014. On October 17, 2013 the PSC issued an Action Request to the Division to review the application. This is the Division's response to that Action Request.

DISCUSSION

DSM Pilot Program Budget History

The original Demand Side Management programs and Market Transformation Initiative were the products of a collaborative effort of interested parties working with QGC to provide input and to design programs to benefit QGC's GS rate class by reducing their usage of natural gas through programs designed to improve the efficiency of natural gas consumption by those GS rate customers. The process began with QGC's CET application to the PSC on December 16, 2005 in Docket No. 05-057-T01. In a January 16, 2007 Order issued in Docket No. 05-057-T01, the Commission approved the original application. The EE Budget submitted in this docket is the eighth budget submitted by the Company. Table 1 shows a history of actual expenditures through 2012 with the 2013 and 2014 EE Budgets.

Table 1 QGC ENERGY EFFICIENCY PROGRAM YEARLY EXPENDITURES

A	B	C	D	E	F	G	H	H
	2006-07 Actual (000)	2008 Actual (000)	2009 Actual (000)	2010 Actual (000)	2011 Actual (000)	2012 Actual (000)	2013 Budget (000)	2014 Budget (000)
ThermWise Appliance	\$ 2,765.4	\$ 4,932.2	\$ 10,141.7	\$ 9,137.7	\$ 5,862.4	\$ 4,881.2	\$ 5,363.4	\$ 5,887.4
ThermWise Builder	\$ 1,186.6	\$ 2,789.1	\$ 2,642.7	\$ 3,699.8	\$ 3,441.6	\$ 3,196.9	\$ 2,753.0	\$ 2,775.0
ThermWise Business	\$ 450.9	\$ 709.3	\$ 702.3	\$ 1,173.4	\$ 1,296.5	\$ 1,575.7	\$ 1,595.8	\$ 1,985.8
ThermWise Custom Business	NA	\$ 102.9	\$ 97.4	\$ 284.1	\$ 416.4	\$ 608.0	\$ 823.6	\$ 760.2
ThermWise Energy Plan	\$ 1,893.7	\$ 587.4	\$ 694.8	\$ 727.7	\$ 519.2	\$ 627.0	\$ 852.9	\$ 794.3
ThermWise Weatherization	NA	\$ 7,706.3	\$ 31,485.9	\$ 19,000.3	\$ 8,843.4	\$ 10,023.8	\$ 8,192.1	\$ 12,686.5
Market Transformation	\$ 866.6	\$ 999.2	\$ 1,184.2	\$ 1,163.3	\$ 1,409.1	\$ 1,093.0	\$ 1,991.8	\$ 1,653.0
Low Income Assistance	\$ 250.0	\$ 250.0	\$ 500.0	\$ 500.0	\$ 500.0	\$ 612.9	\$ 1,218.6	\$ 877.4
Total	\$ 7,413.2	\$ 18,076.4	\$ 47,449.0	\$ 35,686.3	\$ 22,288.6	\$ 22,618.4	\$ 22,791.2	\$ 27,419.6

Table 1 shows a ramp up of the programs during the first two years and then a decrease in actual spending from a 2009 high of \$47.4 million to \$22.6 million in 2012. \$15.2 million has been spent through June 2013. On July 31, 2013 Questar submitted a request to increase the 2013 budget to \$31.0 million. Participation in the Weatherization program has exceeded budget and

the Company estimates that the total for that program may be as high as \$16.4 million as the end of the year. Questar management projects 2013 expenditures will be slightly under the revised 2013 EE Budget of \$31 million. The decrease in expenditures over the last couple of years corresponds to the decrease in the price of natural gas. The Company continues to look for new ways to increase participation in all of the EE programs and consults with the Advisory Group for input to achieve these goals.

2014 ENERGY EFFICIENCY PLAN SUMMARY

Table 2 summarizes QGC's proposed 2014 EE Budget by program as compared to the 2013 EE Budget. As shown in Table 2, the EE Budget for 2014 is \$27.491 million (Col D Ln 8). This is 20.3% above the 2013 DSM Budget (Col F Ln 8). Columns I and J compare the 2014 EE Budget Total Resource Cost Test ratios (TRC) to the 2013 EE Budget TRC for the EE programs.

Table 2: 2014 Energy Efficiency Report Summary

QUESTAR GAS COMPANY
DSM ENERGY EFFICIENCY REPORT
2014 Budget and 2013 Budget
DOCKET NO. 13-057-14

A	B	C	D	E	F	G	H	I	J
	2014 Budgeted Participants	2013 Budgeted Participants	2014 Budget (000)	2013 Budget (000)	% 2014 Budget over (under) 2013 Budget	2014 Dth Savings*	2013 Dth Savings*	2014 TRC Ratio	2013 TRC Ratio
ThermWise Appliance	20,062	16,908	\$ 5,887.4	\$ 5,363.4	9.8%	226,538	182,963	1.1	1.2
ThermWise Builder	7,540	6,491	\$ 2,775.0	\$ 2,753.0	0.8%	71,565	65,795	0.9	0.8
ThermWise Business	1,323	953	\$ 1,985.8	\$ 1,595.8	24.4%	100,820	73,097	1.5	1.3
ThermWise Custom Business	50	50	\$ 760.2	\$ 823.6	-7.7%	35,000	35,000	1.6	1.5
ThermWise Energy Plan	2,650	2,588	\$ 794.3	\$ 852.9	-6.9%	31,221	31,221	1.1	1.0
ThermWise Weatherization	67,570	35,592	\$ 12,686.5	\$ 8,192.1	54.9%	273,661	165,958	1.2	1.2
Market Transformation	NA	NA	\$ 1,653.0	\$ 1,991.8	-17.0%	NA	NA	0.0	0.0
Low Income Assistance	1,978	3,382	\$ 877.4	\$ 1,218.6	-28.0%	20,912	35,573	1.1	1.4
Total	101,173	65,964	\$ 27,419.6	\$ 22,791.2	20.3%	759,717	589,607	1.1	1.1

*Savings reflects the net Dth deemed savings based on budgeted participants with an 80% net-to-gross ratio applied.

For 2014, the number of expected participants is well above the 2013 budgeted level with the increase in Weatherization participation and the Dth savings exceed the level set in the 2013 budget.

Table 3, shows the June 30, 2013 actual results and compares the 2014 budget to the 2013 budget by total customer rebates and program administrative & overhead costs. The table shows the 20.3% increase from the 2013 budget which is attributed mainly to an increase in expected customer rebates. Administrative program costs are also lower than the 2013 budget amount. The table shows an increase of 29% in Dth saved and a 53% increase in participants is projected. The increase in projected Dth savings reduces the cost per Dth saved by 6.6% to \$36.09 per Dth saved.

Table 3

ThermWise 2014 EE Program

Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	12,102.8	14,699.0	19,993.4	5,294.4	36.0%
Program Costs	3,047.9	8,092.2	7,426.2	(666.0)	-8.2%
Total Costs	\$ 15,150.7	\$ 22,791.2	\$ 27,419.6	\$ 4,628.4	20.3%
Projected Dth Savings*	328.9	589.6	759.7	170.1	28.9%
Participants	61.2	66.0	101.2	35.2	53.4%
Total \$ / Dth Savings (\$0.00)	\$ 46.06	\$ 38.65	\$ 36.09	NA	-6.6%
California Test Results					
Total Resource Cost Test B/C	1.1	1.1	1.1	NA	NA
Utility Cost Test B/C	1.4	1.3	1.4	NA	NA

* Assumes a 20% reduction to gross Dth saved.

PROGRAM REVIEW

For 2014, the Energy Efficiency programs are: 1) the ThermWise Appliance Program; 2) the ThermWise Builder Program; 3) the ThermWise Business Program; 4) the ThermWise Custom Business Program; 5) the ThermWise Home Energy Audit Program; 6) the ThermWise Weatherization Program and 7) the Low-Income Assistance Program. In addition to these programs, the Market Transformation initiative, designed to inform and educate customers about the importance of energy conservation, continues as part of the 2014 budget.

THERMWISE APPLIANCE REBATES PROGRAM

The ThermWise Appliance Rebates Program for 2014 is available to all GS single-family and multi-family residential customers. The program has made some minor changes to the measures

or choices from those offered in 2013. In 2014, the measure for High-Efficiency Gas Furnaces will now include a mid-level (92% AFUE) efficiency option and a higher tier furnace rebate ($\geq 98\%$ AFUE with ECM). All rebate applications must be completed within 6 months of the qualifying appliance purchase.

This program is administered by PECI and has a 2014 QGC proposed budget cost of \$5.887 million compared to a 2013 budget of \$5.363 million, an increase of 9.8% from the 2013 budget. Again, as with the previous year's budgets, the actual customer rebates will vary depending on customer participation.

Table 4 compares the ThermWise Appliance Program by Customer Rebates and Program Administrative Costs with actual results through June 30, 2013, the 2013 budget and the 2014 budget. The table shows a decrease in the TRC from the 2013 budget and an increase in the Utility Cost Test (UCT) benefit ratio from the 2013 budget projection.

Table 4

ThermWise Appliance Program
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	2,109.7	3,869.6	4,617.4	747.8	19.3%
Program Costs	532.0	1,493.8	1,270.0	(223.8)	-15.0%
Total Costs	\$ 2,641.7	\$ 5,363.4	\$ 5,887.4	\$ 524.0	9.8%
Projected Dth Savings *	82.7	183.0	226.5	43.6	23.8%
Participants	9.8	16.9	20.1	3.2	18.7%
Total \$ / Dth Savings (\$0.00)	\$ 31.94	\$ 29.31	\$ 25.99	NA	-11.3%
California Test Results					
Total Resource Cost Test B/C	1.4	1.2	1.1	NA	NA
Utility Cost Test B/C	1.7	1.5	1.7	NA	NA

* Assumes a 20% reduction to gross Dth saved.

THERMWISE BUILDER REBATES PROGRAM

The ThermWise Builder Program also added the options for a 92% AFUE furnace and the higher tier furnace of $\geq 98\%$ AFUE with ECM. The Company surveyed several distributors concerning the reintroduction of the 92% AFUE furnace, the distributors indicated that a 92% AFUE rebate

would be particularly beneficial in moving new construction projects from 80% AFUE furnaces. The Company is proposing an additional rebate method in the Builder Program. It would provide builders with a rebate in the form of a credit (rather than in the form of a check) to offset up-front costs for meter and service line contributions. The credit would be given to builders for installing high efficiency furnace (92%, 95%, and 95% or 98% AFUE with ECM) and storage water heating measures (Tier 1 - .62 \geq .66 energy factor, or Tier 2 - .67 or greater energy factor). The Company believes that this new rebate method would be beneficial because it would increase builder awareness of energy efficiency at the critical stage where the decision is made between code required equipment and the energy efficient option. The processes will be reviewed with the DSM Advisory Group prior to implementation.

Table 5 shows the 2014 budget for the ThermWise Builder Program is \$2.775 million, a \$0.022 million dollar increase from the 2013 budget of \$2.753 million. The net increase is due to higher customer rebates while administrative costs have decreased. Expected participation and Dth saved is higher than the 2013 budget resulting in lower dollars per Dth saved than expected in the 2013 budget. The Builder Program is the only program with a TRC ratio below 1.0. The UCT ratio remains above 1.0.

Table 5 **ThermWise Builder Program**
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	1,112.1	2,025.1	2,081.0	55.9	2.8%
Program Costs	364.6	727.9	694.0	(33.9)	-4.7%
Total Costs	\$ 1,476.7	\$ 2,753.0	\$ 2,775.0	\$ 22.0	0.8%
Projected Dth Savings *	29.4	65.8	71.6	5.8	8.8%
Participants	3.9	6.5	7.5	1.0	16.2%
Total \$ / Dth Savings (\$0.00)	\$ 50.23	\$ 41.84	\$ 38.78	NA	-7.3%
California Test Results					
Total Resource Cost Test B/C	0.7	0.8	0.9	NA	NA
Utility Cost Test B/C	1.3	1.3	1.3	NA	NA

THERMWISE BUSINESS REBATES PROGRAM

This program is available to the GS Rate Class commercial customers and offers thirty five prescriptive measures, all of which are designed to leverage the marketing access and existing delivery channels of local businesses, wholesalers and retailers to provide cost-effective natural gas savings opportunities. The Company believes that significant savings are available to business customers through the high-efficiency pre-rinse spray valve rebate measure, in order to promote market adoption of the pre-rinse spray valve, the Company proposes to implement a direct-install program in early 2014. This program will also have rebates available for 92% AFUE furnace and the higher tier $\geq 98\%$ ARUE with ECM furnace.

The ThermWise Business program is administered by Nexant. The 2014 budget is \$1.986 million, which is \$0.390 million or 24% above the 2013 budget, as shown in Table 6. The table summarizes the ThermWise Business Program by Customer Rebates and Program Costs with actual results through June 30, 2013, the 2013 budget and the 2014 budget.

Table 6

ThermWise Business Program
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	579.2	943.2	1,172.8	229.6	24.3%
Program Costs	296.5	652.6	813.0	160.4	24.6%
Total Costs	\$ 875.7	\$ 1,595.8	\$ 1,985.8	\$ 390.0	24.4%
Projected Dth Savings *	40.4	73.1	100.8	27.7	37.9%
Participants	0.5	1.0	1.3	0.4	38.8%
Total \$ / Dth Savings (\$0.00)	\$ 21.68	\$ 21.83	\$ 19.70	NA	-9.8%
California Test Results					
Total Resource Cost Test B/C	1.7	1.0	1.5	NA	NA
Utility Cost Test B/C	2.6	1.6	2.3	NA	NA

Table 6 shows both the TRC ratio and UCT ratio for the 2014 budget well above 1.0 and higher than the 2013 budget projections.

THERMWISE BUSINESS CUSTOM REBATES PROGRAM

This program is a customer initiated program and is administered by Nexant. The 2014 budget has decreased from the 2013 budget by \$63 thousand due to decreases in program costs.

Table 7 compares the 2014 budget to the 2013 budget. The table shows that the benefit cost ratios remain above 1.0 for the 2014 plan year.

Table 7 **ThermWise Custom Business Program**
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	46.6	250.0	250.0	0.0	0.0%
Program Costs	179.9	573.6	510.2	(63.4)	-11.1%
Total Costs	\$ 226.5	\$ 823.6	\$ 760.2	\$ (63.4)	-7.7%
Projected Dth Savings *	4.9	35.0	35.0	-	0.0%
Participants	0.0	0.1	0.1	-	0.0%
Total \$ / Dth Savings (\$0.00)	\$ 46.22	\$ 23.53	\$ 21.72	NA	-7.7%
California Test Results					
Total Resource Cost Test B/C	0.9	1.5	1.6	NA	NA
Utility Cost Test B/C	1.0	2.0	2.2	NA	NA

The Company is proposing to implement a strategic energy management service as part of the Business Custom program in 2014. Businesses would be required to contract with the Company to implement the findings from the energy management service before analysis and support would be provided. QGC Energy Efficiency Exhibit 1.6 sets forth the complete program description for 2014.

In evaluating this program, it should be noted that project development times are much longer than the prescriptive incentive payments. Most aspects of this program require pre-installation engineering studies, negotiated contracts, and implementation of the recommended energy saving measures before rebates are paid to the customers. In an effort to expedite some of the development time required in this program, a simplified analysis approach has been developed for air to air heat exchanger measures, pipe insulation measures and boiler control measures that allow customers to submit measure specific parameters for calculation of Dth savings. Upon approval, the project may proceed. Post-completion inspections are performed before the rebates can be paid in an expedited manner. Although the expected participants are few in number, each project is expected to yield large Dth savings.

THERMWISE HOME ENERGY PLAN REBATES PROGRAM

The ThermWise Home Energy Plan is administered by Questar. The Company expanded program eligibility to previously ineligible multifamily customers in 2013. The Company also transitioned the program name from Home Energy Audit to Home Energy Plan in the early part of 2013. The home energy plans can either be an on-site audit, conducted by QGC technicians, or a mail in plan in which the participant answers questions and receives advice from QGC. A \$25 fee is charged for the on-site plans. This fee is fully refundable upon participation in any ThermWise energy-efficiency rebate program and is waived for lower-income senior homeowners. In addition, the program will provide certain low-cost energy-efficiency measures at no charge.

The 2014 budget is \$794.3 thousand, which is \$58.6 thousand below the 2013 budget. The decrease is due to decrease in program costs. Table 8 compares the 2014 EE Budget to the 2013 EE Budget along with June 30, 2013 YTD actual results. The table shows the benefit cost ratios are at 1.1 for 2014. This program becomes a gateway to many of the appliance upgrades and weatherization measures implemented by customers (for which incentives are received through other EE programs) as a result of their identification in home energy plans. This program continues to have benefits beyond those seen in the data below as it introduces customers to the potential savings they may realize by implementing additional energy efficiency measures.

Table 8

ThermWise Energy Plan Program

Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	-	56.3	57.3	1.0	1.8%
Program Costs	302.7	796.6	737.0	(59.6)	-7.5%
Total Costs	\$ 302.7	\$ 852.9	\$ 794.3	\$ (58.6)	-6.9%
Projected Dth Savings *	15.7	31.2	31.2	-	0.0%
Participants	1.6	2.6	2.7	0.1	2.4%
Total \$ / Dth Savings (\$0.00)	\$ 19.28	\$ 27.32	\$ 25.44	NA	-6.9%
California Test Results					
Total Resource Cost Test B/C	1.8	1.0	1.1	NA	NA
Utility Cost Test B/C	1.7	1.0	1.1	NA	NA

THERMWISE WEATHERIZATION REBATES PROGRAM

This program offers both GS single-family and multi-family residential customer rebates for installing qualifying weatherization measures. The Company continues to utilize an approved contractor list in order to provide customers and the Company more confidence that the insulation measures are properly installed to insure the Dth savings will be realized. This list of qualified contractors is maintained on the Company's website and interested customers can review that list on the Company's web-site.

The weatherization measures are customer initiated with rebates mailed back to the participants. The 2014 budget is \$12.687 million, an increase of 55% from the original 2013 budget, but a decrease of \$3.7 million from the revised budget of \$16.4 million for this program.

Table 9 compares the ThermWise Weatherization Program by Customer Rebates and Program Costs with actual results through June 30, 2013, the 2013 budget and the 2014 budget. The table shows the benefit cost ratios are above 1.0 which is at the same levels as those projected in the 2013 budget plan.

Table 9

ThermWise Weatherization Program
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	8,189.4	6,892.8	11,476.5	4,583.7	66.5%
Program Costs	375.6	1,299.3	1,210.0	(89.3)	-6.9%
Total Costs	\$ 8,565.0	\$ 8,192.1	\$ 12,686.5	\$ 4,494.4	54.9%
Projected Dth Savings *	153.7	166.0	273.7	107.7	64.9%
Participants	45.0	35.6	67.6	32.0	89.8%
Total \$ / Dth Savings (\$0.00)	\$ 55.73	\$ 49.36	\$ 46.36	NA	-6.1%
California Test Results					
Total Resource Cost Test B/C	1.2	1.2	1.2	NA	NA
Utility Cost Test B/C	1.4	1.3	1.3	NA	NA

LOW INCOME ASSISTANCE PROGRAM

Part of the agreement reached in Docket 05-057-T01 contained the provision for QGC to provide funding of \$250,000 for the state’s Low Income Weatherization Program. In 2009, the funding for this program was increased by another \$250,000 for a total contribution of \$500,000 to the program’s budget in order to address natural gas issues for qualified low-income assistance recipients. Section 2.15 of the Company’s natural gas tariff is the Low-Income Weatherization Assistance Tariff. The Company proposes removing the word “Weatherization” from the title of the program because the program is not solely focused on weatherization. This tariff includes a paragraph allowing approved non-profit or governmental agencies to apply for rebates under the ThermWise Programs. This allows qualified agencies to utilize rebates for work they have performed to do additional weatherization measures. The Utah Department of Community and Culture’s (DCC) Weatherization Program currently qualifies under this provision. This will allow the DCC to report its activity quarterly and include the saved Dth as a result of its efforts as part of the quarterly reports filed by the Company on the EE program results. Table 10 reflects the budget for the Low Income Weatherization Program.

Table 10

ThermWise Low Income Weatherization Program
Thousands

	2013 2Q Actual YTD	2013 Budget	2014 Budget	\$ 2014 Budget over (under) 2013 Budget	% 2014 Budget over (under) 2013 Budget
Customer Rebates	65.8	662.0	338.4	(323.6)	-48.9%
Program Costs	250.0	556.6	539.0	(17.6)	-3.2%
Total Costs	\$ 315.8	\$ 1,218.6	\$ 877.4	\$ (341.2)	-28.0%
Projected Dth Savings *	2.1	35.6	20.9	(14.7)	-41.2%
Participants	0.4	3.4	2.0	(1.4)	-41.5%
Total \$ / Dth Savings (\$0.00)	\$ 150.38	\$ 34.26	\$ 41.96	NA	22.5%
California Test Results					
Total Resource Cost Test B/C	0.3	1.4	1.1	NA	
Utility Cost Test B/C	0.4	1.5	1.3	NA	

TOTAL 2014 EE PROGRAM ADMINISTRATIVE COST

As shown in Table 3 on page 4, the 2014 total program administrative costs are \$7.426 million, a \$666.0 thousand decrease from the 2013 budget program costs. This \$7.4 million represents about 27% of the total budget and includes \$1.7 million for the Market Transformation Program. Most of the measures, with rebates, have program administrative costs that are lower than their 2013 budget. The exception to this is the ThermWise Business Program (\$160.4 thousand higher than the 2013 budget). The Division urges QGC to always look for ways to implement administrative cost reduction steps in order to improve overall program efficiencies.

GAS PRICE SENSITIVITY

Based upon gas price forecasts used in the 2013-14 QGC IRP plan (Docket No. 13-057-04), the 2014 EE Budget assumes a first year average summer/winter gas price of \$4.37/\$4.56 per Dth respectively with a 25 year projection of prices ending at \$7.34/\$7.71 per Dth. This compares to a beginning summer/winter gas price range in the 2013 EE Budget of \$3.72/\$3.62 per Dth, ending at \$7.34/\$8.04 per Dth.

The Company used traditional sources for gas price projections in all of the analyses. All of the gas price forecasts used show moderate increases from the current low-price levels. The Company has chosen not to eliminate measures solely on the basis of failing a benefit-cost test. Most programs and individual measures are fairly low cost to maintain, but expensive to start-up. The Company feels taking the long view in this low-price environment is in the best interest of customers and the ThermWise programs.

SUMMARY AND RECOMMENDATION

While the Division recognizes that in the lower cost price environment for natural gas that currently exists, it is more difficult to justify some measures as truly cost effective, the Division still finds value in the overall program objectives. Therefore the Division supports the 2014 Energy Efficiency Budget and recommends the Commission approve the application.

The Division commends QGC and the Advisory Group for their active participation and commitment to continue to develop and promote strong Energy Efficiency programs, with the

intent to promote the energy saving measures to an even broader base of GS customers and urges all GS customers to participate in these programs whenever possible.

Cc: Barrie Mckay, Questar Gas Company
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