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UTAH PUBLIC
SERVICE COMMISSION

2014 SEP 30 P 12:02

Barrie L. McKay
Vice President Regulatory Affairs

September 30, 2014

RECEIVED

Docket No. 13-057-14

Utah Public Service Commission
Heber M. Wells Building
P. O. Box 45585
Salt Lake City, UT 84145-0585

Dear Commissioners:

Questar Gas Company (Questar Gas or the Company) respectfully submits to the Utah Public Service Commission (Commission), pursuant to the order issued in Docket No. 09-057-15, dated January 12, 2010 (Order), a report on DSM expenditures to date. Specifically, the Order in paragraph 1 states:

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.

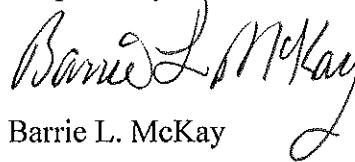
Per the Order and the Division of Public Utilities (DPU) request in its memorandum (Memorandum, Docket No. 10-057-15, Questar Gas DSM budget for 2011, December 6, 2010) to keep "current reporting requirements in place" for future ThermWise[®] program years, Questar Gas reports that in the month of July 2014 the Builder Rebates program surpassed eighty percent (80%) of the 2014 budget. At the end of June, the Builder program had expenses of \$1.89 million or sixty-eight percent (68%) of the 2014 budget. Expenditures in the month of July totaled \$0.42 million which brought program spending to eighty-three percent (83%) of the 2014 Builder budget. The Builder program is experiencing higher than projected customer participation particularly in the 95% efficient furnace rebate measure for both single and multi-family market segments.

If the seven month participation trends were to continue through the remainder of 2014, the Company projects that total program spending in the Builder program could reach as high as \$3.9 million or 139% of budget. These higher than estimated customer rebate totals would result in higher related Dth savings than budgeted. Higher customer participation rates would also improve the overall Builder program cost-effectiveness results.

The Company forecasts that total ThermWise[®] Program spending for 2014 will reach \$27.1 million (Attachment 1, line 9, column D) or ninety-nine percent (99%) of the Commission approved \$27.4 million budget. The Company forecasts that program spending for the Home Energy Plan will finish 2014 at seventy-four percent (74%) of budget, Appliance Program: ninety percent (90%), Weatherization Program: ninety-two percent (92%), Business Program: one hundred forty-two percent (142%), and the Business Custom Program: thirty percent (30%) of the 2014 approved budget. To the extent the increase spending for the Builder and Business rebates program needs Commission approval, Questar Gas respectfully requests that the Commission approve the higher program budget levels.

Questar Gas will continue to closely monitor customer participation and efficiently manage spending for all ThermWise[®] programs and the Market Transformation initiative. Detailed quarterly reports will continue to be provided to the Division of Public Utilities on actual program spending and customer participation compared to budget.

Respectfully Submitted,

A handwritten signature in black ink that reads "Barrie L. McKay". The signature is written in a cursive style with a large, stylized "M" and "K".

Barrie L. McKay

cc: Division of Public Utilities
Committee of Consumer Services

Attachment 1

**Questar Gas Company
ThermWise® Programs
Actual and Forecast Expenditures
As of July 31, 2014**

	(A)		(B)		(C)		(D)		(E)		(F)	
	Year-to-Date June 2014	Actual	July Expenditures	July 2014 Results	Year-End 2014 Forecast	Forecast	Actual plus Forecast	Budget	% of Budget	YTD as of July 31, 2014 plus Forecast	Budget	% of Budget
Program												
1 ThermWise® Appliance Program	2,661,782	403,758	2,250,404			5,315,944	5,887,450	90%				
2 ThermWise® Builder Program	1,885,551	415,878	1,565,015			3,866,444	2,774,950	139%				
3 ThermWise® Business Program	1,074,337	338,849	1,398,750			2,811,936	1,985,760	142%				
4 ThermWise® Home Energy Plan	284,073	43,092	258,172			585,337	794,270	74%				
5 ThermWise® Weatherization Program	5,892,463	747,787	5,091,191			11,731,441	12,686,485	92%				
6 ThermWise® Business Custom Program	109,303	20,229	95,612			225,144	760,150	30%				
7 Market Transformation	726,086	39,733	887,182			1,653,000	1,653,000	100%				
8 Low Income Weatherization	571,191	143,288	163,008			877,486	877,486	100%				
9 TOTAL	13,204,785	2,152,614	11,709,334			27,066,732	27,419,551	99%				
10 EE Interest	32,086	8,111	41,226			81,423	N/A	N/A				
11 EE Amortization	(23,960,300)	(760,668)	(9,830,823)			(34,551,791)	N/A	N/A				
12 Period Totals	(10,723,429)	1,400,057	1,919,736			(7,403,636)	27,419,551	-27%				