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Division of Public Utilities

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MEMORANDUM

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Philip Powlick, Director
Energy Section
Artie Powell, Manager

Date: March 26, 2009, 2009

Ref: Docket 09-057-T04: Questar Gas Company - In the Matter of the Application for
Tariff Change for Third Year Budget for Demand Side Management Programs
and Market Transformation Initiative

RECOMMENDATION: Delay implementation of the proposed tariff change until 30 days
after the Commission rules on this matter.

ISSUE: On March 18, 2009, the Division of Public Utilities filed a memorandum in this docket
that included a recommendation to approve the insulation rebate program change requested by
Questar Gas. At that time, the Division recommended approval of the Company's requested
April 1, 2009 implementation for this change. Based upon sworn testimony from public
witnesses provided at the scheduled hearing on this matter, Rocky Mountain Power's March 23,
2009 filing seeking changes in installation incentives,¹ and other factors, the Division of Public

¹ See Rocky Mountain's March 23, 2009 filing in Docket No. 09-035-T04 requesting changes to reimbursement
levels for insulation installation as well requesting to have the measures applied differently to customers depending
upon whether their residences have electric heat or electric cooling.

Utilities (Division) is revising its recommendation concerning the appropriate effective date for Questar Gas Company's changes to insulation incentive rebates.

DISCUSSION: At the time the Division filed its March 18 memorandum, Rocky Mountain Power had not yet filed for changes to its demand-side management program. In its March 23 filing², Rocky Mountain Power recommended to the Commission that, a) Proposed changes in its program should be effective on April 1, 2009, consistent with the pendant Questar filing, and b) That if the Commission chose not to make April 1 the effective date of either program change, that the two programs' changes (Questar's and Rocky Mountain Power's) should have simultaneous implementation dates in order to avoid customer and contractor confusion. The Division agrees with this argument and also recommends simultaneous changes. However, as we have also filed today in direct response to Rocky Mountain Power's request for an April 1 implementation date, we do not believe that Rocky Mountain Power's changes should be implemented with so little time for analysis and public comment. Believing as we do that implementation should be simultaneous, we recommend delaying Questar's effective date until a reasonable time after analysis and public comment can also be made on Rocky Mountain's application.

The Division is also now persuaded that the originally requested implementation date of April 1, 2009 does not provide enough notice to utility customers, contractors, and others affected by the incentive program. We believe it is reasonable to provide contractors with sufficient time to complete jobs that were bid assuming the current rebate levels. We also

² See Rocky Mountain's March 23, 2009 filing in Docket No. 09-035-T04 requesting changes to reimbursement levels for insulation installation as well requesting to have the measures applied differently to customers depending upon whether their residences have electric heat or electric cooling.

believe that customers wishing to self-install insulation should be provided reasonable notice in order to complete planned work. This said, we nevertheless believe that a relatively near and time-certain date should be established. We therefore recommend that implementation of new rebate levels should be set at no less thirty days after any Commission decision to change those levels. For the sake of simplicity and ease of memory, the Division recommends that the effective date of Questar Gas' rebate change be May 1, 2009, and urges prompt consideration of Rocky Mountain's filing in order to be able to implement both company's changes simultaneously.

Cc: Barrie McKay, Questar Gas Company
 Michele Beck, Committee of Consumer Services