

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application for Approval)
of the 2011 Year Budget for Energy) DOCKET NO. 10-057-15
Efficiency Programs and Market)
Transformation Initiative) REPORT AND ORDER

ISSUED: January 12, 2011

By the Commission:

Procedural History

This matter is before the Commission on Questar Gas Company's ("Company") October 6, 2010, Application for Approval of the 2011 Year Budget for Energy Efficiency Programs and Market Transformation Initiative.¹ On October 7, 2010, the Commission issued an Action Request to the Division of Public Utilities ("Division"). On December 1, 2010, the Company filed a Motion for Substitution of Section 2.17 of Exhibit 1.8 to adjust some administrative details of its proposed programs.

On December 1, 2010, the Commission received two emailed comments from members of the public, who did not provide their individual names - but which referenced company names², opposing some of the proposed changes to contractor requirements contained in the Company's application.

On December 6, 2010, the Division filed comments recommending approval of the Company's proposed programs with the exception of the proposed rebate on direct vent

¹ On June 3, 2010, the Commission issued an Order in Docket No. 09-057-16 approving the Conservation Enabling Tariff (CET) as an on-going program.

² UTCoatings and Polar Insulation, Inc.

fireplaces. The Division recommended removing the Direct-Vent Fireplace measure within the Builder Rebate program. *Division Recommendation, p.5.*

On December 6, 2010, the Office of Consumer Services (“Office”) filed a memorandum stating they had concerns with the application as it was filed, and with various on-going aspects of the Company’s DSM programs. The Office stated it would file more detailed comments by December 20, 2010.

On December 12, 2010, the Company filed comments agreeing to withdraw the measures related to direct vent fireplaces from the proposed program and budget.

On December 20, 2010, the Office filed Comments on the application and requested a hearing, delayed implementation, and additional reporting requirements. In response to the Office’s filed Comments Questar met with the Office. On January 6, 2011, the Company filed comments responding to the Office agreeing to: (1) add language to rebate applications indicating that “rebate amounts are subject to change with 30 day notice;” (2) list all pending rebate program changes on the ThermWise® website; (3) provide the Office and the Division with quarterly reports setting forth data relating to program participation, Dth savings, actual spending and budgets; (4) provide the Office with a copy of the audit amortization data that is provided to the Division on a semi-annual basis; (5) provide the DSM Advisory Group with written notice of any material mid-year budget changes; (6) include Energy Efficiency budget and cost issues in the agendas for the upcoming 2011 DSM Advisory Group meetings; (7) include a discussion of the energy savings (including Dth saved, and costs avoided) in the agendas for the upcoming 2011 DSM Advisory Group meetings; (8) meet with the Office and

the Division on February 1, 2011 to discuss progress in processing Authorized Contractor applications; (9) include a discussion of the proposed Authorized Contractor requirements in the February GasLight News and on the ThermWise® website; and (10) provide a more detailed explanation of material budget changes in future annual budget requests. Questar Gas and the Office have also agreed that the Authorized Contractor requirements for attic, wall and floor insulation rebates should not be effective until March 1, 2011. The Company states that it: “. . . has communicated with the Office and the Office has indicated that, with the changes and other agreed-upon terms set forth above, it supports the approval of the . . . Application for Approval of the 2011 Year Budget for Energy Efficiency Programs and Market Transformation Initiative. . . .”

Commission Action

Because this Application is no longer disputed, and given that the details of the Application are contained and analyzed in the Application and comments of the Division and Office, the Commission here only summarizes the Application and the comments of the Division and Office. As noted by the Division in its recommendation, the “original Demand Side Management³ 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” energy consumption efficiency. *Division Recommendation, pp. 1-2.*

³ The Company is changing the name of its Demand Side Management Initiative to the Questar Energy Efficiency Initiative.

DOCKET NO. 10-057-15

- 4 -

The Company states the ThermWise Energy Efficiency Programs proposed to continue in 2011 are:

1. the ThermWise Appliance Rebates Program;
2. the ThermWise Builder Rebates Program;
3. the ThermWise Business Rebates Program;
4. the ThermWise Weatherization Rebates Program;
5. the ThermWise Home Energy Audit Program;
6. funding of \$500,000 for the Low-Income Weatherization Assistance Program administered by the Utah Department of Community and Economic Development; and
7. the ThermWise Business Custom Rebates Program.

Company Application, ¶ 5. The proposed budget is \$32.228 million, which is 10.8 % below the 2010 DSM budget because of a decrease in assumed gas prices between 2010 and 2011. *Division Recommendation, p.5.*

The Commission finds that the proposed program as modified by the Company's December 12, 2010, and January 6, 2011, comments is in the public interest.

ORDER

The budget is approved, as modified by the Company comments, with an effective date of January 1, 2011. The Company shall make a compliance filing of tariff sheets which reflect the discussion and findings in this Order.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final

DOCKET NO. 10-057-15

- 5 -

agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 12th day of January, 2011.

/s/ Ruben H. Arredondo
Administrative Law Judge

Approved and confirmed this 12th day of January, 2011, as the Report and Order of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#70471