



GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

ACTION REQUEST RESPONSE

To: Public Service Commission

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

Date: December 6, 2011

Subject: Docket No. 11-057-13, 2010 ThermWise Builder Program.

ISSUE:

On November 8, 2011, Questar Gas Company (QGC) filed with the Utah Public Service Commission (Commission) a letter reporting to the Commission that the 2010 Energy Efficiency (EE) ThermWise Builder program has exceeded its 2010 EE budget that was approved in Docket No. 10-057-15. On November 18, 2011 the Commission issued an Action Request to the Division regarding this matter. This is the Division's response to the Action Request.

RECOMMENDATION:

The Division recommends that the Commission acknowledge the letter as meeting the requirement established by the Commission in Docket No. 05-057-T01¹ and that no further action by the Commission is necessary.

DISCUSSION:

As explained in the letter submitted by QGC, the 2011 ThermWise Builder Program reached 94% of its 2011 budget by the end of August 2011 due in large part to builder rebates eligible in 2010 that were not completed until this year. By the end of September 2011, the ThemWise Builder Program spent \$2.757 million or 104% of its 2011 budget. The Company projects that

¹ See page 7 in Docket No. 01-057-T01 issued January 16, 2007.

the Builder Program could reach \$3.338 million by the end of the year which is 126% of its 2011 budget. However, as noted in the Company's letter to the Commission, the total expected expenditure for all of the 2011 EE programs is projected to reach \$22.951 million or only 71% of the 2011 budget approved by the Commission in Docket No. 10-057-15.

Even though the Builder Program has already exceeded its 2011 program budget, the other programs are under performing as shown in Column F of Table 1. At the end of September 2011, the actual total cost for all EE programs is \$17.078 million (53%) of the 2011 approved budget.

Also, as shown in Column I of Table 1, the TRC benefit cost ratio for all programs is 1.1 while the Builder Program is only 0.6. However, these programs are beneficial in reducing costs to the Company as the Utility Cost Test (UCT) benefit cost ratio for the Builder Program is 1.1 and the UCT ratio for all of the ThermWise EE programs is 1.6.

Table 1									
QUESTAR GAS COMPANY									
ENERGY EFFICIENCY SUMMARY REPORT									
30-Sep-11									
DOCKET NO. 10-057-15									
A	B	C	D	E	F	G	H	I	
	2011	YTD	2011	YTD	YTD \$	YTD	2011	TRC	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	B/C	
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	Ratio	
5	ThermWise Appliance	31,445	18,836	\$ 7,533.8	\$ 4,360.7	57.9%	114,103	230,145	1.4
6	ThermWise Builder	3,657	5,731	\$ 2,639.7	\$ 2,757.0	104.4%	35,409	31,006	0.6
7	ThermWise Business	1,039	661	\$ 1,299.2	\$ 611.9	47.1%	27,299	48,534	1.9
8	ThermWise Custom Business	20	16	\$ 452.6	\$ 273.7	60.5%	12,228	10,018	2.4
9	ThermWise Audit	3,773	1,138	\$ 760.6	\$ 428.9	56.4%	2,952	9,334	0.3
10	ThermWise Weatherization	78,826	41,218	\$ 17,296.8	\$ 7,117.7	41.2%	142,380	308,162	1.1
11	Market Transformation	NA	NA	\$ 1,752.1	\$ 1,027.6	58.6%	NA	NA	NA
12	Low Income Weatherization	NA	NA	\$ 500.0	\$ 500.0	100.0%	NA	NA	NA
13	Total	118,760	67,600	\$ 32,234.8	\$ 17,077.5	53.0%	334,371	637,199	1.1
14	DSM Interest			\$ 1,400.3					
15	DSM Amortization			\$ (24,788.2)					
16	DSM General Administration			\$ -					
17	R&D Funds Transfer			\$ -					
18	YTD Change Acct 82400			\$ (6,310.5)					
19	December 2010 Acct 82400 Bal			\$ 39,437.4					
20	Ending Balance Acct 82400			\$ 33,127.0					
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.								

The Division believes that, based on the projections provided by the Company in their November 8, 2011 memo and the September 30th results exhibited in Table 1, the Commission does not

need to specifically authorize an increase in the 2011 ThermWise Builder budget amount since the total expenditure for all EE programs, as previously mentioned, is projected to reach only 71% of the authorized EE budgeted amount for 2011.

Cc: Barrie McKay, Questar Gas Company.

Steve Bateson, Questar Gas Company.

Mike Orton, Questar Gas Company.

Michele Beck, Office of Consumer Services

Eric Orton, Office of Consumer Services