

Colleen Larkin Bell (5253)
Jenniffer Nelson Clark (7947)
Questar Gas Company
180 East First South
P.O. Box 45360
Salt Lake City, Utah 84145
(801) 324-5556
(801) 324-5935 (fax)
colleen.bell@questar.com
jenniffer.clark@questar.com

Attorneys for Questar Gas Company

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION FOR APPROVAL OF THE)	
2013 YEAR BUDGET FOR ENERGY)	Docket No. 12-057-14
EFFICIENCY PROGRAMS AND MARKET)	DSM ADVISORY GROUP
TRANSFORMATION INITIATIVE)	CONSENSUS ITEMS

Questar Gas Company (Questar Gas or Company) respectfully submits this summary of conclusions and consensus reached in its recent DSM Advisory Group Meeting.

I. BACKGROUND

On October 17, 2012 Questar Gas filed an application for approval of the 2013 year budget for energy efficiency programs and market transformation initiative (Application). On October 23, 2012 the Utah Public Service Commission (Commission) issued an action request for the Division of Public Utilities (Division) to file comments on the Company's Application. On November 15, 2012 the Division filed comments on the Application. On November 16, 2012, the Office of Consumer Services (OCS) filed comments on the

Application and on November 19, 2012 Salt Lake Community Action Program (SLCAP) filed comments on the Application.

The Division's comments recommended approval of the Company's request. The OCS raised two issues and requested postponement of approval until one of their issues of concern had been resolved. SLCAP raised a number of issues for further Commission consideration.

The Company convened an Advisory Group meeting on December 13, 2012. All interested parties were present. In total, thirteen (13) distinct organizations were represented. The issues raised in the OCS and SLCAP comments were discussed in great length. Described below are the consensus findings of the Advisory Group.

II. RESULTS OF DSM ADVISORY GROUP MEETING

Licensing for State Weatherization Implementation Agencies. SLCAP expressed concern that the State Weatherization Implementation Agencies (Implementation Agencies) have experienced some difficulty in obtaining licensing from the state, a prerequisite to becoming an Authorized Contractor. As a consequence, those Implementation Agencies' were not eligible for weatherization rebates. Initially, the Implementation Agencies believed that they were exempt from state licensing requirements. Upon further investigation, the Implementation Agencies discovered that they were not exempt and would therefore be required to obtain certain contractor licenses before performing weatherization work and, before becoming eligible to obtain ThermWise® rebates for such work. Compliance with this requirement proved to be very difficult for six (6) of the eight (8) Implementation Agencies. All eight (8) Implementation Agencies have complied with all of the other requirements for becoming Authorized Contractors.

The interested parties have discussed this matter and agreed that, with Commission approval, the six (6) Implementation Agencies (**See Table 1**) will be granted a temporary waiver of the licensing requirement for becoming Authorized Contractors. Moreover, if the Commission approves, all eight (8) Implementation Agencies (**See Table 1**) will be allowed to submit claims for rebates dating back to January 1, 2012 and will be allowed to continue to submit claims for rebates through June 30, 2013. Effective July 1, 2013, the temporary waiver of the requirement to hold a valid and appropriate contractor’s license will be fully enforced, along with all other requirements to be an Authorized Contractor. Attached as Revised QGC Exhibit 1.8 are new Tariff pages reflecting the temporary waiver of the requirements to become an Authorized Contractor and the time frame for the life of the temporary waiver.

Table 1
Housing and Community Development¹ Implementation Agencies

Agency	Type of Agency	Contractor’s License
Bear River Association of Governments	AOG ²	
Davis County Health/Tri-County Weatherization Assistance Program	Davis County	
Salt Lake Community Action Program	Non-profit	Yes
Housing Authority of Utah County	Utah County	Yes
Six County Association of Governments	AOG	
Five County Association of Governments	AOG	
Uintah Basin Association of Governments	AOG	
Southeastern Utah Association of Local Governments	AOG	

¹ Utah Department of Workforce Services, Housing and Community Development Division

² Association of Governments

Overhead Costs. SLCAP expressed concern that overhead costs were too high. Further discussion revealed that this concern was the result of a misunderstanding of the nature of the overhead costs at issue. The costs at issue related to the initial set-up of the abbreviated rebate processing and the variable costs for ongoing rebate processing. The costs associated with the initial set-up came in substantially below budget (\$1,500 vs. \$10,000). The other overhead costs are strictly variable in nature. These costs are related to rebate processing and will only be incurred as rebates under the abbreviated rebate process are received and processed. Due to the delay in requesting rebates, some of these variable costs originally budgeted for 2012 will carry over to 2013. The Company will report in 2013 the amounts that carried forward from 2012 to 2013. The interested parties agreed that this concern has been resolved and no further action is required on the part of the Commission.

Program Development. SLCAP expressed concern related to the unfortunate delay in developing the abbreviated rebate process described above. This work has since been completed and rebates for the two (2) Implementation Agencies, that had been qualified as Authorized Contractors, are being processed and funded. The interested parties agreed that this concern has been resolved and no further action is required on the part of the Commission.

Tariff Language. SLCAP indicated that the language describing the Low-Income program in the Tariff differs from the language in the Application and the language in Exhibit 1.6 Low-Income Weatherization Program. In addition the language in Exhibit 1.6 appears to limit the Company's support to weatherization activities whereas the Tariff provides for support for appliance measures in addition to weatherization measures. The language in the Tariff has been modified to more clearly reflect the intent of the Company and the parties

involved and is attached hereto as Exhibit 1.6U. The issue related to the inclusion of appliances in the Low-Income Weatherization Program arose from confusion between the State Weatherization Program's nomenclature and the Company's placement of certain measures in the ThermWise® Weatherization Program and the ThermWise® Appliance Program (furnaces and water heaters). The interested parties agreed that this concern has been resolved.

Low-Income Senior Audit Pilot. SLCAP raised concerns that the Company's proposed pilot program will have potential impacts on the operation and funding requirements of the State Weatherization Program. Specifically, SLCAP was concerned that the Senior Audit Pilot may result in senior's appliances being red-tagged at a time when the individual Implementation Agencies funding and/or manpower was insufficient to replace the appliances and that it may lead to unfunded burdens in the future. The Company and the State Weatherization Program agreed that the near term potential adverse impacts can be mitigated through close coordination and cooperation. With respect to the longer term unfunded burden, the Company will include in future reports the results of the Senior Audit Pilot and will report on the number of incidents where appliance needed to be "red tagged" and were subsequently referred to the State Weatherization Program for action. The interested parties agreed to continue to coordinate efforts and to monitor the program and that no further action is required on the part of the Commission at this time.

Postponement of approval of 2013 Budget. The OCS proposed that the 2013 Budget approval be withheld until the abbreviated application process for the Implementation Agencies had been established. As discussed above, the abbreviated rebate application

process has been developed and is fully functioning. The interested parties agreed that no further action is required on the part of the Commission.

Market Transformation. The OCS raised concerns about the Company's market transformation budget. As a result of these concerns, the Company has committed to dedicate an Advisory Group meeting to the subject of reporting on past market transformation activities and results and to provide greater detail regarding future plans and budgets. The Company will work with the Advisory Group to include in future budget filings a greater level of detail regarding plans and costs related to market transformation and to explore the preferred method of reporting these costs and activities.

III. CONCLUSION

Each issue raised by the OCS and SLCAP have been addressed by the Advisory Group. The Company requests that the Commission consider the revised Tariff pages and the revised program documents, both enclosed herein, as replacements to those filed with the Application. The Company requests the Commission approve the Budget Application as amended.

DATED this 21st day of December, 2012.

Respectfully submitted,

QUESTAR GAS COMPANY

Colleen Larkin Bell (5253)
Jenniffer Nelson Clark (7947)
Attorneys for Questar Gas Company
180 East First South
P.O. Box 45360
Salt Lake City, Utah 84145-0360
(801) 324-5556

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Application was served upon the following by electronic mail on December 21, 2012:

Patricia E. Schmid Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov	Sarah Wright Executive Director Utah Clean Energy 917 2 nd Avenue Salt Lake City, UT 84103 sarah@utahcleanenergy.org
Paul H. Proctor Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pproctor@utah.gov	Michelle Beck Director Office of Consumer Services 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 mbeck@utah.gov
Gary A. Dodge Hatch, James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdllaw.com	Kevin Higgins Neal Townsend Energy Strategies 215 South State Street #200 Salt Lake City, UT 84111 khiggins@energystrat.com ntownsend@energystrat.com
Betsy Wolf Utility Ratepayer Advocate Salt Lake Community Action Program 764 South 200 West Salt Lake City, UT 84101 bwolf@slcap.org	Cody Stewart Governor's Energy Advisor State of Utah 60 E. South Temple, 3 rd Floor Salt Lake City, UT 84111 codystewart@utah.gov
Howard Geller Southwest Energy Efficiency Project 2334 North Broadway, Suite A Boulder, CO hgeller@swenergy.org	Chris Parker Division of Public Utilities 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 chrisparker@utah.gov