



Questar Gas Company
333 South State Street
PO Box 45003
Salt Lake City, UT 84145-0003
Tel 801 324 5491 • Fax 801 324 5485
Barrie.McKay@Questar.com

ORIGINAL

UTAH PUBLIC
SERVICE COMMISSION

Barrie L. McKay
Vice President Regulatory Affairs

2013 JUL 31 P 3:29

315518

July 31, 2013

RECEIVED

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

Dear Commissioners:

Docket No. 12-057-14

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. 05-057-T01, dated January 16, 2007 (Order), a report on DSM expenditures and decatherm (Dth) savings to date. Specifically the Order in paragraph 4 stated:

Questar shall report to the Commission when the amount spent for any program reaches ninety percent of the budgeted amount, with an estimate of the projected spending needed for the remainder of the year. To the extent the projected spending exceeds the original budgeted amount Questar must seek Commission approval for the higher projected levels of spending.

Per the Order, Questar Gas reports that in the month of June 2013 the Weatherization program not only reached ninety percent of budget but also surpassed one hundred percent of the 2013 budget. At the end of May, the Weatherization program had expenses of \$6,922,594 or 85% of the total 2013 Weatherization budget. Expenses in the month of June totaled \$1,640,970. This resulted in the program reaching a total of \$8,563,564 or 105% of the 2013 Weatherization program budget. Attachment 1 shows June 2013 results by program (column A) as well as actual incentive (column B), administrative costs (column E), and total program spending (column H) for the six months ended June 30, 2013.

The higher than expected spending in the Weatherization Rebates program has been driven by participation in the attic insulation rebate measures. Participation in these measures account for seventy-four percent (74%) of total spending in the program through the first six months of 2013. The Company expects participation in the Weatherization program to remain high through the second half of 2013.

An analysis of historical Weatherization participation results (2008-2012) shows that the first quarter has typically accounted for twenty-six percent (26%) of yearly program rebates, the second quarter thirty-two percent (32%), the third quarter twenty-

five percent (25%), and the fourth quarter seventeen percent (17%). If the historical participation percentages were to hold true and 2013 participation trends were to continue through the remainder of the year, total Weatherization program spending could reach as high as \$16.4 million or nearly two hundred percent (200%) of budget. If this participation trend were to continue, these higher than expected customer rebate totals would result in higher related Dth savings than budgeted. Higher customer participation rates would also improve the overall program cost-effectiveness. To the extent the projected increase in the Weatherization program budget expenses need Commission approval, Questar Gas respectfully requests that the Commission approve the higher program budget level.

The total expenses for the other ThermWise[®] programs (Appliance, Builder, Business, Business Custom, Home Energy Plan) are currently expected to finish 2013 at or below Commission approved budget levels. Assuming the Weatherization program participation continues at its current level and if the other programs remain at or below approved budget levels, the ThermWise[®] spending and savings for 2013 could reach 136% and 139% respectively of the forecast. 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,



Barrie L. McKay

cc: Division of Public Utilities
Office of Consumer Services

	(A) June 2013 Results	(B) (C) (D) (E) (F) (G) (H) (I) (J) Year-to-date results thru June 30, 2013											
		Incentives			Admin			TOTAL					
Program	Total Expenditures	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget	Actual	Budget	% of Budget
1 ThermWise® Appliance Program	375,974	2,109,650	3,869,550	54.5%	532,086	1,493,810	35.6%	2,641,736	5,363,360	49.3%	2,641,736	5,363,360	49.3%
2 ThermWise® Builder Program	382,458	1,112,100	2,025,150	54.9%	364,582	727,852	50.1%	1,476,682	2,753,002	53.6%	1,476,682	2,753,002	53.6%
3 ThermWise® Business Program	107,388	579,229	943,170	61.4%	296,490	652,600	45.4%	875,720	1,595,770	54.9%	875,720	1,595,770	54.9%
4 ThermWise® Home Energy Plan	58,355	-	2,520	0.0%	302,734	850,407	35.6%	302,734	852,927	35.5%	302,734	852,927	35.5%
5 ThermWise® Weatherization Program	1,642,380	8,189,366	6,892,752	118.8%	375,607	1,299,310	28.9%	8,564,974	8,192,062	104.6%	8,564,974	8,192,062	104.6%
6 ThermWise® Business Custom Program	18,074	46,644	250,000	18.7%	179,889	573,602	31.4%	226,533	823,602	27.5%	226,533	823,602	27.5%
7 Market Transformation	79,903	-	-	0.0%	746,581	1,991,813	37.5%	746,581	1,991,813	37.5%	746,581	1,991,813	37.5%
8 Low Income Weatherization	5,783	65,805	662,015	9.9%	250,000	556,584	44.9%	315,805	1,218,599	25.9%	315,805	1,218,599	25.9%
9 TOTAL	2,670,316	12,102,795	14,645,157	82.6%	3,047,970	8,145,978	37.4%	15,150,765	22,791,135	66.5%	15,150,765	22,791,135	66.5%
10 DSM Interest	59,267	N/A	N/A	N/A	N/A	N/A	N/A	267,480	N/A	N/A	267,480	N/A	N/A
11 DSM Amortization	(706,622)	N/A	N/A	N/A	N/A	N/A	N/A	(14,302,597)	N/A	N/A	(14,302,597)	N/A	N/A
12 DSM General Administration	-	N/A	N/A	N/A	N/A	N/A	N/A	-	N/A	N/A	-	N/A	N/A
13 Period Totals	2,022,961	12,102,795	14,645,157	82.6%	3,047,970	8,145,978	37.4%	1,115,649	22,791,135	4.9%	1,115,649	22,791,135	4.9%