



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

GARY R. HERBERT
Governor
SPENCER J. COX
Lieutenant Governor

MEMORANDUM

To: Utah Public Service Commission
From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Carolyn Roll, Utility Analyst

Date: October 30, 2014

Re: Docket No. 13-057-14. In the Matter of Questar Gas Company's Report on DSM Expenditures and Decatherm (Dth) Savings to Date.

RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division) believes that the increase in the Builder program is in the public interest and recommends approval by the Public Service Commission of Utah (Commission). No further action on the rest of the 2014 Energy Efficiency (EE) Budget is required.

ISSUE

On September 30, 2014 Questar Gas Company (Questar) filed a report with the Commission indicating that expenditures for the 2014 ThermWise Builder Program reached a total of \$2.3 million or 83% of budgeted levels during July, 2014. Expenditures for the Builder Program are forecasted to reach \$3.9 million or 139% of budget by year end. Questar requested Commission approval of the increase in expenditures for the Builder Program. On October 7, 2014 the

Commission issued an Action Request to the Division regarding this matter. This is the Division's response to the Action Request.

DISCUSSION

The Commission's Order in Docket 09-057-15 dated January 12, 2010 states the following:

In addition to the current requirement that Questar report to the Commission when any DSM program reaches 90% of its budget, if any DSM program reaches fifty percent (50%) of its budget before June 2010 or eighty percent (80%) by August 2010, Questar must notify the Commission.

Per Commission Order in Docket No. 10-057-15 Questar Gas DSM budget for 2011, dated December 6, 2010, Questar was ordered to keep "current reporting requirements in place" for future ThermWise program years.

Questar has complied with the Commission's Order and filed what appears to be a request to increase the 2014 ThermWise Builder Program Budget along with an estimate of projected spending. At the end of June, 2014, the ThermWise Builder Program's total expenditures were \$1.89 million or 68% of the total budget amount of \$2.77 million. By the end of July, the Builder Program's expenditures reached \$2.30 million or 83% of budget and are expected to end the year at \$3.87 million, 39% over budget. The higher than expected spending in the Builder Rebates program is due to higher participation particularly in the 95% efficient furnace rebate measure for both single and multi-family market segments.

The Company has provided an estimate of total 2014 EE expenditures for each ThermWise Program that shows a total of \$27.1 million or 99% of the total 2014 EE budget is expected to be spent. While the individual Builder program is forecasted to exceed the projected budget amount, other programs (except for the Business program) are lower than forecast with the total program projected to remain below the total amount budgeted.

CONCLUSION

Based on the increased participation in the ThermWise Builder program, specifically the 95% efficient furnace and 2x6 wall rebate measures, the Company anticipates the 2014 EE Budget to

be 99% of the approved budget. The Division believes the increase in the Builder program is in the public interest and recommends approval by the Public Service Commission. No further action on the rest of the 2014 Energy Efficiency Budget is required at this time.

CC Barrie L. McKay, Questar Gas Company
 Michael Orton, Questar Gas Company
 Michele Beck, Office of Consumer Services
 Service List