

ORIGINAL

QUESTAR

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

Barrie L. McKay

Vice President Regulatory Affairs

2014 OCT 30 P 14:50

2014 OCT 30 P 14:50

REGULATORY

October 30, 2014

Docket No. 13-057-14

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

Dear Commissioners:

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 August 2014 actual spending for the Builder and Business program surpassed ninety percent (90%) of the respective 2014 program budgets. At the end of July, spending in the Builder program totaled \$2.30 million or eighty-three percent (83%) of the 2014 budget. Expenditures in the month of August totaled \$0.28 million. This resulted in the program reaching a total of \$2,577,629 or ninety-three (93%) of the 2014 Builder program budget.

At the end of July, spending in the Business program totaled \$1.41 million or seventy-one percent (71%) of the 2014 budget. Expenditures in the month of August totaled \$0.46 million. This resulted in the program reaching a total of \$1,874,623 or ninety-four (94%) of the 2014 Business program budget.

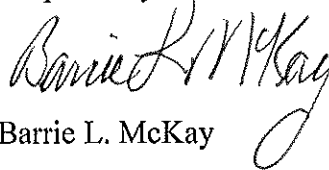
The Builder program is experiencing higher than projected customer participation particularly in the 95% efficient furnace rebate measure for both single and multi-family market segments. The Business program is experiencing higher than projected customer participation in hot water boilers, infrared heaters, retrofit attic insulation, and 95% natural gas furnace measures.

If the eight month participation trends were to continue through the remainder of 2014, the Company projects that total program spending in the Builder program could reach as high as \$3.9 million or 139% of budget and the Business program could reach as high as \$2.8 million or 142% of budget. These higher than estimated customer rebate totals would result in higher related Dth savings than budgeted. Higher customer participation rates would also improve the overall Builder and Business program cost-effectiveness results.

The Company forecasts that total ThermWise[®] Program spending for 2014 will reach \$27.1 million (Attachment 1, line 9, column H) or ninety-nine percent (99%) of the Commission approved \$27.4 million budget. The Company forecasts that program spending for the Home Energy Plan will finish 2014 at seventy-four percent (74%) of budget, Appliance Program: ninety percent (90%), Weatherization Program: ninety-two percent (92%), and the Business Custom Program: thirty percent (30%) of the 2014 approved budget. To the extent the increase spending for the Builder and Business rebate programs need Commission approval, Questar Gas respectfully requests that the Commission approve the higher program budget levels.

Questar Gas will continue to closely monitor customer participation and efficiently manage spending for all ThermWise[®] programs and the Market Transformation initiative. A year-end report will be provided in the first quarter of 2015 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
Committee of Consumer Services