

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar)
Gas Company for Approval of the 2014) DOCKET NO. 13-057-14
Year Budget for Energy Efficiency) REPORT AND ORDER
Programs and Market Transformation) APPROVING THE BUSINESS REBATES
Initiative) PROGRAM 2014 BUDGET INCREASE
)

ISSUED: December 29, 2014

PROCEDURAL HISTORY

This matter is before the Public Service Commission of Utah (“Commission”) on Questar Gas Company’s (“Questar”) October 30, 2014, report on Demand Side Management (DSM) expenditures and decatherm savings to date (“Report”), filed pursuant to the Commission’s January 16, 2007, Order (“2007 Order”) in Docket No. 05-057-T01.¹ Ordering paragraph 4 of the 2007 Order states:

Questar shall report to the Commission when the amount spent for any program reaches ninety percent of the budgeted amount, along 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.

The Report states that in August 2014, actual spending for the Builder Rebates and Business Rebates programs surpassed ninety percent of the respective 2014 program budgets. Specifically, the Builder Rebates program and Business Rebates program had reached 93 percent and 94 percent of budget, respectively, in August, and would likely exceed its annual budget by the end of the year.

¹ See Docket No. 05-057-T01, *In the Matter of the Approval of the Conservation Enabling Tariff Adjustment Option and Accounting Orders* (Order; January 16, 2007).

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Questar requests approval for the higher spending for the Builder Rebates program, forecasted to be \$3.9 million or 139 percent of the 2014 budget. Questar estimates total Business Rebates program spending could reach 142 percent of budget (\$2.8 million) through the remainder of 2014. Questar requests Commission approval for the higher than forecasted level of spending for the Business Rebates program.

On October 31, 2014, the Commission issued an action request to the Division of Public Utilities (“Division”). On December 1, 2014, the Division filed a reply to the action request recommending approval of the requested budget increases.

COMMENTS

The Division states 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 Division states the higher than expected spending for the Business Rebates program is due to higher participation in hot water heaters, infrared heaters, retrofit attic insulation, and 95% natural gas furnace measures.

The Division concludes the higher than estimated customer participation rates will result in greater decatherm savings and that the overall cost-effectiveness results of the programs will improve. The Division reports that for the quarter ending June 30, 2014, the Builder Rebates program and Business Rebates program Total Resource Cost benefit cost ratio was 0.9 and 1.1, respectively. The Division concludes the requested \$3.9 million budget for the Builder Rebates program and \$2.8 million budget for the Business Rebates program is in the public interest and recommends the Commission approve the budget increases. The Division notes the other energy

efficiency programs within Questar's overall energy efficiency effort, except for the Builder Rebates and Business Rebates programs, are expected to come in under budget and the total spent for all energy efficiency programs will likely be close to 99% of the amount budgeted for 2014.

DISCUSSION, FINDINGS AND CONCLUSIONS

Based upon the Report and the recommendation of the Division, the Commission finds the requested budget increase for Questar's Business Rebates program is in the public interest, and concludes the request complies with appropriate statutes, rules, and orders. The Commission notes it has already approved the requested increase in the Builder Rebates program in its November 10, 2014, Order Approving the Builder Rebates Program 2014 Budget Increase in this docket.

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ORDER

We approve Questar's increase in expected spending of \$2.8 million for the 2014 Business Rebates program.

DATED at Salt Lake City, Utah, this 29th of December, 2014.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on the 29th day of December, 2014, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

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