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UTAH PUBLIC
SERVICE COMMISSION

2015 JUL 31 P 12:04

Barrie L. McKay
Vice President Regulatory Affairs

July 31, 2015

RECEIVED

Docket No. 14-057-25

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. 09-057-15, dated January 12, 2010 (Order), a report on DSM expenditures to date. Specifically, the Order in paragraph 1 states:

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 the Order and the Division of Public Utilities (DPU) request in its memorandum (Memorandum, Docket No. 10-057-15, Questar Gas DSM budget for 2011, December 6, 2010) to keep "current reporting requirements in place" for future ThermWise[®] program years, the Company reports that in the month of May 2015 the Builder Rebates program and the Business Program surpassed fifty percent (50%) of the 2015 budget. At the end of April, the Builder program had expenses of \$1.59 million or forty-six percent (46%) of the 2015 budget and the Business program had expenses of \$1.01 million or thirty-seven percent (37%) of the 2015 budget. Expenditures for the Builder program in the month of May totaled \$0.33 million which brought program spending to fifty-five percent (55%) of the 2015 budget. Expenditures for the Business program totaled \$0.48 million or fifty-five percent (55%) of the 2015 budgets.

The Builder program is experiencing higher than projected customer participation mainly in the 95% efficient furnace rebate measure for both single family and multi-family projects. New building construction permits for single family increased in 2015 by approximately 5 percent from the same period 2014 (Attachment 1). Analysis of the 2014 U.S census data shows that the average construction time from permit to completion for multi-family projects was approximately 11 months. This indicates that 2014 multi-family projects are being completed and becoming rebate-eligible in 2015.

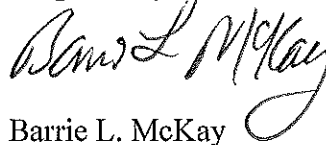
The Business program has also experienced higher than projected customer participation in high efficiency boilers and infrared heaters. These high natural gas saving measures account for over sixty-percent of the total Business program gas savings through the first five month of 2015. The Business program is also experiencing higher than projected participation in the retrofit attic insulation measure.

As a result of the higher participation, forecasted spending for the Builder program could reach \$4.8 million (Attachment 2, Line 2), and Business program participation spending could reach \$3.9 million (Attachment 2, Line 3). If current trends for all other programs continue, the Company forecasts that total program spending for 2015 could reach \$27.0 million or 95 percent of the approved \$28.5 million budget (Attachment 2, Line 10).

If this participation trend does 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.

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
Committee of Consumer Services

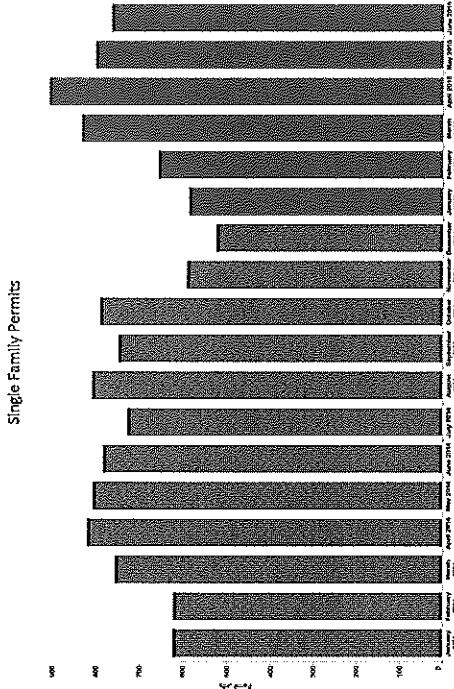
Attachment 1

2015 Permit Activity in Questar Territory

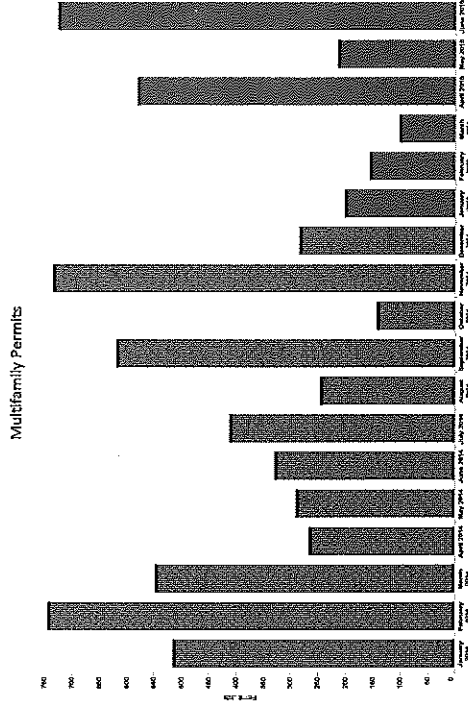
Summary

- * The rate of construction has remained almost the same between 2014/2015, however there has been a substantial decrease in multifamily projects in 2015.
- * There have been 4,565 single family and 1,993 new construction permit units in Questar territory year-to-date 2015.
- * There has been a 3% increase in single family permit units YoY in 2015.
- * There has been a 36% reduction in multifamily permit units YoY in 2015.

Single Family Permits	Units	MoM	YoY
January 2014	624	-	-
February 2014	623	-	-
March 2014	756	-	-
April 2014	820	-	-
May 2014	808	-	-
June 2014	786	-	-
July 2014	728	-	-
August 2014	811	-	-
September 2014	748	-	-
October 2014	793	-	-
November 2014	593	-	-
December 2014	526	-	-
January 2015	589	12%	-6%
February 2015	660	12%	6%
March 2015	835	27%	10%
April 2015	910	9%	11%
May 2015	804	-12%	0%
June 2015	767	-5%	-2%
2015 Totals YTD	4,565	-	3%



Multifamily Permits	Units	MoM	YoY
January 2014	516	-	-
February 2014	745	-	-
March 2014	549	-	-
April 2014	267	-	-
May 2014	291	-	-
June 2014	331	-	-
July 2014	413	-	-
August 2014	247	-	-
September 2014	620	-	-
October 2014	144	-	-
November 2014	796	-	-
December 2014	285	-	-
January 2015	204	-28%	-60%
February 2015	158	-23%	-79%
March 2015	104	-34%	-81%
April 2015	582	460%	118%
May 2015	217	-63%	-25%
June 2015	728	235%	120%
2015 Totals YTD	1,993	-	-36%



* Percentages are in percent increase/decrease.
 * Permit totals are in housing units.

Single Family	Units
January thru May 2014	3,631
January thru May 2015	3,798
Change	167
% Change	5%

Attachment 2

**Questar Gas Company
ThermWise® Programs
Actual and Forecast Expenditures
As of May 31, 2015**

Program
ThermWise® Appliance Program
ThermWise® Builder Program
ThermWise® Business Program
ThermWise® Home Energy Plan
ThermWise® Weatherization Program
ThermWise® Business Custom Program
ThermWise® Energy Comparison Report
Market Transformation
Low Income Weatherization
TOTAL

	(A)	(B)	(C)	(D)	(E)	(F)
	Year-to-Date April 2015	May 2015 Results	Year-End 2015 Forecast	YTD as of May 31, 2015 plus Forecast		
	Actual	May Expenditures	Forecast	Actual plus Forecast	Budget	% of Budget
1	1,736,005	345,917	3,075,557	5,157,480	5,885,450	88%
2	1,591,155	328,097	2,893,265	4,812,517	3,432,652	140%
3	1,017,138	478,354	2,370,918	3,866,410	2,693,523	144%
4	214,492	49,469	563,913	827,875	900,694	92%
5	3,076,500	589,437	5,596,245	9,262,182	12,115,703	76%
6	92,825	19,650	131,141	243,615	559,760	44%
7	59,345	7,702	332,953	400,000	400,000	100%
8	698,129	19,855	650,296	1,368,281	1,453,000	94%
9	308,678	21,038	735,713	1,065,428	1,087,326	98%
10	8,794,266	1,859,520	16,350,002	27,003,788	28,528,108	95%
				TOTAL		