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Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Carolyn Roll, Technical Consultant

Date: May 21, 2015

Subject: QGC Energy Efficiency Report for Year Ending December 31, 2014, Docket No. 15-057-03.

ISSUE

On January 2, 2014, the Utah Public Service Commission (PSC or Commission) issued an order in Docket No. 13-057-14 authorizing Questar Gas Company (QGC or the Company) to continue to offer to customers in the GS Rate Class, Energy Efficiency Programs (EE) for 2014 with a budget of \$27.4 million.

The purpose of this report is to provide 2014 year end actual results compared to the 2014 EE budget, as approved by the Commission in Docket No. 13-057-14.¹

REPORT

There are seven (7) separate ThermWise EE programs designed to help customers improve the efficiency of their natural gas consumption in the 2014 QGC EE budget plan. In the 2014 plan,

¹ Commission Order, Docket No. 13-057-14, January 2, 2014.

there were not any major changes to the programs, the emphasis for the year will be outreach to underserved market segments including the multifamily rental market and the single family, lower-income senior homeowners.

The programs contain multiple prescriptive measures designed to help customers reduce their natural gas consumption. These programs are (1) the **ThermWise Appliance Rebates Program**, (2) the **ThermWise Builder Rebates Program**, (3) the **ThermWise Business Rebates Program**, (4) the **ThermWise Business Custom Rebates Program**, (5) the **ThermWise Home Energy Plan Program**, (6) the **ThermWise Weatherization Program** and (7) **The Low Income Assistance Program**. The **Low Income Assistance Program** adds an additional annual funding of \$500,000 to the \$250,000 Low Income Weatherization Assistance Program, bringing the total annual amount provided by QGC to \$750,000. The Utah Department of Community and Culture administers the funds and provides the expertise to improve energy efficiency for low income residents by using the additional \$500,000 to upgrade customers to high efficiency furnaces. In addition to these seven programs, funds were budgeted for a continuation of the **Market Transformation Initiative**. This Initiative is designed to help educate natural gas customers on the benefits of reducing their consumption of natural gas on an ongoing basis.

2014 THERMWISE EE PROGRAM SUMMARY

Table 1 on the following page compares the 2014 actual rebate expenditures with the 2014 annual budget. Table 1 shows that a total of \$26.3 million (col. E Ln. 13), or 95.9% of the \$27.4 million total annual budget was spent. The table also shows that the expenditures resulted in 600,190 Dth of deemed savings during the year compared to an estimated budgeted deemed savings of 617,166 Dth. There were 106,361 participants during the year compared to an estimated 101,173 participants. The Total Resource Cost (TRC) ratio for all of the programs was 1.0. Col E, line 18 shows a decrease of \$11.3 million in the FERC Account 184200 for the year resulting in a December 2014 ending balance of \$(437,300).

Table 1									
QUESTAR GAS COMPANY									
ENERGY EFFICIENCY SUMMARY REPORT									
December 31, 2014									
DOCKET NO. 15-057-03									
	A	B	C	D	E	F	G	H	I
2	2014		YTD	2014	YTD	YTD \$	Budget	2014	TRC
3	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	B/C	
4	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	Ratio	
5	ThermWise Appliance	20,062	19,537	\$ 5,887.5	\$ 5,472.8	93.0%	181,230	168,292	1.1
6	ThermWise Builder	7,540	12,851	\$ 2,775.0	\$ 4,093.9	147.5%	57,394	102,708	0.8
7	ThermWise Business	1,323	3,154	\$ 1,985.8	\$ 3,185.3	160.4%	80,856	81,935	1.0
8	ThermWise Business Custom	50	2	\$ 760.2	\$ 252.5	33.2%	35,000	262	0.0
9	ThermWise Home Energy Plan	2,650	2,872	\$ 794.3	\$ 613.3	77.2%	24,977	26,462	1.5
10	ThermWise Weatherization	67,570	65,977	\$ 12,686.5	\$ 10,781.8	85.0%	218,929	208,009	1.2
11	Market Transformation	NA	NA	\$ 1,653.0	\$ 1,103.7	66.8%	NA	NA	NA
12	Low Income Assistance	1,978	1,968	\$ 877.5	\$ 790.2	90.1%	18,780	12,522	0.8
13	Total	101,173	106,361	\$ 27,419.8	\$ 26,293.5	95.9%	617,166	600,190	1.0
14	DSM Interest				\$ 90.0				
15	DSM Amortization				\$ (37,668.3)				
16	DSM General Administration				\$ -				
17	R&D Funds Transfer				\$ -				
18	YTD Change Acct 182400				\$ (11,284.8)				
19	December 2013 Acct 182400 Bal				\$ 11,062.4				
20	Ending Balance Acct 182400				\$ (437.3)				
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.								

THERMWISE EE APPLIANCE PROGRAM

Table 2 on the next page summarizes the ThermWise EE Appliance Program. This program rebated 93.0% of the expected budget (col. F, Ln. 20). The 95% High-Efficiency Gas Furnace measures (tier 3 and tier 4) had the greatest participation, number wise, as well as dollars rebated, with tier 3 (95% efficient) at 90.5% of budget and tier 4 (95% efficient with ECM) at 95.0% of budget. The 2.6 MEF Clothes Washer was next, both in participation and dollars rebated, this program was at 100.0% of budget. The 2014 budget for the EE Appliance Program assumed a total weighted cost of \$20.38 per saved Dth. Due to the mix of measures chosen in 2014, the actual total weighted cost for those same measures was \$25.26 per saved Dth.

Table 2								
QUESTAR GAS COMPANY								
THERMWISE APPLIANCE PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G	H	
	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
	Budgeted	Actual	Budget	Actual Cost	% of	Dth	Dth	
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	
4	Single and Multi-Family Appliance Rebates							
5								
6	High-Efficiency Gas Furnance -92 % & 95%	3,974	3,555	\$ 1,363.3	\$ 1,234.1	90.5%	64,276	57,169
7	High-Efficiency Gas Furnance with ECM - 95% & 98	5,339	5,153	\$ 2,175.3	\$ 2,066.8	95.0%	87,994	84,611
8	High Efficiency Gas Water Heater -.62 EF	1,539	1,625	\$ 77.0	\$ 81.3	105.6%	2,106	2,223
9	High Efficiency Gas Water Heater - .67 EF	455	685	\$ 45.5	\$ 68.5	150.5%	1,442	2,171
10	Tankless Gas Water Heater -.82 EF	97	80	\$ 29.1	\$ 24.0	82.5%	683	563
11	Tankless Gas Water Heater -.90 EF	527	503	\$ 184.4	\$ 176.0	95.4%	4,047	3,863
12	Condensing Gas Storage Water Heater .90 EF	61	37	\$ 21.4	\$ 13.0	60.7%	449	272
13	Hybrid Gas Water Heater .90 EF	29	6	\$ 10.1	\$ 2.1	20.8%	236	49
14	Gas Boiler - 85% AFUE	43	34	\$ 17.2	\$ 13.6	79.1%	638	504
15	Gas Boiler -95% AFUE	107	88	\$ 64.2	\$ 52.8	82.2%	2,150	1,774
16	Solar Assisted Gas Water Heating	283	126	\$ 212.2	\$ 94.5	44.5%	4,825	2,422
17	2.6 MEF Clothes Washer	7,359	7,365	\$ 368.0	\$ 368.2	100.1%	10,244	10,252
18	Fireplace 70% AFUE	249	280	\$ 49.8	\$ 56.0	112.4%	2140	2,419
19	Administrative & Overheads	NA	NA	\$ 1,270.0	\$ 1,221.9	96.2%	NA	NA
20	TOTAL	20,062	19,537	\$ 5,887.5	\$ 5,472.8	93.0%	181,230	168,292
21								
22	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The Appliance Program has a TRC test ratio of 1.1 as shown in Table 1 (col. I, ln. 5).

THERMWISE EE BUILDER PROGRAM

The ThermWise EE Builder Program is designed to offer builders (both contractors and self-build) who use energy efficient construction techniques specific rebates. There are three different construction tiers (1) meet or exceed Energy Star Version 3.0 and include qualified gas space heating appliance and water heater, (2) high performance home that exceed Energy Star Version 3, meet or exceed a HERS score of 50, and include a qualified gas space heating appliance and/or water heater, or (3) builder option that is Builder or Rater Certified that the unit meets IECC 2009 energy code. There are also separate prescriptive rebates available to builders for energy efficient appliance installations if one of the above construction conscripts is not followed. The Builder Program has dropped the Energy Star Version 2.5 guidelines since they are no longer a valid Energy Star tier.

As shown in Table 3 for 2014, the Builder Program rebated 147.5% of its budget (col. F, Ln. 21). The 95% High-Efficiency Gas Furnace measures (tier 3 and tier 4) had the greatest participation, number wise, as well as dollars rebated, at 143.0% of budget, followed by the 2x6 Walls measure at 1068.3% of budget. The Company enacted a rebate credit to builders to offset up-front costs for meter and service line contributions. This rebate credit was implemented in October 2014.

Table 3								
QUESTAR GAS COMPANY								
THERMWISE BUILDER PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G		
	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	
THERMWISE BUILDER PROGRAM								
1	Energy Star 3.0	376	678	\$ 308.4	\$ 187.3	60.7%	7,932	14,549
2	High Performance Homes	106	146	\$ 84.1	\$ 69.0	82.0%	2,151	4,686
3	ThermWise Builder Option 1 (Builder Cert)	365	210	\$ 109.5	\$ 10.5	9.6%	4,408	1,177
4	ThermWise Builder Option 2 (Rater Cert)	360	360	\$ 126.0	\$ 36.0	28.6%	5,440	5,199
5	High-Efficiency Gas Furnance - Tier 2 (92%)	-	376	\$ -	\$ 112.8	NA	-	2,376
6	High-Efficiency Gas Furnance -92 % & 95%	4,082	4,807	\$ 1,142.4	\$ 1,633.3	143.0%	29,580	38,260
7	High-Efficiency Gas Furnance with ECM - 95% & 98%	134	922	\$ 53.7	\$ 368.9	687.0%	1,098	8,106
8	High Efficiency Gas Water Heater - Tier 1	1,422	1,939	\$ 71.1	\$ 97.0	136.4%	1,945	2,653
9	High Efficiency Gas Water Heater - .67 EF	170	531	\$ 17.0	\$ 53.1	312.4%	538	1,682
10	Tank Less Gas Water Heater -tier 1	35	5	\$ 10.5	\$ 1.5	14.3%	308	44
11	Tank Less Gas Water Heater -tier 2	42	317	\$ 14.7	\$ 110.9	754.4%	403	3,043
12	High Efficiency Condensing Gas Storage Water Heater	10	4	\$ 3.5	\$ 1.4	40.0%	74	29
13	High-Efficiency Hybrid Gas Water Heater	25	5	\$ 8.7	\$ 1.7	19.5%	204	41
14	Gas Boiler	53	29	\$ 29.8	\$ 15.6	52.3%	650	345
15	Solar Assisted Water Heater	42	-	\$ 31.5	\$ -	0.0%	877	-
16	2x6 Walls	308	2,440	\$ 67.8	\$ 724.3	1068.3%	1,746	20,494
17	R-5 Windows	10	82	\$ 2.3	\$ 2.6	113.0%	40	24
18	Administrative & Overheads	NA	NA	\$ 694.0	\$ 668.0	96.3%	NA	NA
19	TOTAL	7,540	12,851	\$ 2,775.0	\$ 4,093.9	147.5%	57,394	102,708
20								
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The 2014 budget for the EE Builder Program assumed a total weighted cost of \$36.26 per saved Dth. The actual total weighted cost for the 2014 budgeted measures is \$33.36 per saved Dth due in large part to fewer Energy Star 3.0 homes, High Performance homes and ThermWise Builder Option homes completed than planned. The TRC ratio for the Builder Program is 0.8.

THERMWISE EE BUSINESS PROGRAM

In the ThermWise EE Business program, there are over 30 prescriptive measures available to commercial entities to improve their energy efficiency. Table 4 provides the detail of those measures, there were 17 measures that had \$10,000 or more of total 2014 rebate incentive costs. The total rebate expense of these 17 measures is \$2,103.8 million, which accounts for 98.3% of the rebates paid. For the year, the total program spent 160.4% of the annual budget. The 2014 budget cost per deemed Dth saved was \$14.5 compared to an actual cost of \$26.12.

Table 4								
QUESTAR GAS COMPANY								
THERMWISE BUSINESS PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G	H	
	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	
1	THERMWISE BUSINESS PROGRAM							
5	High Efficiency Gas Water Heater Tier 1 & 2	2	481	\$ -	\$ 24.1	NB	4	473
6	High Efficiency Gas Water Heater Tier 3	16	33	\$ 5.3	\$ 18.1	341.5%	369	1,270
5	High Efficiency Gas Water Heater - Tankless <200 kBtu	12	4	\$ 4.2	\$ 1.6	38.1%	298	112
6	High Efficiency Gas Water Heater - Tankless >200 kBtu	4	6	\$ 10.0	\$ 7.0	70.0%	703	496
7	High-Efficiency Condensing Gas Storage Water Heater	12	3	\$ 4.2	\$ 1.1	26.2%	88	22
8	Hybrid Gas Storage Water Heater	1	-	\$ 0.4	\$ -	0.0%	8	-
9	Direct Contact Water Heater	4	-	\$ 1.2	\$ -	0.0%	198	-
10	Clothes Washer 2.6 MEF	13	4	\$ 0.7	\$ 0.2	28.6%	18	6
11	Commercial Clothes Washer	1	2	\$ -	\$ 0.1	NB	2	4
12	Low Flow Pre-rinse Spray Valve	65	-	\$ 1.6	\$ -	0.0%	1,746	-
13	92% AFUE Gas Furnace	44	139	\$ 8.8	\$ 41.5	471.6%	570	1,802
14	95% AFUE Gas Furnace	101	755	\$ 35.4	\$ 264.3	746.6%	1,462	10,932
15	95% Plus AFUE with ECM Gas Furnace	9	31	\$ 3.6	\$ 12.4	344.4%	130	449
16	High Efficiency Boiler Hot Water 85% AFUE	8	6	\$ 17.4	\$ 23.2	133.3%	1,247	1,662
17	High Efficiency Boiler Hot Water 90 % TE	75	61	\$ 518.3	\$ 294.5	56.8%	43,290	24,594
18	High Efficiency Boiler Steam 85% AFUE	1	-	\$ -	\$ -	NB	-	-
19	High Efficiency Boiler Steam 82% TE	9	1	\$ 97.2	\$ 4.8	4.9%	2,897	143
20	Boiler Reset Control	1	4	\$ 0.2	\$ 1.0	500.0%	59	237
21	Boiler Tune-up	35	113	\$ 5.7	\$ 44.0	771.9%	856	2,310
22	High Efficiency Gas Unit Heater NonCondensing	5	43	\$ 1.7	\$ 20.8	1223.5%	38	733
23	High Efficiency Gas Unit Heater Condensing	21	10	\$ 32.0	\$ 15.2	47.5%	724	343
24	Gas Infrared Heating System	437	299	\$ 309.6	\$ 213.7	69.0%	23,844	16,454
25	Gas Combination Oven	8	7	\$ 8.0	\$ 7.0	87.5%	258	226
26	Gas Commercial Fryer	12	72	\$ 6.0	\$ 36.0	600.0%	388	1,164
27	Gas Convection Oven	8	41	\$ 4.1	\$ 20.5	500.0%	103	530
28	Gas Griddle	1	1	\$ -	\$ -	NB	7	7
29	Gas Steam Cooker	1	1	\$ 1.0	\$ 1.0	100.0%	28	28
30	Windows - site built (new construction)	1	4	\$ -	\$ 27.7	NB	1	980
31	Windows - pre fab (new construction)	86	-	\$ -	\$ -	NB	1	-
32	Windows - site built (retrofit)	33	-	\$ 0.2	\$ -	0.0%	11	-
33	Windows - pre fab (retrofit)	36	582	\$ 0.2	\$ 3.6	1800.0%	17	268
34	Roof Insulation - (new construction)	1	13	\$ 0.3	\$ 19.8	6600.0%	9	515
35	Roof/ Insulation - (retrofit)	252	412	\$ 94.6	\$ 1,016.7	1074.7%	1,467	15,758
36	Wall Insulation - (new construction)	4	9	\$ 0.7	\$ 8.8	1257.1%	11	143
37	Wall Insulation - (retrofit)	4	17	\$ 0.2	\$ 11.3	5650.0%	4	274
38	Administrative & Overheads			\$ 813.0	\$ 1,045.3	128.6%	NA	NA
39	TOTAL	1,323	3,154	\$ 1,985.8	\$ 3,185.3	160.4%	80,856	81,935
40								
41	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

As shown in Table 1, the ThermWise EE Business Program has a TRC benefit ratio of 1.5.

THERMWISE EE BUSINESS CUSTOM PROGRAM

The ThermWise EE Business Custom Program is designed for customer specific applications and requires longer development time before results are achieved. In an effort to expedite some of the development time required in this program, a simplified analysis approach has been developed for air to air heat exchangers measures, pipe insulation measures and boiler control measures that allow customers to submit measure specific parameters for calculation of Dth savings and upon approval, the project may proceed.

Table 5 shows the results for the ThermWise EE Business Custom Program. The table shows that 33.2% of the total budget has been spent, only 1.0% of the budgeted rebate dollars has been funded to participating customers. The projects in this program have much longer lead times and

as a result Dth savings may be realized in future years. Questar has been working on a project at the new Public Safety Building in Salt Lake City. The final commissioning will take place in the first half of 2015 after they have completed an entire heating season. Cost have been incurred for this project but the Dth savings will be reported in the 2015 EE report. The 2014 budget for the EE Business Custom Program assumed a total weighted cost of \$7.14 per saved Dth, the actual total weighted cost for those the measures implemented was \$9.92 per saved Dth.

Table 5								
QUESTAR GAS COMPANY								
THERMWISE BUSINESS CUSTOM PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
1	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
2	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
3	Participants	Participants	(000)	(000)	Budget	Savings	Savings*	
4	BUSINESS CUSTOM REBATES PROGRAM							
5								
6	Business Custom Rebates Total	50	2	\$ 250.0	\$ 2.6	1.0%	35,000	262
7	Administrative & Overheads		NA	\$ 510.2	\$ 249.9	49.0%	NA	NA
8		50	2	\$ 760.2	\$ 252.5	33.2%	35,000	262
9								
10	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

As shown in Table 1, the ThermWise EE Business Custom Program has a zero TRC benefit ratio due to low participation and low paid rebates.

THERMWISE EE HOME ENERGY PLAN PROGRAM

The ThermWise EE Home Energy Plan Program is designed to give customers an opportunity to have their current energy efficiency efforts evaluated and suggestions offered on ways to improve those efforts. The home energy plans can either be an on-site audit, conducted by a qualified QGC technician or a mail in audit in which the participants answers questions and receive advice from QGC. Multi-family property owners have been receptive to the Energy Plan Program which was include in the program beginning in 2013 and the waving of \$25 audit fee for lower-income senior homeowners continued in 2014. This program continues to have benefits in addition to those seen in the data below as it introduces customers to the potential savings they may realize by implementing additional energy efficiency measures.

Table 6								
QUESTAR GAS COMPANY								
THERMWISE HOME ENERGY PLAN PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G	H	
1	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
2	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
3	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	
4	RESIDENTIAL HOME ENERGY PLAN PROGRAM							
5								
6	Audit Efficiency Measures (1)	2,650	2,872	\$ 57.3	33.7	58.8%	24,977	26,462
7	Administrative & Overheads	NA	NA	\$ 737.0	579.6	78.6%		NA
8		2,650	2,872	\$ 794.3	\$ 613.3	77.2%	24,977	26,462
9	(1) Participant numbers reflect total number of efficiency units given out, not number of in home audits performed.							
10	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

Table 6 shows the actual efficiency units given out amount to 58.8% of the budgeted amount. The Dth savings in 2014 was 26,462 compared to 2013 savings of 24,628. The TRC ratio for the Home Energy Program is 0.8.

THERMWISE EE WEATHERIZATION PROGRAM

Table 7 summarizes the results for the Thermwise EE Weatherization program. Insulation projects were the highest rebated measures of this program however these measures did decrease from 2013 levels. On a total program basis, the EE Weatherization program reached 85.0% of budgeted expenditures. The Attic Insulation measure is the primary driver for this program, but were below budgeted levels at 81.0% of its budgeted amount.

Table 7								
QUESTAR GAS COMPANY								
THERMWISE WEATHERIZATION PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G		
1	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
2	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
3	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	
4	THERMWISE WEATHERIZATION PROGRAM							
5								
6	Windows - Residential	20,078	25,890	\$ 296.7	\$ 411.7	138.8%	10,070	13,419
7	Wall Insulation	908	1,020	\$ 233.6	\$ 291.5	124.8%	3,301	4,121
8	Attic Insulation Tier 1	22,243	19,725	\$ 7,127.6	\$ 6,087.9	85.4%	120,884	103,250
9	Attic Insulation Tier 2	15,832	10,444	\$ 1,681.1	\$ 1,049.5	62.4%	24,976	15,592
10	Floor Insulation	344	273	\$ 51.6	\$ 47.0	91.1%	1,405	1,281
11	Air Sealing	1,671	439	\$ 880.2	\$ 207.3	23.6%	15,363	3,317
12	Duct Sealing & Insulation	6,494	8,186	\$ 1,205.7	\$ 1,867.4	154.9%	42,930	67,029
13	Administrative & Overheads	NA	NA	\$ 1,210.0	\$ 819.5	67.7%	NA	NA
14		67,570	65,977	\$ 12,686.5	\$ 10,781.8	85.0%	218,929	208,009
15								
16	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The 2014 budget for the EE Weatherization Program assumed a total weighted cost of \$52.11 per saved Dth. The actual total weighted cost for the same budgeted measures is \$51.80 per saved Dth. The program's TRC ratio was 1.2.

THERMWISE MARKET TRANSFORMATION PROGRAM

Table 1, on page 3, shows the ThermWise EE Market Transformation Program achieved 66.8% of the expected 2014 levels. This was due primarily to lower than projected marketing expenses and development costs for the Energy Comparison Report.

THERMWISE LOW INCOME ASSISTANCE PROGRAM

The ThermWise Low Income Assistance Program funded its target amount of \$500,000. This \$500,000 is used to provide low-income qualified residences with energy efficient furnaces. The Low-Income Assistance Tariff includes a paragraph allowing approved non-profit or governmental agencies to apply for rebates under the ThermWise Programs. This allows qualified agencies to utilize rebates for work they have performed to do additional weatherization measures. The Utah Department of Community and Culture's (DCC) Weatherization Program currently qualifies under this provision. This allows the DCC to report their activity quarterly and include the saved Dth as a result of their efforts as part of the report filed by the Company on the EE program results.

Table 8								
QUESTAR GAS COMPANY								
THERMWISE LOW INCOME ASSISTANCE PROGRAM								
31-Dec-14								
DOCKET NO. 15-057-03								
A	B	C	D	E	F	G	H	
	2014	YTD	2014	YTD	YTD \$	Budget	YTD	
	Budgeted	Actual	Budget	Actual Cost	% of	Dth	Dth	
	Participant	Participant	(000)	(000)	Budget	Savings*	Savings*	
1	Low Income Assistance Program							
2								
3								
4								
5								
6	High-Efficiency Gas Furnance - Tier 2 & 3	154	103	\$ 53.9	\$ 35.0	64.9%	2,526	2,084
7	High-Efficiency Gas Furnance - Tier 4	40	18	\$ 16.0	\$ 7.3	45.6%	656	372
8	Gas Water Heater - Tier 2	58	25	\$ 4.8	\$ 2.5	52.1%	148	97
9	Attic Insulation Tier 1	300	158	\$ 95.3	\$ 43.8	46.0%	1,444	929
10	Attic Insulation Tier 2	192	85	\$ 18.7	\$ 6.6	35.3%	278	123
11	Floor Insulation	58	82	\$ 12.4	\$ 12.2	98.4%	336	416
12	Wall Insulation	68	92	\$ 20.1	\$ 18.8	93.5%	243	332
13	Windows	180	700	\$ 18.2	\$ 9.1	50.0%	631	397
14	Programmable Thermostat	148	113	\$ 4.4	\$ 3.4	77.3%	315	301
15	Duct Sealing & Insulation	90	35	\$ 39.3	\$ 12.0	30.5%	971	472
16	Air Sealing	180	347	\$ 52.1	\$ 134.6	258.3%	909	2,693
17	Boiler - Tier 1 & 2	-	3	\$ -	\$ 1.4	NA		62
18	Tankless Water Heater	10	-	\$ 3.3	\$ -	0.0%	73	-
19	Low Income Furnace Replacement	500	207	\$ 500.0	\$ 500.0	100.0%	10,250	4,244
20	Administrative & Overheads	NA	NA	\$ 39.0	\$ 3.5	9.0%	NA	NA
21	TOTAL	1,978	1,968	\$ 877.5	\$ 790.2	90.1%	18,780	12,522
22								
23	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

Table 8 shows the results for the ThermWise Low Income Assistance Program. The table shows that 90.1% of the total budget has been spent. The 2014 budget for the EE Low Income Assistance Program assumed a total weighted cost of \$44.64 per saved Dth, the actual total weighted cost for those the measures implemented was \$62.82 per saved Dth.

DSM Amortization Account Balance

As shown in Table 1, FERC account 182.400 is the account where the company accumulates the costs expended in the multiple EE programs and at least semi-annually, requests permission from the Commission to amortize those accumulated balances. In Table 1 on page 3 the balance at of the end of December 2014 was \$(437,300) (Col E, Line 20). The current amortization rate for the GS class is \$0.24/ Dth (rounded) which was set in Docket No. 14-057-26, effective December 1, 2014, to amortize an estimated October, 2014 balance of \$3.9 million as well as projected current expenditures continuing EE programs.

CONCLUSION & RECOMMENDATIONS

The Division is pleased with the success of the Energy Efficiency Programs initiated by Questar Gas Company as they benefit all rate payers by reducing usage levels. As shown on page 3, in Column I, Line 13 of Table 1, the TRC for all Energy Efficiency programs is 1.0.

The Division commends QGC and the Advisory Group for their active participation and commitment to continue to develop and promote strong Energy Efficiency programs, with the intent to promote the energy saving measures to an even broader base of GS customers and urges all GS customers to participate in these programs whenever possible.

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