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## MEMORANDUM

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

Date: December 5, 2016

Re: Docket No. 15-057-16. 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) recommends the Public Service Commission of Utah (Commission) approve the increases in the Builder and Business programs because they are in the public interest. No further action on the rest of the 2016 Energy Efficiency (EE) Budget is required.

### ISSUE

On November 3, 2016 Questar Gas Company (Questar) filed a report with the Commission indicating that expenditures for the 2016 ThermWise Builder Program reached a total of \$4.5 million or 90% of budgeted levels during September, 2016. Expenditures for the Builder Program are forecasted to reach \$6.1 million or 123% of budget by year end. Additionally, expenditures for the 2016 ThermWise Business Program reached a total of \$2.4 million or 116%

of budgeted levels during September, 2016. Expenditures for the Business Program are forecasted to reach \$3.0 million or 143% of budget by year end. Questar requested Commission approval of the higher program budget levels for the Builder and Business Programs. On November 8, 2016 the Commission issued a Notice of Filing and Comment Period regarding this matter, with comments due to the Commission on December 5, 2016 and reply comments no later than December 20, 2016. This is the Division's response to the Notice.

## **DISCUSSION**

The Commission's Order in Docket 05-057-T01 dated January 16, 2007 states:

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 level of spending.

Questar has complied with the Commission's Order and filed what appears to be a request to increase the 2016 ThermWise Builder Program Budget along with an estimate of projected spending. At the end of August, 2016, the ThermWise Builder Program's total expenditures were \$4.18 million or 84% of the total budget amount of \$4.99 million. By the end of September, the Builder Program's expenditures reached \$4.49 million or 90% of budget and are expected to end the year at \$6.12 million, 23% 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 and the R20, 2x6 wall rebate for both single and multi-family market segments.

Questar has also filed what appears to be a request to increase the 2016 ThermWise Business Program Budget along with an estimate of projected spending. At the end of August, 2016, the ThermWise Business Program's total expenditures were \$2.11 million or 101% of the total budget amount of \$2.09 million. By the end of September, the Business Program's expenditures reached \$2.43 million or 116% of budget and are expected to end the year at \$2.99 million, 43%

over budget. The higher than expected spending in the Business Rebates program is due to higher participation in weatherization measures, boiler tune-ups, and infrared heaters.

Both the Builder and Business Programs will have higher than estimated customer rebate totals which will result in higher related Dth savings than budgeted. Higher customer participation rates should also improve the overall Builder and Business program cost-effectiveness results. For the quarter ending June 30, 2016 the Builder and Business Total Resource Cost Effectiveness was 0.9 and 1.1 respectively.

The Company has provided an estimate of total 2016 EE expenditures for each ThermWise Program that shows a total of \$23.4 million or 87% of the total 2016 EE budget is expected to be spent. While the Builder and Business programs are forecasted to exceed the projected budget, other programs 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 and ThermWise Business program, specifically the 95% efficient furnace, infrared heaters and boiler tune-ups, the Company anticipates the 2016 EE Budget to be 87% of the approved budget. The increases in the Builder and Business programs are in the public interest and should be approved. No further action on the rest of the 2016 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