

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Questar Gas Company for Approval of the 2016 Year Budget for Energy Efficiency Programs and Market Transformation Initiative

DOCKET NO. 15-057-16

REPORT AND ORDER APPROVING
QUESTAR'S BUILDER PROGRAM
AND BUSINESS PROGRAM 2016
BUDGET INCREASES

ISSUED: December 23, 2016

SYNOPSIS

The PSC approves Questar's Application for 2016 budget increases in the Builder and Business programs.

PROCEDURAL HISTORY AND BACKGROUND

This matter is before the Public Service Commission ("PSC") on Questar Gas Company's ("Questar") November 3, 2016 report on demand side management expenditures and decatherm savings to date ("Report"), which Questar filed pursuant to an order the PSC issued in 2007 ("2007 Order").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 actual spending for the Business and Builder programs surpassed ninety percent of their respective 2016 program budgets in July 2016 and September 2016, respectively. Further, the information provided in Attachment 1 of the Report shows that in

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

September 2016 the Business and Builder programs reached 116 percent and 90 percent of their 2016 program budgets, respectively. Questar forecasts spending for the Business and Builder programs will reach \$2.9 million² (143 percent of the 2016 program budget) and \$6.1 million³ (123 percent of the 2016 program budget), respectively, by the end of 2016. Accordingly, Questar requests approval for the increased Business and Builder program budgets.

As shown in Attachment 1 of the Report, Questar forecasts the Appliance program to reach 105 percent of its 2016 budget of \$5.559 million by year-end. On December 6, 2016, Questar filed a letter providing an updated estimate on the expected spending for the Appliance program, stating that Questar now forecasts the spending for the Appliance program to be at or below one hundred percent for the 2016 budget year.

In response to the PSC's November 8, 2016 Notice of Filing and Comment Period, on December 5, 2016, the Division of Public Utilities ("DPU") filed comments recommending approval of the requested budget increases for the Business and Builder programs.

DPU'S COMMENTS

The DPU states that the higher than expected spending in the Builder program is due to higher levels of participation, particularly in the 95 percent efficient furnace rebate measure, and the R20 2x6 wall rebate for both single and multi-family market segments. The DPU adds that the higher than expected spending for the Business program is due to higher participation in weatherization measures, boiler tune-ups, and infrared heaters.

² The PSC notes Attachment 1 of the Report shows a revised budget for this program of \$2,991,849.

³ The PSC notes Attachment 1 of the Report shows a revised budget for this program of \$6,120,684.

DOCKET NO. 15-057-16

- 3 -

The DPU 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 DPU reports that for the quarter ending June 30, 2016, the Builder and Business programs Total Resource Cost benefit cost ratios were 0.9 and 1.1, respectively. The DPU concludes the requested \$6.1 million budget for the Builder program and \$2.9 million budget for the Business program are in the public interest and recommends the PSC approve the budget increases. The DPU notes that the other energy efficiency programs within Questar's overall energy efficiency effort, except for the Builder and Business programs, are expected to come in under budget and the total spent for all energy efficiency programs will likely be close to 87 percent of the amount budgeted for 2016.

DISCUSSION, FINDINGS AND CONCLUSIONS

Based upon Questar's Report and supplemental filing, and the DPU's recommendation, we find the requested budget increases for Questar's Business and Builder programs are in the public interest, and conclude that Questar's application for approval in this docket complies with appropriate statutes, rules, and orders.

ORDER

We approve Questar's requested increase in expected spending to a total of \$2.992 million for the 2016 Business program and \$6.121 million for the 2016 Builder program.

DOCKET NO. 15-057-16

- 4 -

DATED at Salt Lake City, Utah, December 23, 2016.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
DW#290942

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 December 23, 2016, a true and correct copy of the foregoing was served upon the following as indicated below:

By Electronic-Mail:

Colleen Larkin Bell (colleen.bell@questar.com)
Jenniffer Nelson Clark (jenniffer.clark@questar.com)
Questar Gas Company

Barrie L. McKay (barrie.mckay@questar.com)
Vice President Regulatory Affairs, Questar Gas Company

Patricia Schmid (pschmid@utah.gov)
Justin Jetter (jjetter@utah.gov)
Rex Olsen (rolsen@utah.gov)
Assistant Utah Attorneys General

Erika Tedder (etedder@utah.gov)
Division of Public Utilities

By Hand-Delivery:

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant