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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 19, 2016

Subject: QGC Energy Efficiency Report for Year Ending December 31, 2015, Docket No. 16-057-04.

ISSUE

On December 10, 2014, the Utah Public Service Commission (PSC or Commission) issued an order in Docket No. 14-057-25 authorizing Questar Gas Company (QGC or the Company) to continue to offer to customers in the GS Rate Class, Energy Efficiency Programs (EE) for 2015 with a budget of \$28.5 million.

The purpose of this report is to provide 2015 year end actual results compared to the 2015 EE budget, as approved by the Commission in Docket No. 14-057-25.¹

REPORT

There are seven (7) separate ThermWise EE programs designed to help customers improve the efficiency of their natural gas consumption in the 2015 QGC EE budget plan. In the 2015 plan,

¹ Commission Order, Docket No. 14-057-25, December 10, 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 Workforce Services 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**. During 2015 the Company launched the **ThermWise Energy Comparison Report** as a stand-alone program. These Initiatives are designed to help educate natural gas customers on the benefits of reducing their consumption of natural gas on an ongoing basis.

2015 THERMWISE EE PROGRAM SUMMARY

Table 1 on the following page compares the 2015 actual rebate expenditures with the 2015 annual budget. Table 1 shows that a total of \$24.2 million (col. E Ln. 13), or 84.8% of the \$28.5 million total annual budget was spent. The table also shows that the expenditures resulted in 761,848 Dth of deemed savings during the year compared to an estimated budgeted deemed savings of 731,375 Dth, these savings include the deemed savings from the **ThermWise Energy Comparison Report**. There were 80,555 participants during the year compared to an estimated 88,565 participants. The Total Resource Cost (TRC) ratio for all of the programs was 0.9. Col E, line 18 shows a decrease of \$.8 million in the FERC Account 184200 for the year resulting in a December 2015 ending balance of \$1,018,931.

Table 1									
QUESTAR GAS COMPANY									
ENERGY EFFICIENCY SUMMARY REPORT									
December 31, 2015									
DOCKET NO. 16-057-04									
1	A	B	C	D	E	F	G	H	I
2		2015	YTD	2015	YTD	YTD \$	2015	Budget	TRC
3		Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	B/C
4		Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	Ratio
5	ThermWise Appliance	22,100	21,591	\$ 5,885.5	\$ 5,272.9	89.6%	182,549	188,972	1.2
6	ThermWise Builder	10,224	16,799	\$ 3,432.7	\$ 4,693.6	136.7%	111,713	69,226	0.8
7	ThermWise Business	2,097	2,980	\$ 2,693.5	\$ 3,699.0	137.3%	148,255	88,856	0.8
8	ThermWise Business Custom	20	9	\$ 559.8	\$ 252.9	45.2%	1,279	23,000	0.2
9	ThermWise Home Energy Plan	3,163	2,658	\$ 900.7	\$ 672.2	74.6%	30,147	31,059	1.2
10	ThermWise Weatherization	49,115	35,525	\$ 12,115.7	\$ 7,636.1	63.0%	157,349	209,362	1.0
11	Market Transformation	NA	NA	\$ 1,453.0	\$ 1,009.8	69.5%	NA	NA	NA
12	Low Income Weatherization	1,846	993	\$ 1,087.3	\$ 673.1	61.9%	9,656	19,119	0.1
	ThermWise Energy Report	230,000	230,000	\$ 400.0	\$ 277.9	69.5%	120,900	96,720	1.2
13	Total**	88,565	80,555	\$ 28,528.2	\$ 24,187.5	84.8%	761,848	726,314	0.9
14	DSM Interest				\$ (66.2)				
15	DSM Amortization				\$ (23,365.6)				
16	DSM General Administration				\$ -				
17	R&D Funds Transfer				\$ -				
18	YTD Change Acct 182400				\$ 755.7				
19	December 2014 Acct 182400 Bal				\$ (437.3)				
20	Ending Balance Acct 182400				\$ 1,018.9				
21	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.								
	**Total participation reflects rebate and energy plan participants. Energy Comparison Report participants are shown only for the purpose of calculating cost effectiveness.								

THERMWISE EE APPLIANCE PROGRAM

Table 2 on the next page summarizes the ThermWise EE Appliance Program. This program rebated 89.6% of the expected budget (col. F, Ln. 21). The High-Efficiency Gas Furnace measures (tier 3 and tier 4) had the greatest participation, number wise, as well as dollars rebated, with tier 3 (92% and 95% efficient) at 85.0% of budget and tier 4 (95% and 98% efficient with ECM) at 92.0% of budget. The Smart Thermostat (new rebate in 2015) was third in participation and second dollars rebated, this program was at 194.8% of budget. The 2015 budget for the EE Appliance Program assumed a total weighted cost of \$31.14 per saved Dth. Due to the mix of measures chosen in 2015, the actual total weighted cost for those same measures was \$28.88 per saved Dth.

Table 2								
QUESTAR GAS COMPANY								
THERMWISE APPLIANCE PROGRAM								
31-Dec-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G	H	
	2015	YTD	2015	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							
6	High-Efficiency Gas Furnance -92 % & 95%	3,517	2,995	\$ 1,222.7	\$ 1,039.1	85.0%	56,169	48,184
7	High-Efficiency Gas Furnance with ECM - 95% & 98	5,098	4,685	\$ 2,061.5	\$ 1,895.8	92.0%	84,003	77,102
8	High Efficiency Gas Water Heater -.62 EF	1,700	1,735	\$ 85.0	\$ 86.7	102.0%	2,325	2,374
9	High Efficiency Gas Water Heater - .67 EF	690	694	\$ 69.0	\$ 69.4	100.6%	2,186	2,199
10	Tankless Gas Water Heater -.82 EF	105	86	\$ 31.5	\$ 25.8	81.9%	709	605
11	Tankless Gas Water Heater -.90 EF	555	533	\$ 194.3	\$ 186.5	96.0%	4,231	4,093
12	Condensing Gas Storage Water Heater .90 EF	47	46	\$ 16.4	\$ 16.1	98.2%	346	339
13	Hybrid Gas Water Heater .90 EF	20	6	\$ 7.0	\$ 2.1	30.0%	163	49
14	Gas Boiler - 85% AFUE	75	25	\$ 30.0	\$ 10.0	33.3%	1,096	374
15	Gas Boiler -95% AFUE	95	74	\$ 57.0	\$ 44.4	77.9%	1,879	1,492
16	Solar Assisted Gas Water Heating	261	13	\$ 195.8	\$ 9.8	5.0%	5,916	675
17	2.6 MEF Clothes Washer	6,988	5,277	\$ 349.4	\$ 263.9	75.5%	9,727	7,346
18	Smart Thermostat	2,629	5,122	\$ 262.9	\$ 512.2	194.8%	17,484	35,125
19	Direct vent Gas Fireplace	320	300	\$ 64.0	\$ 60.0	93.8%	2738	2,592
20	Administrative & Overheads	NA	NA	\$ 1,239.0	\$ 1,051.1	84.8%	NA	NA
21	TOTAL	22,100	21,591	\$ 5,885.5	\$ 5,272.9	89.6%	188,972	182,549
22								
23	*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 1.2 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 water heater, or (3) builders may receive a rebate for a home that exceeds the current building code by at least 10%. 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 2015 program included the addition of the Smart Thermostat as a prescriptive rebate.

As shown in Table 3 for 2015, the Builder Program rebated 136.7% of its budget (col. F, Ln. 20). The 95% High-Efficiency Gas Furnance measures (tier 3 and tier 4) had the greatest participation, number wise, as well as dollars rebated, at 167.8% of budget, followed by the 2x6 Walls measure at 146.7% of budget. The Company continued the 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-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G		
	2015	YTD	2015	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	377	959	\$ 105.9	\$ 228.2	215.5%	5,075	15,908
2	High Performance Homes	100	20	\$ 47.2	\$ 10.0	21.2%	2,295	691
3	ThermWise Builder Option 1 (Builder Cert)	-	57	\$ -	\$ 2.9	NA	-	364
4	ThermWise Builder Option 2 (Rater Cert)	-	464	\$ -	\$ 46.4	NA	-	3,678
5	HERS - 10% Better Than Code	295	739	\$ 56.5	\$ 109.9	194.5%	3,034	6,271
6	High-Efficiency Gas Furnance -92 % & 95%	4,163	6,584	\$ 1,336.8	\$ 2,242.7	167.8%	11,996	48,291
7	High-Efficiency Gas Furnance with ECM - 95% & 98%	784	889	\$ 314.1	\$ 356.0	113.3%	29,286	7,903
8	High Efficiency Gas Water Heater - Tier 1	1,799	2,590	\$ 90.0	\$ 129.5	143.9%	2,452	3,543
9	High Efficiency Gas Water Heater - .67 EF	400	1,030	\$ 40.0	\$ 103.0	257.5%	1,118	3,263
10	Tank Less Gas Water Heater -tier 1	10	13	\$ 3.0	\$ 3.9	130.0%	49	114
11	Tank Less Gas Water Heater -tier 2	275	62	\$ 96.3	\$ 21.7	22.5%	2,040	595
12	High Efficiency Condensing Gas Storage Water Heater	10	17	\$ 3.5	\$ 5.9	168.6%	61	125
13	High-Efficiency Hybrid Gas Water Heater	15	-	\$ 5.2	\$ -	0.0%	106	-
14	Gas Boiler	35	28	\$ 18.0	\$ 15.6	86.7%	403	343
15	Solar Assisted Water Heater	20	-	\$ 15.0	\$ -	0.0%	691	-
16	2x6 Walls	1,736	3,265	\$ 528.4	\$ 775.2	146.7%	14,989	20,494
17	R-5 Windows	25	49	\$ 12.5	\$ 1.8	14.4%	110	17
18	Smart Thermostat	180	33	\$ 18.0	\$ 3.3	18.3%	582	113
19	Administrative & Overheads	NA	NA	\$ 742.3	\$ 637.6	85.9%	NA	NA
20	TOTAL	10,224	16,799	\$ 3,432.7	\$ 4,693.6	136.7%	74,287	111,713
21								
22	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The 2015 budget for the EE Builder Program assumed a total weighted cost of \$49.59 per saved Dth. The actual total weighted cost for the 2015 budgeted measures is \$42.01 per saved Dth due in large part to more Energy Star 3.0 homes, High Performance homes and ThermWise 10% Better Than Code 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 12 measures that had \$9,000 or more of total 2015 rebate incentive costs. The total rebate expense of these 12 measures is \$2,256.8 million, which accounts for 98.2% of the rebates paid. For the year, the total program spent 137.3% of the annual budget. The 2015 budget cost per deemed Dth saved was \$30.31 compared to an actual cost of \$24.95.

Table 4								
QUESTAR GAS COMPANY								
THERMWISE BUSINESS PROGRAM								
31-Dec-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G	H	
	2015	YTD	2015	YTD	YTD \$	Budget	YTD	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	
	Participants	Participa	(000)	(000)	Budget	Savings*	Savings*	
1	THERMWISE BUSINESS PROGRAM							
5	High Efficiency Gas Water Heater Tier 1	287	64	\$ 14.4	\$ 3.3	22.9%	282	64
6	High Efficiency Gas Water Heater Tier 2	1	-	\$ 0.1	\$ -	0.0%	3	-
7	High Efficiency Gas Water Heater - Commercial	25	24	\$ 11.4	\$ 15.9	139.5%	797	1,112
8	High Efficiency Gas Water Heater - Commercial Tankless Tier 1	5	166	\$ 2.0	\$ 60.8	3040.0%	141	4,287
9	High Efficiency Gas Water Heater - Commercial Tankless Tier 2	5	9	\$ 3.5	\$ 9.2	262.9%	249	651
10	High-Efficiency Condensing Gas Storage Water Heater	3	3	\$ 1.1	\$ 1.0	90.9%	22	22
11	Hybrid Gas Storage Water Heater	1	-	\$ 0.3	\$ -	0.0%	8	-
12	Combined Space Water Heater	51	-	\$ 22.5	\$ -	0.0%	798	-
13	High Efficiency Residential Clothes Washer	5	1	\$ 0.2	\$ 0.1	50.0%	7	1
14	Energy Star Commercial Clothes Washer	1	-	\$ 0.1	\$ -	0.0%	2	-
15	Low Flow Pre-rinse Spray Valve	1	10	\$ 0.0	\$ 0.2	800.0%	27	269
16	Smart Thermostat	50	28	\$ 5.0	\$ 2.8	56.0%	400	224
17	High-Efficiency Gas Furnace -92% & 95%	710	196	\$ 220.8	\$ 68.0	30.8%	10,000	2,832
18	High-Efficiency Gas Furnace with ECM - 95% & 98%	34	222	\$ 13.7	\$ 88.8	648.2%	492	3,217
19	High Efficiency Boiler Hot Water	1	6	\$ 4.1	\$ 15.0	365.9%	297	1,079
20	High Efficiency Boiler Hot Water Tier 2	85	44	\$ 501.7	\$ 274.7	54.8%	40,292	22,363
21	High Efficiency Boiler Steam	1	-	\$ 4.1	\$ 3.4	82.9%	297	150
22	High Efficiency Boiler Steam Tier 2	2	2	\$ 21.7	\$ 1.5	6.9%	1,210	45
23	Boiler Reset Control	1	2	\$ 0.3	\$ 0.5	166.7%	59	119
24	Boiler Tune-up	130	700	\$ 36.4	\$ 344.1	945.3%	5,649	83,877
25	High Efficiency Gas Unit Heater NonCondensing	4	1	\$ 1.0	\$ 0.5	50.0%	35	18
26	High Efficiency Gas Unit Heater Condensing	13	3	\$ 19.7	\$ 4.9	24.9%	446	111
27	Gas Infrared Heating System	271	148	\$ 207.2	\$ 82.4	39.8%	15,351	6,344
28	High Efficiency Combination Oven	5	3	\$ 5.0	\$ 3.0	60.0%	161	97
29	ENERGY STAR Commercial Fryer	30	52	\$ 15.0	\$ 26.0	173.3%	970	840
30	High Efficiency Convection Oven	18	13	\$ 9.0	\$ 6.5	72.2%	233	168
31	High Efficiency Gas Griddle	3	11	\$ 1.0	\$ 3.3	330.0%	21	77
32	ENERGY STAR Steam Cooker	1	-	\$ 1.0	\$ -	0.0%	28	-
33	Windows - pre fab (new construction)	-	521	\$ -	\$ 3.7	NB	-	221
34	Windows - site built (retrofit)	1	235	\$ -	\$ 2.3	NB	-	134
35	Windows - pre fab (retrofit)	68	-	\$ 0.4	\$ -	0.0%	28	1
36	Attic Insulation - (new construction)	12	4	\$ 24.8	\$ 11.1	44.8%	645	290
37	Attic Insulation - (retrofit)	250	503	\$ 607.7	\$ 1,260.8	207.5%	9,420	19,542
38	Wall Insulation - (new construction)	7	6	\$ 9.8	\$ 3.1	31.6%	159	50
39	Wall Insulation - (retrofit)	15	3	\$ 13.5	\$ 2.1	15.6%	327	50
40	Administrative & Overheads			\$ 915.0	\$ 1,400.0	153.0%	NA	NA
41	TOTAL	2,097	2,980	\$ 2,693.5	\$ 3,699.0	137.3%	88,856	148,255
42	*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 0.8.

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 was introduced in 2015 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 45.2% of the total budget has been spent, only 12.8% 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. The 2015 budget for the EE Business Custom Program assumed a total weighted cost of \$4.35 per saved Dth, the actual total weighted cost for those the measures implemented was \$10.01per saved Dth.

Table 5								
QUESTAR GAS COMPANY								
THERMWISE BUSINESS CUSTOM PROGRAM								
31-Dec-15								
DOCKET NO. 16-057-04								
1	2015	YTD	2015	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	20	9	\$ 100.0	\$ 12.8	12.8%	23,000	1,279
7	Administrative & Overheads	NA	NA	\$ 459.8	\$ 240.1	52.2%	NA	NA
8		20	9	\$ 559.8	\$ 252.9	45.2%	23,000	1,279
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 0.2 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 included in the program beginning in 2013 and the waving of \$25 audit fee for lower-income senior homeowners continued in 2015. 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-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G	H	
1	2015	YTD	2015	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)	3,163	2,658	\$ 65.4	30.9	47.2%	31,059	30,147
7	Administrative & Overheads	NA	NA	\$ 835.3	641.3	76.8%		NA
8		3,163	2,658	\$ 900.7	\$ 672.2	74.6%	31,059	30,147
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 47.2% of the budgeted amount. The Dth savings in 2015 was 30,147 compared to 2014 savings of 26,462. The TRC ratio for the Home Energy Program is 1.2.

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 2014 levels. On a total program basis, the EE Weatherization program reached 63.0% of budgeted expenditures. The Attic Insulation measure is the primary driver for this program, but were below budgeted levels at 45.0% of its budgeted amount. Duct Sealing and Insulation participants and rebates are increasing each year with actual expenses and Dth savings exceeding budget during 2015.

Table 7								
QUESTAR GAS COMPANY								
THERMWISE WEATHERIZATION PROGRAM								
31-Dec-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G		
1	2015	YTD	2015	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	471	10,076	\$ 18.0	\$ 211.5	1175.0%	403	5,834
7	Wall Insulation	908	748	\$ 233.6	\$ 214.4	91.8%	3,302	3,030
8	Attic Insulation Tier 1	24,318	11,437	\$ 7,464.6	\$ 3,578.6	47.9%	126,599	60,692
9	Attic Insulation Tier 2	14,909	4,100	\$ 1,303.1	\$ 351.6	27.0%	19,361	5,223
10	Floor Insulation	344	197	\$ 51.7	\$ 32.9	63.6%	1,405	896
11	Air Sealing	1,671	328	\$ 880.2	\$ 139.3	15.8%	15,363	2,228
12	Duct Sealing & Insulation	6,494	8,639	\$ 1,205.7	\$ 2,355.9	195.4%	42,929	79,446
13	Administrative & Overheads	NA	NA	\$ 958.8	\$ 751.9	78.4%	NA	NA
14		49,115	35,525	\$ 12,115.7	\$ 7,636.1	63.0%	209,362	157,349
15								
16	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.							

The 2015 budget for the EE Weatherization Program assumed a total weighted cost of \$48.53 per saved Dth. The actual total weighted cost for the same budgeted measures is \$77.00 per saved Dth. The program's TRC ratio was 1.0.

THERMWISE MARKET TRANSFORMATION PROGRAM

Table 1, on page 3, shows the ThermWise EE Market Transformation Program achieved 69.5% of the expected 2015 levels. This was due primarily to lower than projected marketing expenses.

THERMWISE ENERGY COMPARISON REPORT

Table 1, on page 3, shows the ThermWise Energy Comparison Report achieved 69.5% of the expected 2015 levels. This was due primarily to lower than projected bulk mailing rates. Current distribution of the report is to approximately 230,000 customers, the report is available to customers via opt-in and opt-out programs. The program's TRC ratio was 1.2.

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 Workforce Services and the Housing and Community Development Division (HCD) currently qualifies under this provision. This allows the qualifying HDCs to report their activity quarterly and include the saved Dths 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 WEATHERIZATION PROGRAM								
31-Dec-15								
DOCKET NO. 16-057-04								
A	B	C	D	E	F	G	H	
1	2015	YTD	2015	YTD	YTD \$	Budget	YTD	
2	Budgeted	Actual	Budget	Actual Cost	% of	Dth	Dth	
3	Participant	Participant	(000)	(000)	Budget	Savings*	Savings*	
4	Low Income Weatherization Program							
5	High-Efficiency Gas Furnance - Tier 3	170	86	\$ 59.5	\$ 30.1	50.6%	2,788	1,763
6	High-Efficiency Gas Furnance - Tier 4	47	13	\$ 18.8	\$ 5.3	28.2%	770	268
7	Gas Water Heater - Tier 1 & 2	58	12	\$ 4.8	\$ 1.1	22.9%	148	43
8	Gas Water Heater Tankless - Tier 1 & 3	10	-	\$ 3.3	\$ -	0.0%	74	-
9	Attic Insulation Tier 1	250	145	\$ 254.5	\$ 27.3	10.7%	1,203	579
10	Attic Insulation Tier 2	180	46	\$ 17.5	\$ 0.7	4.0%	261	12
11	Floor Insulation	85	40	\$ 18.1	\$ 5.4	29.8%	492	184
12	Wall Insulation	96	48	\$ 28.3	\$ 10.0	35.3%	343	176
13	Windows	-	108	\$ -	\$ 1.2	NA	-	54
14	Programmable Thermostat	-	25	\$ -	\$ 0.8	NA	-	67
15	Duct Sealing & Insulation	90	15	\$ 39.3	\$ 6.1	15.5%	971	202
16	Air Sealing	360	226	\$ 104.2	\$ 80.7	77.4%	1,819	1,615
17	Boiler Tier 1	-	1	\$ -	\$ 0.4	NA	-	19
18	Low Income Furnace Replacement	500	228	\$ 500.0	\$ 500.0	100.0%	10,250	4,674
19	Administrative & Overheads	NA	NA	\$ 39.0	\$ 4.0	10.3%	NA	NA
20	TOTAL	1,846	993	\$ 1,087.3	\$ 673.1	61.9%	19,119	9,656
21	*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 61.9% of the total budget has been spent. The 2015 budget for the EE Low Income Assistance Program assumed a total weighted cost of \$56.87 per saved Dth, the actual total weighted cost for those the measures implemented was \$69.71 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 2015 was \$1,018,900 (Col E, Line 20). The current amortization rate for the GS class is \$0.24/ Dth (rounded) which was set in Docket No. 15-057-18, effective December 1, 2015, to amortize an estimated September, 2015 balance of \$3.0 million as well as projected current expenditures of continuing EE programs.

CONCLUSION & RECOMMENDATIONS

The Division acknowledges the success of the Energy Efficiency Programs initiated by Questar Gas Company as they benefit all rate payers by reducing usage levels. The Division notes as shown on page 3, in Column I, Line 13 of Table 1, the TRC for all Energy Efficiency programs is 0.9. The Division requests that the Company discuss these results and trends that are forecasted for the ThermWise programs at a future 2016 Advisory Group meeting.

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.

Cc: Barrie McKay, Questar Gas Company
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 Marialie Wright, DPU Customer Service