



State of Utah  
Department of Commerce  
Division of Public Utilities

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## MEMORANDUM

To: Utah Public Service Commission  
From: Utah Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Energy Section Manager  
Brenda Salter, Technical Consultant  
Date: January 12, 2017  
Re: **Audit of Questar Gas Company's Energy Efficiency Program Expenditures**  
**Docket No. 16-057-11**

### RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division or DPU) performed an audit<sup>1</sup> of Questar Gas Company's (Questar or Company) actual energy efficiency program expenditures for the period October 1, 2015 through August 31, 2016. The Division requests approval of Questar's rates on a permanent basis.

### ISSUE

Questar filed on September 29, 2016, an application with the Commission to decrease the energy efficiency amortization rate. On October 25, 2016, the Division issued a response to the Commission's Action Request recommending the Commission grant the decreased amortization

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<sup>1</sup> In using the term "Audit" the Division notes that it did not conduct an independent audit as defined and conducted under Generally Accepted Auditing Standards as promulgated under the Auditing Standards Board of the American Institute of Certified Public Accountants. In this instance "Audit" means compliance review.

rate on an interim basis until the Division has had adequate opportunity to review and audit the entries to insure proper accounting has been recorded for the spent dollars. This memorandum reports on our audit.

## **DISCUSSION**

An audit was performed to verify actual energy efficiency program expenditures for the eleven month period ending August 31, 2016. The audit consisted of reviewing actual expenditure invoices for chosen expenditure types under various energy efficiency projects identified in the *Energy Efficiency Program Expenditure Report*, Exhibit 1.2 page 2 of 2.

## **BACKGROUND**

Projects included in the energy efficiency program include ThermWise Home Energy Plan, ThermWise Builder Rebates, ThermWise Appliance Rebates, ThermWise Business Rebates, Market Transformation, Low Income Weatherization, ThermWise Weatherization Rebates, ThermWise Business Custom Rebates and ThermWise Energy Comparison Report.

## **AUDIT**

The information required to review the energy efficiency program for the eleven month period ending August 31, 2016 was provided to the Division through the data request process. The Company was responsive in supplying the Division with the requested documentation of energy efficiency revenue and expenses.

The audit was conducted to verify a sampling of actual amounts listed on the *Energy Efficiency Program Expenditure Report*. The review consisted of a review of eleven months of expenses, October 1, 2015 through August 31, 2016. In DPU data request 1.1, Questar provided the Division with a report detailing all expenses in each energy efficiency program for the eleven month period. The Division reviewed this report, and out of each energy efficiency program a sampling of invoices and/or supporting documentation was requested for review. Questar supplied copies of applicable documentation, invoices and/or schedules to support expenses reviewed. The documentation was verified and reconciled to the amounts presented on Questar Exhibit 1.2, Page 2 of 2 filed with the Company's reply comments.

Also included in the Division's audit were the review of energy efficiency customer complaints, fixed assets assigned to Questar's energy efficiency program, energy efficiency program contracts entered or renewed for the amortization period, and verification of the carrying charge.

## **CONCLUSION**

The actual energy efficiency expenditures through August 31, 2016 as presented in Questar Docket No. 16-057-11, Exhibit 1.2, page 2 of 2 appear to be correct as stated. The Division requests approval of the rates on a permeant basis.

CC   Barrie McKay, Questar Gas Company  
     Mike Orton, Questar Gas Company  
     Michele Beck, Office of Consumer Services  
     Service List