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July 27, 2018

Docket No. 18-057-02 and 17-057-22

Utah Public Service Commission
Heber M. Wells Building
P. O. Box 45585
Salt Lake City, UT 84145-0585

Dear Commissioners:

Dominion Energy Utah (Company) respectfully submits to the Utah Public Service Commission (Commission), pursuant to the order issued in Docket No. 09-057-15, dated January 12, 2010 (Order), a report on DSM expenditures to date. Specifically, the Order in paragraph 1 states:

In addition to the current requirement that Questar report to the Commission when any DSM program reaches 90% of its budget, if any DSM program reaches fifty percent (50%) of its budget before June 2010 or eighty percent (80%) by August 2010, Questar must notify the Commission.

Per the Order and the Division of Public Utilities (DPU) request in its memorandum (Memorandum, Docket No. 10-057-15, Questar Gas DSM budget for 2011, December 6, 2010) to keep "current reporting requirements in place" for future ThermWise® program years, the Company reports that in the month of May 2018 the Builder Rebates Program and the Market Transformation Program surpassed fifty percent (50%) of the 2018 budget. At the end of April, the Builder Program had expenses of \$2.05 million or forty-five percent (45%) of the 2018 budget and the Market Transformation Program had expenses of \$0.64 million or forty-nine percent (49%) of the 2018 budget. Expenditures for the Builder Program in the month of May totaled \$0.50 million which brought program spending to fifty-six percent (56%) of the 2018 budget. Expenditures for the Market Transformation Program totaled \$0.14 million, which brought program spending to sixty percent (60%) of the 2018 budgets.

The Builder Program is experiencing higher than projected customer participation mainly in the 95% efficient furnace rebate measure for both single family and multi-family projects. Together, these measures account for approximately fifty-two percent (52%) of the total Builder Program budget through the first five months of 2018.

The majority of costs for the Market Transformation Program typically occur in the first and second quarters, when marketing of the ThermWise programs is at its peak and which coincides with the heating season.

As a result of the higher participation, forecasted spending for the Builder Program could reach \$4.6 million (Attachment 1, Line 2). Forecasted spending for the Market Transformation program could reach \$1.3 million (Attachment 1, Line 7). The Company forecasts that total program spending for 2018 could reach \$23.8 million or ninety-seven percent (97%) of the approved \$24.5 million budget (Attachment 1, Line 9).

If this participation trend does continue, these higher than expected customer rebate totals would result in higher related Dth savings than budgeted. Higher customer participation rates would also improve the overall program cost-effectiveness.

Dominion Energy Utah will continue to closely monitor customer participation and efficiently manage spending for all ThermWise® programs and the Market Transformation initiative. Detailed quarterly reports will continue to be provided to the Division of Public Utilities on actual program spending and customer participation compared to budget.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael A. Orton", with a long horizontal flourish extending to the right.

Michael A. Orton

cc: Division of Public Utilities
Committee of Consumer Services

Attachment 1

**Questar Gas Company
ThermWise® Programs
Actual and Forecast Expenditures
As of May 31, 2018**

Program	(A)	(B)	(C)	(D)	(E)	(F)
	Year-to-Date April 2018	May 2018 Results	Year-End 2018 Forecast	YTD as of May 31, 2018 plus Forecast	TOTAL	% of Budget
	Actual	May Expenditures	Forecast	Actual plus Forecast	Budget	
ThermWise® Appliance Program	2,294,082	420,026	2,717,542	5,431,650	5,431,650	100%
ThermWise® Builder Program	2,047,733	496,371	2,014,983	4,559,088	4,559,088	100%
ThermWise® Business Program	424,203	417,678	2,722,353	3,564,234	3,564,234	100%
ThermWise® Home Energy Plan	151,108	38,248	445,908	635,265	685,265	93%
ThermWise® Weatherization Program	1,798,519	1,085,922	4,120,731	7,005,172	7,555,172	93%
ThermWise® Energy Comparison Report	134,341	5,901	359,758	500,000	600,000	83%
Market Transformation	643,679	144,169	532,152	1,320,000	1,320,000	100%
Low Income Weatherization	314,671	26,017	413,739	754,426	829,426	91%
TOTAL	7,808,336	2,634,333	13,327,167	23,769,835	24,544,835	97%

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