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State of Utah
Department of Commerce
Division of Public Utilities

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PHILIP J. POWLICK
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Energy Section
Marlin H. Barrow, Technical Consultant
Artie Powell, Manager

Date: March 23, 2010

Subject: QGC DSM 2009 Year Results, Docket No. 08-057-22

ISSUE:

On February 4, 2010, Questar Gas Company (QGC) filed a report with the Utah Division of Public Utilities detailing QGC's 2009 results in the Company's Demand Side Management Program's (DSM) for the calendar year 2009. The Division has reviewed QGC's report and in accordance with the Commission's order in Docket No. 05-057-T01, the Division's files this annual report to the Commission on the effectiveness, evaluation and measurement of Questar's DSM programs.

REPORT:

Eight (8) separate DSM programs, which are designed to help customers improve the efficiency of their natural gas consumption, are in the 2009 QGC DSM budget. In addition to these programs, funds were budgeted for a continuation of the **Market Transformation Initiative**. This program is designed to help educate natural gas customers on the benefits of reducing their consumption of natural gas on an ongoing basis. The 2009 annual budget for the DSM Programs was \$17.8 million. Seven programs contain multiple offerings or measures designed to help

customers reduce their natural gas consumption. They are (1) **ThermWise Appliance Rebates Program**, (2) **ThermWise Multi-Family Rebates Program**, (3) **ThermWise Builder Rebates Program**, (4) **ThermWise Business Rebates Program**, (5) **ThermWise Custom Business Rebates Program**, (6) **ThermWise Audit Program** and (7) **ThermWise Weatherization Program**. QGC's DSM programs also includes the **Market Transformation Program**, which is designed to increase customer's awareness of the specific programs available to assist those customers in reducing their demand for the consumption of natural gas. The **Low Income Weatherization Assistance Program** continues with annual funding of an additional \$500,000 bringing the total annual amount provided by QGC to \$750,000 to this program. The Department of Community and Economic Development 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.

2009 DSM PROGRAM SUMMARY

Table 1 on page 3 compares, by program, the actual 2009 total year expenditures with the 2009 annual budget. This table shows a total annual expenditure of \$47.4 million for 2009 (Col E In 14), which is over the annual budget of \$17.8 million by 266.8%. Of the \$47.4 million total expenditure for 2009, the ThermWise Weatherization Program accounted for \$31.5 million or 66.4% of the total 2009 DSM expenditure. The ThermWise Weatherization Program exceeded the entire 2009 DSM Budget, for all programs, by approximately 77%. In addition, the total number of participants in the ThermWise Weatherization Program exceeded the total budgeted participants for all programs by 44% in 2009 and even more importantly, the projected annual savings in Dth from the Weatherization Program exceeded the expected budgeted total Dth savings for all programs by 74%. On a total program basis, the total participation exceeded budgeted participation by 138% and the total annual savings in Dth exceeded the total annual budgeted savings by 172%.

Table 1: DSM Energy Efficiency Report Summary									
QUESTAR GAS COMPANY									
DSM ENERGY EFFICIENCY REPORT									
YEAR TO DATE THROUGH December 31, 2009									
DOCKET NO. 08-057-22									
A	B	C	D	E	F	G	H	I	
	2009	YTD	2009	YTD	YTD \$	YTD	2009	TRC	
	Estimated	Actual	Budget	Actual Costs	% of	Dth	Dth	B/C	
	Participants	Participants	(000)	(000)	Budget	Savings*	Savings*	Ratic	
5	ThermWise Appliance	34,685	40,639	\$ 5,067.0	\$ 6,150.0	121.4%	163,205	122,300	2.0
6	ThermWise Multi-family	3,309	10,100	\$ 2,090.9	\$ 4,134.5	197.7%	58,479	21,049	1.9
7	ThermWise Builder	3,215	3,734	\$ 2,260.9	\$ 2,499.9	110.6%	52,222	41,741	1.9
8	ThermWise Business	1,364	761	\$ 737.4	\$ 702.3	95.2%	23,785	39,467	2.4
9	ThermWise Custom Business	15	2	\$ 294.6	\$ 97.4	33.1%	1,170	6,011	1.0
10	ThermWise Audit	3,593	2,825	\$ 647.8	\$ 694.8	107.3%	8,034	9,699	0.8
11	ThermWise Weatherization	15,746	88,930	\$ 4,922.9	\$ 31,485.9	639.6%	557,712	80,218	2.2
12	Market Transformation	NA	NA	\$ 1,265.8	\$ 1,184.2	93.6%	NA	NA	0.0
13	Low Income Weatherization	NA	585	\$ 500.0	\$ 500.0	100.0%	8,307	NA	2.2
14	Total	61,927	147,576	\$ 17,787.3	\$ 47,449.0	266.8%	872,914	320,485	2.2
15	DSM Interest				\$ 2,155.8				
16	DSM Amortization				\$ (26,853.2)				
17	DSM General Administration				\$ -				
18	R&D Funds Transfer				\$ -				
19	YTD Change Acct 82400				\$ 22,751.6				
20	December 2008 Acct 82400 Bal				\$ 17,750.9				
21	Ending Balance Acct 82400				\$ 40,502.5				
22	*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.								

Of the \$47.4 million DSM expenditure in 2009, \$46.2 million accounted for expenses in the eight programs designed to help those customers reduce their natural gas annual usage (exclusive of the Market Transformation program). Of this \$46.2 million, \$39.9 million or 86.3% was for rebates paid to customers while the other 13.7% (\$6.3 million) accounted for administrative expenses. In addition to the \$47.4 million 2009 expenditures, there was \$2.2 million of interest expense and \$(26.9) million in DSM amortization reduction, which nets to an over-all \$ 22.7 million increase to the DSM balance account resulting in a year-end balance of \$40.5 million (Col E, Ln 21).

As shown in column F of Table 1, all but three programs exceeded projected budgeted levels. The Division will summarize each of the programs in more detail.

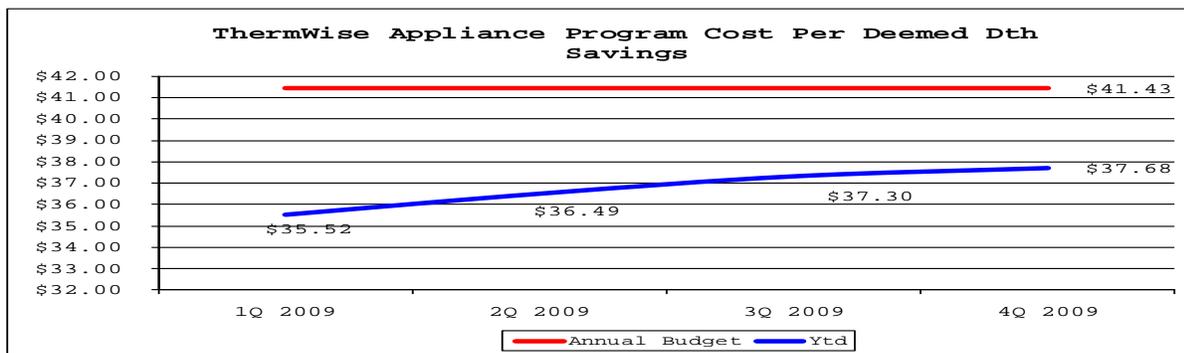
THERMWISE APPLIANCE PROGRAM

Table 2 summarizes by measure, the 2009 results for the ThermWise Residential Appliance Program. Total costs exceeded budgeted costs by 21.4% with the gas water heater measure seeing the greatest percentage increase over its budgeted amount. High efficiency gas furnaces also realized a 46% increase over budget, contributing the greatest in decatherm savings as well as rebate expenditures.

Table 2	2009	YTD	2009	YTD	YTD \$	YTD
	Estimated	Actual	Budget	Actual Costs	% of	Dth
	Participants	Participants	(000)	(000)	Budget	Savings*
RESIDENTIAL APPLIANCE PROGRAM						
Energy Star Clothes Washer - Tier 1	2,478	3,034	\$ 123.9	\$ 151.7	122.4%	3,835
Energy Star Clothes Washer - Tier 2	20,771	21,124	\$1,557.8	\$ 1,584.3	101.7%	34,474
High Efficiency Gas Clothes Dryer - Residential	3,851	3,647	\$ 115.5	\$ 109.4	94.7%	2,976
High Efficiency Gas Water Heater - Residential	370	2,379	\$ 18.5	\$ 118.9	642.7%	3,616
Tank Less Gas Water Heater - Residential	626	812	\$ 187.8	\$ 243.6	129.7%	8,282
High Efficiency Gas Furnace	6,453	9,454	\$1,935.9	\$ 2,836.2	146.5%	107,397
Residential Boiler	104	154	\$ 41.6	\$ 61.7	148.3%	2,205
Solar Assisted Water Heating	32	35	\$ 24.0	\$ 26.3	109.6%	420
Administrative & Overheads	NA	NA	\$1,061.9	\$ 1,017.9	95.9%	NA
	34,685	40,639	\$5,067.0	\$ 6,150.0	121.4%	163,205

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

The following graph shows the cumulative cost per decatherm saved compared to the budgeted cost per decatherm saved. As shown in the graph, actual costs per annual decatherm saved were lower than planned due to increased participation in measures with lower cost per saved decatherm such as furnace replacements (most efficient), and water heaters (4th most efficient).



THERMWISE MULTI-FAMILY PROGRAM

Table 3 below summarizes the 2009 results for the ThermWise Multi-Family Program. As shown in the table, total expenditures for this program exceeded the budgeted amount by 97.7% due almost entirely to the attic insulation measure, which witnessed tremendous participation in January and February of 2009, prompting Questar Gas to seek Commission approval to adjust the rebate levels for the insulation measures in both the Multi-Family and Weatherization Program, which the Commission granted in an order issued on March 31, 2009.¹

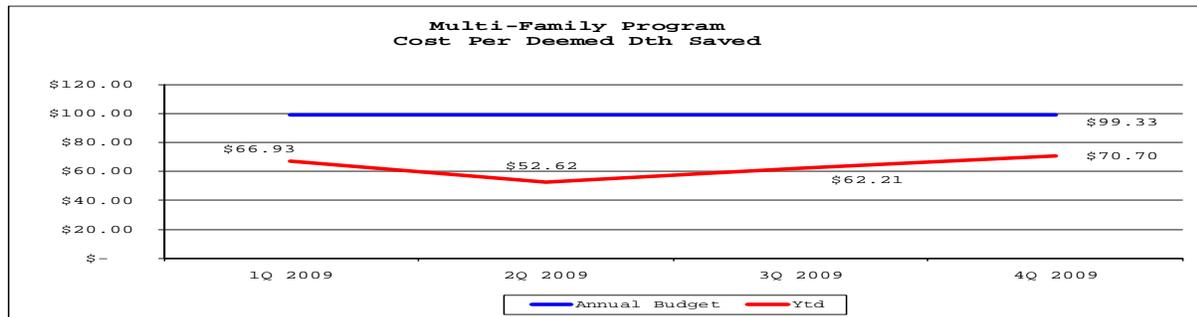
¹ See Commission Order in Docket No. 09-057-T04.

Table 3 ThermWise Multi-family Program	2009		YTD		2009		YTD		YTD \$		YTD	
	Estimated	Actual	Budget	Actual Costs	Actual Costs	% of	Actual Costs	% of	Budget	Dth	Savings*	
	Participants	Participants	(000)	(000)	(000)	Budget	(000)	Budget	Budget			
Storage Water Heaters	44	107	\$ 2.2	\$ 5.4		245.5%					163	
Energy Star Tier 1 Clothes Washer	220	126	\$ 11.0	\$ 6.3		57.3%					159	
Energy Star Tier 2 Clothes Washer	220	621	\$ 16.5	\$ 46.6		282.4%					1,013	
Gas Dryer	220	48	\$ 6.6	\$ 1.4		21.2%					39	
90+ Furnaces	165	438	\$ 49.5	\$ 131.4		265.5%					2,372	
Gas Boilers	165	1	\$ 66.0	\$ 0.4		0.6%					14	
Wall Insulation	550	107	\$ 408.4	\$ 0.9		0.2%					16	
Floor Insulation	220	104	\$ 77.0	\$ 5.4		7.0%					183	
Attic Insulation	220	7,438	\$ 77.0	\$ 2,899.4		3765.5%					48,485	
Replacement Windows	1,100	608	\$ 209.0	\$ 47.3		22.6%					1,674	
Tankless Water Heater	15	50	\$ 4.5	\$ 15.0		333.3%					510	
Solar Assisted Water Heater	5	-	\$ 3.8	\$ -		0.0%					-	
ENERGY STAR Multi-family	165	452	\$ 41.3	\$ 113.0		273.9%					3,851	
Administrative & Overheads	NA	NA	\$ 1,118.2	\$ 862.0		77.1%					NA	
	3,309	10,100	\$ 2,090.9	\$ 4,134.5		197.7%					58,479	

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross

As indicated in the above table, the actual attic insulation measure dwarfed its budgeted amounts in participation, rebate dollars and decatherm savings due to early rapid acceleration of the attic insulation measures in this program, as well as the Weatherization Program during 2009.

The following graph depicts the actual cost per annual Dth saved compared to the budgeted cost per Dth saved.



As shown in the graph, the total cost per Dth saved is below the amount anticipated in the budget due to increased participation, changing the mix of participation from planned levels. Since the 2nd quarter, the actual cost per saved Dth has increased from the 2nd Quarter low of \$52.62 per Dth. This is caused by reduced participation in the 3rd and 4th quarters after the Company received approval to decrease the rebates for insulation in Docket No. 09-057-T04. The 2nd Quarter had a total of 7,000 participants with 5,900 of those participants from the attic insulation measure. As shown in Table 3 above, total participation for 2009 is 10,100, an increase of only 3,100 since the 2nd Quarter, which is about half the number of the participants during the last half of the year. Of this 3,100 participant increase, 1,500 came from the attic insulation measure.

This decrease in over-all participation during the second half of 2009, coupled with the administrative and overhead costs caused the cost per annual saved decatherm to increase from \$53 at the end of the 2nd quarter to \$71 for the total year.

Table 4 below compares the rebate costs of the last two quarters of the year to the first two quarters for attic insulation, all other measures and administrative and overhead costs. The administrative and overhead costs account for over half of the increase in the last half of the year compared to the first half. This increase in administrative costs coupled with the decrease participation is the reason for increase in cost per Dth saved during the last half of the year.

Table 4	YTD 2ND Q	TOTAL 2009	INC	%
Attic Insulation	\$ 2,569.9	\$ 2,899.4	\$ 329.5	12.8%
Other	\$ 199.7	\$ 373.1	\$ 173.4	86.8%
Admin & Overhead	\$ 307.6	\$ 862.0	\$ 554.4	180.2%
Total	\$ 3,077.2	\$ 4,134.5	\$ 1,057.3	34.4%

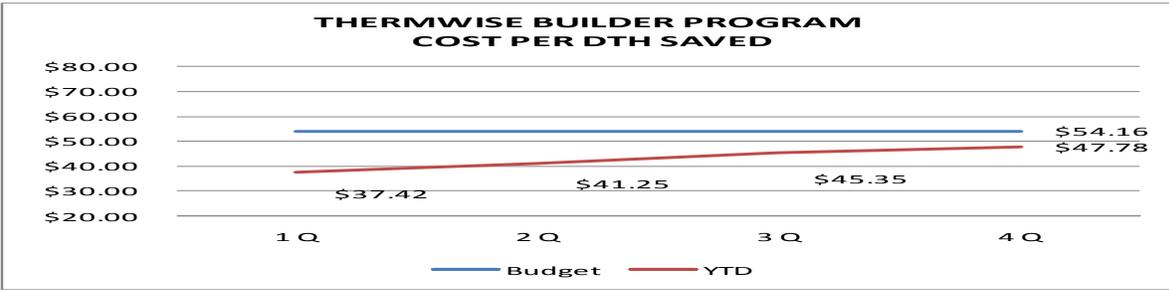
THERMWISE BUILDER PROGRAM

Table 5 summarizes the results for the ThermWise Builder Program. As shown in the table, both the Energy Star Whole House Certification measure (requires a HERS Index rating of 85 or lower) and the High Performance Home measure (must exceed the 2006 International Energy Conservation Code by at least 50%) exceeded planned expectations. These measures rank #1 and #2 respectively in lowest cost per annual Dth saved out of all of the measures in this program.

TABLE 5 THERMWISE BUILDER PROGRAM	2009 Estimated Participant	YTD Actual Participant	2009 Budget (000)	YTD Actual Cost (000)	YTD \$ % of Budget	YTD Dth Savings*
ENERGY STAR NEW HOMES						
Basic Energy Star Specifications - IECC plus 15% discount	1,560	2,109	\$ 700.0	\$ 1,054.5	150.6%	39,514
High Efficiency Gas Water Heater - Home Builder	50	38	\$ 2.5	\$ 1.9	76.0%	58
Tank Less Gas Water Heater - Home Builder	50	88	\$ 45.0	\$ 26.4	58.7%	898
90% Plus AFUE Condensing Gas Furnace - Home Builder	1,500	1,424	\$ 450.0	\$ 427.2	94.9%	10,367
Gas Boiler	25	47	\$ 20.0	\$ 18.8	94.0%	673
Solar Assisted Water Heater	10	2	\$ 7.5	\$ 1.5	20.0%	24
High Performance Homes	20	26	\$ 16.0	\$ 20.8	130.0%	688
Administrative & Overheads	NA	NA	\$ 1,019.9	\$ 948.8	93.0%	NA
	3,215	3,734	\$ 2,260.9	\$ 2,499.9	110.6%	52,222

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

This program's cost per annual Dth saved is \$47.78 compared to a budget cost of \$54.16, as shown in the following graph, with the expected Dth saved per year exceeding the budget Dth savings by 25.1%.



THERMWISE BUSINESS PROGRAM

The Thermwise Business Program has thirty three different measures aimed at commercial businesses. Table 6 below shows only those measures that exceeded or achieved the target budget levels.

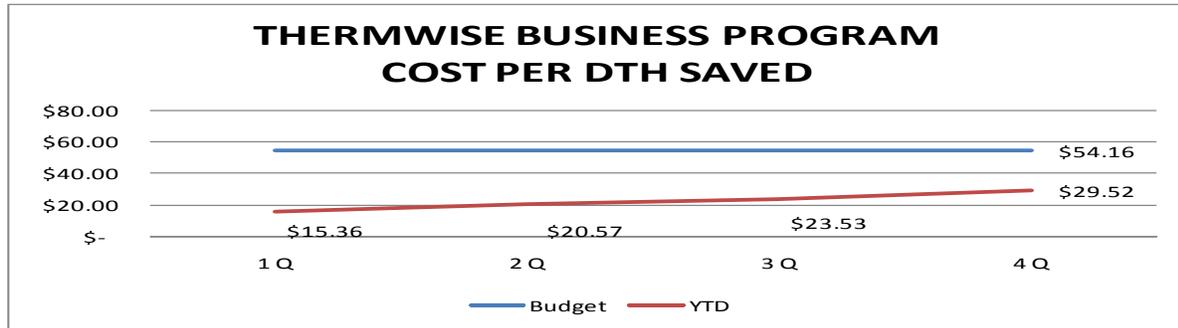
	2009		YTD		2009		YTD		YTD \$		YTD	
	Estimated Participant	Actual Participant	Budget (000)	Actual Costs (000)	Budget (000)	Actual Costs (000)	% of Budget	Savings*	YTD \$	% of Budget	Savings*	
COMMERCIAL REBATE PROGRAM												
High Efficiency Gas Water Heater - Commercial Tier 2	8	21	\$ 1.1	\$ 31.1		\$ 31.1	2827.3%	2,179				
High Efficiency Gas Water Heater - Commercial Tankless Tier1	8	15	\$ 1.2	\$ 5.9		\$ 5.9	491.7%	419				
Energy Star Horizontal Clothes Washer - Tier 1	8	7	\$ 0.4	\$ 0.4		\$ 0.4	100.0%	9				
Energy Star Horizontal Clothes Washer - Tier 2	8	105	\$ 0.6	\$ 7.9		\$ 7.9	1316.7%	171				
Gas Clothes Dryer	10	9	\$ 0.3	\$ 0.3		\$ 0.3	100.0%	7				
High Efficiency Gas Unit Heater 83-90%	8	26	\$ 2.2	\$ 7.8		\$ 7.8	354.5%	277				
94% Plus AFUE Condensing Gas Furnace - Commercial	35	61	\$ 14.0	\$ 24.4		\$ 24.4	174.3%	883				
High Efficiency Boiler Hot Water Tier 2	12	10	\$ 11.7	\$ 30.5		\$ 30.5	260.7%	2,550				
High Efficiency Boiler Steam Tier 2	2	2	\$ 1.2	\$ 23.4		\$ 23.4	1950.0%	697				
ENERGY STAR Commercial Fryer	8	14	\$ 8.0	\$ 14.0		\$ 14.0	175.0%	452				
Windows - Pre Fab	6	18	\$ 9.5	\$ 10.6		\$ 10.6	111.6%	438				
Building Shell Roof Insulation	7	23	\$ 3.1	\$ 3.8		\$ 3.8	122.6%	131				
Administrative & Overheads		NA	\$ 343.5	\$ 358.8		\$ 358.8	104.5%	NA				
	1,364	761	\$ 737.4	\$ 702.3		\$ 702.3	95.2%	23,785				

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

The table does reflect some large percentage differences between 2009 actual costs and budgeted costs but the actual dollar amounts are relatively small with about 50% of the total cost absorbed by the Admin & Overhead category of expense. The high efficiency boiler measures indicate participation at or below budgeted levels but rebate dollars paid exceeded budgeted amounts. This is the result of the boiler rebates paid on boiler Btu ratings and those that participated installed larger boilers than anticipated in the budget, resulting in greater Dth savings.

The following graph shows that the ThermWise Business Program actual cost per annual Dth saved is much lower than planned due to the mix of measures selected by the program

participants. This program has the best TRC score of all of the programs with a 2.4 benefit cost ratio as shown in Table 1 on page 3 of this report.



THERWISE CUSTOM BUSINESS PROGRAM

The ThermWise Custom Business Program is designed for customer specific applications and requires longer development time before results are achieved. As indicated in Table 7 below, there were only two participants in 2009 compared to a budget estimate of 15. As a result of this low participation, the Total Resource Benefit Cost Ratio for this program is 1.0 as shown in Table 1, Column I, line 9. However, when the Administrative costs are removed, the TRC benefit cost ratio for the actual participants become 6.1 which ranks 7th among all of the different measures in all of the DSM programs suites. The 2010 DSM Budget again projects 15 participants in this program with a TRC benefit cost ratio of 1.7. The lack of program participants over the life of this program is an obvious area of concern. However, the Company has indicated to the Division that many businesses are reluctant, or do not have the capital, to invest in large efficiency projects at this time. Because the potential annual Dth savings from these custom business programs is so great, the Company will continue to look for willing participants.

Table 7 ThermWise Custom Program	2009	YTD	2009	YTD	YTD \$	YTD
	Estimated	Actual	Budget	Actual Cos	% of	Dth
	Participan	Participan	(000)	(000)	Budget	Savings*
BUSINESS CUSTOM REBATES PROGRAM						
Business Custom Rebates Total	15	2	\$ 75.1	\$ 8.9	11.9%	1,170
Administrative & Overheads		NA	\$ 219.5	\$ 88.5	40.3%	NA
	15	2	\$ 294.6	\$ 97.4	33.1%	1,170

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

THERMWISE AUDIT PROGRAM

The ThermWise Audit Program exceeded the budget by 7.3% as shown in Table 8 below. The importance of this program is not only to provide customers valuable information regarding energy efficiency opportunities in their homes but it also provides a gateway to other programs with measures that lead to greater energy savings.

Table 8 ThermWise Audit Program	2009	YTD	2009	YTD	YTD \$	YTD
	Estimated	Actual	Budget	Actual Costs	% of	Dth
	Participants	Participant	(000)	(000)	Budget	Savings*
RESIDENTIAL HOME ENERGY AUDIT PROGRAM						
Audit Efficiency Measures (1)	3593	2,825	32.6	39.3	120.6%	8,034
Administrative & Overheads	NA	NA	\$ 615.2	655.5	106.6%	NA
	3,593	2,825	\$ 647.8	\$ 694.8	107.3%	8,034

(1) Participant numbers reflect total number of efficiency units given out, not number of in home audits performed.
 *Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

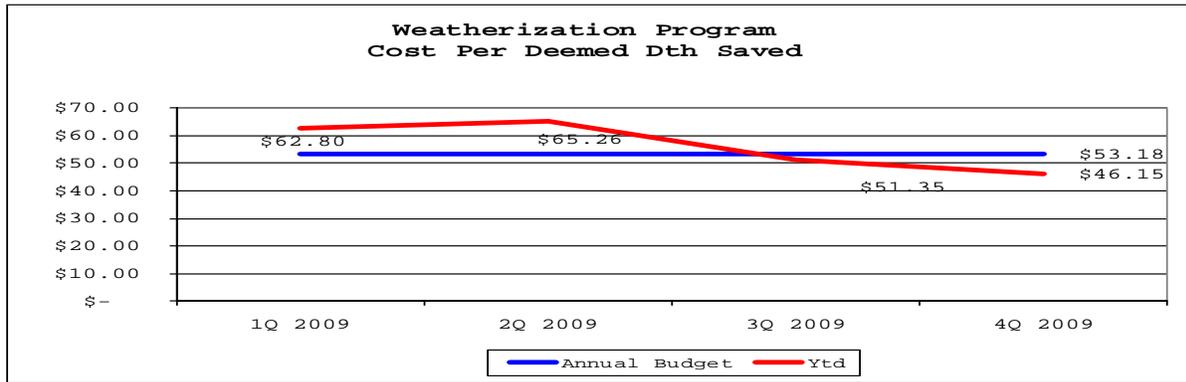
THERMWISE WEATHERIZATION PROGRAM

TABLE 9 RESIDENTIAL WEATHERIZATION PROGRAM	2009	YTD	2009	YTD	YTD \$	YTD
	Estimated	Actual	Budget	Actual Costs	% of	Dth
	Participant	Participant	(000)	(000)	Budget	Savings*
Windows - Residential	7,166	15,965	625.4	986.8	157.8%	34,903
Wall Insulation	870	3,120	323.2	1047.3	324.0%	14,415
Duct Sealing	8	483	1.8	108.7	6038.9%	2,202
Duct Insulation - Residential	10	621	2.5	154.9	6196.0%	4,439
Roof Insulation - Residential	7,012	65,677	3142.4	25860.6	823.0%	480,880
Floor Insulation	564	2,863	167.4	915.7	547.0%	20,445
Programmable Thermostat - Residential	116	201	3.5	6.0	171.4%	428
Administrative & Overheads	NA	NA	\$ 656.7	2405.9	366.3%	NA
	15,746	88,930	\$ 4,922.9	\$ 31,485.9	639.6%	557,712

*Savings reflects the net Dth deemed savings based on actual participants with an 80% net-to-gross ratio applied.

Table 9 shows that the ThermWise Weatherization program exceeded its budget by 539% due to an unanticipated acceleration in the roof insulation program as previously mentioned. This was caused by an unexpected drop in material and labor costs as well as by insulation contractors making a concerted effort to promote the measure to customers. As previously mentioned, QGC filed an application on March 11, 2009, in Docket No. 09-057-T04, requesting permission from the Commission to reduce the rebate amounts allowed in the roof, floor and wall measures for both the ThermWise Weatherization and the Multi-family Programs from \$0.35 to \$0.20 per square foot for the roof and floor measures and from \$0.45 to \$0.30 per square foot for the wall measure. On March 31, 2009, the Commission granted the changes in the rebate amounts with an effective date of May 2, 2009.

A comparison of the budgeted and actual costs per annual Dth of savings is shown below. The comparison shows actual costs per Dth saved crossed below the budgeted costs and ended the year below the budgeted costs due to the decrease in rebates paid for the insulation programs as mentioned above.



As shown in Table 1 on page 3 (Col I ln 11), the Weatherization Program’s Total Resource Cost test (TRC) benefit/cost ration is 2.2.

THERMWISE MARKET TRANSFORMATION

Table 1, on page 3, shows that the ThermWise Market Transformation Program ended the 2009 year at \$1.2 million or 93.6% of the budgeted amount of \$1.3 million.

THERMWISE LOW INCOME WEATHERIZATION

The funding for the ThermWise Low Income Weatherization Program was provided as budgeted. In a report provided by the Division of Housing & Community Development, the \$500,000 of funding provided in the DSM program replaced 599 furnaces with 90% efficient furnaces in low income residences resulting in 8,307 in annual Dth savings.

SUMMARY

DSM Amortization

On September 1, 2009, QGC filed an application, with the Commission in Docket No. 09-057-14, to begin amortizing \$42.9 million in the FERC 84200 account, which was the DSM balance as of July 31, 2009. The Commission approved that application, on an interim basis, in an order issued on September 30, 2009. That order increased the current DSM amortization rate to \$0.44996/Dth for the customers in the GS rate class. From August to the end of 2009, the DSM account balance has decreased to \$40.5 million as shown on page 3, in Table 1, column E, line 21. At the end of January 2010, the balance in the DSM 182.4 account has declined by \$4.3 million to \$36.2 million and may decline even further as the winter heating season draws to an end. Currently, the annual cost to a typical GS customer for DSM programs is \$36.00.² The 2010 DSM Budget is \$36.1 million. At this level of spending and assuming annual GS sales volumes of 93,787,000 Dth per year, the Division estimates the annual cost to the typical GS customer will be \$30.71.³

The Division is pleased with the success of the market transformation that is currently occurring as it benefits all rate payers by reducing usage levels. As shown in Table 1, page 3 of this report, the TRC benefit/cost ratio for all DSM programs is 2.2. However, the Division is cognizant of the fact that the annual Dth savings are deemed or engineering based savings. A complete audit report from the Cadmus Group attempting to verify actual savings is expected to be finished by June 2010. Until that time, the real costs per Dth saved cannot be determined.

As of December 31, 2009, QGC reports that 871,000 customers exist in the GS Rate Class. Of this 871,000 customers, 810,000 are classified as residential customers and 61,000 as commercial customers.⁴ QGC is reimbursed by customers of the GS rate class for the total costs of the DSM programs through amortization requests, which occur no less than twice a year but can occur more often. Currently, it is estimated only 18% of eligible GS customers are participating in the DSM programs.⁵ Because the dollars expended for these programs are

² $\$0.44996 * 80 \text{ Dth} = \36.00

³ $\$36,000,000 / 93,787,000 * 80 = \30.71 .

⁴ Actual customers are 870,101 with 810,155 residential and 60,946 commercial per December 31, 2009 QGC Grayback, page 26.

⁵ Estimate of participation as shown in 5th slide in Questar Gas DSM Advisory Group Meeting presentation, February 25, 2010.

significant, the Division will continue to explore with QGC and the DSM Advisory Group possible ways to increase the percentage of participation within the GS Rate Class so more GS customers can mitigate the effect of potential increasing energy costs while realizing the over-all benefit of reducing their energy consumption.

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