

Example of Revenue Decoupling

Allowed Revenue per Customer (Annual)

Current Non-Gas Revenue	\$ 150,000,000
2005 Number of Customers	600,000
Volumetric Charge per Customer	\$250.00

Allowed Revenue per Customer (Monthly)

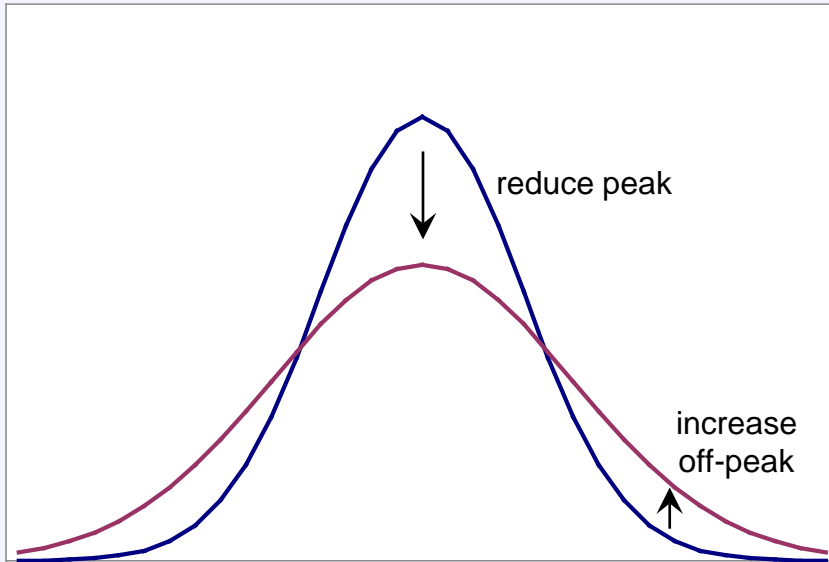
	Test Year	Forecasted Allowed
January	\$ 24.61	\$ 22.81
February	\$ 23.02	\$ 21.33
March	\$ 18.47	\$ 17.12
April	\$ 20.84	\$ 19.32
May	\$ 22.85	\$ 21.18
June	\$ 22.31	\$ 20.68
July	\$ 19.72	\$ 18.28
August	\$ 21.09	\$ 19.55
September	\$ 25.95	\$ 24.05
October	\$ 27.02	\$ 25.05
November	\$ 17.58	\$ 16.29
December	\$ 26.25	\$ 24.33
Total	\$ 269.71	\$ 250.00

Revenue Decoupling Tariff Example for January 2006

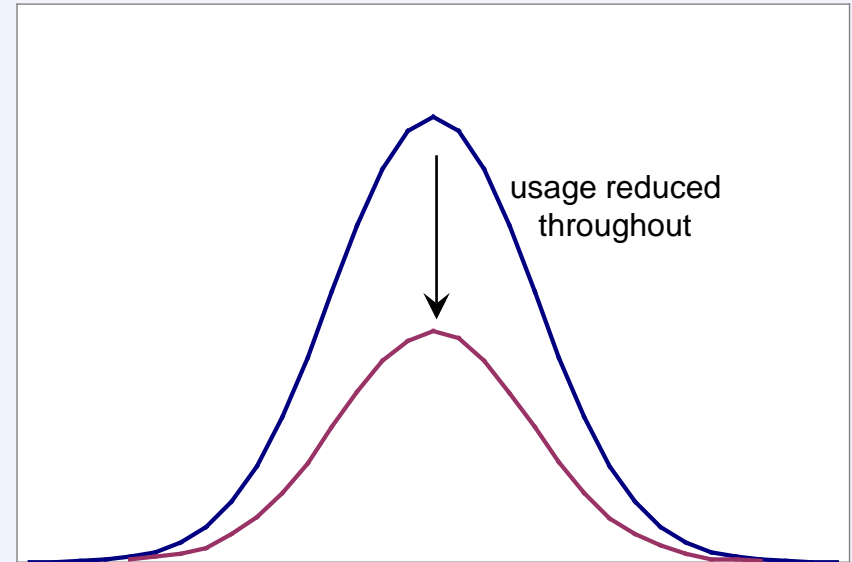
Allowed DNG Revenue per Customer	\$ 22.81
Actual Customers	610,000
<hr/>	
Allowed DNG Revenue for Month	\$13,914,900
Actual DNG Revenue for Month	\$13,650,000
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CET Monthly Accrual to Balancing Account	\$264,100
Accrual Added to Monthly Bill	\$0.433
New Monthly Charge	\$23.24

Load Management and Conservation Programs

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.2



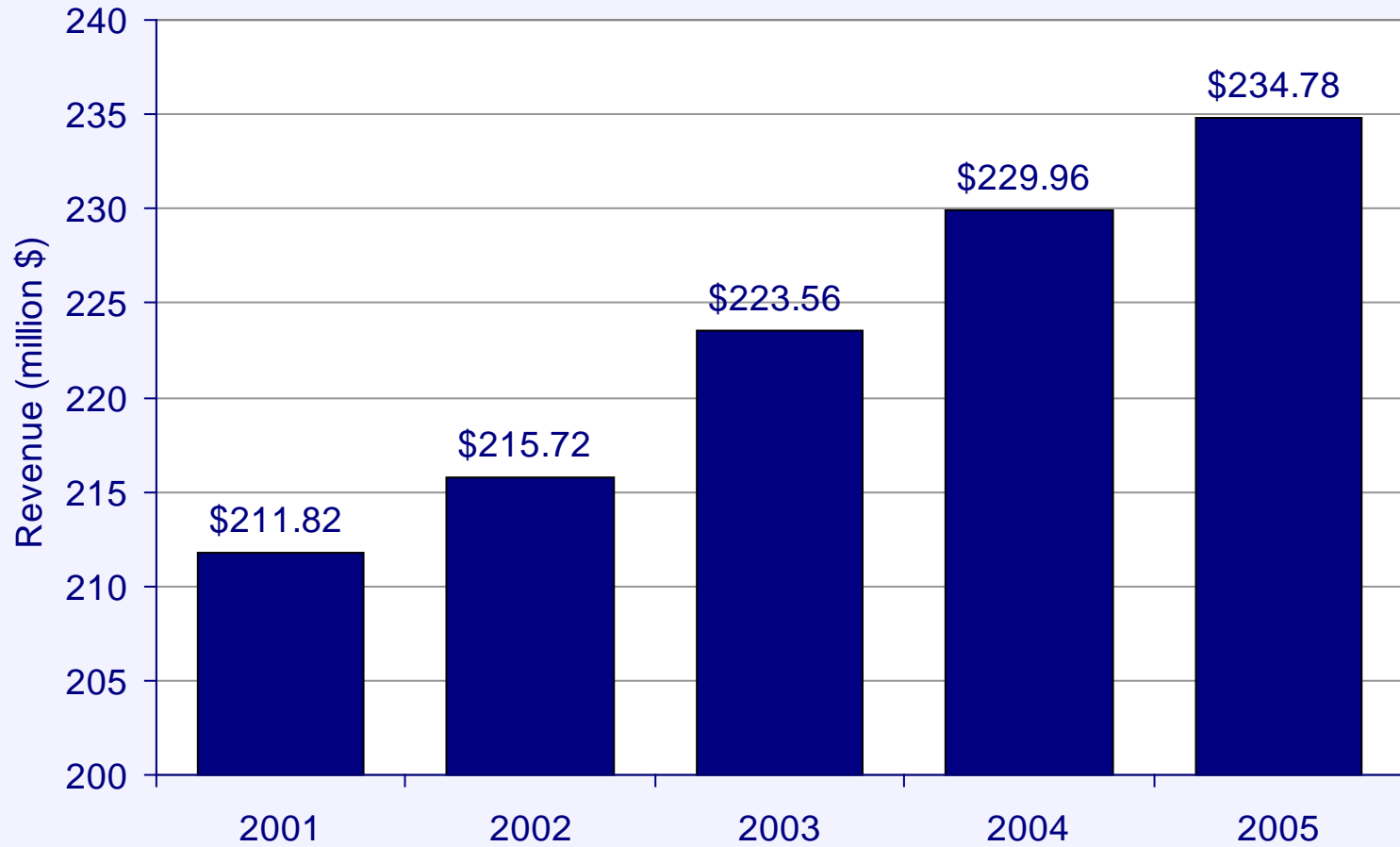
Load Management



Energy Efficiency

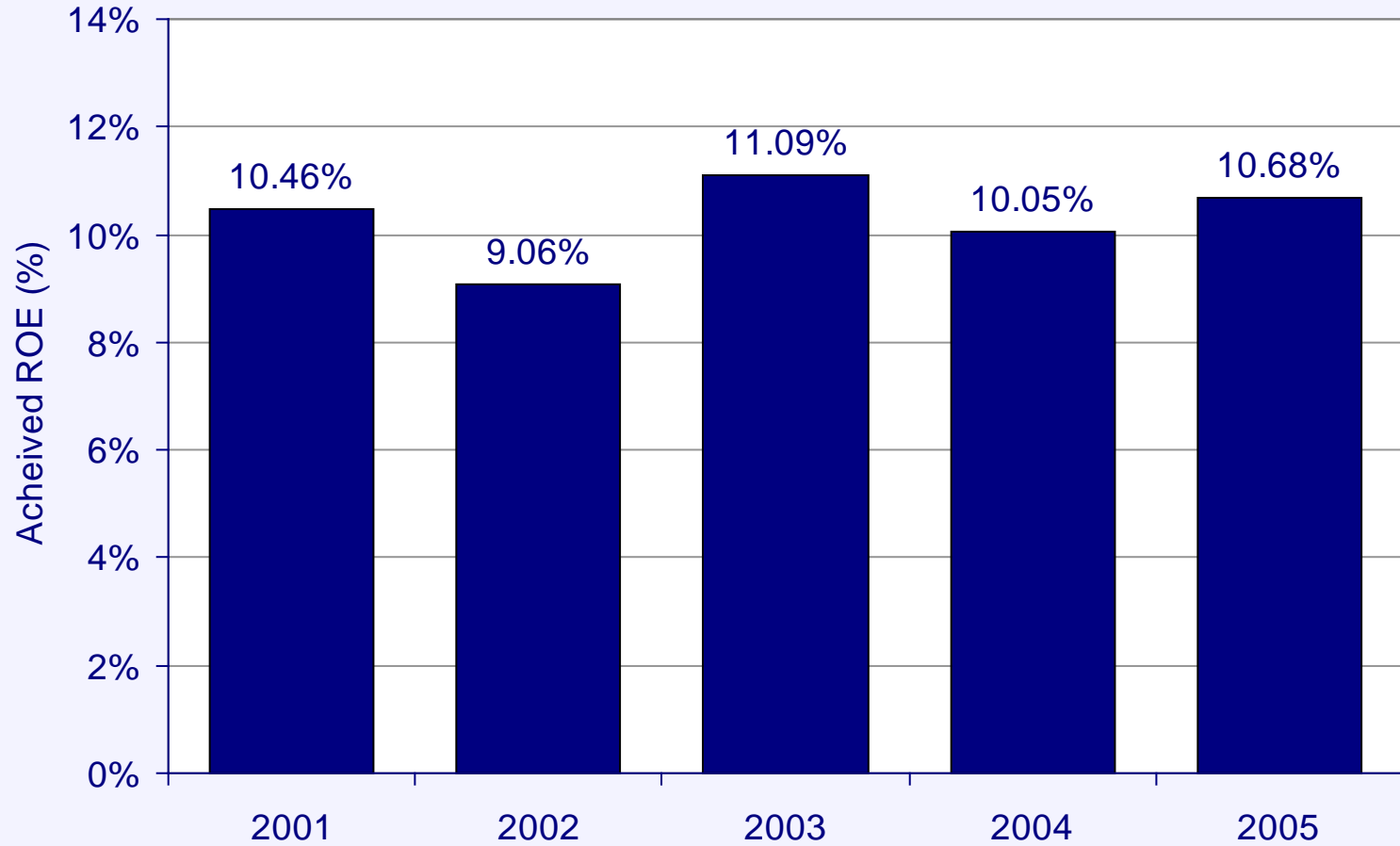
Total Company Revenues

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.3



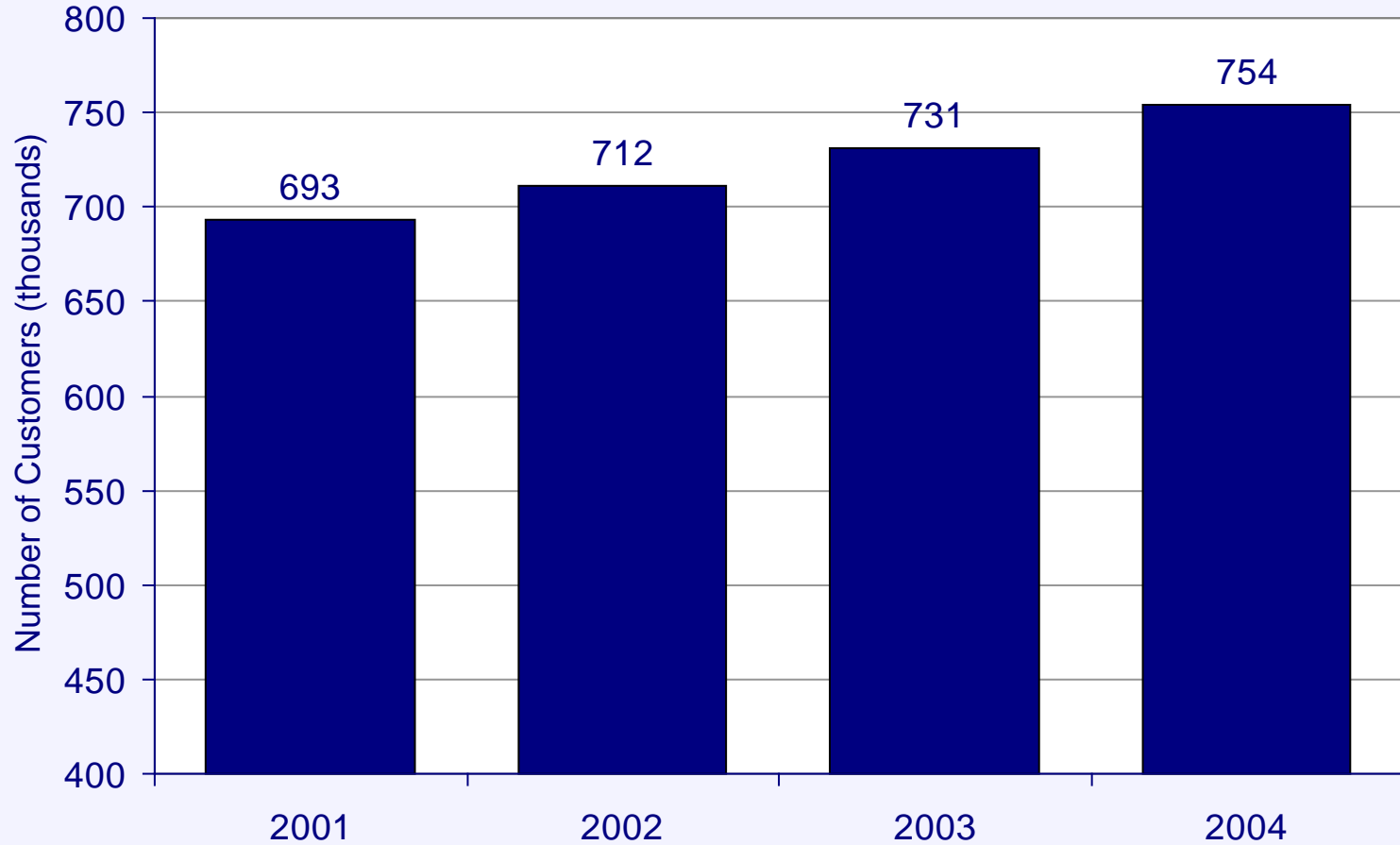
Questar Achieved ROE

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.4



Questar Utah GS Customers

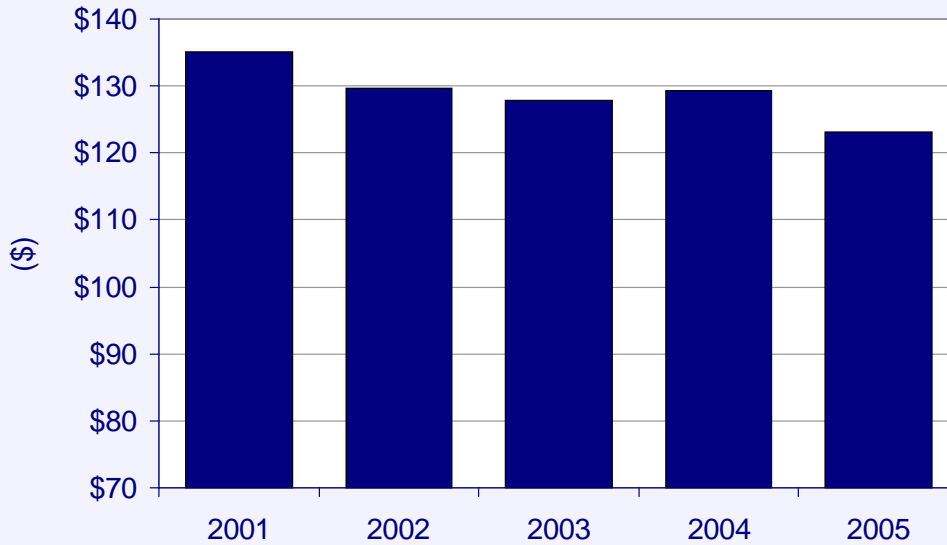
Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.5



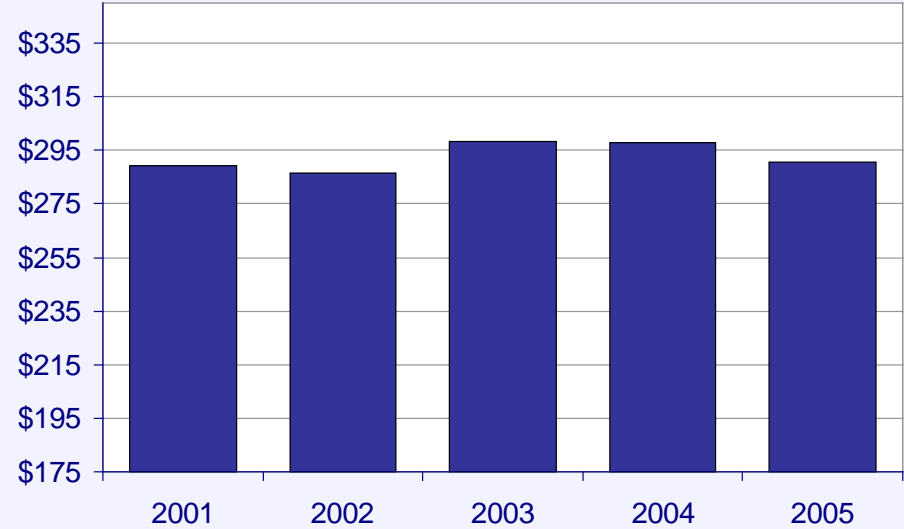
Qwestar Expenses and Revenue per Customer

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.6

Qwestar Expenses per Customer

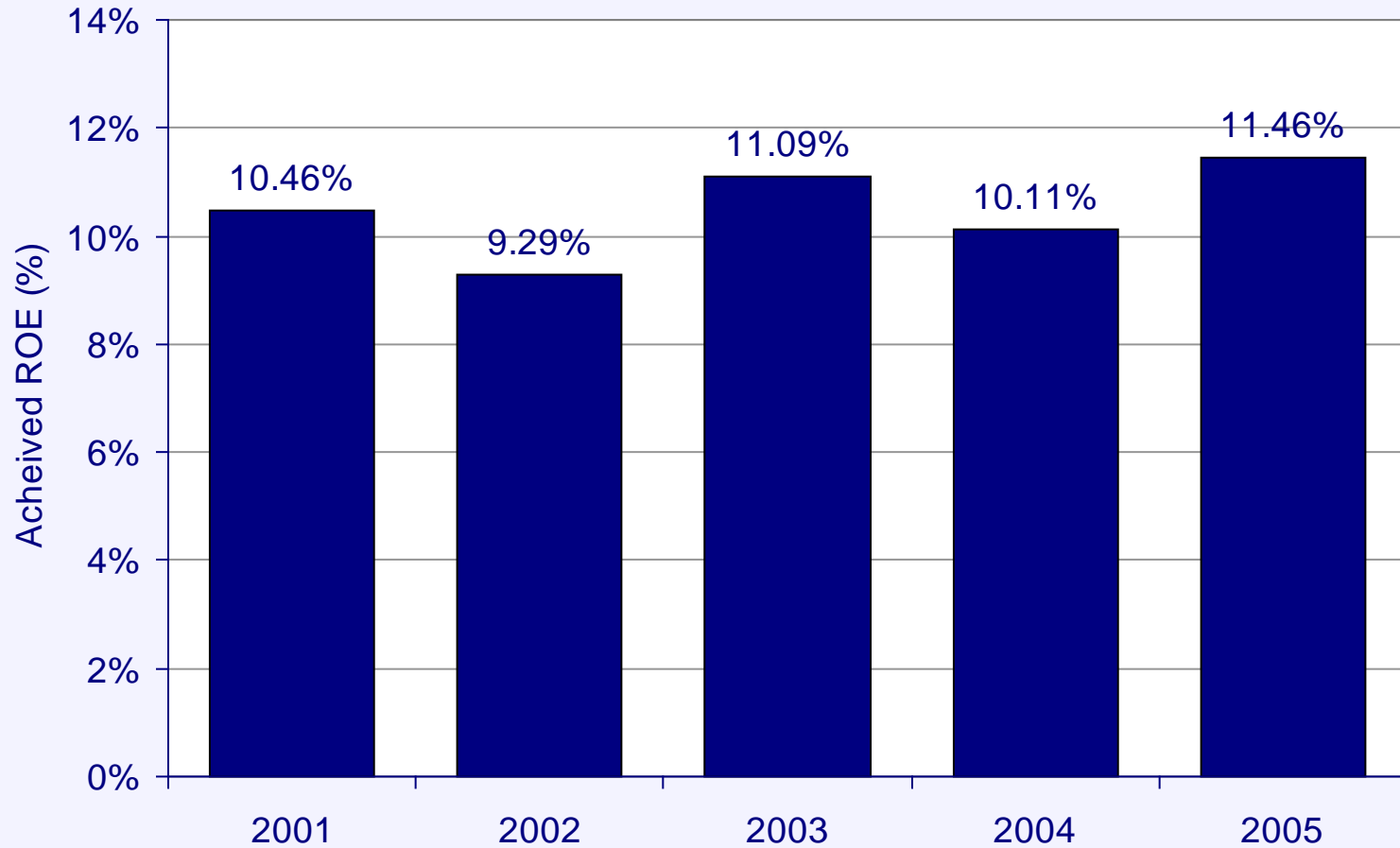


Qwestar Revenue per Customer



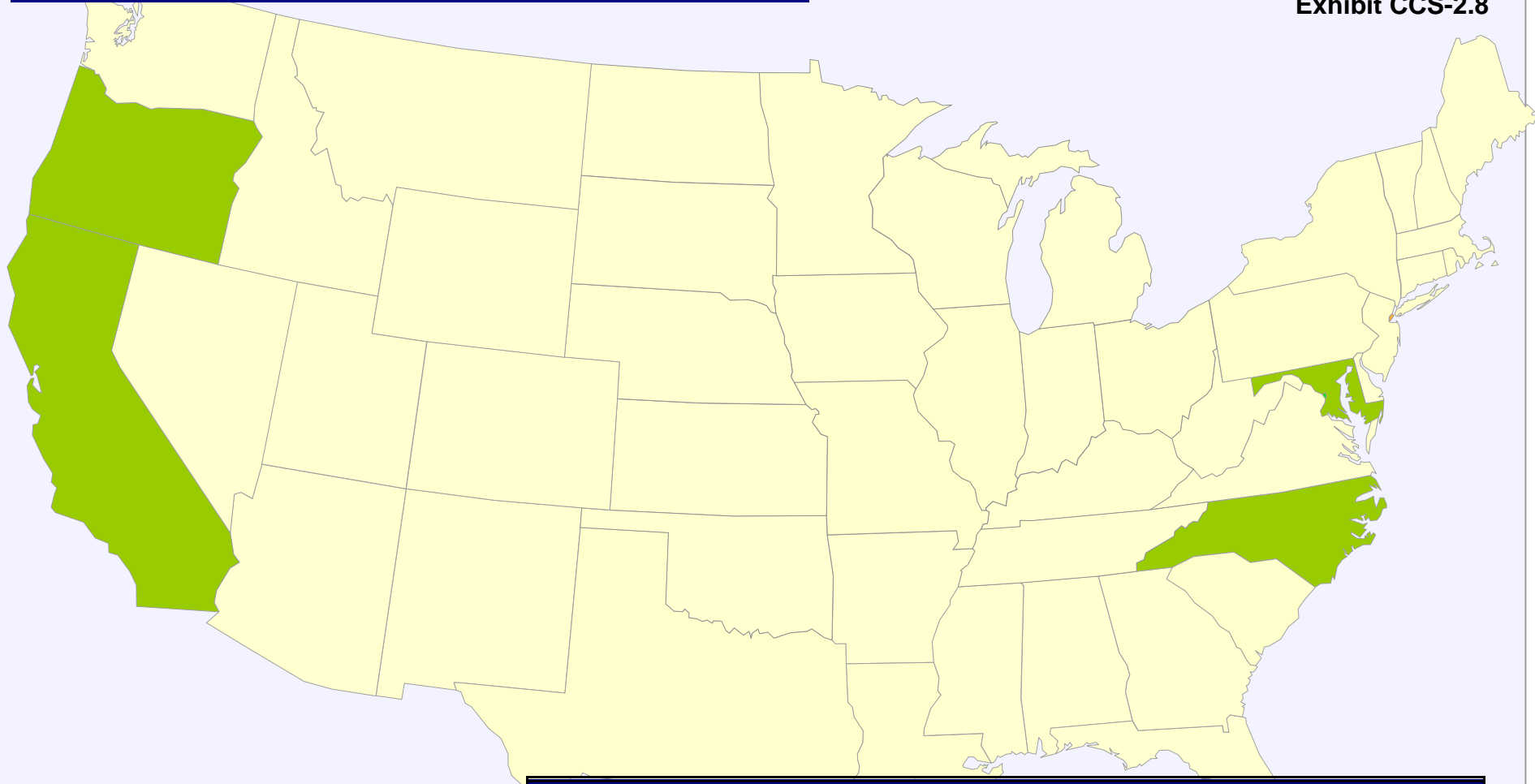
Questar Achieved ROE Impacted by Revenue Decoupling Mechanism

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.7



States with Approved Decoupling Mechanisms

Utah Committee of Consumer Services
 Witness: David Dismukes
 Docket No. 05-057-T01
 Exhibit CCS-2.8



	Number of Residential Customers	Percent of Total Customers	Residential Sales (Bcf)	Percent of Total Sales
States with Revenue Decoupling	12,501,354	20.0%	715.6	14.7%
States without Revenue Decoupling	49,863,368	80.0%	4,150.7	85.3%
Total US	62,364,722	100.0%	4,866.3	100.0%

Legislative and Regulatory Mechanisms for DSM Cost Recovery and Shareholder Mechanisms

Utah Committee of Consumer Services
Witness: David Dismukes
Docket No. 05-057-T01
Exhibit CCS-2.9

State	Legal Requirement	Cost-Recovery	Shareholder Incentives	Lost-Revenue Recovery	Other Mechanisms
California	Yes (required by statute)	Yes (gas public purpose surcharge)	No	No	Also a system benefit for low-income energy efficiency programs
Massachusetts	No (encouraged by regulators)	Yes ("conservation charges" approved in company-specific regulatory cases)	Yes (some gas utilities do have incentive mechanisms)	Yes (most utilities have some recovery mechanisms)	Statue requires statewide energy audit program. Funded by small customer charge, administered by state.
Minnesota	Yes (required by statute)	Yes (gas utilities required to spend 0.5% of revenues)	Yes (Commission approved mechanism)	No (used to, was replaced by incentive mechanism)	No
New Jersey	Yes (required by statute)	Yes ("societal benefits charge" on customer bills)	No (used to; no current mechanism)	No (no current authorization, issue is under review)	No
Ontario, Canada	Yes (Ontario Energy Board order)	Yes (included in rates)	Yes (one utility has shared savings mechanism)	Yes (lost revenue adjustment mechanism)	No
Oregon	Yes (for residential gas space heat customers; EE efforts are encouraged by PUC)	Yes (thru balancing accounts, but largest utility has surcharge for EE with funds transferred to state agency)	No	Yes (now N/A for largest gas utility which has decoupling)	Utilities required by statute to provide free energy audits and loans/rebates for residential gas space heat customers
Washington	No (encouraged by regulators)	Yes (covered in utility-specific regulatory orders)	No	No	WUTC requires "least cost planning" comparing energy efficiency to gas purchasing options
Vermont	Yes (required by statute and regulatory orders)	Yes (included in rates and reviewed in rate cases)	No	Yes (net lost revenues are eligible for recovery in rate cases)	The electricity energy efficiency utility operates programs that also produce gas savings
Wisconsin	Yes (required by statute)	Yes (certain funding amounts must be transferred by utilities to state public benefits EE program)	N/A (programs are administered by state agency)	No	Statue allows utility to spend more on EE, beyond the minimum it must send to the state, if it wishes

Source: "The Maximum Achievable Cost Effective Potential for Gas DSM in Utah for the Questar Gas Company Service Area," Final Report, Prepared for the Utah Natural Gas DSM Advisory Group, GDS Associates Inc., June 2004.

Information on Comprehensive DSM Programs Implemented by Ten Gas Utilities in 2004

Utah Committee of Consumer Services
 Witness: David Dismukes
 Docket No. 05-057-T01
 Exhibit CCS-2.10

	Program Spending (million \$)	Percent of Retail Revenues (%)	Gas Savings (Mcf/year)	Percent of Gas Sales Saved (%)	Volume saved per million \$ (Mcf/year)	Benefit-Cost Ratio
Aquila	\$ 2.10	1.4%	146,000	0.5%	69,000	-
Centerpoint	\$ 5.60	0.5%	720,000	0.5%	128,600	2.60
Keyspan	\$ 12.00	1.0%	490,000	0.4%	41,000	3.00
Northwest Natural Gas	\$ 4.70	0.7%	85,000	0.1%	18,000	-
NSTAR	\$ 3.90	0.8%	71,500	0.2%	18,000	2.29
PG&E	\$ 13.50	0.4%	2,000,000	0.7%	148,000	2.10
PSE	\$ 3.80	0.4%	311,000	0.5%	82,275	1.93
SoCal Gas	\$ 21.00	0.6%	1,100,000	0.3%	52,000	2.67
Vermont Gas	\$ 1.10	1.6%	57,000	1.0%	52,000	5.60
Xcel Energy (MN)	\$ 4.00	0.7%	663,000	0.9%	166,000	1.56