

Colleen Larkin Bell (5253)
Jenniffer Nelson (7947)
Questar Gas Company
180 East First South
P.O. Box 45360
Salt Lake City, Utah 84145
(801) 324-5556
(801) 324-5935 (fax)
colleen.bell@questar.com
jenniffer.nelson@questar.com

Attorneys for Questar Gas Company

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION FOR APPROVAL OF THE)
2012 YEAR BUDGET FOR ENERGY) Docket No. 11-057-12
EFFICIENCY PROGRAMS AND MARKET)
TRANSFORMATION INITIATIVE)

I. INTRODUCTION

1. In its Order issued January 16, 2007 in Docket No. 05-057-T01 (January 16, 2007 Order), the Public Service Commission of Utah (the Commission) approved Questar Gas Company's Application for Expedited Approval of Demand-Side Management Programs and a Market Transformation Initiative (Original Application), and approved a three-year pilot program for Questar Gas Company's (Questar Gas or Company) Demand Side Management (DSM) programs in conjunction with the Conservation Enabling Tariff (CET). On June 24, 2009, the Commission extended the CET/DSM Pilot Program until December 31, 2010. (Order Extending Conservation Enabling Tariff/Demand Side Management Pilot Program to December 2010, Docket No. 05-057-T01). On June 3, 2010, the Commission issued an Order in Docket No. 09-057-

16 approving the CET as an on-going program (June 3, 2010 Order). In its Order issued January 12, 2011 in Docket No. 10-057-15 (January 12, 2011 Order), the Commission approved Questar Gas Company's Application for Approval of the 2011 Year Budget for Energy Efficiency Programs and Market Transformation Initiative (Application and Exhibits). Questar Gas now respectfully submits this Application for Approval of its Budget for the 2012 Energy Efficiency Programs and Market Transformation Initiative seeking approval of costs associated with the delivery of the Energy Efficiency Programs and associated Market Transformation Initiative.

II. OVERVIEW OF PROPOSED 2012 ENERGY EFFICIENCY PROGRAMS AND MARKET TRANSFORMATION INITIATIVE

2. In the Original Application, the Company listed seven best practices for developing successful (DSM) programs. These seven best practices are:

- A. Develop a comprehensive energy efficiency approach;
- B. Simplify and integrate program offerings;
- C. Brand DSM and focus on customer service;
- D. Develop strategic partnerships with market participants;
- E. Provide customized service, when applicable;
- F. Provide qualified, independent expertise; and
- G. Integrate program evaluation early.

Through the design, development, implementation and administration of DSM programs, the Company has successfully achieved, and in many cases exceeded, each of the best practices outlined in the Original Application. The Company's ThermWise energy efficiency campaign is a model for natural gas utility programs nationwide. The ThermWise rebate programs are customer friendly and cost effective.

3. In addition to the implementation and development of the ThermWise energy efficiency campaign, the Company has made a concerted effort to maintain high levels of customer service. The Company has developed relationships with trade allies, including wholesalers, heating, ventilation and air conditioning (HVAC), weatherization contractors, dealers and retailers. The Company has built flexibility into the implementation and marketing of its programs to allow for customized service when required. The Company continues to utilize the independent and experienced knowledge base of its program administrators, Nexant, Inc. (Nexant) and Portland Energy Conservation, Inc. (PECI).

4. Based on input from the DSM Advisory Group, Utah-based trade allies, program administrators and other energy efficiency stakeholders, Questar Gas proposes continuing the seven existing ThermWise Energy Efficiency Programs.

5. The ThermWise Energy Efficiency Programs proposed to continue in 2012 are: 1) the ThermWise Appliance Rebates Program; 2) the ThermWise Builder Rebates Program; 3) the ThermWise Business Rebates Program; 4) the ThermWise Weatherization Rebates Program; 5) the ThermWise Home Energy Audit Program; 6) funding for the Low-Income Weatherization Assistance Program administered by the Utah Department of Community and Culture (DCC); and 7) the ThermWise Business Custom Rebates Program.

6. **ThermWise[®] Appliance Rebates.** This program offers rebates to GS customers for installing high-efficiency qualifying measures. The Company is proposing to continue this program with a few changes relating to appliance efficiency and the addition of new equipment to the overall offerings of rebates for customers. Those

changes and additions are as follows: 1) offer a tiered rebate for energy-efficient boilers having an efficiency rating of 85% or higher; and 2) offer an increased rebate for 95% AFUE furnaces, which include an electrically commutated motor (ECM). PECO will continue to support the program. QGC Energy Efficiency Exhibit 1.1 sets forth the complete program description for 2012.

7. **ThermWise® Builder Rebates.** This program offers rebates to residential builders for installing qualifying energy efficiency measures and constructing homes that meet whole house requirements. The builder program currently includes all newly constructed residences receiving service on the GS rate schedule. A qualifying single-family residence is a new structure that has up to four residential dwelling units. A qualifying multifamily residence is a new structure having five or more residential dwelling units. Incentives will continue to be paid, tracked, and reported as single-family and multifamily.

8. This past year, the Company participated in numerous meetings with Rocky Mountain Power (RMP), Nexant (RMP's implementation contractor for new construction programs), and PECO (Questar Gas' implementation contractor for new construction) to explore approaches to bring synergy to the new construction market. In this filing, the Company is proposing a set of offerings that are intended to align with RMP's programs. In the event RMP's and QGC's continued discussions require some adjustments to the proposals made herein, the Company will amend this application.

9. The Company proposes to offer five (5) whole house builder options. The overriding goal of these builder options is to encourage above-code new construction. Some of the options are designed to encourage builders to begin moving towards

practices that will be required if the state of Utah adopts the IECC 2009 Energy Code. Certain other options are directly tied to Energy Star requirements. A top tier option will be available to reward builders that exceed Energy Star requirements. In addition rebates will be offered for the installation of stand-alone measures. QGC Energy Efficiency Exhibit 1.2 sets forth the complete program description for 2012.

10. **ThermWise® Business Rebates.** This program offers rebates to commercial GS customers who purchase and install qualifying natural gas efficiency measures. The Company is proposing to continue this program with the following improvements: 1) increase the rebate from \$0.12/sq. ft. to \$0.16/sq. ft. for retrofit roof insulation; 2) increase the rebate from \$0.08/sq. ft. to \$0.12/sq. ft. for retrofit wall insulation; and 3) Eliminate the maximum size limit on high-efficiency gas furnaces. These improvements more closely align the program with market conditions and will help to ensure that program savings are achieved as desired. QGC Energy Efficiency Exhibit 1.3 sets forth the complete program description for 2012.

11. **ThermWise® Weatherization Rebates.** This program offers residential GS customers rebates for installing qualifying weatherization measures. The Company proposes to continue to administer all residential weatherization incentives under a single program. In 2012 the weatherization program will include all residences receiving service on the GS rate schedule. A qualifying single-family residence will be an existing structure with up to four dwelling units. A qualifying multifamily residence will be an existing structure with five or more dwelling units. Incentives will continue to be paid, tracked, and reported as single-family and multifamily but administration of the programs

is combined. For qualifying multifamily residences, a pre-qualification inspection will continue to be required.

12. In 2012 the Company is proposing to continue this program with the following improvements: 1) offer a rebate for air sealing; 2) add air sealing contractors to the Authorized Contractor program; 3) increase the rebate from \$0.20/sq. ft. to \$0.25/sq. ft. for Tier 1 attic insulation; and 5) offer a rebate for high-efficiency R-5 windows.

13. In addition to the improvements listed above, emphasis will continue to be placed on contractor education and training along with customer marketing and awareness. Nexant will continue to administer this program. QGC Energy Efficiency Exhibit 1.4 details the complete program requirements for 2012.

14. **ThermWise[®] Home Energy Audit.** This program continues to receive very positive customer feedback and was identified in the Cadmus Phase II report as a significant contributor to participation in other ThermWise Energy Efficiency Programs. The Company is proposing to continue this program with one change. The Company proposes to add a blower door test to the standard energy audit. The results from the blower door test will determine eligibility for the air sealing measure.

15. This program includes two primary components: 1) in-home energy audits performed by trained and experienced Questar Gas auditors, and 2) “do-it-yourself” mail-in audits with on-line data input availability. The in-home energy audit requires the customer to pay a \$25 fee per service. This fee is added to the customer’s gas bill. This fee is fully refundable by way of a credit on the customer’s gas bill, upon participation in any ThermWise energy efficiency rebate program. The do-it-yourself mail-in audit is offered at no charge. Customers participating in either home energy audit

will receive a customized report recommending home improvements and no-cost behaviors that can be implemented to reduce natural gas usage. In addition, the program will continue to provide certain low-cost energy efficiency measures at no charge for installation at the customer's residence. QGC Energy Efficiency Exhibit 1.5 sets forth the complete program description for 2012.

16. **Low-Income Weatherization Assistance.** The Company is proposing to maintain funding for the Low-Income Weatherization Assistance Program at \$500,000 per year. Strong demand for furnace replacements from the program continues to drive a need for funding. The Company will continue to disburse \$250,000 every six months, with the disbursements occurring in January and in July.

17. In the QGC DSM Advisory Group meeting held September 27, 2011, DCC made a presentation outlining a proposal which would allow the DCC to follow an abbreviated application process for requesting rebates for qualifying measures and to allow the DCC to receive rebate payments directly. Under current practice, the state's Low-Income Weatherization Assistance Program is eligible to apply for ThermWise rebates for many measures they install. However, the existing ThermWise rules restrict the Company from paying rebates to anyone other than the customer residing in the dwelling where a measure is installed. The DCC's proposal was well received by the QGC DSM Advisory Group. Based on this feedback and further refinements the Company is proposing language in the attached tariff sheets (§2.15 Low Income Weatherization Assistance Program) in which an approved non-profit or governmental agency can qualify for an abbreviated application process and direct-payment exemption. The non-profit or governmental organization must comply with all other requirements of

the tariff and program rules to qualify for rebates. QGC Energy Efficiency Exhibit 1.6 sets forth the complete program description for 2012.

18. **ThermWise® Business Custom Rebates.** The Company is proposing to continue this program for 2012. This program targets new and existing Utah GS commercial customers. This program augments the existing ThermWise Business Rebates program by offering rebates to business customers for energy savings resulting from more customized energy system improvements that are not otherwise available through a rebate from ThermWise programs. The rebate would be in the form of one or more payments to the customer upon successful completion and savings verification of the project.

19. The Company is proposing to add a category of measures eligible for a simplified approval process. These measures have been proven to deliver reliable energy savings, but have too many variables to be included in a prescriptive program. The simplified approval process will require the submission of project specific data as required to determine the probable level of gas savings. The simplified approval process will reduce administrative costs, and is expected to increase uptake of these measures. Nexant will continue to administer this program. QGC Energy Efficiency Exhibit 1.7 sets forth the complete program description for 2012.

20. **Tariff Sheets.** Tariff sheets for all programs are attached in both legislative and proposed formats as QGC Energy Efficiency Exhibit 1.8. The Company proposes that these Tariff sheets become effective January 1, 2012.

III. MARKET TRANSFORMATION

21. In addition to the Energy Efficiency programs outlined above, Questar Gas is proposing to continue its comprehensive market transformation initiative. Market

transformation involves promoting ongoing and lasting changes to natural gas appliance penetration rates and new construction markets, as well as natural gas conservation. Questar Gas believes that its Energy Efficiency programs, including its market transformation initiative, will continue to complement the State of Utah's goal of a 20% reduction in energy consumption by 2015.

22. The first component of the market transformation initiative is a market awareness campaign designed to (1) enhance the Company's involvement in energy efficiency and conservation promotion; (2) change consumer and market participation behaviors; and (3) encourage persistent demand for energy efficiency products and practices.

23. The second component involves offering training related to building codes. The State Energy Program, a sub-division of the Utah Geological Survey, in collaboration with, and through partial funding from, Questar Gas, has conducted numerous building codes training sessions since 2007. The purpose of the training is to support the adoption, awareness and enforcement of building codes associated with the current International Energy Conservation Code (IECC 2006), which became effective in Utah on January 1, 2007. Based on the success of previous training sessions, and the ongoing need in the market for additional and more specific training sessions, the Company is proposing to continue funding these training sessions in 2012 at a level of \$50,000. The State Energy Program will continue to work with an outside vendor to design and conduct the training.

24. The third component of the market transformation initiative is the ThermWise.com website. The Company launched an informative, interactive, easy-to-

use and dedicated energy efficiency website (www.ThermWise.com) during 2007. The website provides consumers with Energy Efficiency program descriptions and applications, information regarding the economics of energy efficiency, resources available to consumers to help them reduce their energy consumption, on-line energy audit input capability, and links to other useful websites related to energy efficiency and conservation. The Company proposes to continue developing, enhancing and operating this website to increase customer awareness, education and participation in energy efficiency and conservation.

25. As a fourth component, the Company proposes to continue to provide funding to Salt Lake Community College (SLCC) in support of its Associate Degree program for Energy Management. The Company previously proposed to pay \$40,000 over three years (beginning in 2009) with a match by Rocky Mountain Power. The funding provided thus far has enabled SLCC to secure grant money to develop and implement the program. Questar Gas proposes continuing this funding by paying \$13,300 in 2012 to support the continued development and implementation of the program.

26. The Company proposes to encourage both energy efficient behaviors and participation in ThermWise programs with the fifth component. Questar Gas recently launched the ThermWise Energy Comparison Report (Comparison Report) in 2011. The Comparison Report allows customers to compare their natural gas usage with neighboring homes, and will encourage customers to employ energy efficiency measures and behaviors. A sample Comparison Report is attached as QGC Energy Efficiency Exhibit 1.12.

27. As part of its market transformation initiative, the Company will continue to pursue strategies to influence each market segment in the GS rate class to adopt higher levels of energy efficiency. Initial market transformation goals include: 1) achieving higher penetration of high efficiency furnaces and water heaters in new and existing residential and commercial buildings; 2) recruiting trade allies to promote and deliver a complete line of energy efficiency products; 3) encouraging trade allies to price the higher efficiency products competitively with lower efficiency products; 4) positioning energy efficiency products as the market leaders; and 5) working with code enforcement officials to ensure energy efficiency aspects of the building codes are understood and adopted by builders.

IV. PROPOSED 2012 BUDGET

28. The total 2012 budget for Questar Gas Energy Efficiency Programs and the Market Transformation Initiative is estimated at \$28.3 million and is shown in QGC Energy Efficiency Exhibit 1.9. The proposed 2012 budget is a decrease from 2011. This is primarily due to reductions in administrative costs and lower projected participation. QGC Energy Efficiency Exhibit 1.9 includes the 2011 budget for reference. The budget estimate is predicated on participation levels projected by each program administrator. For those rebate measures that will continue from 2011, twelve month actual customer participation (ending June 30, 2011) served as the basis for projections. Participation in rebate measures which are new for 2012 were forecasted using available market data as well as housing permit data for new construction related measures. To the extent actual participation levels differ from projected levels, actual costs will differ from budget. The Company will continue to report to the Division quarterly and to provide the actual participation levels and related costs and gas savings compared to projections.

29. **ThermWise® Home Energy Audit.** This program is expected to have few operational changes in the early part of 2012. However, it is anticipated that work will begin in the mid part of 2012 on a redesign of the program. Planning for the redesign is in the early stages but it is expected that changes to the program will result in additional natural gas savings and increased cost effectiveness. The Company is projecting that the number of audits performed and the associated gas savings for this program will be the same as forecasted for 2011. It is expected that the overall costs for the program in 2012 will increase by 11%, as compared to 2011 (QGC Energy Efficiency Exhibit 1.9, column C, line 13). This increase is mainly due to the one-time cost of the planned program redesign.

30. **ThermWise® Weatherization Rebates.** The Company projects that 2012 customer participation will decrease by 26% from 2011 but will continue to produce the strongest customer participation and natural gas savings of the ThermWise portfolio of programs. The Company expects a 30% decrease in overall weatherization program costs for 2012 from the 2011 budget (QGC Energy Efficiency Exhibit 1.9, column E, line 13). The projected natural gas savings for this program are expected to decrease by 34% from 2011 projections (QGC Energy Efficiency Exhibit 1.9, column E, line 16). The projected decrease in natural gas savings is attributable to lower expected participation.

31. **ThermWise® Builder Rebates.** For 2012 the Company is projecting a 7% increase in program costs. This increase is primarily due to greater participation over 2011 and the addition of new whole-house single and multifamily rebate measures. New measures include a redesigned ENERGY STAR® version 3.0 home (with requirements for a qualifying natural gas furnace, water heater, and 2x6 walls) as well as new stand-

alone measures. The Company projects an 85% increase in natural gas savings under the program for 2012 (QGC Energy Efficiency Exhibit 1.9, column G, line 16).

32. **ThermWise[®] Appliance Rebates.** This program has been very well received by customers since 2007. Participation is expected to remain high in 2012, but decline from the 2011 projection. The Company expects the 2012 program budget to decrease by 21% (QGC Energy Efficiency Exhibit 1.9, column I, line 13) and the related gas savings to decrease by 20% (QGC Energy Efficiency Exhibit 1.9, column I, line 16). The projected participation, budget, and natural gas savings decreases are primarily due to lower levels of top tier clothes washer and tier 1 storage water heater measures rebated in 2012.

33. **ThermWise[®] Business Rebates.** The Company projects that the 2012 program budget will increase by 78% (QGC Energy Efficiency Exhibit 1.9, column K, line 13) over the 2011 budget and that natural gas savings will increase by 13% (QGC Energy Efficiency Exhibit 1.9, column K, line 16). The increase in budget is directly attributable to the rebates that are projected to be paid as a result of an expected 80% increase in participation over 2011. The increase in savings is modest largely because Questar Gas anticipates an increase in rebates for measures with less significant savings (i.e. retrofit attic insulation) than those for measures with greater savings (i.e. Tier 2 boilers). Even with the modest increase in savings, the program is cost effective (QGC Energy Efficiency Exhibit 1.10, page 3, line 13). Additionally, the design budget was increased in 2012 for a planned mid-year market segmentation study. The study will help to identify areas of opportunity for increased participation and help to inform the offering of prescriptive rebate measures for future programs.

34. **ThermWise® Business Custom Rebates.** Customer awareness and interest have increased substantially since initial program launch. As a result, the Company expects the 2012 program budget to increase by 87% (QGC Energy Efficiency Exhibit 1.9, column M, line 13) and gas savings to increase by 199% (QGC Energy Efficiency Exhibit 1.9, column M, line 16) over the 2011 budgeted levels. Rebates account for approximately 32% of the annual costs for this program but, due to the nature of this program, Questar Gas will not incur many of the program administrative costs unless it finds natural gas savings. Natural gas savings from customer participation in this program are verifiable and are usually substantial.

35. **Market Transformation.** The Company is proposing to build upon the success and momentum created in the previous five years with its ThermWise energy efficiency education and awareness campaign. The 2012 proposed budget for Market Transformation includes \$1,175,000 in advertising and media purchases (\$50,000 increase over 2011); \$95,000 for special marketing events, trade/consumer shows and special event sponsorships; \$75,000 for sports marketing and promotions with the three major universities in the state; and \$30,000 for national and regional industry association participation to leverage outside resources to advance energy efficiency in the state. The budget also includes \$30,000 for program design, \$13,300 for the SLCC Energy Management program, and \$50,000 for State of Utah codes training. The projected budget for Market Transformation shows an increase of 21% (QGC Energy Efficiency Exhibit 1.9, column O, line 16) over 2011. The increase in budget is mainly due to new efforts on the ThermWise Home Energy Comparison Report.

36. Work on the ThermWise Energy Comparison Report began in 2011 and resulted in an online version of the report being offered to all of the Company's residential customers with an online account beginning July 25, 2011. Expected 2012 milestones include further refining of the dwelling characteristics and the launch of a push strategy, including quarterly mailed reports. It is anticipated that after all program enhancements are made, the ThermWise Home Energy Comparison Report will be removed from the Market Transformation budget and will be established as a stand-alone program.

37. **Low-Income Weatherization.** The 2012 proposed budget for this program is \$1.22 million, which is 144% (QGC Energy Efficiency Exhibit 1.9, column Q, line 13) of the 2011 budget. The funds will be used to design and implement the abbreviated rebate application process for non-profit and governmental organizations serving low income households, and to fund rebates for qualifying energy efficiency measures. The abbreviated rebate approach was discussed extensively in the September 27, 2011 meeting of the QGC DSM Advisory Group which included representatives from the Division of Public Utilities, Salt Lake Community Action Program, Utah Clean Energy and the State of Utah Department of Community and Culture. QGC Energy Efficiency Exhibit 1.6 sets forth the complete list of rebate measures qualifying for the abbreviated application process in 2012.

38. The total 2012 budget is expected to decrease by \$3.9 million (QGC Energy Efficiency Exhibit 1.9, column V, line 12). Total projected savings are expected to decrease by 109,424 Dth/year (QGC Energy Efficiency Exhibit 1.9, column V, line 15). The 2012 proposed budget reflects a concerted effort to reach all GS market

segments and produce significant, persistent and cost effective natural gas savings through a comprehensive energy efficiency campaign.

V. COST EFFECTIVENESS

39. A summary of the cost effectiveness for each program is attached as QGC Energy Efficiency Exhibit 1.10. Page 1 of the exhibit summarizes the test results of the proposed programs along with the market transformation initiative. Although the market transformation initiative does not lend itself to the same economic analysis as the Energy Efficiency rebate programs, it has been included so that the overall impact of all programs can be measured and analyzed. As shown on page 1, line 9, column C of QGC Energy Efficiency Exhibit 1.10, the overall benefit-cost ratio for the Total Resource Cost (TRC) test of all programs and the market transformation activities is 1.10. And as shown on column G, the Utility Cost test (UCT) for all programs is 1.52. A benefit-cost ratio greater than 1 is indicative of benefits exceeding costs, and therefore “passes” the test. Additionally, as shown on line 9, column E, the overall benefit-cost ratio for the Participant Cost test passes at 2.42, and as shown on column I, the Ratepayer Impact Measure test (RIM) for all programs equals .97. A detailed benefit-cost analysis of each program by measure has been included in pages 2-11 of exhibit 1.10.

40. The model developed by the Company to measure the cost effectiveness of the Programs (Model) is based on the California Standard Practice Manual and is the same model that was used in the 05-057-T01 docket. The Model has been reviewed by Nexant and the DSM Advisory Group.

41. The Model has the capability of running sensitivity analyses on various inputs and assumptions such as the discount rate and participation levels. The cost-effectiveness tests included in this application have been calculated using a 6% discount

rate. Additionally, gas prices and GS rates have also been updated in the Model to reflect expected 2012 market conditions, and to be consistent with the gas costs projected in Questar Gas' most recent Integrated Resource Plan.

42. The Company has relied on specific market reports, industry studies, the DSM Advisory Group, and the expertise of PECI and Nexant to arrive at the savings levels, measure life and incremental customer cost for each measure of each program. QGC Energy Efficiency Exhibit 1.11 provides the source and/or references for the estimated gas savings (pages 1-8), measure life (pages 9-13), and incremental cost (pages 14-19) for each measure of each program.

VI. 2012 REBATE PROCESSING

43. The Company published a request for proposal (RFP) to over forty contractors as well as posted it on an industry website (ACEEE) on June 16, 2011. The RFP sought proposals from contractors interested in performing work related to rebate processing for both the Utah and Wyoming ThermWise rebate programs. The terms of the RFP required a Proposal Response Letter (PRL), stating the intent of interested contractors to submit a proposal by the due date, to be delivered to the Company on or before June 28, 2011. Of the contractors initially contacted, eight (8) returned the PRL. The eight PRL respondents were given until July 15, 2011 to send clarifying questions to the Company. The Company collected questions from all contractors up until that date and responded to all by group e-mail. Completed proposals were required to be delivered to the Company on or before July 28, 2011. Of the eight PRL respondents, seven (7) delivered final proposals to the Company.

44. The Company began evaluation of the proposals in early August. During the RFP and evaluation process, the Company sought advice and support from the DSM

Advisory Group. Ultimately, the Company found one particular proposal was the most responsive to the Company's rebate processing needs. The Company selected that proposal on September 13, 2011 and is in the process of finalizing the terms of an agreement with the entity who submitted that proposal. The Company expects design and implementation work to occur in the immediate future and to continue until late December. Questar Gas expects a new rebate processing system to "go live" around January 1, 2012.

45. Beginning in 2012 customers who apply for ThermWise rebates will experience many rebate processing enhancements. As an example, the Company anticipates that in addition to the currently offered paper rebate application, customers will be able to submit rebate applications electronically via the internet. Additionally, both paper and electronic rebate applicants will receive two (2) e-mails, from a ThermWise e-mail address, updating them on rebate status. A web portal will also be available to customers for rebate status updates. The Company expects that the inclusion of these types of industry leading technologies will benefit customers through improved reporting capabilities, increased customer service, and reduced costs.

VIII. PRAYER FOR RELIEF

46. Questar Gas has successfully implemented a broad range of programs and a Market Transformation Initiative. The Company has implemented best practices to help ensure that necessary and reasonable steps have been taken to implement cost-effective programs that benefit all GS customers. This 2012 application and budget will continue and expand these efforts to meet the gas savings goals of customers and the State of Utah.

47. Therefore, Questar Gas respectfully requests that the Commission issue an order: 1) approving the application for the 2012 budget for the Energy Efficiency Programs and continuation of Questar Gas' Market Transformation Initiative for implementation on January 1, 2012; and 2) approving the proposed tariff sheets effecting certain improvements in the Energy Efficiency Program.

DATED this 11th day of October, 2011.

Respectfully submitted,

QUESTAR GAS COMPANY

Colleen Larkin Bell (5253)
Jenniffer Nelson (7947)
Attorneys for Questar Gas Company
180 East First South
P.O. Box 45360
Salt Lake City, Utah 84145-0360
(801) 324-5556

CERTIFICATE OF SERVICE

I, Evelyn Zimmerman, certify that a true and correct copy of the foregoing

Application was served upon the following by electronic mail on October __, 2011:

<p>Patricia E. Schmid Dahnelle Burton-Lee Assistant Attorney Generals 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pschmid@utah.gov dburton-lee@utah.gov</p>	<p>Sarah Wright Executive Director Utah Clean Energy 917 2nd Avenue Salt Lake City, UT 84103 sarah@utahcleanenergy.org</p>
<p>Paul H. Proctor Assistant Attorney General 500 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 pproctor@utah.gov</p>	<p>Michelle Beck Director Office of Consumer Services 400 Heber M. Wells Building 160 East 300 South Salt Lake City, UT 84111 mbeck@utah.gov</p>
<p>Gary A. Dodge Hatch, James & Dodge 10 West Broadway, Suite 400 Salt Lake City, UT 84101 gdodge@hjdllaw.com</p>	<p>Kevin Higgins Neal Townsend Energy Strategies 39 Market Street, Suite 200 Salt Lake City, UT 84101 khiggins@energystrat.com ntownsend@energystrat.com</p>
<p>Betsy Wolf Utility Ratepayer Advocate Salt Lake Community Action Program 764 South 200 West Salt Lake City, UT 84101 bwolf@slcap.org</p>	<p>Amanda Smith Governor’s Energy Advisor State of Utah 324 South State, Suite 500 Salt Lake City, UT 84111 amanadasmith@utah.gov</p>
<p>Chris Tallackson State Energy Program 1594 West North Temple, Suite 3110 PO Box 146100 Salt Lake City, UT 84114 ctallackson@utah.gov</p>	<p>Howard Geller Southwest Energy Efficiency Project 2334 North Broadway, Suite A Boulder, CO hgeller@swenergy.org</p>