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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

APPLICATION FOR APPROVAL OF THE)
2013 YEAR BUDGET FOR ENERGY) Docket No. 12-057-14
EFFICIENCY PROGRAMS AND MARKET)
TRANSFORMATION INITIATIVE)

1. Questar Gas Company (Questar Gas or Company) respectfully submits this Application For Approval Of The 2013 Year Budget For Energy Efficiency Programs And Market Transformation Initiative (Application). The Company submits this Application pursuant to the applicable orders of the Public Service Commission of Utah (Commission) indentified in the introduction section below. Questar Gas now respectfully submits this Application seeking approval of costs associated with the delivery of the Energy Efficiency (EE) programs and associated Market Transformation Initiative.

I. INTRODUCTION

2. 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 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' Application for Approval of the 2011 Year Budget for Energy Efficiency Programs and Market Transformation Initiative. In its Order issued December 2, 2011 in Docket No. 11-057-12 (December 2, 2011 Order), the Commission approved Questar Gas' Application for Approval of the 2012 Year Budget for Energy Efficiency Programs and Market Transformation Initiative.

II. OVERVIEW OF PROPOSED 2013 ENERGY EFFICIENCY PROGRAMS AND MARKET TRANSFORMATION INITIATIVE

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

- A. Develop a comprehensive energy efficiency approach;
- B. Simplify and integrate program offerings;
- C. Brand EE 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 EE 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® EE campaign is a model for natural gas utility programs nationwide. The ThermWise® rebate programs are customer friendly and cost effective.

4. As utility-delivered energy efficiency programs mature, utilities seek to reach previously underserved markets. Accordingly, Questar Gas believes it is appropriate to begin reaching out to identifiable market segments that have been historically underserved. The Company is proposing three initiatives to support this goal. The first is an increased effort to reach the Hispanic market through diversification of the market transformation budget to include sponsorship of REAL Salt Lake Soccer in addition to the Utah Jazz. The second is an effort to reach lower income renters. In order to do so, Questar Gas recommends including multifamily residential units in the Home Energy Audit Program. This modification will allow lower income renters to derive benefits from the program. The third initiative is the proposed pilot designed to actively reach out to lower income senior home owners to participate in the Home Energy Audit Program. The Company proposes to work with community organizations to identify individuals from this demographic and to actively market Home Energy Audits to them. The result of the pilot will be carefully tracked and presented in future reports to the regulators and stakeholders.

5. 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,

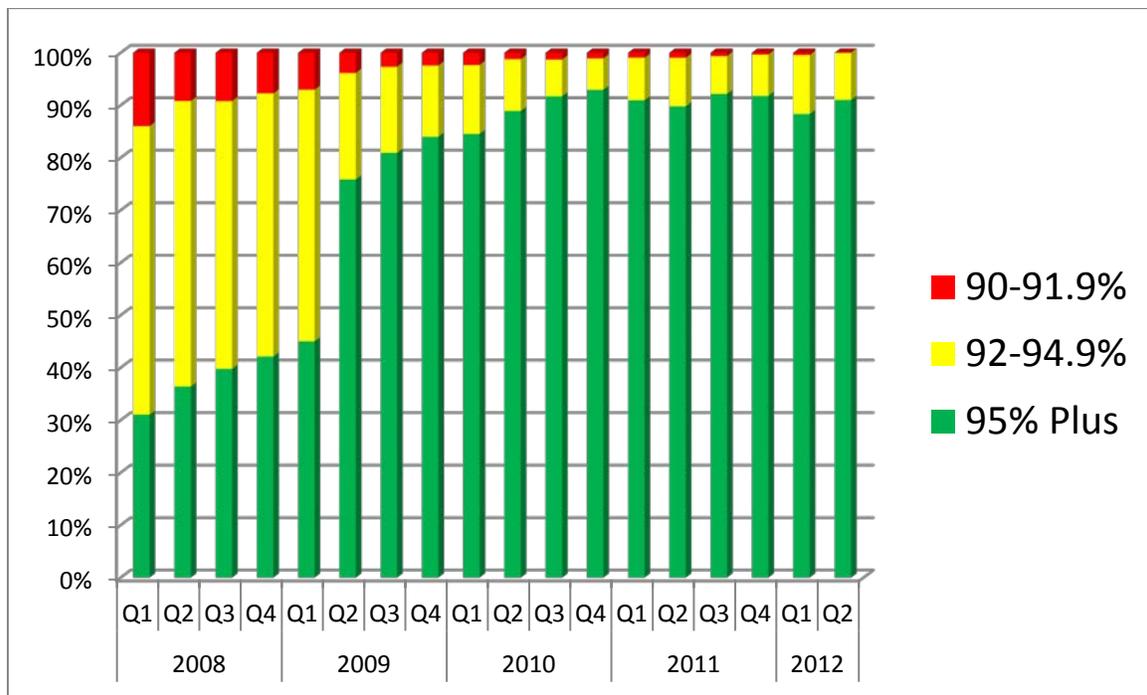
including wholesalers, heating, ventilation and air conditioning (HVAC), weatherization contractors, dealers and retailers. The Company has built flexibility into the implementation and marketing of its programs to allow for customized service when required. The Company continues to utilize the independent and experienced knowledge base of its program administrators, Nexant, Inc. (Nexant) and Portland Energy Conservation, Inc. (PECI) and the rebate processing expertise of Helgeson Enterprises, Inc. (Helgeson).

6. Based on input from the Utah DSM Advisory Group, Utah-based trade allies, program administrators and other energy efficiency stakeholders, Questar Gas proposes continuing the seven existing ThermWise[®] EE programs: 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.

7. **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 the elimination of lower tiers for furnaces and a clarification to the solar assisted water heating measure. The Company is proposing to eliminate the two lower furnace tiers in recognition of the transformation that has taken place in the market. Since mid-2009, the 95% efficient furnaces have come to dominate this market. QGC Table 1, below, shows the market share for the various furnace

efficiencies eligible for ThermWise® rebates. The 95% plus efficiency furnaces are the overwhelming consumer choice. In addition, the Department of Energy has promulgated a rule requiring minimum efficiency standards for furnaces that will make 90% furnaces the minimum allowed. This rule is scheduled to become effective on May 1, 2013. PECEI will continue to support the program. QGC Energy Efficiency Exhibit 1.1 sets forth the complete program description for 2013.

Table 1. Furnace Efficiency by Quarter



8. **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.

9. The Company proposes to eliminate the lower tiers for furnaces from the Builder Program for the reasons listed in the Appliance Program discussion. The Company also recommends clarifying the solar assisted hot water heating measure and removing the Energy Star® Version 2.5 whole home measure. The Energy Star® Version 2.5 whole home measure is no longer a valid Energy Star® tier. QGC Energy Efficiency Exhibit 1.2 sets forth the complete program description for 2013.

10. **ThermWise® Business Rebates.** This program offers rebates to commercial GS customers who purchase and install qualifying natural gas efficiency measures. The Company proposes to continue this program but to eliminate the two lowest tiers for furnaces for the reasons listed in the Appliance Program discussion. The Company also recommends eliminating rebates for the roof top furnace. The roof top furnace will instead be eligible for rebates under the Business Custom Program. QGC Energy Efficiency Exhibit 1.3 sets forth the complete program description for 2013.

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. 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. The Company will continue to emphasize contractor education and training along with customer marketing

and awareness. QGC Energy Efficiency Exhibit 1.4 details the complete program requirements for 2013.

12. **ThermWise[®] Home Energy Audit.** This program continues to receive very positive customer feedback. The Company is proposing to continue this program with two changes. As mentioned earlier, the Company is going to focus on reaching two underserved market segments, the multifamily rental market and the single family, lower-income senior homeowners.

13. To reach the rental market, the Company proposes to remove the single family restriction for the Home Energy Audit Program. The program will continue to provide certain low-cost energy efficiency measures at no charge for installation at the customer's residence. Initial contact with owners of larger rental properties has revealed a willingness on their part to professionally install these low-cost energy efficiency measures.

14. To reach the senior home owners the Company proposes a pilot program in which it will waive the \$25 audit fee for lower-income seniors targeted for participation in the Home Energy Audit Program. Currently, 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. Historically the Company has credited approximately 60% of these fees back to customers based on program participation. Waiving the \$25 fee for targeted seniors will not have a material effect on cost effectiveness, but will have a beneficial impact on the Company's ability to

reach this underserved market segment. QGC Energy Efficiency Exhibit 1.5 sets forth the complete program description for 2013.

15. **Low-Income Weatherization Assistance.** The Company proposes 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.

16. The Company will continue to allow non-profit or governmental agencies to follow an abbreviated application process and qualify for the direct-payment exemption. The non-profit or governmental organization must continue to comply with all other requirements of the Company's Natural Gas Tariff No. 400 (Tariff) and program rules to qualify for rebates. QGC Energy Efficiency Exhibit 1.6 sets forth the complete program description for 2013.

17. **ThermWise[®] Business Custom Rebates.** The Company proposes to continue this program for 2013. 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.

18. The Company is proposing to begin coordinating the benchmarking of commercial customer facilities and will contribute to the initial engineering analysis for

commercial customers showing the potential for large savings as a result of the benchmarking activities. The purpose of commercial benchmarking is to compare the energy intensity of a subject building with the energy intensity of buildings similarly occupied. The benchmarking results show the overall energy efficiency, or lack thereof, of a given building and can be used to identify possible energy efficiency opportunities. Nexant will continue to administer this program. QGC Energy Efficiency Exhibit 1.7 sets forth the complete program description for 2013.

19. **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, 2013.

III. MARKET TRANSFORMATION

20. In addition to the EE 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 EE 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.

21. One 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.

22. Another component involves offering training related to building codes. The Office of Energy Development within the Governor's Office, in collaboration with, and through partial funding from Questar Gas, conducts the building codes training sessions. 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 2013 at a level of \$50,000. The State Energy Program will continue to work with an outside vendor to design and conduct the training.

23. The next 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 EE 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.

24. Another 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 2013 to support the continued development and implementation of the program.

25. A new component of the Market Transformation initiative is a small pilot administered by the University of Utah, Office of Sustainability. This pilot will involve student ambassadors providing peer to peer energy audits. The bulk of the Company's contribution is through in-kind donations. The Company hopes to gain further insight for the rental market from this effort.

26. The Company proposes to continue encouraging both energy efficient behaviors and participation in ThermWise[®] programs with the ThermWise[®] Energy Comparison Report (Comparison Report) in 2013. The Comparison Report allows customers to compare their natural gas usage with neighboring homes that are similarly situated, and will encourage customers to employ energy efficiency measures and behaviors. The Company will initiate a large pilot in 2013 targeting customers with high use relative to conditioned square footage with the potential for additional participation in ThermWise[®] Programs.

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. The Company is adding sponsorship of REAL Salt Lake to its marketing efforts to increase the exposure to the Hispanic population. This particular demographic has participated at levels below other demographic groups. 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 2013 BUDGET

28. The total 2013 budget for Questar Gas Energy Efficiency Programs and the Market Transformation Initiative is estimated at \$22.6 million and is shown in QGC Energy Efficiency Exhibit 1.9. The proposed 2013 budget is a decrease from the 2012 budget, in large part because the Company has been successful in lowering administrative costs. The 2013 Budget reflects a full year of reduced costs for rebate processing and less reliance on third party program administrators. The budget is also reflective of the 2012 participation numbers which were below projections. Participation was lower than anticipated due to several factors, including reductions in funding from complementary programs (ARRA, Federal Tax Credits and Utah State Tax Credits), reduced messaging from multiple government agencies and continued price reductions for natural gas service. The Company's prior success in reaching a substantial portion of our customer base also resulted in lower uptake of certain programs. Customers that have not yet participated tend to be harder to reach for a variety of reasons. The projected participation in the ThermWise[®] programs are based on and are in line with actual participation in the first eight (8) months of 2012. Participation in new rebate measures (for 2013) 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. QGC Energy Efficiency Exhibit 1.9 includes the 2012 budget for reference. The Company will continue to report to the Division of Public Utilities (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 2013. Questar Gas budgeted for a redesign of the program in 2012. The Company's initial investigation of market-ready audit platforms revealed that the product currently in use was sufficient for the Program's purposes. While there are some very good products in the market, the costs associated with these products were found to be prohibitive. Questar Gas proposes to roll the 2012 redesign budget over to 2013. The Company will continue to investigate both market-ready options and custom solutions. In the event the Company identifies a Home Energy Audit approach it is willing to recommend, the Company will present the selected approach to the Utah DSM Advisory Group for consideration.

30. The Company is projecting that 2,448 in-home audits will be performed in 2013. This reduced projection reflects a significant reduction in mail-in audits, an increase over 2012 actual in-home audits and the inclusion of multi-family audits. Notably, an anticipated increase in natural gas savings more than offsets the reduced number of audits. The Company projects the gas savings will increase because Home Energy Audits will now be permitted in multi-family dwellings. The cost to deliver the leave-behind measures for multifamily audits will be lower than historically experienced in the single family market and, as a result, the program should realize increased savings. Multifamily audits will focus on a small number of representative units within a larger

complex. However, a sufficient number of low-cost leave behind measures will be provided to the professional maintenance staff for later installation in all units. The Company expects the overall costs for the program in 2013 will increase by 1%, as compared to 2012 (QGC Energy Efficiency Exhibit 1.9, column C, line 13).

31. **ThermWise® Weatherization Rebates.** The Company projects 2013 participation will stabilize at 2012 actual participation levels. Rebate levels will remain unchanged in 2013. The Company projects 2013 participation to be in line with 2012 participation.

32. **ThermWise® Builder Rebates.** For 2013 the Company is projecting a 3% decrease in program costs. This decrease is primarily due to lower participation over 2012 and the elimination of the ENERGY STAR® 2.5 rebate measure. The Company projects an 18% decrease in natural gas savings under the program for 2013 (QGC Energy Efficiency Exhibit 1.9, column G, line 16). The larger decrease in savings relative to spending results from lower projected participation in high savings measures such as the Builder Option packages (39% of participation in 2012, 9% of participation in the 2012 Budget).

33. **ThermWise® Appliance Rebates.** Participation is expected to remain stable in 2013 when compared to 2012 actual participation. The Company expects the 2013 program budget, when compared to the 2012 Budget, to decrease by 10% (QGC Energy Efficiency Exhibit 1.9, column I, line 13) and the related gas savings to decrease by 19% (QGC Energy Efficiency Exhibit 1.9, column I, line 16). The differing percentages of decrease from 2012 are primarily due to a change in the projected mix of rebates measures. For example, in 2012 the tier 4 furnace, a high natural gas savings

measure (20.50 Dth annually), made up 43% of the appliance program rebate mix. In the 2013 participation projections, the same furnace rebate measure accounted for a significantly lower percentage of the total appliance rebate measure mix (21%).

34. **ThermWise[®] Business Rebates.** The Company projects that the 2013 program budget will decrease by 33% (QGC Energy Efficiency Exhibit 1.9, column K, line 13) over the 2012 budget and that natural gas savings will increase by 7% (QGC Energy Efficiency Exhibit 1.9, column K, line 16). The decrease in budget is attributable to a decrease in participation seen in 2012. Savings are projected to increase as rebates for higher savings measures (e.g. boilers) are projected to make up a larger percentage of the 2013 rebate mix than measures with lower deemed savings (e.g. retrofit attic insulation).

35. **ThermWise[®] Business Custom Rebates.** The Company expects the 2013 program budget to decrease by 21% (QGC Energy Efficiency Exhibit 1.9, column M, line 13) and gas savings to increase by 17% (QGC Energy Efficiency Exhibit 1.9, column M, line 16) over the 2012 budgeted levels. The decrease in program budget coupled with an increase in expected savings is primarily due to a focus on reducing administrative costs while also increasing participation in streamlined rebate measures.

36. **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. Questar Gas conducted an RFP in 2012 for advertising-agency creative and media placement. The Company has awarded the contract for creative and media placement with Faktory, Inc. The fundamentals of the ThermWise[®] marketing campaign are expected to remain similar to past years. Therm

will continue to perform his role as the “energy wise guy.” The 2013 proposed budget for Market Transformation includes \$1,225,000 in advertising and media purchases (\$50,000 increase over 2012); \$95,000 for special marketing events, trade/consumer shows and special event sponsorships; \$100,000 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 a decrease of 6% (QGC Energy Efficiency Exhibit 1.9, column O, line 13) over 2012. The decrease in budget is mainly due to a reduction in the expected costs to evaluate and refine the ThermWise® Home Energy Comparison Report for 2013.

37. Work on the ThermWise® Energy Comparison Report began in 2012 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, 2012. In 2013, the Company plans to continue this pilot program. The Company will further refine the dwelling characteristics and plans to launch a push strategy as well as an opt-in participation pool.

38. **Low-Income Weatherization.** The 2013 proposed budget for this program is \$1.22 million, which is nearly the same as the 2012 budget (QGC Energy Efficiency Exhibit 1.9, column Q, line 13).

39. **Total Budget.** The total 2013 budget is expected to decrease by \$5.5 million (QGC Energy Efficiency Exhibit 1.9, column V, line 12). Total projected savings

are expected to be 589,607 Dth/year (QGC Energy Efficiency Exhibit 1.9, column T, line 15). The 2013 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

40. A summary of the cost effectiveness for each program is attached as QGC Energy Efficiency Exhibit 1.10. Page 1 of this 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. A benefit-cost ratio greater than 1 is indicative of benefits exceeding costs, and therefore “passes” the test. 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 1.06. And as shown on column G, the Utility Cost test (UCT) for all programs is 1.32. Additionally, as shown on line 9, column E, the overall benefit-cost ratio for the Participant Cost test passes at 2.74, and as shown on column I, the Ratepayer Impact Measure test (RIM) for all programs equals .86. A detailed benefit-cost analysis of each program by measure has been included in pages 2-9 of QGC Energy Efficiency Exhibit 1.10.

41. An examination of the benefit-cost results shows that a few individual measures are marginal in the current low-price environment. The Company has used traditional sources for gas price projections in all of the analyses. All of the gas price forecasts used show moderate increases from the current low-price levels. The Company

has chosen not to eliminate measures solely on the basis of failing a benefit-cost test. Most programs and individual measures are fairly low cost to maintain, but expensive to start-up. The Company feels taking the long view in this low-price environment is in the best interest of customers and the ThermWise® program.

42. 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 Utah DSM Advisory Group.

43. 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 2013 market conditions, and to be consistent with the gas costs projected in Questar Gas' most recent Integrated Resource Plan.

44. The Company has relied on specific market reports, industry studies, and the expertise of PEGI 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 1-6), measure life (pages 7-10), and incremental cost (pages 11-15) for each measure of each program.

VI. 2013 REBATE PROCESSING

45. The Company began new rebate processing design and implementation work in January 2012. The new rebate processing system launched May 1, 2012. As part of the new rebate processing system, rebate applicants who supplied an e-mail

address began to receive rebate status messages from a ThermWise® e-mail address, updating them on rebate status. Customers who did not supply an e-mail address began to receive rebate status messages via postcard. The Company also launched a web portal (<https://www.smartenergy-zone.com/thermwise/>) designed to allow customers to obtain rebate status updates.

46. The Company will continue work to refine and improve its rebate processing system in 2013. 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 by the end of the first quarter of 2013. The Company expects that the inclusion of these types of technologies will benefit customers through improved reporting capabilities, increased customer service, and reduced costs.

47. 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 2013 application and budget will continue and expand these efforts to meet the gas savings goals of customers and the State of Utah.

VIII. PRAYER FOR RELIEF

48. Based on the foregoing, Questar Gas respectfully requests that the Commission issue an order: 1) approving the application for the 2013 budget for the Energy Efficiency Programs and continuation of Questar Gas' Market Transformation Initiative for implementation on January 1, 2013; and 2) approving the proposed Tariff sheets effecting certain improvements in the EE programs.

DATED this 17th day of October, 2012.

Respectfully submitted,

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CERTIFICATE OF SERVICE

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

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