

ORIGINAL



**Questar Gas Company**  
180 East 100 South  
P.O. Box 45360  
Salt Lake City, UT 84145-0360  
Tel 801 324 5491 • Fax 801 324 5485  
Barrie.McKay@Questar.com

UTAH PUBLIC  
SERVICE COMMISSION

2011 AUG 22 A 10: 56  
Barrie L. McKay  
General Manager/Regulatory Affairs 2923011

August 22, 2011

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

Dear Commissioners:

Docket No. 11-999-02

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

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

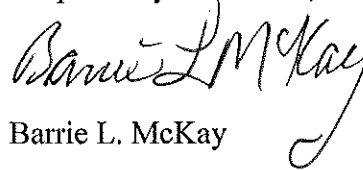
Per the Order and the Division of Public Utilities (DPU) request in its memorandum (DPU Memorandum, Docket No. 10-057-15, December 6, 2010) to keep "current reporting requirements in place" for the 2011 ThermWise® program year, Questar Gas reports that as of the end of June 2011 the Market Transformation initiative and Builder Rebates program surpassed fifty percent of 2011 budgets. At the end of June, spending in the Market Transformation initiative had reached fifty-five percent (55%) of 2011 budget. The Market Transformation initiative has in all previous program years finished at or below the Commission approved budget. The Company expects that the Market Transformation initiative will continue the trend of previous years and finish 2011 at or below budget.

As can be seen in Attachment 1, at the end of June 2011 spending in the Builder Rebates program had reached seventy-eight percent (78%) of the 2011 program budget. The higher than expected spending in the Builder Rebates program has been driven by participation in new construction projects which began and were eligible for rebates under the 2010 program requirements but which were completed in 2011. Participation in these measures accounts for sixty percent (60%) of total spending in the program through the first six months of 2011. The Company expects participation in 2010 Builder program qualifying measures to decrease through the remainder of the year. Based on these projections the Builder program could reach one hundred twenty-nine percent

(129%) of budget or \$3,414,000. To the extent the projected increase in the Builder program budget expenses need Commission approval, Questar Gas respectfully requests that the Commission approve the higher program budget level.

The total projected ThermWise<sup>®</sup> expenses for 2011 are expected to be reach seventy-two percent (72%) of the original Commission approved budget or \$23,308,196. Questar Gas will continue to closely monitor customer participation and efficiently manage spending for all ThermWise<sup>®</sup> programs and the Market Transformation initiative. Detailed quarterly reports will continue to be provided to the Division of Public Utilities on actual program spending and customer participation compared to budget.

Respectfully Submitted,

A handwritten signature in black ink that reads "Barrie L. McKay". The signature is written in a cursive style with a large, sweeping flourish at the end.

Barrie L. McKay

cc: Division of Public Utilities  
Committee of Consumer Services