



Questar Gas Understanding and Responding to the Market September 28, 2011



Agenda

- Questar Gas Company Background
- Introduction of ThermWise®
- Challenges & Solutions
 - Declining Revenue
 - Managing Participation
 - Responding to the Market



Questar Corporation

Development & Production



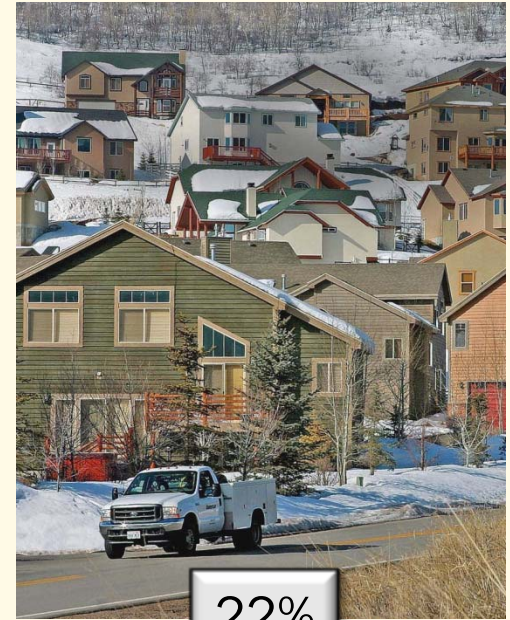
45%

Transmission



33%

Distribution



22%

Net Income Contribution

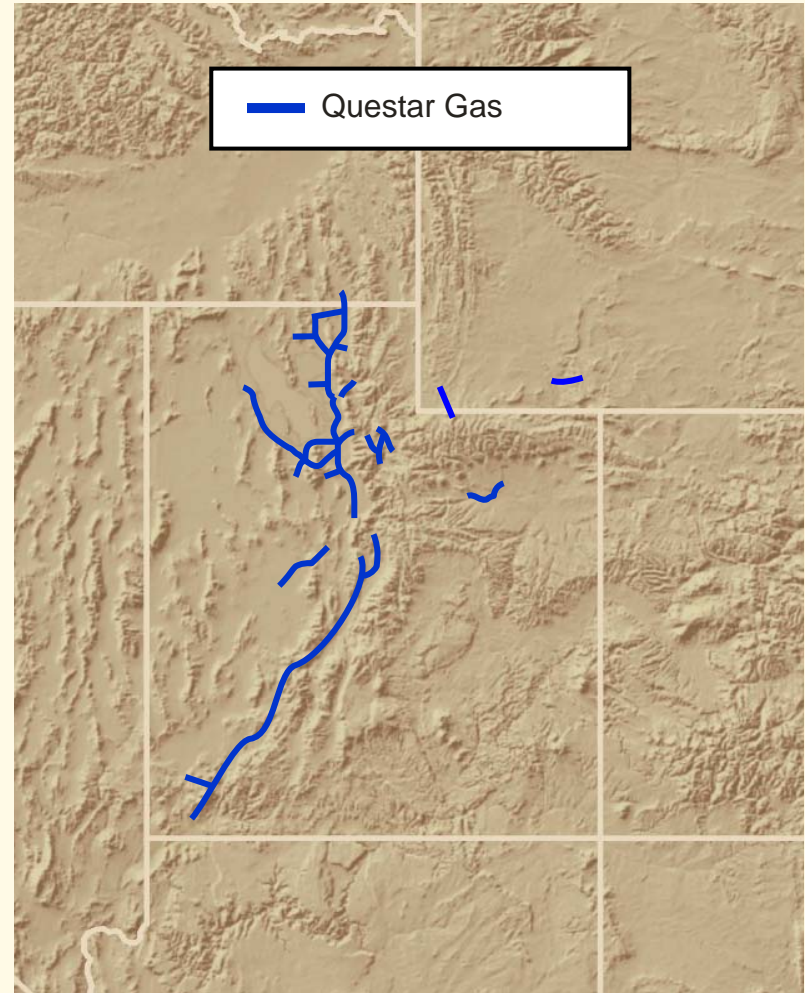
Questar Gas Service Territory

Customers

Residential	897,614
Commercial/Industrial	65,451

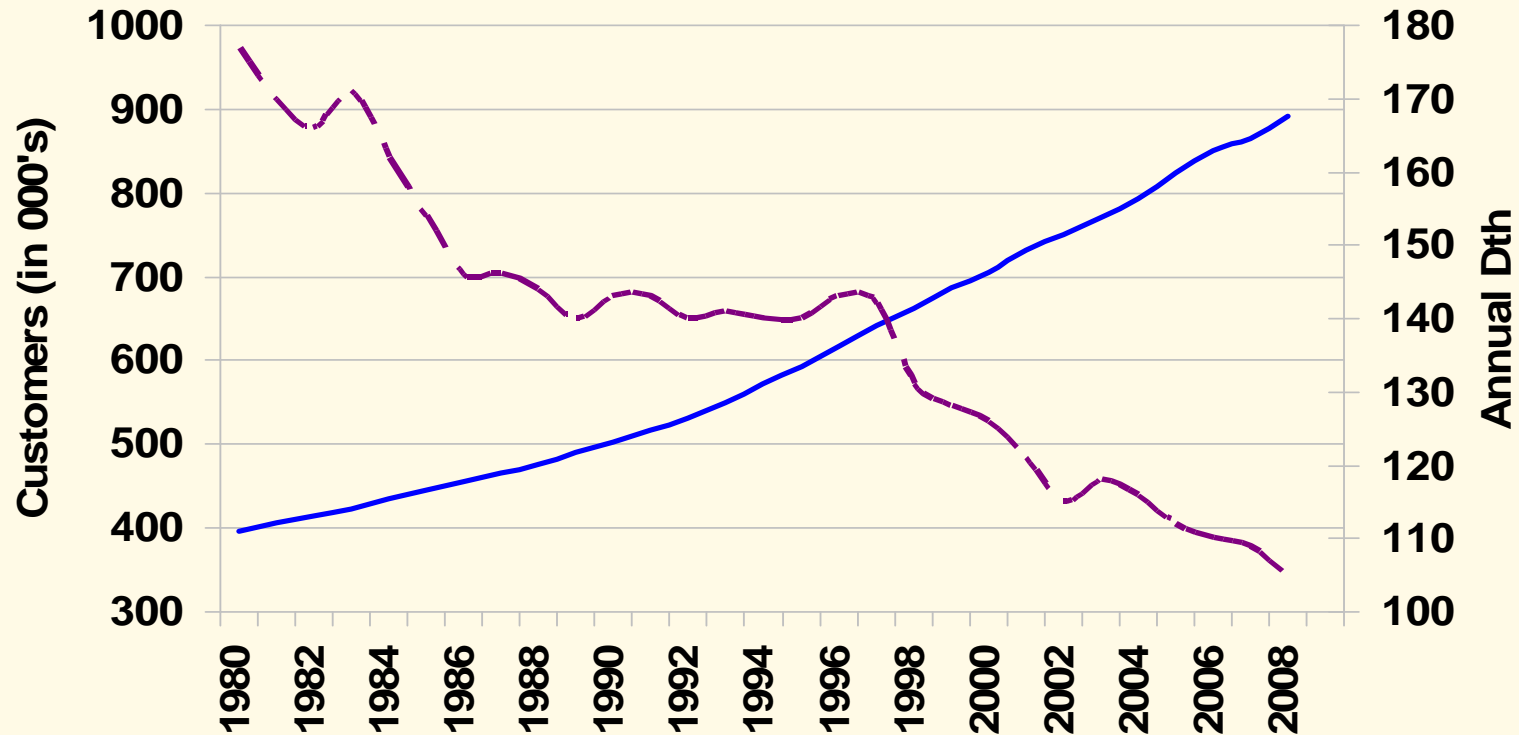
Annual deliveries

Residential	621 MMdth
Commercial/Industrial	327 MMdth



Challenge #1: Declining Revenue

Questar Gas® Customer Growth/Usage per Customer





Conservation-Enabling Tariff (CET)

- Collect Public Service Commission allowed revenue (Revenue Decoupling)
 - Separates revenues and customer usage
- Align with customers needs
- Remove economic barrier to aggressively pursuing customer energy efficiency (DSM)
- Four-year pilot program starting October 5, 2006

ThermWise® Utah Programs



- Low-Income Weatherization
- Home Energy Audits
- Weatherization
- Appliance
- Builder
- Multifamily
- Business
- Business Custom

ThermWise® Program Essentials

- **Mission:** To reduce overall Questar Gas customer energy consumption and improve energy efficiency
- **Method:** Program provides cash incentives to customers that upgrade home weatherization
- **Program Funding:** Rate payer dollars
- **Quality Control:** Ensures customer satisfaction and realization of savings



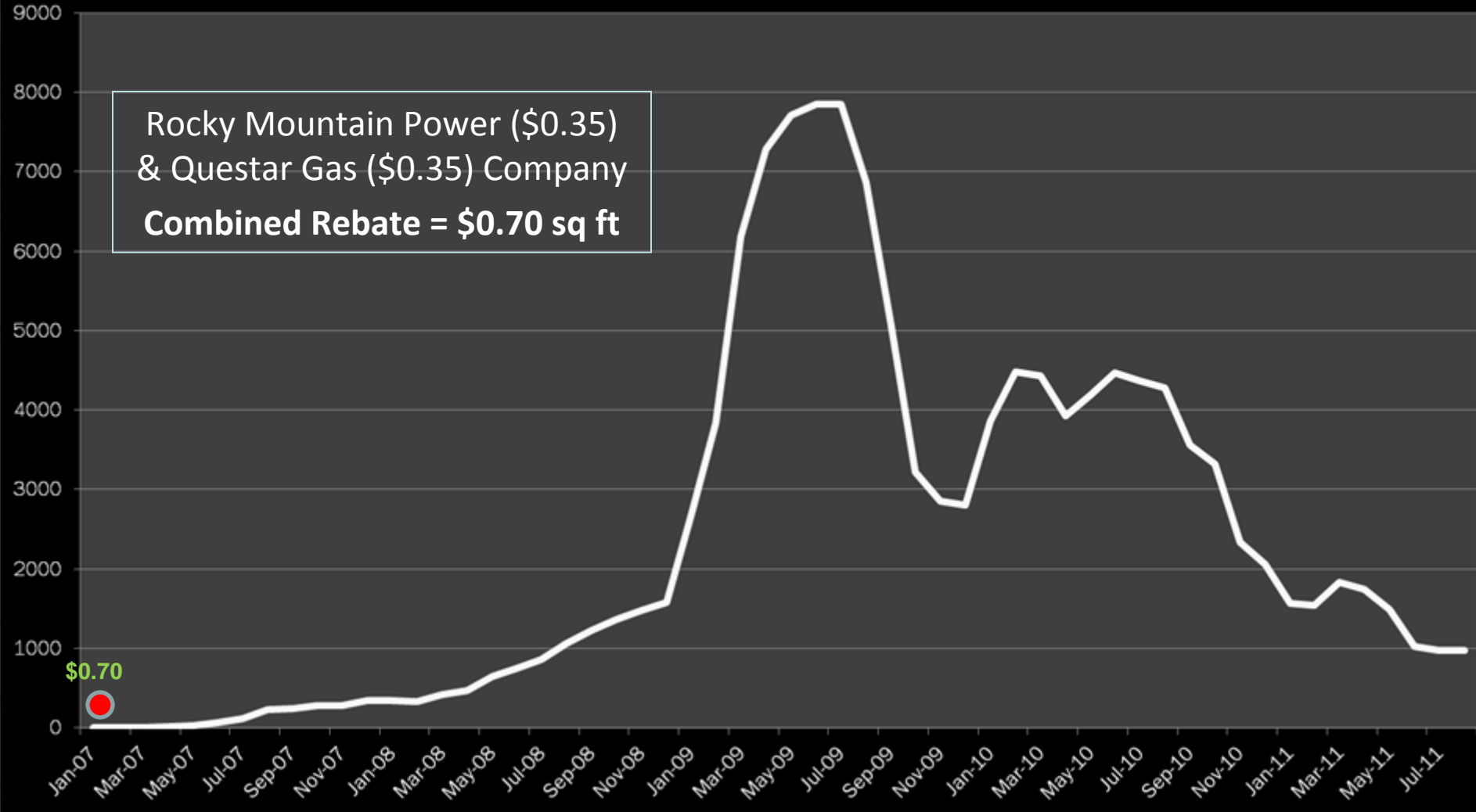
ThermWise®
Rebate Programs

ThermWise® Messaging to Customers



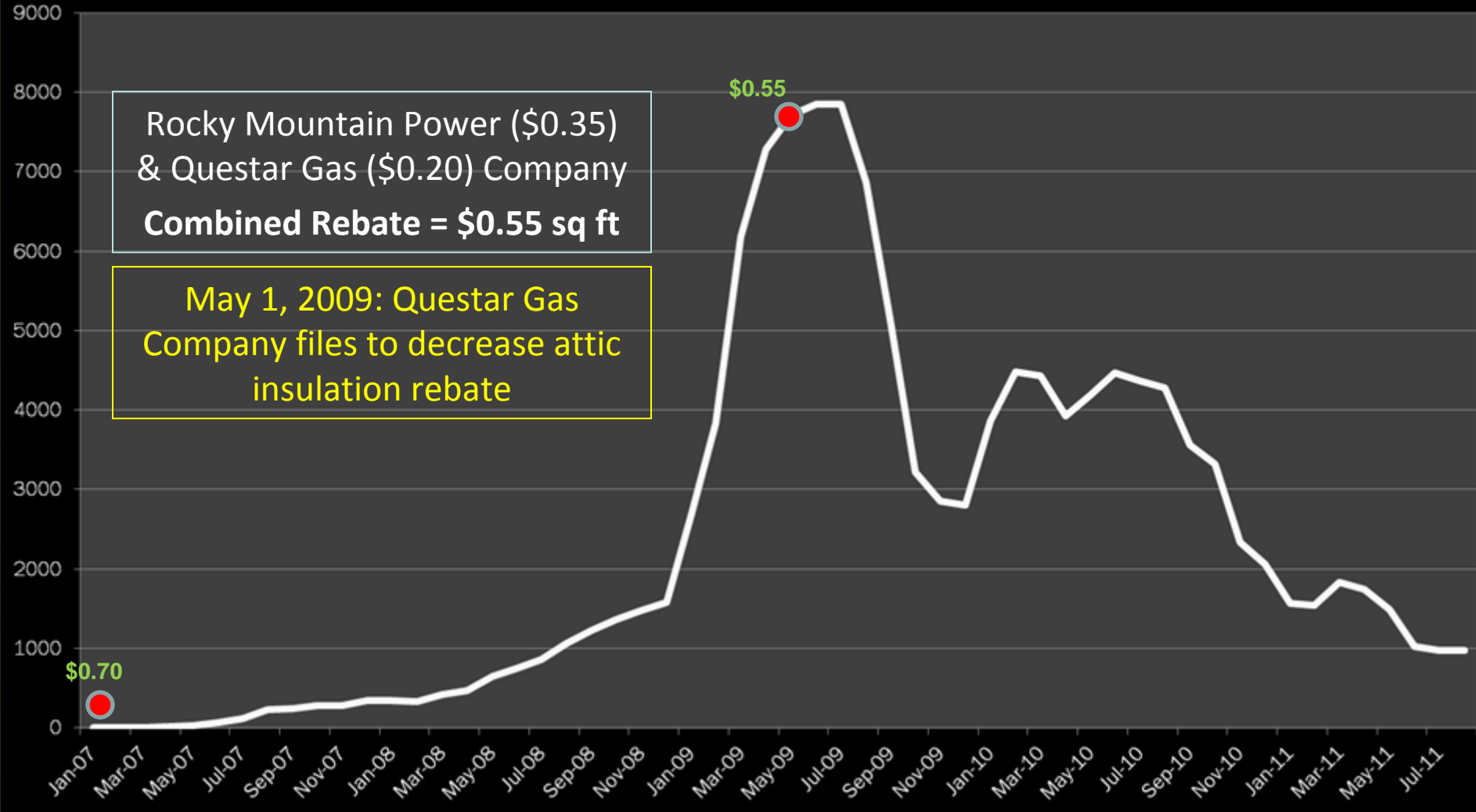
Challenge #2: Managing Participation while Ensuring Quality

Attic Insulation Participation (Jan 2007 - Present)



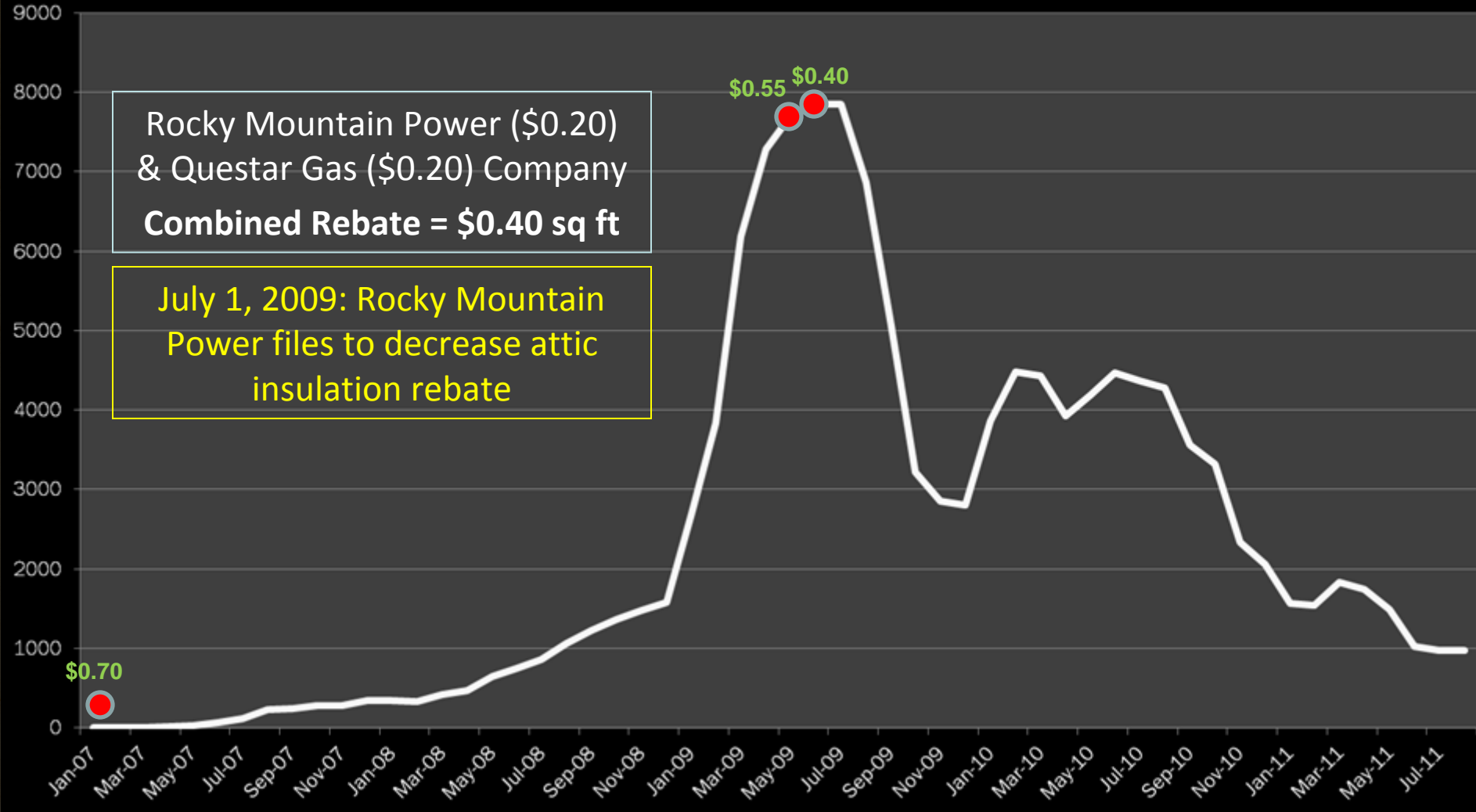
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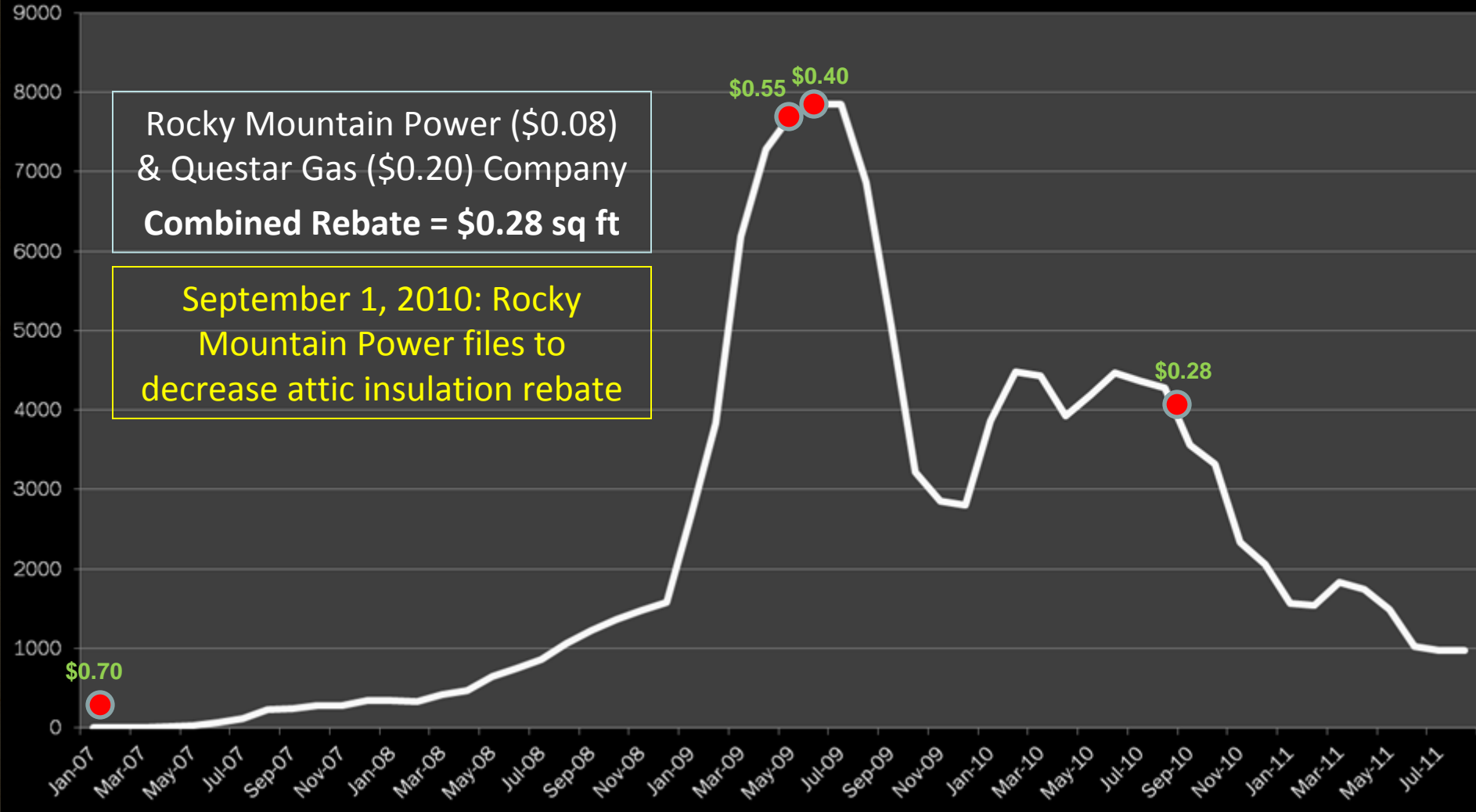
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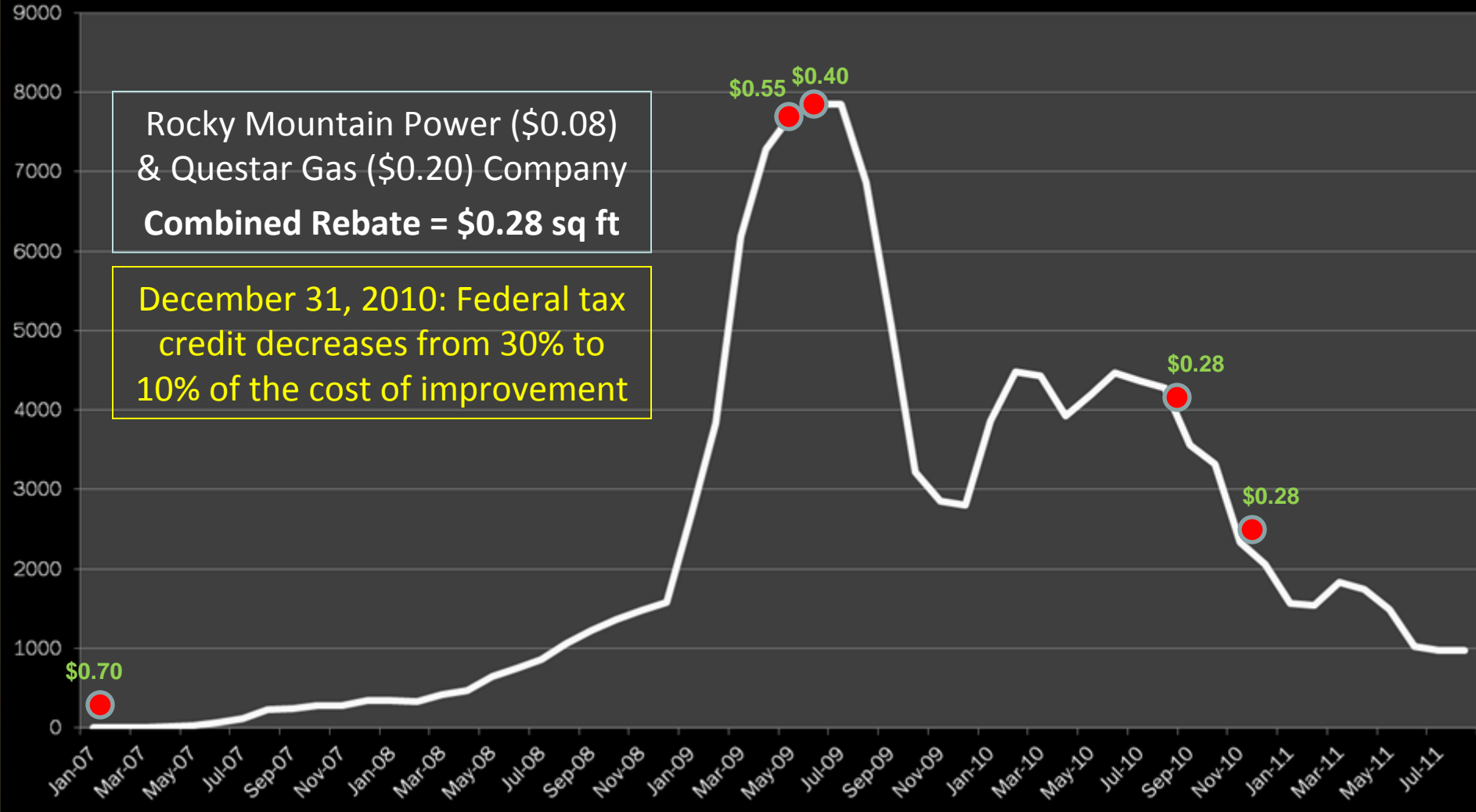
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How do we Ensure Quality?



ThermWise® Authorized Contractor Program

- Implemented **March 1, 2011**

- Customers are required to use a ThermWise® Authorized Contractor in order to qualify for insulation and duct rebates.



Reasons for Authorized Contractors

- Ensure that the ThermWise Weatherization Programs achieve verifiable energy savings.
- Ensure that rebate application information is complete and accurate.
- Ensure that installation meets code requirements and manufacturer's specifications.

Declining Participation

- Participation in weatherization measures has steadily declined since July 2010.
- Contributing Factors:
 - Decreased rebate amounts
 - Increased cost of product
 - Change in federal tax credits
 - Lack of “low hanging fruit”
 - Better opportunities elsewhere



The Questar Gas Solution

- Stimulate programs where participation has been low to moderate:
 - Multifamily
- Build relationships with other utilities and municipalities
- Foster relationships with participating contractors and ask for feedback
 - What has changed?
 - How are customer's responding?
- Re-evaluate rebate amount in coordination with your local utilities



Questions?



Thank you