
SWEEP Conference

November 16, 2006

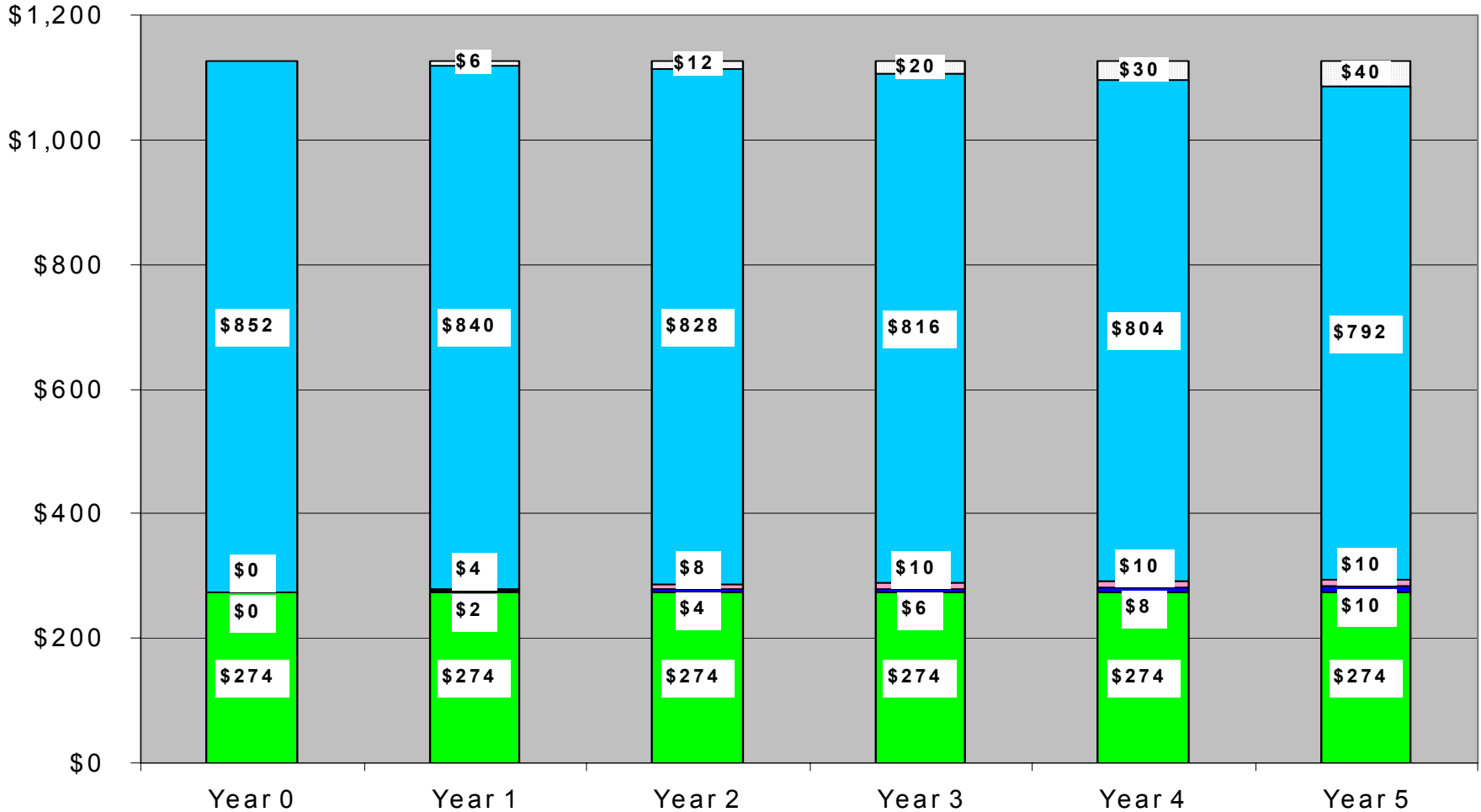


Conservation Enabling Tariff (CET)

- PSC approved 3 year pilot program – Oct. 5 ,2006
 - Culmination of 4 year process
 - Un-Opposed Settlement Stipulation
 - Includes one year review
- Removes rate design barrier to energy efficiency
 - Consistent with Governors energy efficiency policy and HB46
 - Company only collects allowed revenue per customer
 - Breaks link to volumetric rates
- Applicable to General Service customers
 - Residential & Small Commercial

Typical GS-1 Customer Not Participating In DSM Can Save \$108 Over Five Years

■ DNG
 ■ CET Amortization
 ■ DSM Amortization
 ■ Commodity
 Net Savings



Note: Assumes 1% decline in average Utah GS-1 usage per customer per year.

Energy-Wise Leadership

- Forging path for greater natural gas energy efficiency practices in the Mountain West
- Natural gas savings goal = 1% per year
- Energy Efficiency programs application to be submitted in the 3 weeks
- Ultimate goal is to help QGC customers to be.....

QGC's Goal for Customers



Energy Efficiency Initiatives

- Aggressively Promote Cost Effective Customer Energy Efficiency Practices
 - Market Transformation
 - Initial Energy Efficiency Programs
 - Home Audits & Weatherization Measures
 - Residential Appliance Rebates
 - ENERGY STAR® New Homes Incentive
 - Commercial Prescriptive Rebates
 - Low Income Weatherization Program (LIWAP)

Market Transformation

- Education & Awareness
 - Advertising Campaign

- Building Codes Training
 - State of Utah Sponsored

Audits & Weatherization Program

- In-home Energy Audits by QGC Technicians
 - Audit Report Provided to Customer

- Weatherization Incentives
 - Post Installation Customer Rebates
 - Shell Measures
 - Ductwork Improvements
 - Programmable Thermostats

Residential Appliance Incentives

- Existing Single-family Homes
- Post Purchase / Installation Rebates
- Target Space & Water Heat Applications

ENERGY STAR® New Homes

- Two Levels of Builder Incentives
 - Space & Water Heat Incentives
 - ENERGY STAR® Certification Incentive

Commercial Prescriptive Incentives

- Existing GS Commercial Customers
- Post Purchase / Installation Rebates
- Target Space & Water Heat Use

Low Income Weatherization Program

- Additional \$250,000 funding from DSM accounts
- Program / Funding managed by State of Utah
- Primarily 90+ furnace replacements
- Some health & safety measures

Conclusion

- Alignment of Customer / Company Interests
 - Potential for millions of dollars in customer savings
 - Energy Efficiency programs to be approved by PSC
 - Company is excited about prospects for customer energy efficiency