

EXECUTIVE SUMMARY

Questar Gas Company (Questar Gas or Company) is a regulated natural gas utility company providing retail natural-gas-distribution service to more than 930,000 customers in Utah, southwestern Wyoming and two communities in southeastern Idaho. The Company is regulated by the Utah Public Service Commission (Utah Commission) and the Public Service Commission of Wyoming (Wyoming Commission).

During January of 2013, the service area of Questar Gas experienced unusually cold temperatures. For 14 of the 31 days in January, the Salt Lake International Airport observed-high temperature was at or below the normal-low temperature. For the gas-day January 14th, Questar gas set a new record for distribution system deliveries of more than 1.2 million decatherms (Dth). Even though a design-day peak event did not occur, these unusually cold temperatures were a good test of the adequacy of the distribution system and the upstream transportation and storage facilities contracted for by Questar Gas.

For over two decades, Questar Gas has engaged in an annual integrated resource planning (IRP) process. This process results in a planning document that is used as a guide in meeting the natural gas requirements of the Company's customers for the ensuing year. As a fundamental part of the IRP process, Questar Gas conducts an assessment of available resources through the utilization of a cost-minimizing linear-programming computer model. An atmosphere of open dialogue with regulatory agencies and interested stakeholders is an overarching principal of the IRP process.

The IRP process this year has resulted in the following key findings:

1. A design-day firm sales demand of approximately 1.27 million Dth at the city gates for the 2013/2014 heating season;
2. A cost-of-service natural gas production level of approximately 80 million Dth assuming the completion of new development drilling projects;
3. A balanced portfolio of natural gas purchases of approximately 35 million Dth;
4. Questar Gas should maintain flexibility in purchase decisions pursuant to the planning guidelines listed herein, because actual weather and load conditions will vary from assumed conditions in the modeling simulation;
5. There is not a current need for any additional price stabilization, but the Company should review this issue on an annual basis to determine whether such measures are appropriate in the future;

6. Questar Gas should continue to monitor and manage producer imbalances; and
7. In Utah and Wyoming, Questar Gas should continue to promote cost-effective energy-efficiency measures.

Questar Gas' High Pressure (HP) feeder line system is capable of meeting the current peak- day demands with adequate supplies and pressures in the system. This system capacity assessment is based on the fact that the gate stations have adequate capacity, the supply contracts are adequate, and system models show that pressures do not drop below the design minimum of 125 psig. The system will continue to grow along with the demand and Questar Gas will conduct an analysis annually to ensure that the system continues to meet the peak-day needs.

This report has been organized into the following sections: 1) executive summary; 2) introduction and background; 3) Questar Gas' customer and gas demand forecast; 4) the capabilities and constraints of Questar Gas' distribution system; 5) the local market for natural gas, the purchased gas RFP, associated modeling issues, and price stabilization topics; 6) cost-of-service gas including modeling issues, producer imbalances and future development prospects; 7) gathering, transportation and storage; 8) energy-efficiency programs; 9) the final modeling results; and 10) the general planning guidelines to be used in the implementation of the IRP from June of 2013 through May of 2014.¹

The preparation of this planning document is dependent on information from many sources. Questar Gas acknowledges the contributions of all who have participated in the IRP process this year. In the event there are questions, comments or requests for additional information, please direct them to:

Christina M. Faust
General Manager, Gas Supply
Questar Gas Company
333 South State Street
P.O. Box 45360
Salt Lake City, UT 84145-0360

Phone: (801) 324-2715
Email: tina.faust@questar.com

¹ Throughout this report, "Dth" refers to decatherms, "Mcfh" refers to thousand cubic feet per hour, "MDth" refers to thousands of decatherms, "MMDth" refers to millions of decatherms, "Dth/D" refers to decatherms per day, "MDth/D" refers to thousands of decatherms per day, "Btu" refers to British thermal units, "MMBtu" refers to millions of British thermal units, "cf" refers to cubic feet, "Mcf" refers to thousands of cubic feet, "MMcf" refers to millions of cubic feet, "Bcf" refers to billions of cubic feet, "Tcf" refers to trillions of cubic feet, "Mcf/D" refers to thousands of cubic feet per day, "MMcf/D" refers to millions of cubic feet per day, "psi" refers to pounds per square inch, "psig" refers to pounds per square inch gauge, and "lf" refers to linear feet. "FL" refers to feeder line.