

**Commission Set Guidelines for
Intercompany Lending
(Docket 85-057-09)**

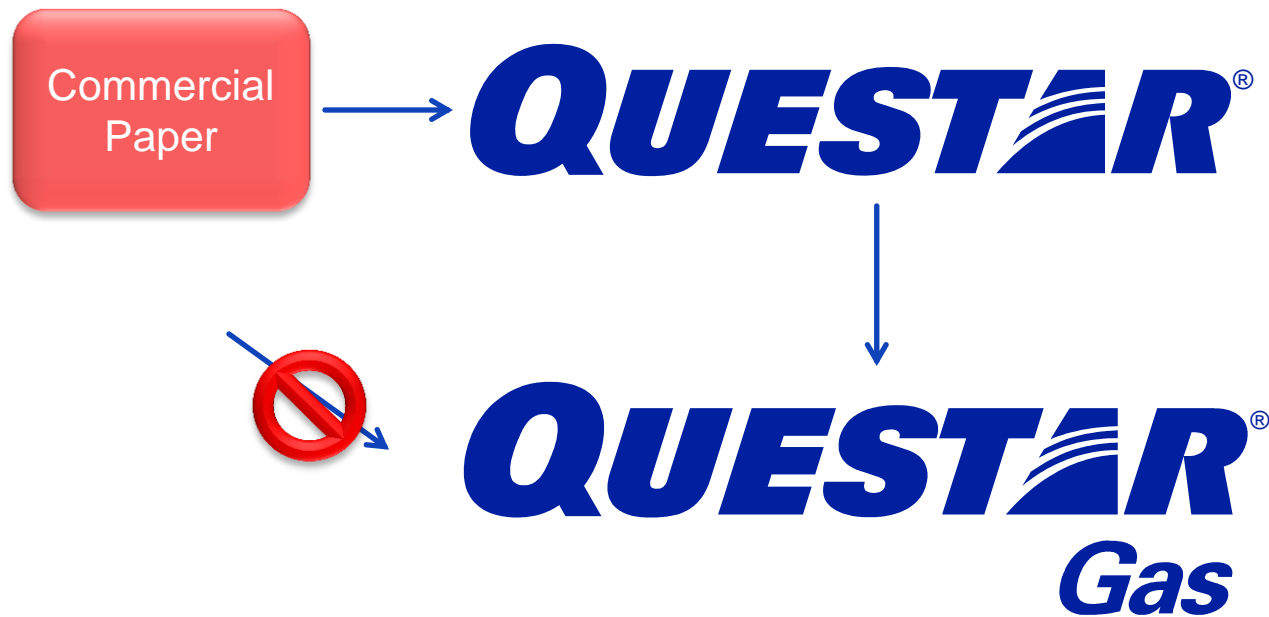
Intercompany lending requirements

- Board resolutions govern Questar Corporation
- Commission order governs Questar Gas

Questar Corporation Intercompany Lending Requirements

- Board Resolutions dictate how intercompany lending will occur
- Questar Gas can borrow or lend short-term from/to Questar Corporation

Questar Gas can only borrow from Questar Corp



Questar Corporation Intercompany Lending Requirements

- Board Resolutions dictate how intercompany lending will occur
- Questar Gas can borrow or lend short-term from/to Questar Corporation
- Loan is made between Questar Gas and Questar Corporation using a “Demand Note” (whether QGC is the borrower or the lender)

What is a Demand Note?

- No expiration to the note
- Demand note requires borrowing party to repay funds on demand of lending party
- Loaned funds recallable at any time

Commission Intercompany Lending Requirements of Questar Gas

1. Term of loan not to exceed 90 days
2. All borrowing should be supported by promissory notes

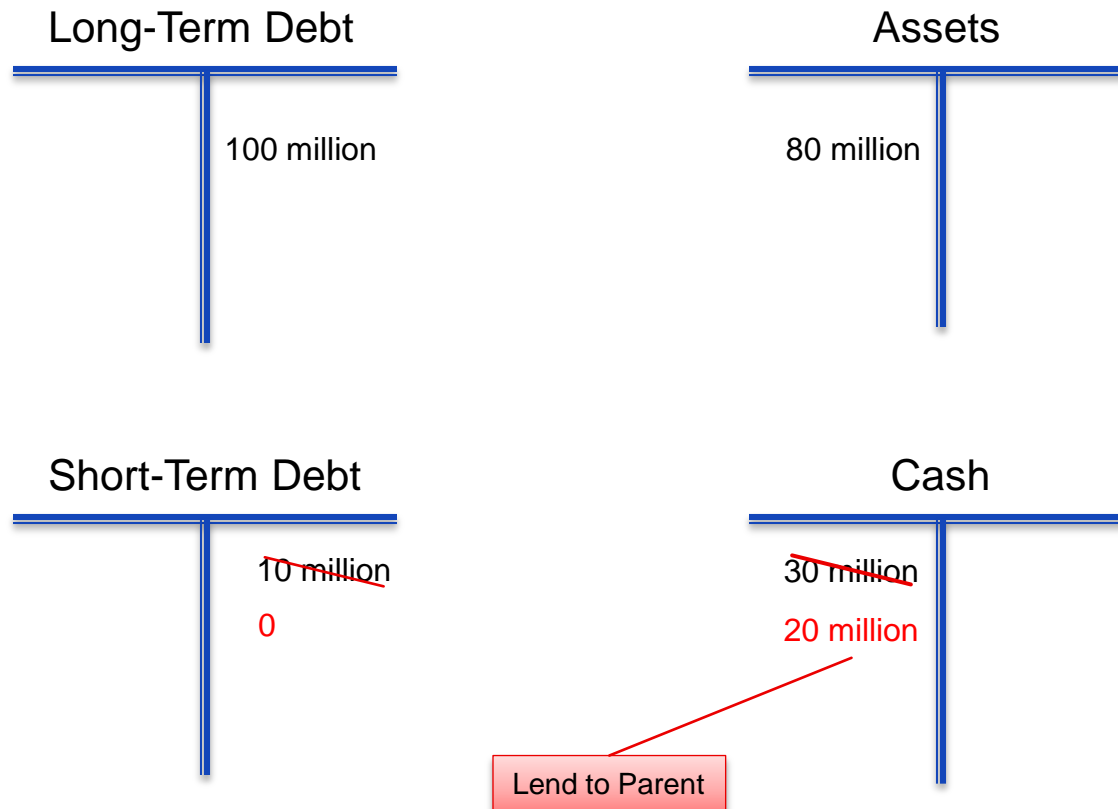
Term of Notes not to exceed 90 days

- Questar Gas and Questar Corporation use demand notes
- Questar continues to issue promissory notes to comply with regulatory requirement

Commission Intercompany Lending Requirements

1. Term of loan not to exceed 90 days
2. All borrowing should be supported by promissory notes
3. No loans to Questar Corporation if Questar Gas (Mountain Fuel) has short-term borrowing outstanding

No loans to Corporation if Questar Gas has short term Debt outstanding (Example)



Commission Intercompany Lending Requirements

1. Term of loan not to exceed 90 days
2. All borrowing should be supported by promissory notes
3. No loans to Questar Corporation if Questar Gas (Mountain Fuel) has short-term borrowing outstanding
4. Interest on such loans would be payable at a per annum rate at least as favorable as Questar Gas could otherwise earn on similar investment

Interest on such loans would be payable at a per annum rate at least as favorable as Mountain Fuel could otherwise earn on similar investments

RATES.WK1

11/1/2014

QUESTAR CORPORATION
 INTERCOMPANY INVESTMENT / BORROWING RATE
 November 2014

RATE QUOTATIONS

Investment Rates:

Bank/Broker	Type	O/N	1W	2W	3W	1M	2M	3M
Goldman Financial MMKT 474	MM Fund					0.07%		
Morgan Stanley Prime 8301	MM Fund					0.04%		
Dreyfus Inst'l Cash 99	MM Fund					0.06%		
BofA-Merrill Lynch (Peggy 535-1326)	A1/P1 CP					0.06%	0.08%	0.13%
BofA-Merrill Lynch (Peggy 535-1326)	A2/P2 CP					0.28%	0.30%	0.34%
Average Investment Rate:						0.1020%		

Borrowing Rates:

Bank/Broker	Type	O/N	1W	2W	3W	1M	2M	3M
Wells Fargo Bank - Revolver	LIB+0.875					1.031%	1.074%	1.107%
Goldman Sachs (CP Desk)	A1/P1 CP	0.14%	0.15%	0.15%	0.16%	0.16%	0.18%	0.20%
CreditSuisse (CP Desk)	A1/P1 CP	0.11%	0.13%	0.14%	0.15%	0.16%	0.18%	0.20%
SunTrust (CP Desk)	A1/P1 CP	0.11%	0.13%	0.14%	0.15%	0.17%	0.18%	0.20%
Average Borrowing Rate:						0.3801%		

INTERCOMPANY RATE CALCULATION:

Average Investment Rate (1 month)	0.10%
Average Borrowing Rate (1 month)	0.38%
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	0.48%

Combined Average Rate **0.24%**

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4. Interest on such loans would be payable at a per annum rate at least as favorable as Questar Gas could otherwise earn on similar investment
5. Loans to Questar would not exceed \$50 million or 13% of net utility plant

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- December 31, 2013

Net Utility Plant	\$1,214,417,635
X	13%
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	\$157,874,293

Summary

- Questar Gas is in compliance with Docket 85-057-09
- Demand note is a better instrument than a 90 day promissory note
- 13% of net utility plant governs lending requirement

Questions?

QUESTAR