

July 30, 2014
Utah PSC Technical
Conference

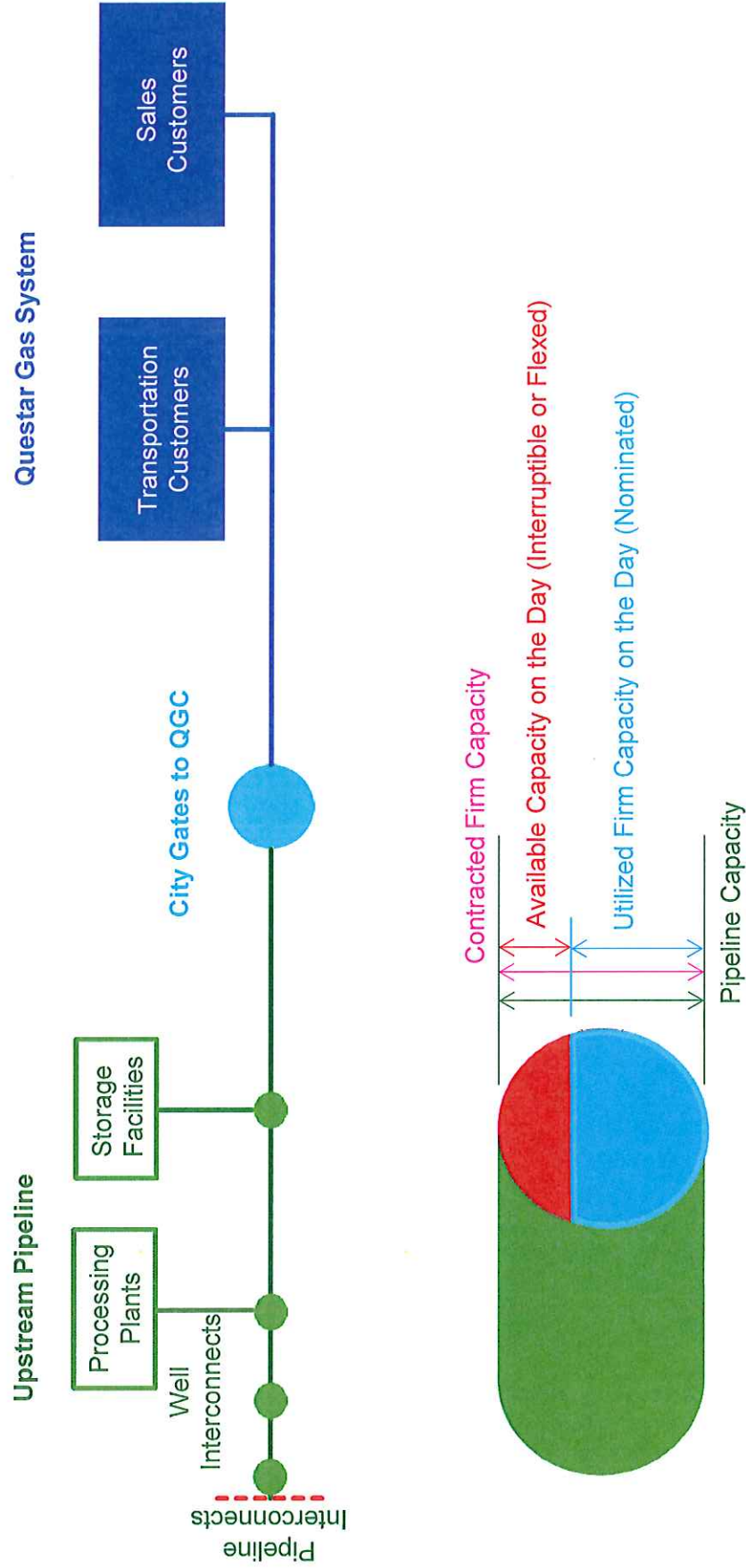
July 30th, 2014
Utah PSC Technical Conference

QUESTAR[®]
Gas

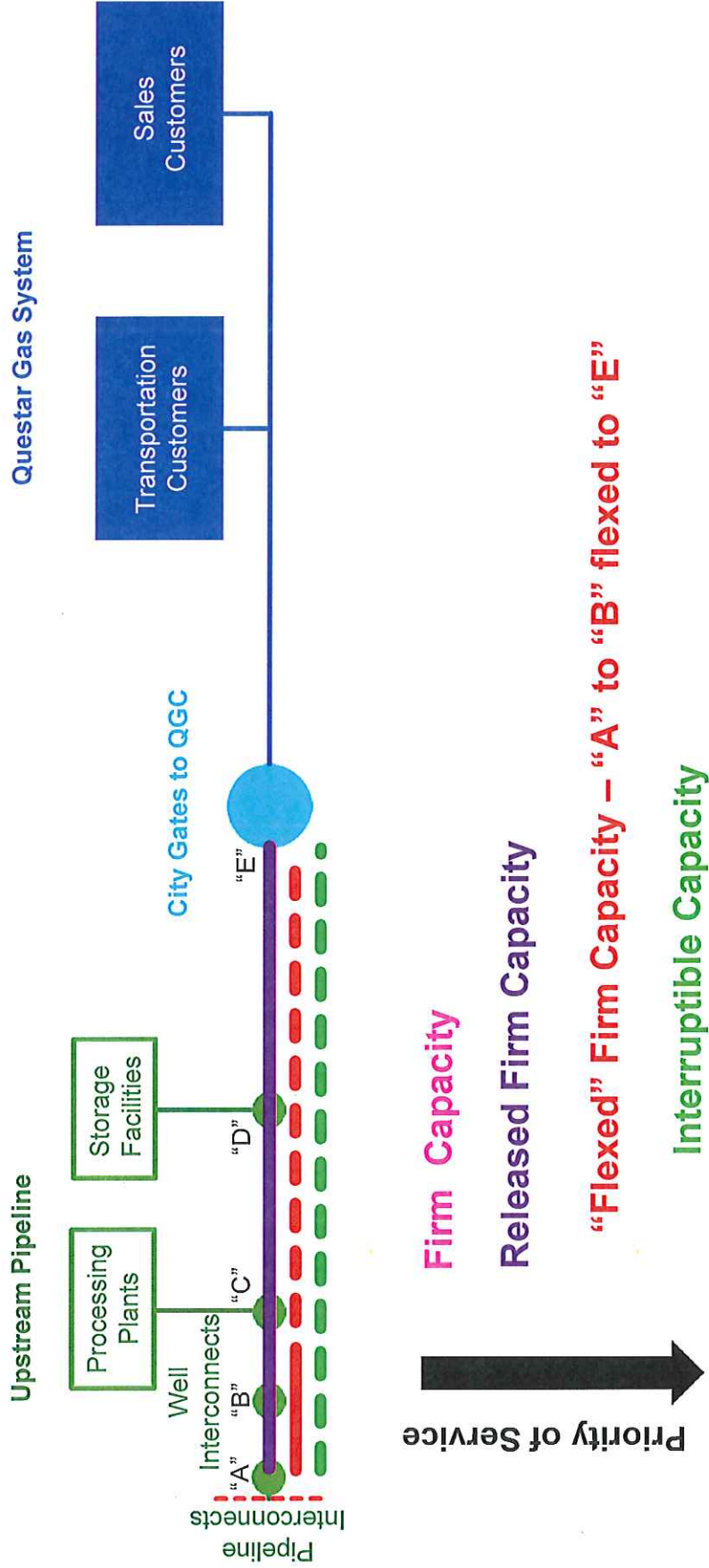
Questar Gas – The Operator

- Questar Gas is responsible for operating the interconnects with all of the upstream pipelines serving the Questar Gas distribution system
 - Confirm nominations for transportation customers on the Questar Gas distribution system
 - Responsible for the delivery of supplies that arrive at the Questar Gas city gates for customers that hold transportation on the Questar Gas distribution system

Upstream Pipeline Transportation Capacity

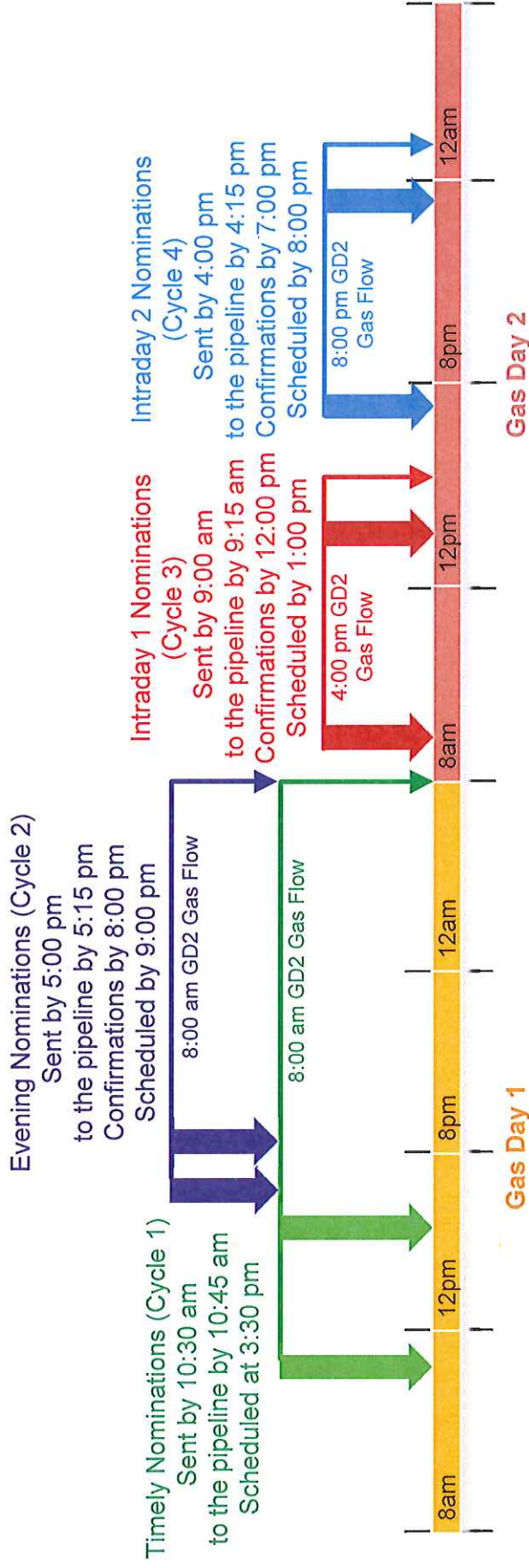


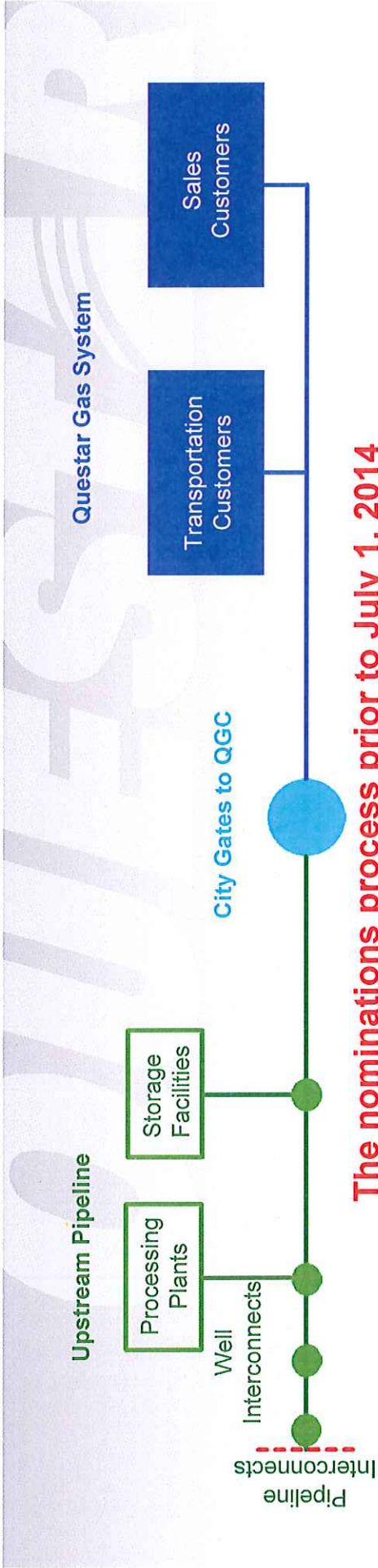
Upstream Pipeline Transportation Capacity



NAESB Scheduling Process

- North American Energy Standards Board (NAESB)
 - Standard scheduling process used by all pipelines
- Communications between shippers and pipelines are done through nominations and confirmations
 - This process is set up to ensure that all parties receive information at the same time (no market advantage)
 - As the operator of the interconnecting distribution system Questar Gas is responsible for confirming nominations at its city gates

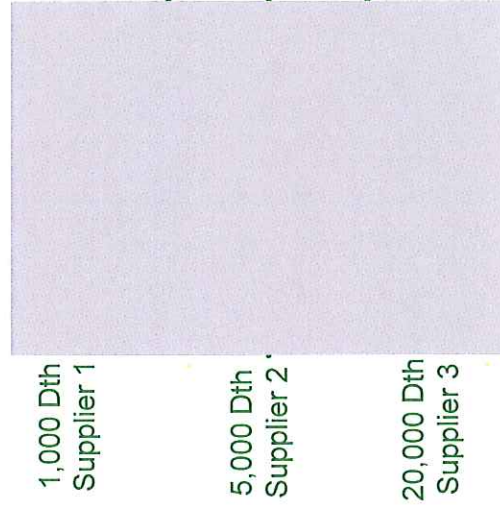




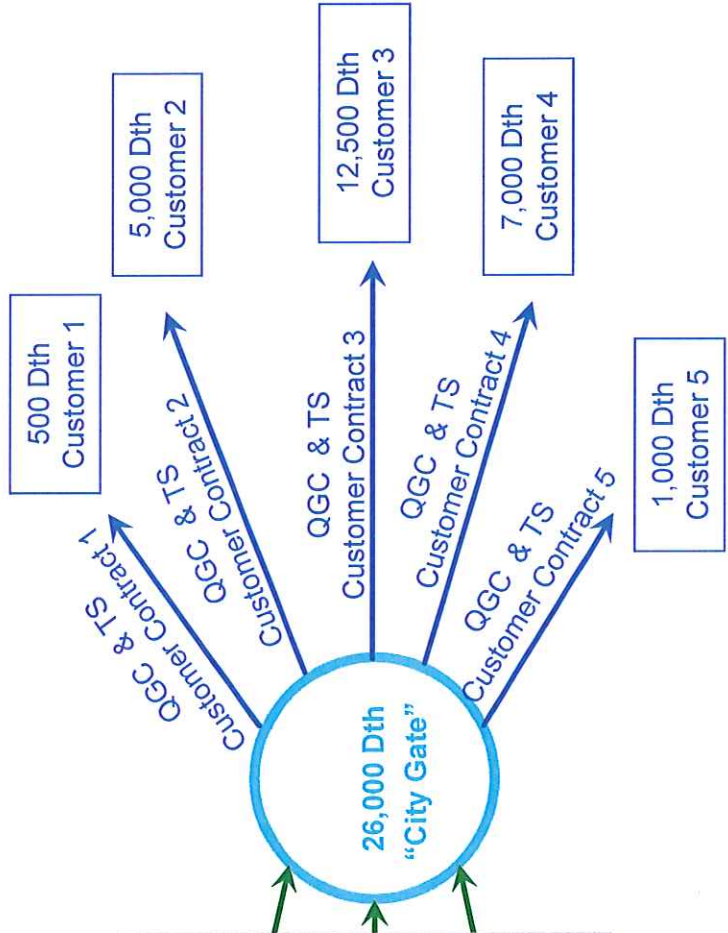
The nominations process prior to July 1, 2014
Example: 1 Marketer - 4 times a day, every day

As the operator of the downstream system, Questar Gas is responsible for confirming all nominations to their system

Upstream Pipeline



Questar Gas System



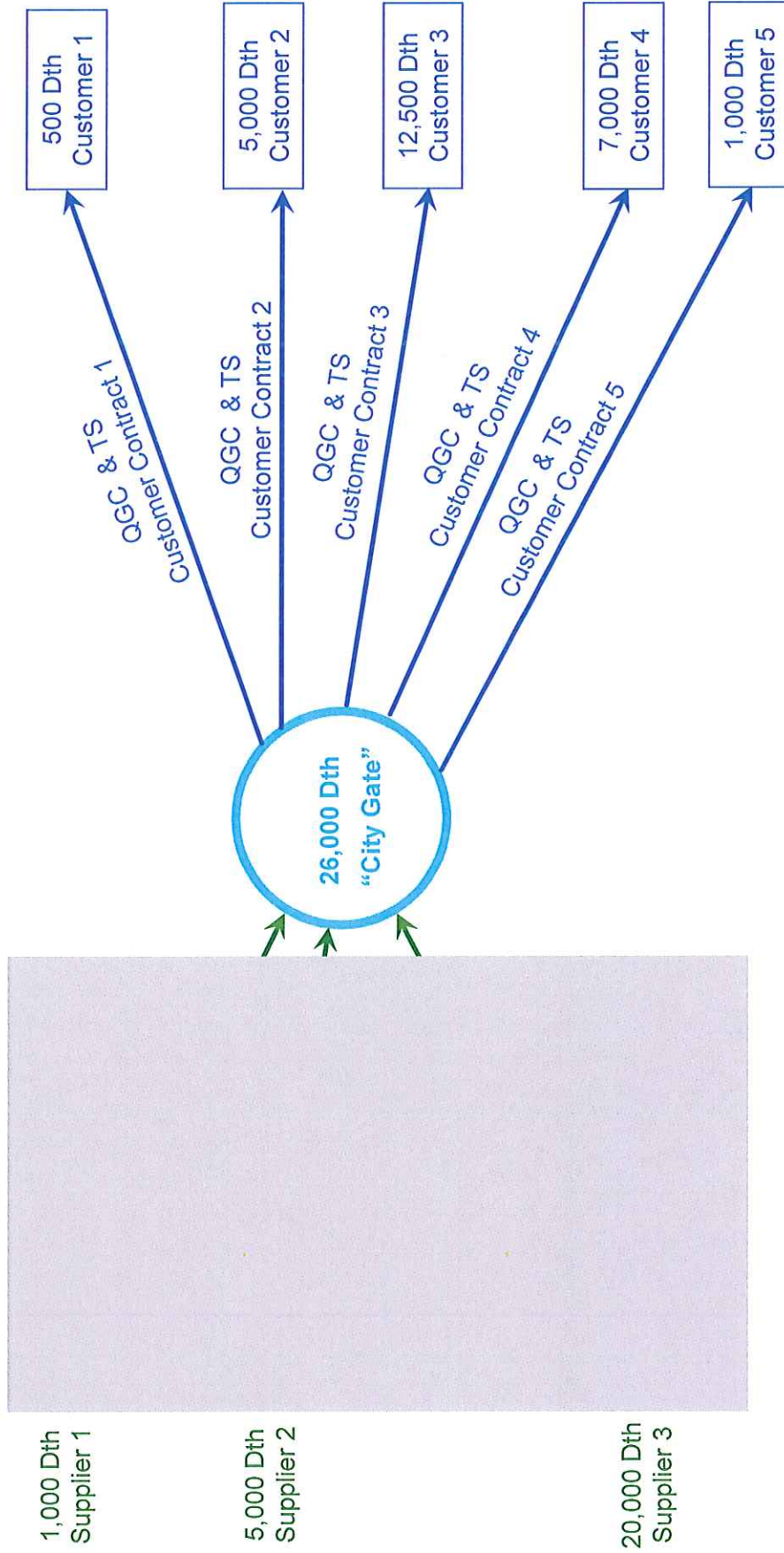
Questar Pipeline changed its nominations & confirmations process effective July 1, 2014

- Questar Pipeline began contacting shippers in mid 2013 to discuss a process change
 - Concerns were verified on December 5, 2013 when Questar Pipeline could not schedule reductions in a timely manner
- Changes were required by Questar Pipeline to manage scheduling and allocations at the Questar Gas interconnects
 - Contract and entity level nominations were already required at all other points on the Questar Pipeline system
 - With additional cycles likely being required in the future, the time between cycles will be reduced making the manual process even more difficult
- Contract and entity level nominations is a standard NAESB process that is used by multiple pipelines throughout the country

The Nominations Process Prior to July 1, 2014

Upstream Pipeline

Questar Gas System



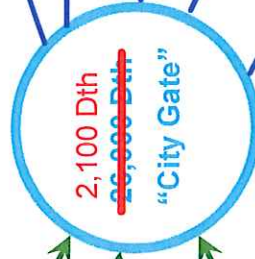
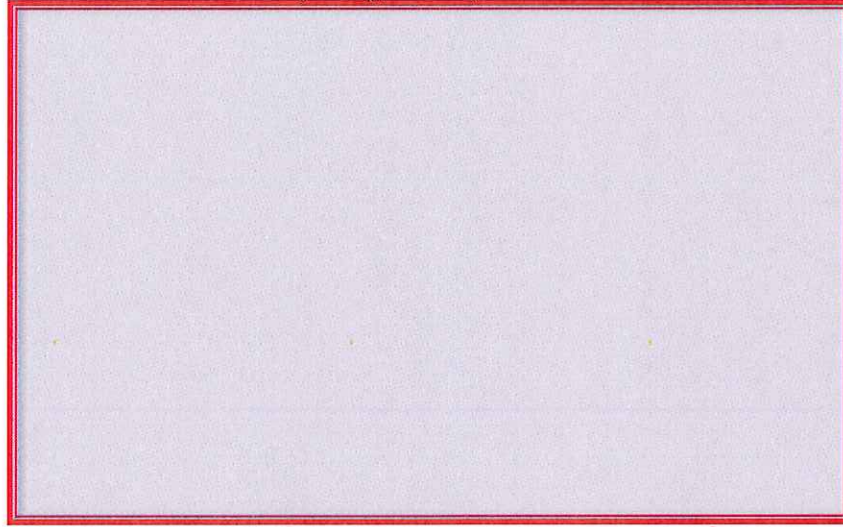
Impact of Supply Reductions (i.e. Dec 5, 2013)

Upstream Pipeline

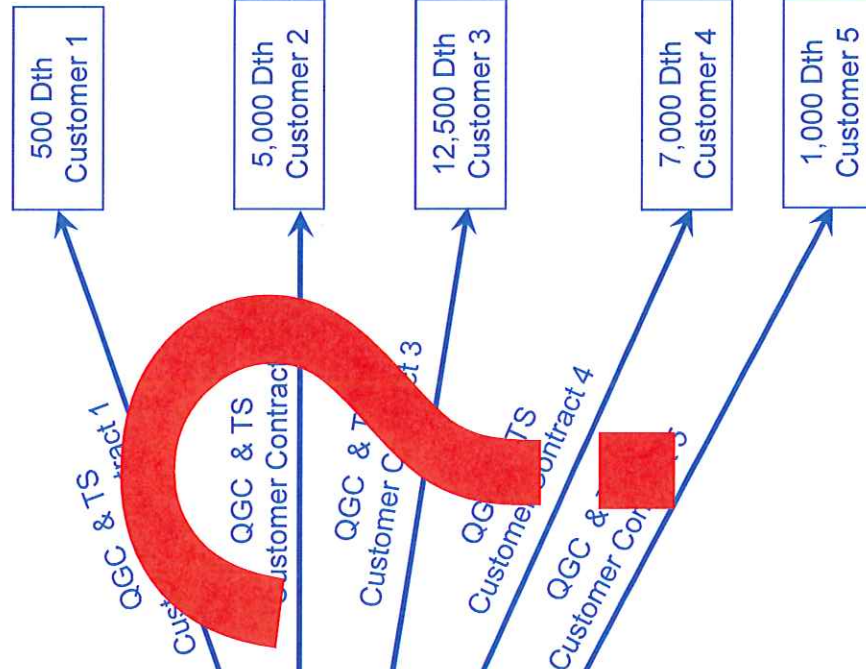
1,000 Dth
Supplier 1

~~100 Dth~~
~~5,000 Dth~~
Supplier 2

1,000 Dth
~~20,000 Dth~~
Supplier 3



Questar Gas System



500 Dth
Customer 1

5,000 Dth
Customer 2

12,500 Dth
Customer 3

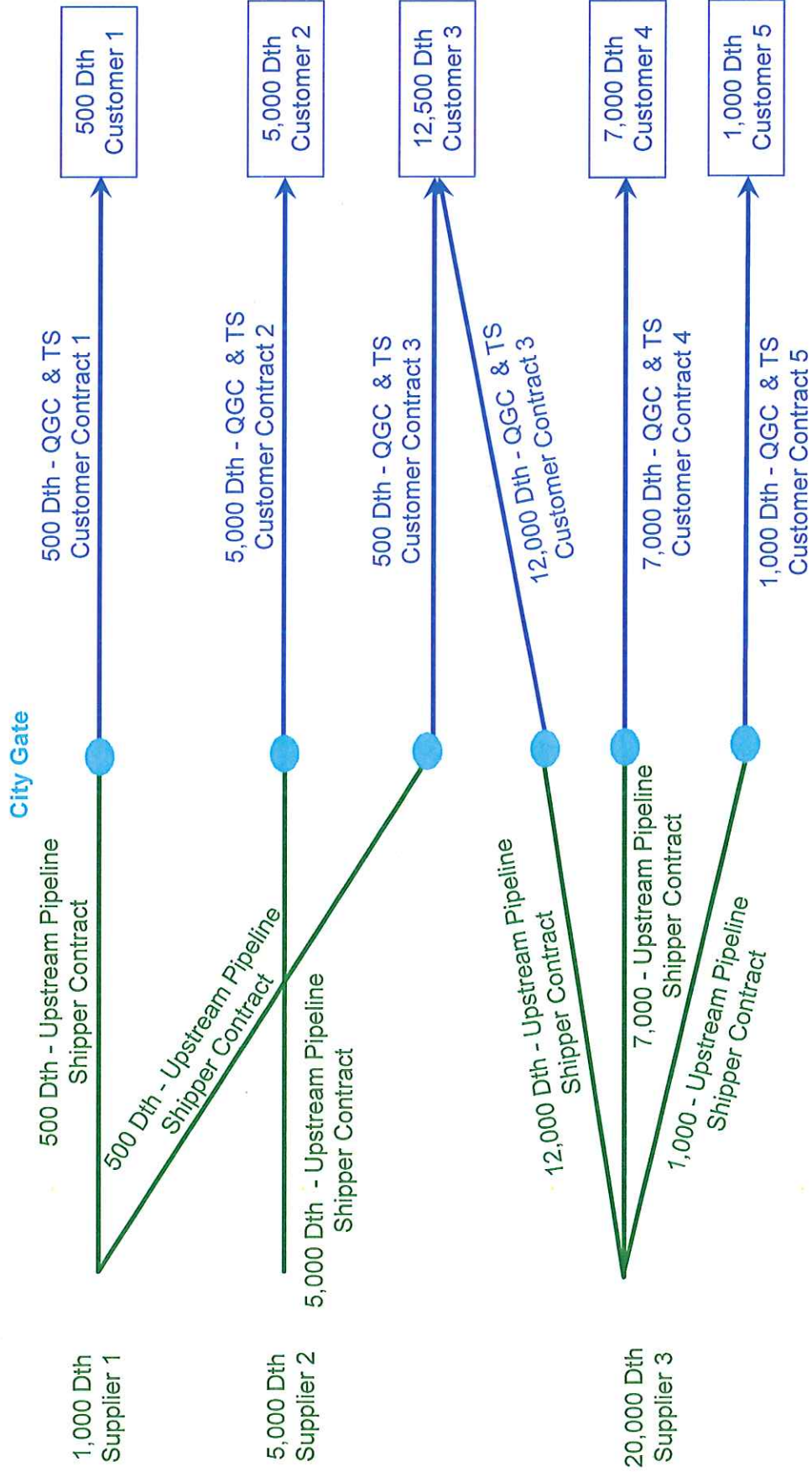
7,000 Dth
Customer 4

1,000 Dth
Customer 5

The Questar Pipeline Process as of July 1, 2014 - Contract and Entity Level Nominations

Upstream Pipeline

Questar Gas System



Questar Gas (The Operator) Supports the Process Required by Questar Pipeline as of July 1, 2014

- Improves reliability on the Questar Gas system for Firm Sales customers
 - System reliability is dependent on the ability of the operator to effectively manage supply adjustments at the city gates
 - Electronic confirmations with the upstream pipeline
 - Timely customer notification of required reductions

- Provides the ability to better manage increasing number of Transportation customers' nominations

- Improves transparency for Transportation customers
 - Customers can view upstream details of their gas supply

Questions?

- Thank you!