

Questar Gas Company 333 South State Street PO Box 45360 Salt Lake City, UT 84145-0360 Tel 801 324 5555

September 21, 2015

Chris Parker Utah Division of Public Utilities Heber M. Wells Building, 4th Floor P. O. Box 146751 Salt Lake City, UT 84114-6751

Re: Replacement Infrastructure Annual Plan and Budget, Second Quarter Variance Report Docket No. 14-057-29

Dear Chris,

Questar Gas Company (Questar Gas or the Company) respectfully submits this report and its accompanying exhibit to the Utah Division of Public Utilities (Division) in accordance with the Report and Order issued February 21, 2014 in Docket No. 13-057-05 (Order). In the Order, the Utah Public Service Commission (Commission) approved a Partial Settlement Stipulation (attached to the Order as Appendix A). Paragraph 22(C) of the Partial Settlement Stipulation indicates that the Company will file quarterly variance reports showing the actual expenditures in the infrastructure replacement program, as compared to the budget, and describing any material variances from the most current replacement schedule.

On November 15, 2014, Questar Gas submitted a Replacement Infrastructure Annual Plan and Budget in Docket No. 14-057-29 (2015 Budget) replacement plan to the Commission. An updated budget was subsequently provided as Exhibit 2 of the 2014 4th Quarter variance report. The 2015 Budget included a budget for feeder line and intermediate high pressure (IHP) replacement projects during 2015.

The attached Exhibit 1 provides budgeted amounts for both IHP and high pressure (HP) projects to be replaced in 2015, as well as the amount spent for each replacement project for the first half of 2015. Column B of Exhibit 1 shows the budget by project. Column C shows the costs incurred year-to-date. Column D shows the remaining budget for 2015 for each of these projects.

Questar Gas will continue to provide quarterly feederline progress updates on an ongoing basis. If you or your staff has additional questions concerning these reports, please contact me.

Sincerely,

Kelly Mendenhall General Manager Regulatory Affairs

cc: Public Service Commission Office of Consumer Services

Updated 2015 Feeder Line Replacement Budget

Second Quarter Variance Report As of June 30, 2015

Α	В	С	D
Feeder Line	2015 Budget	Actual Costs to	Remaining
		Date	Budget
High Pressure			
FL6	13,000,000 1/	9,335,889	3,664,111
F1.24	32,466,656	14,392,454	18,074,202
FL34	3,000,000	350,521	2,649,479
FL26	3,300,000	2,106,081	1,193,919
Total High Pressure	51,766,656	26,184,946	25,581,711
Intermediate High Pressure			
Salt Lake County Total	6,960,000	3,818,396	3,141,604
Weber County Total	2,650,000	3,094,617	(444,617)
Total Intermediate High Pressure	9,610,000	6,913,012	2,696,988
Pre-engineering (Future Projects)	1,490,000	216,721	1,273,279
Total Annual Budget	62,866,656 2/	33,314,679	29,551,977
	Feeder Line High Pressure FL6 FL24 FL34 FL26 Total High Pressure Intermediate High Pressure Salt Lake County Total Weber County Total Total Intermediate High Pressure Pre-engineering (Future Projects)	Feeder Line 2015 Budget High Pressure 13,000,000 1/ FL24 32,466,656 FL34 3,000,000 FL26 3,300,000 Total High Pressure 51,766,656 Intermediate High Pressure 52,766,000 Salt Lake County Total 6,960,000 Weber County Total 2,650,000 Total Intermediate High Pressure 9,610,000 Pre-engineering (Future Projects) 1,490,000	Feeder Line 2015 Budget Actual Costs to Date High Pressure FL6 13,000,000 1/ 9,335,889 FL24 32,466,656 14,392,454 FL34 3,000,000 350,521 FL26 3,300,000 2,106,081 Total High Pressure 51,766,656 26,184,946 Intermediate High Pressure 51,766,656 3,818,396 Weber County Total 6,960,000 3,818,396 Weber County Total 2,650,000 3,094,617 Total Intermediate High Pressure 9,610,000 6,913,012 Pre-engineering (Future Projects) 1,490,000 216,721

^{1/} As indicated in the April 2015 technical conference (see slide 38 of the technical conference presentation slides), the revised 2015 budget for FL6 is 13MM.

^{2/} Reflects allowed 2015 spending amount of \$66,100,000 (\$65MM + inflation) less \$3,233,344 already spent in 2014.