



**UTAH  
RESULTS  
OF  
OPERATIONS**

**12 Months Ending  
December 31, 2014**



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**Barrie L. McKay**  
Vice President Regulatory Affairs

April 30, 2015

Chairman Ron Allen  
Utah Public Service Commission  
Heber M. Wells Building, 4th Floor  
P. O. Box 146751  
Salt Lake City, UT 84114-6751

Dear Chairman:

Questar Gas is providing the annual 2014 Results of Operations as called for in the Commission's Order in Docket No. 93-057-01 and as agreed to with the DPU. This Results of Operations is in the same format and uses the same model as previous Results of Operations submitted to the Commission, Division and Committee in the 02-057-02, 07-057-13, 09-057-16, and 13-057-05 cases. It shows both unadjusted and adjusted results on a system average and a Utah average jurisdictional basis.

The analysis shows the unadjusted results, as measured by return on equity, for Utah has decreased from the December 2013 figure of 9.70% to 9.53% for December 2014. Fully adjusted results, as measured by return on equity, for Utah show December 2014 to be 9.53% compared to the 9.59% reported for December 2013. The fully adjusted scenario includes the normalization and annualization adjustments that are consistent with previous Results of Operations and General Rate Cases. Detailed descriptions of each adjustment are included in the attached book.

Questar Gas will continue to provide annual Results of Operations on an ongoing basis. If you or your staff have additional questions concerning these Results of Operations, please call me.

Sincerely,

Barrie L. McKay  
Vice President  
State Regulatory Affairs

cc: Division of Public Utilities  
Office of Consumer Services

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## EXECUTIVE SUMMARY

This Results of Operations Report provides information on Questar Gas' return on an unadjusted Utah jurisdictional basis for the 12 months ending December 31, 2014 using average rate base, actual customers, and actual revenues. Some adjustments are required to correctly report the accounting data on an average basis for the Utah jurisdiction. These adjustments include the calculation of average rate base, the Wexpro plant adjustment, and the removal of storage gas from rate base, calculation of imputed taxes, and accounting adjustments. On an unadjusted Utah jurisdictional basis, Questar Gas's return on equity was 9.53%.

Also, included in the report is an adjusted return for the 12 months ending December 31, 2014 which is based on actual booked revenues, adjustments ordered or agreed to in previous rate cases, and other appropriate adjustments such as those necessary to correct accounting entries or remove one time non-recurring events. Even though some of the adjustments included here were ordered or agreed to in previous cases, Questar Gas reserves the right to oppose these adjustments in future cases. On a fully-adjusted Utah jurisdiction basis, Questar Gas's return on equity was 9.53%.

(A)	(B)	(C)	(D)	(E)	(F)
Description	Historical	Adjustments	Imputed	Adjusted	Utah
	12 Months	Total	Tax	System	Jurisdiction
	Dec-14		Adjustment	Total	DNG Related
<b>1 NET INCOME SUMMARY</b>					
<b>2 Utility Operating Revenue</b>					
3 System Distribution Non-Gas Revenue	350,602,826	(37,846,075)	0	312,756,751	301,419,786
4 System Supplier Non-Gas Revenue	86,322,730	0	0	86,322,730	
5 System Commodity Revenue	486,565,276	0	0	486,565,276	
6 Pass-Through Related Other Revenue	32,559,281	0	0	32,559,281	
7 General Related Other Revenue	4,789,147	0	0	4,789,147	4,684,770
<b>8 Total Utility Operating Revenue</b>	<b>960,839,260</b>	<b>(37,846,075)</b>	<b>0</b>	<b>922,993,185</b>	<b>306,104,556</b>
<b>9 Utility Operating Expenses</b>					
10 Gas Purchase Expenses					
11 Utah	583,655,497	0	0	583,655,497	
12 Wyoming	21,791,790	0	0	21,791,790	
13 Total	605,447,287	0	0	605,447,287	0
14 O&M Expenses					
15 Production	(1,407,406)	0	0	(1,407,406)	(1,354,508)
16 Distribution	56,919,847	0	0	56,919,847	53,912,338
17 Customer Accounts	24,329,371	0	0	24,329,371	22,326,351
18 Customer Service & Information	42,680,912	(37,846,075)	0	4,834,837	4,686,077
19 Administrative & General	52,794,646	0	0	52,794,646	50,585,139
20 Total O&M Expense	175,317,370	(37,846,075)	0	137,471,295	130,155,398
21 Other Operating Expenses					
22 Depreciation, Depletion, Amortization	53,526,546	0	0	53,526,546	51,431,219.16
23 Taxes Other Than Income Taxes	17,863,864	0	0	17,863,864	17,288,147
24 Income Taxes	30,743,548	0	730,163	31,473,712	31,225,937
25 Total Other Operating Expenses	102,133,958	0	730,163	102,864,121	99,945,303
<b>26 Total Utility Operating Expenses</b>	<b>882,898,615</b>	<b>(37,846,075)</b>	<b>730,163</b>	<b>845,782,703</b>	<b>230,100,701</b>
<b>27 NET OPERATING INCOME</b>	<b>77,940,645</b>	<b>0</b>	<b>(730,163)</b>	<b>77,210,482</b>	<b>76,003,855</b>
<b>28 RATE BASE SUMMARY</b>					
<b>29 Net Utility Plant</b>					
30 101 Gas Plant In Service	2,296,881,123	(100,467,111)	0	2,196,414,012	2,119,771,684
31 105 Gas Plant Held For Future Use	5,037	0	0	5,037	5,037
32 106 Completed Construction Not Classified	12,818,757	2,480,734	0	15,299,491	14,840,237
33 108 Accumulated Depreciation	(773,127,829)	21,666,980	0	(751,460,849)	(719,623,637)
34 111 Accumulated Amort & Depletion	(6,164,585)	392,650	0	(5,771,935)	(5,546,730)
35 254 Other Regulatory Liabilities ARC	(60,689,915)	4,144,421	0	(56,545,494)	(54,633,579)
<b>36 Total Net Utility Plant</b>	<b>1,469,722,588</b>	<b>(71,782,326)</b>	<b>0</b>	<b>1,397,940,262</b>	<b>1,354,813,011</b>
<b>37 Other Rate Base Accounts</b>					
38 154 Materials & Supplies	19,064,834	(3,468,162)	0	15,596,672	15,060,268
39 164-1 Gas Stored Underground	40,325,370	(40,325,370)	0	0	0
40 165 Prepayments	3,605,512	(434,374)	0	3,171,138	3,062,075
41 190008 Accum Deferred Income Tax Federal	3,315,279	(287,241)	0	3,028,038	2,925,119
42 190008 Accum Deferred Income Tax State	284,166	(24,621)	0	259,545	259,545
43 235-1 Customer Deposits	(5,581,140)	(2,276,226)	0	(7,857,367)	(7,569,034)
44 252 Contributions in Aid of Construction	(31,556,632)	626,788	0	(30,929,844)	(30,185,685)
45 253-1 Unclaimed Customer Deposits	(66,057)	(7,321)	0	(73,378)	(70,854)
46 255 Deferred Investment Tax Credits	(364,120)	(97,909)	0	(462,029)	(446,270)
47 282 Accum Deferred Income Taxes	(377,404,740)	35,448,295	0	(341,956,445)	(331,194,780)
48 Working Capital - Cash	2,306,336	(105,243)	2,030	2,203,123	2,122,856
<b>49 Total Other Rate Base Accounts</b>	<b>(346,071,194)</b>	<b>(10,951,385)</b>	<b>2,030</b>	<b>(357,020,548)</b>	<b>(346,036,760)</b>
<b>TOTAL RATE BASE</b>	<b>1,123,651,394</b>	<b>(82,733,710)</b>	<b>2,030</b>	<b>1,040,919,714</b>	<b>1,008,776,251</b>
<b>51 RETURN ON RATE BASE</b>	<b>6.94%</b>			<b>7.42%</b>	<b>7.53%</b>
<b>52 RETURN ON EQUITY</b>	<b>8.39%</b>			<b>9.30%</b>	<b>9.53%</b>

Utah - DEC 2014 Unadjusted Avg Results  
 12 Months Ended : Dec-2014  
 Capital Structure : AVG CAP STR

Imputed Tax Adjustment

	A System Total	B Utah Jurisdiction	
ALGEBRAIC METHOD - SOLVING FOR TWO UNKNOWNNS			
Federal Income Tax Rate	35%	35%	$t_f$
State Income Tax Rate	4.73%	4.73%	$t_s$
Weight of Debt in Capital Structure	47.15%	47.15%	$w_D$
Cost of Debt	5.30%	5.30%	$r_D$
Net Lead Lag Days	1.015	1.015	NLD
Revenues	922,993,185	889,760,053	R
Gas Expenses	605,447,287	583,655,497	GAS
O&M Expenses	137,471,295	130,155,398	O&M
Depreciation	53,506,085	51,411,527	DEPR
Amortization	20,461	19,692	AMORT
Non-Income Taxes	17,863,864	17,288,147	NIT
Rate Base excluding CWC	1,038,716,591	1,006,653,395	RB*
Deferred Income Taxes	0	0	DIT
Deferred Income Taxes - Credit	0	0	DITCr
CWC = CWC* + (NLD/365):IT			CWC is a function of IT, and
IT = IT* - ( $t_s + t_f(1-t_s)$ ): $r_D \cdot w_D$ CWC			IT is a function of CWC
where IT = SIT + FIT + DIT + DITCr, and			
CWC* =	2,115,600	2,033,056	
IT* =	31,494,683	31,246,116	
Solution:			
CWC =	2,203,123	2,119,890	
SIT =	3,911,123	3,880,333	
FIT =	27,562,589	27,345,604	
IT =	31,473,712	31,225,937	
Historically Adjusted Income Taxes	30,743,548		
Tax Adjustment	730,163		
RATE BASE METHOD			
System Average Rate Base	1,040,919,714	1,008,776,251	
Adj System Return On Rate Base	7.42%	7.53%	
Allowed Return	77,210,482	76,003,855	
System Average Rate Base	1,040,919,714	1,008,776,251	
System Weighted Cost Of Debt	2.50%	2.50%	
Imputed Interest Cost	26,022,817	25,219,236	
Taxable Return	51,187,665	50,784,619	
Tax Factor (Tax Rate/(1-Tax Rate))	0.6148691	0.6148691	
Income Tax on Return	31,473,712	31,225,891	
OPERATING INCOME METHOD			
Total Utility Operating Revenue	922,993,185	889,760,053	
Gas Purchase Expenses	605,447,287	583,655,497	
O&M Expenses	137,471,295	130,155,398	
Depreciation	53,506,085	51,411,527	
Amortization	20,461	19,692	
Taxes Other Than Income	17,863,864	17,288,147	
Net Utility Income Before Tax	108,684,193	107,229,792	
Rate Base	1,040,919,714	1,008,776,251	
Proposed Weighted Cost of Debt	2.50%	2.50%	
Imputed Interest	26,022,817	25,219,236	
State Taxable Income	82,661,376	82,010,556	
State Income Tax Rate	4.73150%	4.73150%	
State Income Tax	3,911,123	3,880,329	
Federal Taxable Income	78,750,253	78,130,226	
Federal Income Tax Rate	35.00000%	35.00000%	
Federal Income Tax	27,562,589	27,345,579	
Deferred Income Taxes	0	0	
Deferred Income Taxes - Credit	0	0	
Total Income Tax	31,473,712	31,225,909	

Questar Gas Company  
Utah - DEC 2014 Unadjusted Avg Results  
Months Ended : Dec-2014

	1	2	3	4	
	Y	Y	Y	Y	
	AVG RB DEC 2014	Energy Efficiency Services Adjustment	Underground Storage	Wexpro	TOTAL QGC ADJUSTMENTS
<b>1 NET INCOME SUMMARY</b>					
<b>2 Utility Operating Revenue</b>					
3 System Distribution Non-Gas Revenue	0	(37,846,075)	0	0	(37,846,075)
4 System Supplier Non-Gas Revenue	0	0	0	0	0
5 System Commodity Revenue	0	0	0	0	0
6 Pass-Through Related Other Revenue	0	0	0	0	0
7 General Related Other Revenue	0	0	0	0	0
<b>8 Total Utility Operating Revenue</b>	<b>0</b>	<b>(37,846,075)</b>	<b>0</b>	<b>0</b>	<b>(37,846,075)</b>
<b>9 Utility Operating Expenses</b>					
<b>10 Gas Purchase Expenses</b>					
11 Utah Gas Purchase Exp	0	0	0	0	0
12 Wyoming Gas Purchase Exp	0	0	0	0	0
<b>13 Total Gas Purchase Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
14 Utah Gathering & CO2	0	0	0	0	0
15 Wyoming Gathering & CO2	0	0	0	0	0
<b>16 Total Gathering &amp; CO2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>17 O&amp;M Expenses</b>					
18 Production	0	0	0	0	0
19 Distribution	0	0	0	0	0
20 Customer Accounts	0	0	0	0	0
21 Customer Service & Information	0	(37,846,075)	0	0	(37,846,075)
22 Administrative & General	0	0	0	0	0
<b>23 Total O&amp;M Expense</b>	<b>0</b>	<b>(37,846,075)</b>	<b>0</b>	<b>0</b>	<b>(37,846,075)</b>
<b>24 Other Operating Expenses</b>					
25 Depreciation, Depletion, Amortization	0	0	0	0	0
26 Taxes Other Than Income Taxes	0	0	0	0	0
27 Income Taxes	0	0	0	0	0
<b>28 Total Other Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>29 Total Utility Operating Expenses</b>	<b>0</b>	<b>(37,846,075)</b>	<b>0</b>	<b>0</b>	<b>(37,846,075)</b>
<b>30 NET OPERATING INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>31 RATE BASE SUMMARY</b>					
<b>32 Net Utility Plant</b>					
33 101 Gas Plant In Service	(95,394,129)	0	0	(5,072,982)	(100,467,111)
34 105 Gas Plant Held For Future Use	0	0	0	0	0
35 106 Completed Construction Not Classified	2,480,734	0	0	0	2,480,734
36 108 Accumulated Depreciation	17,402,666	0	0	4,264,313	21,666,980
37 111 Accumulated Amort & Depletion	9,250	0	0	383,400	392,650
38 254 Other Regulatory Liabilities ARC	4,144,421	0	0	0	(44,062,223)
<b>39 Total Net Utility Plant</b>	<b>(71,357,057)</b>	<b>0</b>	<b>0</b>	<b>(425,269)</b>	<b>(119,988,970)</b>
<b>40 Other Rate Base Accounts</b>					
41 154 Materials & Supplies	(3,468,162)	0	0	0	(3,468,162)
42 164-1 Gas Stored Underground	0	0	(40,325,370)	0	(40,325,370)
43 165 Prepayments	(434,374)	0	0	0	(434,374)
44 190 Accum Deferred Income Taxes	(311,862)	0	0	0	(311,862)
45 235-1 Customer Deposits	(2,276,226)	0	0	0	(2,276,226)
46 252 Misc Customer Credits	626,788	0	0	0	626,788
47 253-1 Unclaimed Customer Deposits	(7,321)	0	0	0	(7,321)
48 255 Deferred Investment Tax Credits	(97,909)	0	0	0	(97,909)
49 282 Accum Deferred Income Taxes	35,448,295	0	0	0	35,448,295
Working Capital - Cash	0	(105,243)	0	0	(105,243)
<b>Total Other Rate Base Accounts</b>	<b>29,479,229</b>	<b>(105,243)</b>	<b>(40,325,370)</b>	<b>0</b>	<b>(10,951,385)</b>
<b>51 TOTAL RATE BASE</b>	<b>(41,877,828)</b>	<b>(105,243)</b>	<b>(40,325,370)</b>	<b>(425,269)</b>	<b>(130,940,355)</b>

(A)	(B)	(C)	(D)	(E)	(F)
Description	Historical	Adjustments	Imputed	Adjusted	Utah
	12 Months	Total	Tax	System	Jurisdiction
	Dec-14		Adjustment	Total	DNG Related
<b>1 NET INCOME SUMMARY</b>					
<b>2 Utility Operating Revenue</b>					
3 System Distribution Non-Gas Revenue	350,602,826	(37,846,075)	0	312,756,751	301,419,786
4 System Supplier Non-Gas Revenue	86,322,730	0	0	86,322,730	
5 System Commodity Revenue	486,565,276	0	0	486,565,276	
6 Pass-Through Related Other Revenue	32,559,281	0	0	32,559,281	
7 General Related Other Revenue	4,789,147	0	0	4,789,147	4,684,770
<b>8 Total Utility Operating Revenue</b>	<b>960,839,260</b>	<b>(37,846,075)</b>	<b>0</b>	<b>922,993,185</b>	<b>306,104,556</b>
<b>9 Utility Operating Expenses</b>					
10 Gas Purchase Expenses					
11 Utah	583,655,497	0	0	583,655,497	
12 Wyoming	21,791,790	0	0	21,791,790	
13 Total	605,447,287	0	0	605,447,287	0
14 O&M Expenses					
15 Production	(1,407,406)	0	0	(1,407,406)	(1,354,508)
16 Distribution	56,919,847	0	0	56,919,847	53,912,338
17 Customer Accounts	24,329,371	(1,125,467)	0	23,203,905	22,310,708
18 Customer Service & Information	42,680,912	(37,869,016)	0	4,811,896	4,663,925
19 Administrative & General	52,794,646	(17,190)	0	52,777,456	50,585,507
20 Total O&M Expense	175,317,370	(39,011,672)	0	136,305,697	130,117,971
21 Other Operating Expenses					
22 Depreciation, Depletion, Amortization	53,526,546	0	0	53,526,546	51,431,219.16
23 Taxes Other Than Income Taxes	17,863,864	0	0	17,863,864	17,288,147
24 Income Taxes	30,743,548	443,807	730,182	31,917,538	31,240,188
25 Total Other Operating Expenses	102,133,958	443,807	730,182	103,307,947	99,959,554
<b>Total Utility Operating Expenses</b>	<b>882,898,615</b>	<b>(38,567,865)</b>	<b>730,182</b>	<b>845,060,932</b>	<b>230,077,525</b>
<b>27 NET OPERATING INCOME</b>	<b>77,940,645</b>	<b>721,791</b>	<b>(730,182)</b>	<b>77,932,253</b>	<b>76,027,030</b>
<b>28 RATE BASE SUMMARY</b>					
<b>29 Net Utility Plant</b>					
30 101 Gas Plant In Service	2,296,881,123	(100,467,111)	0	2,196,414,012	2,119,771,684
31 105 Gas Plant Held For Future Use	5,037	0	0	5,037	5,037
32 106 Completed Construction Not Classified	12,818,757	2,480,734	0	15,299,491	14,840,237
33 108 Accumulated Depreciation	(773,127,829)	21,666,980	0	(751,460,849)	(719,623,637)
34 111 Accumulated Amort & Depletion	(6,164,585)	392,650	0	(5,771,935)	(5,546,730)
35 254 Other Regulatory Liabilities ARC	(60,689,915)	4,144,421	0	(56,545,494)	(54,633,579)
36 <b>Total Net Utility Plant</b>	<b>1,469,722,588</b>	<b>(71,782,326)</b>	<b>0</b>	<b>1,397,940,262</b>	<b>1,354,813,011</b>
<b>37 Other Rate Base Accounts</b>					
38 154 Materials & Supplies	19,064,834	(3,468,162)	0	15,596,672	15,060,268
39 164-1 Gas Stored Underground	40,325,370	(40,325,370)	0	0	0
40 165 Prepayments	3,605,512	(434,374)	0	3,171,138	3,062,075
41 190008 Accum Deferred Income Tax Federal	3,315,279	(287,241)	0	3,028,038	2,925,119
42 190008 Accum Deferred Income Tax State	284,166	(24,621)	0	259,545	259,545
43 235-1 Customer Deposits	(5,581,140)	(2,276,226)	0	(7,857,367)	(7,569,034)
44 252 Contributions in Aid of Construction	(31,556,632)	626,788	0	(30,929,844)	(30,185,685)
45 253-1 Unclaimed Customer Deposits	(66,057)	(7,321)	0	(73,378)	(70,854)
46 255 Deferred Investment Tax Credits	(364,120)	(97,909)	0	(462,029)	(446,270)
47 282 Accum Deferred Income Taxes	(377,404,740)	35,448,295	0	(341,956,445)	(331,194,780)
48 Working Capital - Cash	2,306,336	(107,250)	2,031	2,201,116	2,119,826
49 <b>Total Other Rate Base Accounts</b>	<b>(346,071,194)</b>	<b>(10,953,392)</b>	<b>2,031</b>	<b>(357,022,555)</b>	<b>(346,039,790)</b>
<b>TOTAL RATE BASE</b>	<b>1,123,651,394</b>	<b>(82,735,717)</b>	<b>2,031</b>	<b>1,040,917,707</b>	<b>1,008,773,221</b>
<b>51 RETURN ON RATE BASE</b>	<b>6.94%</b>			<b>7.49%</b>	<b>7.54%</b>
<b>52 RETURN ON EQUITY</b>	<b>8.39%</b>			<b>9.44%</b>	<b>9.53%</b>



Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014  
 Capital Structure : AVG CAP STR

Imputed Tax Adjustment

	A System Total	B Utah Jurisdiction	
<b>ALGEBRAIC METHOD - SOLVING FOR TWO UNKNOWNNS</b>			
Federal Income Tax Rate	35%	35%	$t_f$
State Income Tax Rate	4.73%	4.73%	$t_s$
Weight of Debt in Capital Structure	47.15%	47.15%	$W_D$
Cost of Debt	5.30%	5.30%	$r_D$
Net Lead Lag Days	1.015	1.015	NLD
Revenues	922,993,185	889,760,053	R
Gas Expenses	605,447,287	583,655,497	GAS
O&M Expenses	136,305,697	130,117,971	O&M
Depreciation	53,506,085	51,411,527	DEPR
Amortization	20,461	19,692	AMORT
Non-Income Taxes	17,863,864	17,288,147	NIT
Rate Base excluding CWC	1,038,716,591	1,006,653,395	RB*
Deferred Income Taxes	0	0	DIT
Deferred Income Taxes - Credit	0	0	DITCr
CWC = CWC* + (NLD/365)*IT			CWC is a function of IT, and
IT = IT* - $(t_s + t_f \cdot (1 - t_s)) \cdot r_D \cdot W_D \cdot CWC$			IT is a function of CWC
where IT = SIT + FIT + DIT + DITCr, and			
CWC* =	2,112,359	2,032,952	
IT* =	31,938,490	31,260,366	
Solution:			
CWC =	2,201,116	2,119,826	
SIT =	3,966,276	3,882,104	
FIT =	27,951,262	27,358,084	
IT =	31,917,538	31,240,188	
Historically Adjusted Income Taxes	31,187,355		
Tax Adjustment	730,182		
<b>RATE BASE METHOD</b>			
System Average Rate Base	1,040,917,707	1,008,773,221	
Adj System Return On Rate Base	7.49%	7.54%	
Allowed Return	77,932,253	76,027,030	
System Average Rate Base	1,040,917,707	1,008,773,221	
System Weighted Cost Of Debt	2.50%	2.50%	
Imputed Interest Cost	26,022,767	25,219,160	
Taxable Return	51,909,486	50,807,870	
Tax Factor (Tax Rate/(1-Tax Rate))	0.6148691	0.6148691	
Income Tax on Return	31,917,538	31,240,188	
<b>OPERATING INCOME METHOD</b>			
Total Utility Operating Revenue	922,993,185	889,760,053	
Gas Purchase Expenses	605,447,287	583,655,497	
O&M Expenses	136,305,697	130,117,971	
Depreciation	53,506,085	51,411,527	
Amortization	20,461	19,692	
Taxes Other Than Income	17,863,864	17,288,147	
Net Utility Income Before Tax	109,849,791	107,267,218	
Rate Base	1,040,917,707	1,008,773,221	
Proposed Weighted Cost of Debt	2.50%	2.50%	
Imputed Interest	26,022,767	25,219,160	
State Taxable Income	83,827,024	82,048,058	
State Income Tax Rate	4.73150%	4.73150%	
State Income Tax	3,966,276	3,882,104	
Federal Taxable Income	79,860,748	78,165,954	
Federal Income Tax Rate	35.00000%	35.00000%	
Federal Income Tax	27,951,262	27,358,084	
Deferred Income Taxes	0	0	
Deferred Income Taxes - Credit	0	0	
Total Income Tax	31,917,538	31,240,188	

Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

	1	2	3	4	5	6	7	8	9	10	11	
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
	AVG BR/DEC 2014	Energy Efficiency Services Adjustment	Underground Storage	Wegrow	Bad Debt	GCC Incentives	GCC Sponsoring Events	GCC Advertising	GCC Don. & Membership	GCC Reserve accrual	GCC Labor Adj	TOTAL GCC ADJUSTMENTS
<b>1 NET INCOME SUMMARY</b>												
2 Utility Operating Revenue	0	(37,846,075)	0	0	0	0	0	0	0	0	0	(37,846,075)
3 System Distribution Non-Gas Revenue	0	0	0	0	0	0	0	0	0	0	0	0
4 System Supplier Non-Gas Revenue	0	0	0	0	0	0	0	0	0	0	0	0
5 System Commodity Revenue	0	0	0	0	0	0	0	0	0	0	0	0
6 Pass-Through Related Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0
7 General Related Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Utility Operating Revenue	0	(37,846,075)	0	0	0	0	0	0	0	0	0	(37,846,075)
9 Utility Operating Expenses												
10 Gas Purchase Expenses	0	0	0	0	0	0	0	0	0	0	0	0
11 Utah Gas Purchase Exp	0	0	0	0	0	0	0	0	0	0	0	0
12 Wyoming Gas Purchase Exp	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Gas Purchase Expenses	0	0	0	0	0	0	0	0	0	0	0	0
14 Utah Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
15 Wyoming Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
16 Total Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
17 O&M Expenses												
18 Production	0	0	0	0	0	0	0	0	0	0	0	0
19 Distribution	0	0	0	0	0	0	0	0	0	0	0	0
20 Customer Accounts	0	0	0	0	(1,125,467)	0	0	0	0	0	0	(1,125,467)
21 Customer Service & Information	0	(37,846,075)	0	0	0	0	0	(22,941)	0	0	0	(37,869,016)
22 Administrative & General	0	0	0	0	0	(3,203,729)	(81,519)	0	(228,711)	388,350	3,108,418	(17,190)
23 Total O&M Expense	0	(37,846,075)	0	0	(1,125,467)	(3,203,729)	(81,519)	(22,941)	(228,711)	388,350	3,108,418	(39,011,672)
24 Other Operating Expenses												
25 Depreciation, Depletion, Amortization	0	0	0	0	0	0	0	0	0	0	0	0
26 Taxes Other Than Income Taxes	0	0	0	0	428,527	1,219,835	31,038	8,735	87,083	(147,865)	(1,183,545)	443,807
27 Income Taxes	0	0	0	0	428,827	1,219,835	31,038	8,735	87,083	(147,865)	(1,183,545)	443,807
28 Total Other Operating Expenses	0	0	0	0	896,940	(1,893,894)	(50,480)	(14,206)	(141,628)	240,484	1,924,873	(38,587,865)
29 Total Utility Operating Expenses	0	(37,846,075)	0	0	896,940	(1,893,894)	(50,480)	(14,206)	(141,628)	(240,484)	1,924,873	721,791
30 NET OPERATING INCOME	0	0	0	0	896,940	1,893,894	50,480	14,206	141,628	(240,484)	(1,924,873)	
<b>31 RATE BASE SUMMARY</b>												
32 Net Utility Plant												
33 101 Gas Plant In Service	(95,394,129)	0	0	(5,072,882)	0	0	0	0	0	0	0	(100,467,111)
34 105 Gas Plant Held For Future Use	0	0	0	0	0	0	0	0	0	0	0	0
35 106 Completed Construction Not Classified	2,480,734	0	0	0	0	0	0	0	0	0	0	2,480,734
36 108 Accumulated Depreciation	17,402,666	0	0	4,264,313	0	0	0	0	0	0	0	21,666,980
37 111 Accumulated Amort. & Depletion	9,250	0	0	383,400	0	0	0	0	0	0	0	392,650
38 254 Other Regulatory Liabilities ARC	4,144,421	0	0	0	0	0	0	0	0	0	0	4,144,421
39 Total Net Utility Plant	(71,357,057)	0	0	(425,269)	0	0	0	0	0	0	0	(71,782,326)
40 Other Rate Base Accounts												
41 154 Materials & Supplies	(3,468,162)	0	0	0	0	0	0	0	0	0	0	(3,468,162)
42 164-1 Gas Stored Underground	0	0	0	(40,325,370)	0	0	0	0	0	0	0	(40,325,370)
43 165 Prepayments	(434,374)	0	0	0	0	0	0	0	0	0	0	(434,374)
44 190 Accum. Deferred Income Taxes	(311,862)	0	0	0	0	0	0	0	0	0	0	(311,862)
45 235-1 Customer Deposits	525,788	0	0	0	0	0	0	0	0	0	0	(2,276,226)
46 252 Misc Customer Credits	(7,321)	0	0	0	0	0	0	0	0	0	0	626,788
47 253-1 Unclaimed Customer Deposits	(97,909)	0	0	0	0	0	0	0	0	0	0	(97,909)
48 256 Deferred Investment Tax Credits	35,448,295	0	0	0	0	0	0	0	0	0	0	35,448,295
49 282 Accum. Deferred Income Taxes	0	(105,243)	0	0	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	(107,250)
50 Total Other Rate Base Accounts	29,479,229	(105,243)	(40,325,370)	(425,269)	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	(10,965,392)
51 TOTAL RATE BASE	(41,877,828)	(105,243)	(40,325,370)	(425,269)	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	(82,735,717)

## **INPUTS**

This section contains a summary and detail of QGC information for the 12 months ending December 31, 2014. This information is obtained from Questar Gas's monthly financial reports.

Following is a summary of other inputs that are used in preparing the Results of Operations.

### **Income Taxes**

The effective State and Federal income tax rate used for computing the Results of Operations for the 12 months ending December 31, 2014 was 38.0755%.

### **Lead-Lag Days**

The 1.015 lag days, used for computing Working Capital Cash resulted from the Lead Lag study performed by Questar Gas and used in Docket No. 13-057-05.

**Historical Revenues from Financial Report**







**Utility Operating Expenses from the Financial Report**





FERC Acct	Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	12 Months Ending Dec-14
612	System Total Gas Purchase Expenses	108,971,323	76,672,288	69,001,477	43,378,151	21,190,205	22,571,270	18,347,027	18,946,586	19,842,987	32,619,899	68,265,472	105,238,675	604,765,369
613														
614														
616	OPERATION AND MAINTENANCE EXPENSES													
617	Production Expenses													
618														
619	Gas Used for Compressor Station Fuel	(3,350)	(3,257)	(3,231)	(3,302)	(3,355)	(3,237)	(3,050)	(2,982)	(3,605)	(2,791)	(2,367)	(1,665)	(36,193)
620	Gas Used for Other Utility Operations	(183,038)	(128,145)	(104,358)	(109,186)	(97,722)	(102,736)	(200,921)	(9,294)	(108,710)	(233,315)	31,240	(125,027)	(1,371,213)
621														
622	Total Production Expenses	(186,388)	(131,402)	(107,590)	(112,488)	(101,078)	(105,974)	(203,971)	(12,276)	(112,315)	(236,106)	28,872	(126,692)	(1,407,406)
623														
624	Distribution Operations & Maintenance Expenses													
625														
626	Operation Supervision & Engineering													
627	Utah	1,003,848	821,717	851,848	933,820	744,035	925,010	782,735	797,590	998,805	900,235	873,774	1,318,177	10,951,394
628	Wyoming	47,242	39,963	40,493	46,645	40,643	38,626	33,924	38,732	39,517	37,640	48,757	66,115	518,286
629	Total	1,051,089	861,680	892,141	980,464	784,678	963,636	816,660	836,322	1,038,322	937,875	922,531	1,384,292	11,469,680
630														
631	Distribution Load Dispatching													
632	Utah	151,325	163,157	149,113	145,052	159,899	149,180	136,152	140,987	165,080	157,271	172,635	203,237	1,893,098
633	Wyoming	5,391	5,830	5,264	4,997	5,577	5,203	4,792	4,977	5,828	5,519	5,947	7,086	86,391
634	Total	156,717	168,988	154,377	150,049	165,475	154,383	140,944	145,964	170,908	162,790	178,581	210,303	1,959,489
635														
636	Compressor Station Labor & Expenses													
637	Utah	0	0	440	278	0	0	0	207	0	854	38	0	1,817
638	Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
639	Total	0	0	440	278	0	0	0	207	0	854	38	0	1,817
640														
641	Compressor Station Fuel & Power													
642	Utah	3,419	3,316	3,276	3,340	3,377	3,245	3,058	2,989	3,615	2,804	2,406	1,718	36,562
643	Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
644	Total	3,419	3,316	3,276	3,340	3,377	3,245	3,058	2,989	3,615	2,804	2,406	1,718	36,562
645														
646	Mains & Service Expenses													
647	Utah	605,866	718,133	594,388	879,775	684,296	1,270,014	582,448	616,460	1,219,928	614,704	724,151	862,083	9,382,295
648	Wyoming	40,024	40,011	38,380	61,978	56,918	84,394	49,951	46,767	75,096	45,144	55,568	52,077	646,007
649	Total	645,910	758,143	632,767	941,753	741,914	1,354,408	642,399	663,247	1,295,024	659,848	779,719	914,170	10,028,302
650														
651	Measuring & Regulating Station Expenses													
652	Utah	208,653	184,616	304,084	149,345	253,511	140,658	208,453	137,510	169,595	167,676	375,622	151,844	2,451,568
653	Wyoming	7,656	6,742	10,880	5,405	8,958	5,308	7,596	4,878	5,971	5,907	13,040	5,377	87,718
654	Total	216,310	191,358	314,964	154,750	262,470	145,965	216,049	142,389	175,567	173,583	388,662	157,221	2,539,286
655														
656	Meter & House Regulator Expenses													
657	Utah	283,804	284,511	296,459	274,955	286,782	286,753	245,757	315,536	295,619	304,551	365,648	360,177	3,549,551
658	Wyoming	9,728	17,877	14,655	8,285	7,662	8,646	6,942	9,979	6,653	8,308	14,551	15,098	128,385
659	Total	273,532	302,388	311,114	283,240	293,444	295,399	252,699	325,516	302,271	312,859	380,198	375,275	3,677,936
660														
661	Customer Installations Expenses													
662	Utah	291,354	270,820	272,772	248,415	248,561	227,443	216,561	212,395	293,563	268,188	325,065	339,774	3,204,950
663	Wyoming	14,945	14,592	17,647	15,099	10,294	9,498	5,916	6,904	9,341	8,639	18,521	20,113	181,507
664	Total	306,298	285,412	290,419	263,513	258,855	236,942	222,477	219,299	302,923	266,827	343,605	359,887	3,386,458
665														
666	Other Expenses													
667	Utah	749,030	1,130,763	740,442	923,920	796,444	652,608	532,089	666,399	876,917	647,786	829,808	967,089	9,523,304
668	Wyoming	74,263	106,426	89,479	100,052	79,774	54,451	43,703	49,169	61,318	59,237	92,441	107,406	917,721
669	Total	823,293	1,237,188	829,921	1,023,972	876,218	707,059	575,791	735,568	938,235	707,024	922,249	1,064,506	10,441,025

Historical

12 Months Ending

FERC Acct	Description	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Dec-14
728														
729	Supervision													
730	Utah	107,004	84,482	105,979	94,851	102,386	99,739	89,718	106,096	119,730	91,424	89,799	124,277	1,215,687
731	Wyoming	2,702	1,845	2,591	2,273	2,493	2,370	1,940	2,626	3,092	2,028	2,162	2,814	28,937
732	Total	109,707	86,327	108,570	97,224	104,880	102,109	91,658	108,722	122,822	93,452	91,961	127,091	1,244,523
733														
734	Meter Reading Expense													
735	Utah	289,770	315,322	227,076	225,783	274,311	219,554	223,980	237,900	284,834	241,982	304,861	254,218	3,098,873
736	Wyoming	10,268	11,169	8,124	7,951	9,595	7,766	7,735	8,385	9,635	8,314	11,616	9,146	109,893
737	Total	299,038	326,491	235,199	233,735	283,905	227,310	231,715	246,286	294,469	250,276	316,478	263,364	3,208,466
738														
739	Customer Records Expense													
740	Utah	1,217,193	1,363,291	1,398,013	1,311,410	1,259,055	1,120,624	1,161,631	1,289,093	1,401,073	1,276,103	1,356,339	1,865,084	15,958,910
741	Wyoming	50,272	56,088	53,897	51,477	48,841	53,372	46,503	48,715	59,266	55,243	64,478	85,282	874,423
742	Total	1,267,465	1,419,379	1,391,901	1,362,887	1,307,896	1,173,996	1,208,134	1,338,808	1,460,339	1,331,346	1,420,817	1,950,366	16,633,333
743														
744	Collection Expense													
745	Utah	53,942	(33,024)	27,944	59,089	134,623	88,015	93,787	156,792	94,140	143,962	194,121	119,493	1,062,291
746	Wyoming	4,262	3,004	4,003	3,349	6,275	4,487	4,678	5,927	4,284	5,559	5,302	5,632	56,661
747	Total	57,504	(30,020)	31,947	62,448	140,898	92,502	98,365	142,719	98,423	149,520	199,423	125,125	1,108,953
748														
749	Interest Exp - Customer Security Deposits													
750	Utah	54,364	55,155	51,237	36,241	34,473	34,521	31,695	28,786	30,637	27,087	21,807	26,387	432,349
751	Wyoming	559	571	548	392	371	378	346	321	337	314	255	318	4,710
752	Total	54,923	55,726	51,785	36,633	34,844	34,899	32,041	29,066	30,974	27,381	22,063	26,705	437,059
753														
754	Uncollectible Accounts - DNG													
755	Utah	112,934	93,932	96,930	47,843	30,328	31,281	26,104	26,529	28,279	39,237	72,459	(37,215)	569,642
756	Wyoming	11,906	9,794	9,520	6,349	4,146	3,269	2,085	2,282	3,050	5,243	9,209	(4,988)	61,633
757	Total	124,840	103,726	106,450	54,192	34,474	34,550	28,188	28,781	31,328	44,480	81,669	(42,203)	630,474
758														
759	Uncollectible Accounts - SNG													
760	Utah	51,095	35,200	31,487	9,194	4,532	4,030	3,147	3,160	3,445	6,063	24,317	(8,978)	166,693
761	Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
762	Total	51,095	35,200	31,487	9,194	4,532	4,030	3,147	3,160	3,445	6,063	24,317	(8,978)	166,693
763														
764	Uncollectible Accounts - Commodity													
765	Utah	208,021	144,062	128,999	87,901	39,914	43,927	34,621	34,279	37,495	65,482	133,234	(58,062)	699,871
766	Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
767	Total	208,021	144,062	128,999	87,901	39,914	43,927	34,621	34,279	37,495	65,482	133,234	(58,062)	699,871
768														
769	Miscellaneous Expense													
770	Utah	0	0	0	0	0	0	0	0	0	0	0	0	0
771	Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0
772	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
773														
774	System Total Customer Accounts Exp	2,092,723	2,068,420	2,007,665	1,872,422	1,879,622	1,641,691	1,694,694	1,892,614	1,999,632	1,891,300	2,136,939	2,285,204	23,992,915
775	Utah Customer Accounts Expenses	79,969	82,471	78,673	71,792	71,720	71,631	63,186	69,226	79,864	76,700	93,023	98,203	896,457
776	Wyoming Customer Accounts Expenses	2,172,692	2,140,891	2,086,338	1,944,214	1,951,342	1,713,322	1,727,870	1,931,840	2,079,496	1,968,000	2,223,961	2,383,407	24,329,871
777	System Total Customer Accounts Exp	2,172,692	2,140,891	2,086,338	1,944,214	1,951,342	1,713,322	1,727,870	1,931,840	2,079,496	1,968,000	2,223,961	2,383,407	24,329,871
778														
779	Customer Service & Information Expense													
780	Supervision													
781	Utah	28,154	25,686	24,895	25,048	24,668	26,952	43,675	41,789	44,666	47,371	41,476	42,624	417,026
782	Wyoming	818	741	716	716	714	782	1,295	1,228	1,297	1,393	1,211	1,183	12,063
783	Total	28,972	26,428	25,611	25,764	25,372	27,734	44,970	43,017	45,963	48,764	42,688	43,807	429,109



**Rate Base from Financial Report**

UTILITY RATE BASE

13-Month Avg Period Ended 12/31/2014	Dec-14	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	13-Month Avg Period Ended 12/31/2014
101	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883,08
Intangible Plant	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,742,88
Gas Plant In Service	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,625,96
302	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,900,69
Franchises & Consents	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,440,487,05
Distribution - Wyoming	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,946,909,15
Distribution - Utah	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,315,400,88
Total Intangible Plant	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,625,96
325	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,901	6,266,900,69
Production & Gathering Plant	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,443,937	1,440,487,05
Land & Land Rights	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,986,091	52,946,909,15
Structures	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,432,453	17,315,400,88
Gas Wells - Construction	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,872,307	2,775,624,34
Gas Wells - Equipment	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,015	57,014,71
Field Lines & Comp. Meas & Reg St Equip	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,186,63
Purification Equipment	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,187	121,186,63
Other Equipment	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	81,179,889	80,523,523,44
Total Production & Gathering Plant	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883	10,883,08
Distribution Plant	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,743	59,742,88
Land & Land Rights	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,626	69,625,96
Wyoming	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	361,364	363,930,68
Utah	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	12,729,425	14,132,799,01
Total	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	13,094,027	14,496,729,70
375	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	721,780	720,072,45
Structures & Improvements	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	10,859,211	11,292,057,85
Wyoming	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	11,590,991	12,012,130,10
Utah	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	32,596,039	33,103,859,44
Total	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,070,952,360	1,111,644,609,38
Mains	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,102,649,028	1,144,748,465,82
Dist - Wv - Mains - SD	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	17,481,941,46
Dist - Wv - Mains - LD	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,213,984	5,394,989,21
Dist - Wv - Mains - Feeders	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	73,212,889,59
Wyoming	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	78,607,863,79
Utah	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,394,989,21
Total	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	73,212,889,59
377	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,274,349,85
Compressor Station Equipment	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	326,247,445,33
Wyoming	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	342,521,794,98
Utah	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	16,274,349,85
Total	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	16,274,349,85
378	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,394,989,21
Measuring & Regulation Station Equip	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	73,212,889,59
Wyoming	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	73,889,537	78,607,863,79
Utah	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,205,353	5,394,989,21
Total	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	67,418,148	73,212,889,59
380	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,001,294	16,274,349,85
Services	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	319,702,763	326,247,445,33
Wyoming	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	335,704,056	342,521,794,98
Utah	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	16,274,349,85
Total	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	15,526,459	16,274,349,85
381...2	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,295,687	8,503,069,90
Meters & Meter Installation	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	264,249,726	269,407,106,87
Wyoming	272,545,413	272,545,413</												



Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

	1	2	3	4	5	6	7	8	9	10	11	TOTAL GCG ADJUSTMENTS
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
	AVG RB DEC 2014	Energy Efficiency Services Adjustment	Underground Storage	Wespro	Bad Debt	GCG Incentives	GCG Sporting Events	GCG Advertising	GCG Don & Membership	GCG Reserve accrual	GCG Labor Adj	
<b>1 NET INCOME SUMMARY</b>												
2 Utility Operating Revenue												
3 System Distribution Non-Gas Revenue	0	(37,846,075)	0	0	0	0	0	0	0	0	0	(37,846,075)
4 System Supplier Non-Gas Revenue	0	0	0	0	0	0	0	0	0	0	0	0
5 System Commodity Revenue	0	0	0	0	0	0	0	0	0	0	0	0
6 Pass-Through Related Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0
7 General Related Other Revenue	0	0	0	0	0	0	0	0	0	0	0	0
8 Total Utility Operating Revenue	0	(37,846,075)	0	0	0	0	0	0	0	0	0	(37,846,075)
9 Utility Operating Expenses												
10 Gas Purchase Expenses												
11 Utah Gas Purchase Exp	0	0	0	0	0	0	0	0	0	0	0	0
12 Wyoming Gas Purchase Exp	0	0	0	0	0	0	0	0	0	0	0	0
13 Total Gas Purchase Expenses	0	0	0	0	0	0	0	0	0	0	0	0
14 Utah Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
15 Wyoming Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
16 Total Gathering & CO2	0	0	0	0	0	0	0	0	0	0	0	0
17 O&M Expenses												
18 Production	0	0	0	0	0	0	0	0	0	0	0	0
19 Distribution	0	0	0	0	0	0	0	0	0	0	0	0
20 Customer Accounts	0	0	0	0	0	0	0	0	0	0	0	0
21 Customer Service & Information	0	(37,846,075)	0	(1,125,467)	0	0	0	0	0	0	0	(1,125,467)
22 Administrative & General	0	0	0	0	0	(3,203,729)	(81,519)	(22,941)	(228,711)	368,350	3,108,418	(37,869,016)
23 Total O&M Expense	0	(37,846,075)	0	(1,125,467)	0	(3,203,729)	(81,519)	(22,941)	(228,711)	368,350	3,108,418	(17,190)
24 Other Operating Expenses												
25 Depreciation, Depletion, Amortization	0	0	0	0	0	0	0	0	0	0	0	0
26 Taxes Other Than Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
27 Income Taxes	0	0	0	0	428,627	1,219,835	31,039	8,735	87,063	(147,866)	(1,183,545)	443,807
28 Total Other Operating Expenses	0	0	0	0	428,627	1,219,835	31,039	8,735	87,063	(147,866)	(1,183,545)	443,807
29 Total Utility Operating Expenses	0	(37,846,075)	0	(996,940)	0	(1,993,894)	(50,480)	(14,206)	(141,628)	240,484	1,924,873	(38,567,865)
30 NET OPERATING INCOME	0	0	0	0	696,940	1,983,894	50,480	14,206	141,628	(240,484)	(1,924,873)	721,791
<b>31 RATE BASE SUMMARY</b>												
32 Net Utility Plant												
33 101 Gas Plant In Service	(65,394,129)	0	0	(5,072,962)	0	0	0	0	0	0	0	(100,467,111)
34 105 Gas Plant Held For Future Use	0	0	0	0	0	0	0	0	0	0	0	0
35 106 Completed Construction Not Classified	2,480,734	0	0	0	0	0	0	0	0	0	0	2,480,734
36 108 Accumulated Depreciation	17,402,666	0	0	4,264,313	0	0	0	0	0	0	0	21,666,980
37 111 Accumulated Amort. & Depletion	9,250	0	0	363,400	0	0	0	0	0	0	0	392,650
38 254 Other Regulatory Liabilities ARC	4,144,621	0	0	0	0	0	0	0	0	0	0	4,144,621
39 Total Net Utility Plant	(71,367,057)	0	0	(425,269)	0	0	0	0	0	0	0	(71,792,326)
40 Other Rate Base Accounts												
41 154 Materials & Supplies	(3,468,162)	0	0	0	0	0	0	0	0	0	0	(3,468,162)
42 164-1 Gas Stored Underground	0	0	(40,325,370)	0	0	0	0	0	0	0	0	(40,325,370)
43 165 Prepayments	(494,374)	0	0	0	0	0	0	0	0	0	0	(494,374)
44 190 Accum Deferred Income Taxes	(311,862)	0	0	0	0	0	0	0	0	0	0	(311,862)
45 235-1 Customer Deposits	(2,276,226)	0	0	0	0	0	0	0	0	0	0	(2,276,226)
46 252 Misc Customer Credits	626,788	0	0	0	0	0	0	0	0	0	0	626,788
47 253-1 Unclaimed Customer Deposits	(7,321)	0	0	0	0	0	0	0	0	0	0	(7,321)
48 255 Deferred Investment Tax Credits	(97,909)	0	0	0	0	0	0	0	0	0	0	(97,909)
49 282 Accum Deferred Income Taxes	35,448,295	(105,243)	0	0	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	35,448,295
50 Working Capital - Cash	29,479,229	(105,243)	(40,325,370)	0	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	(10,953,392)
Total Other Rate Base Accounts	(41,877,628)	(105,243)	(40,325,370)	(425,269)	(1,938)	(5,517)	(140)	(40)	(394)	669	5,353	(82,735,717)



## AVERAGE RATE BASE ADJUSTMENT

Based on the Commission order on test period in Docket 07-057-13 rate base accounts are averaged using a 13-month calculation. The methodology uses  $\frac{1}{2}$  the first and last months of the period, along with the 11 other months divided by 12. This methodology synchronizes the rate base with the cycle billed revenues for the same period. The year-end rate base balances and the adjustments necessary to convert these to a 13-month average are shown in the attached schedule.

Rate Base		A	B	(A - B)
Questar Gas Company				
Utah - DEC 2014 Adjusted Avg Results				
12 Months Ended : Dec-2014				
FERC Acct	Description	Balance	13 Month	13 Month
		Dec-14	Average All Accounts AVG RB DEC 2014	Average Adjustment
<b>UTILITY RATE BASE</b>				
<b>NET UTILITY PLANT</b>				
Gas Plant In Service				
	Intangible Plant			
302	Franchises & Consents			
	Distribution - Wyoming	10,883	10,883	-
	Distribution - Utah	58,743	58,743	-
	Total Intangible Plant	69,626	69,626	-
	Production & Gathering Plant			
325	Land & Land Rights	6,266,901	6,266,901	-
326...9	Structures	1,437,568	1,440,487	2,919
330	Gas Wells - Construction	52,175,294	52,546,909	371,615
331	Gas Wells - Equipment	17,216,357	17,315,401	99,044
332...4	Field Lines & Comp, Meas & Reg St Eqpt	2,693,816	2,775,624	81,808
336	Purification Equipment	57,015	57,015	-
337	Other Equipment	121,187	121,187	-
	Total Production & Gathering Plant	79,968,137	80,523,523	555,387
	Distribution Plant			
374	Land & Land Rights			
	Wyoming	381,894	363,931	(17,964)
	Utah	16,452,627	14,132,799	(2,319,828)
	Total	16,834,522	14,496,730	(2,337,792)
375	Structures & Improvements			
	Wyoming	717,226	720,072	2,846
	Utah	11,933,293	11,292,058	(641,236)
	Total	12,650,520	12,012,130	(638,389)
376	Mains			
	Dist - Wy - Mains - SD			
	Dist - Wy - Mains - LD			
	Dist - Wy - Mains - Feeders			
	Total Wyoming	34,121,858	33,103,859	(1,017,999)
	Dist - Ut - Mains - SD			
	Dist - Ut - Mains - LD			
	Dist - Ut - Mains - Feeders			
	Total Utah	1,178,719,177	1,111,644,606	(67,074,570)
	Total	1,212,841,035	1,144,748,466	(68,092,569)
377	Compressor Station Equipment			
	Wyoming	0	-	-
	Utah	18,154,669	17,481,941	(672,727)
	Total	18,154,669	17,481,941	(672,727)
378	Measuring & Regulation Station Equip			
	Wyoming	6,275,910	5,394,988	(880,922)
	Utah	76,788,067	73,212,881	(3,575,186)
	Total	83,063,977	78,607,869	(4,456,108)
380	Services			
	Wyoming	16,772,048	16,274,350	(497,698)
	Utah	333,057,164	326,247,445	(6,809,719)
	Total	349,829,212	342,521,795	(7,307,417)
381...2	Meters & Meter Installation			
	Wyoming	8,688,637	8,503,061	(185,576)
	Utah	273,408,947	269,407,107	(4,001,840)
	Total	282,097,584	277,910,168	(4,187,416)
383...4	House Regulators & Reg Installations			
	Wyoming	904,121	887,632	(16,489)
	Utah	13,894,040	14,050,431	156,391
	Total	14,798,161	14,938,063	139,902
387	Other Equipment			
	Wyoming	52,619	52,618	(1)
	Utah	991,700	1,122,902	131,202
	Total	1,044,319	1,175,520	131,201
388	Asset Retirement Costs			

Rate Base  
 Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

		A	B	(A - B)
			13 Month Average All Accounts	13 Month Average Adjustment
FERC Acct	Description	Balance Dec-14	AVG RB DEC 2014	
<b>UTILITY RATE BASE</b>				
	Distribution - Wyoming	67,932,417	65,318,614	(2,613,802)
	Distribution - Utah	1,923,777,465	1,838,968,058	(84,809,407)
	General	225,203,105	216,676,798	(8,526,306)
	Gas Plant in Service	2,296,881,123	2,201,486,994	(95,394,129)
105	Gas Plant Held For Future Use			
	Distribution - Utah	5,037	5,037	-
	Total	5,037	5,037	-
106	Complete Construction Not Yet Classified			
	Production	0	-	-
	Distribution - Wyoming	856,031	401,285	(454,746)
	Distribution - Utah	11,425,023	13,212,683	1,787,660
	General	537,703	1,685,523	1,147,820
	Total	12,818,757	15,299,491	2,480,734
108	Accum Proy For Deprec - Gas Plant In Svc			
	Production	(67,503,017)	(67,687,515)	(184,497)
	Distribution - Wyoming	(25,589,775)	(25,361,155)	228,620
	Distribution - Utah	(549,129,921)	(543,687,579)	5,442,342
	General	(130,905,116)	(118,988,913)	11,916,202
	Total	(773,127,829)	(755,725,163)	17,402,666
111	Accum Prov For Amort & Depl - Gas Plant In Svc			
	Production	(6,094,959)	(6,085,709)	9,250
	Distribution - Wyoming	(10,883)	(10,883)	-
	Distribution - Utah	(58,743)	(58,743)	0
	General	0	-	-
	Total	(6,164,585)	(6,155,335)	9,250
254	Other Regulatory Liabilities			
	Production	0	-	-
	Distribution - Wyoming	(1,939,747)	(396,518)	1,543,229
	Distribution - Utah	(58,750,168)	(12,086,753)	46,663,415
	General	0	(44,062,223)	(44,062,223)
	Total	(60,689,915)	(56,545,494)	4,144,421
<b>System Net Utility Plant</b>				
	Production	6,370,160	6,750,300	380,140
	Distribution - Wyoming	43,187,790	39,951,344	(3,236,446)
	Distribution - Utah	1,386,018,860	1,296,347,665	(89,671,195)
	General	94,835,692	55,311,185	(39,524,507)
	<b>System Net Utility Plant</b>	<b>1,530,412,503</b>	<b>1,398,360,494</b>	<b>(132,052,009)</b>
<b>WORKING CAPITAL</b>				
154	Plant Materials & Operating Supplies			
	Distribution - Wyoming	655,681	536,404	(119,278)
	Distribution - Utah	18,409,153	15,060,268	(3,348,884)
	Total	19,064,834	15,596,672	(3,468,162)
1641	Gas Stored Underground			
	Production	40,325,370	40,325,370	-
	Total	40,325,370	40,325,370	-
165	Prepayments			
	General	3,605,512	3,171,138	(434,374)
	Total	3,605,512	3,171,138	(434,374)
190008	Accum Deferred Income Tax Federal			
	Production	0	-	-
	Distribution - Wyoming	111,393	102,918	(8,475)
	Distribution - Utah	3,203,885	2,925,119	(278,766)
	General	0	-	-
	Total	3,315,279	3,028,038	(287,241)
190009	Accum Deferred Income Tax State			
	Production	0	-	-
	Distribution - Wyoming	0	-	-

## **ENERGY EFFICIENCY SERVICES**

In Docket No. 05-057-T01, the Commission authorized Questar to establish a deferred account, and the revenues and costs are included and accounted for in separate Energy Efficiency amortization filings and are not included as a component of the revenue requirement. Therefore, both the revenues and expenses have been removed from the results.

**Energy Efficiency Accounting Adjustment  
Questar Gas Company  
Utah - DEC 2014 Adjusted Avg Results  
12 Months Ended : Dec-2014**

**QGC Energy  
Efficiency  
Adjustment  
Dec-14**

Revenue	Utah	<b>(\$37,668,261)</b>
	Wyoming	<b>(\$177,814)</b>
	Total	<b><u>(37,846,075)</u></b>
908	Customer Assistance Expense	
	Utah	<b>(\$37,668,261)</b>
	Wyoming	<b>(\$177,814)</b>
	Total	<b><u>(37,846,075)</u></b>

## **UNDERGROUND WORKING STORAGE GAS**

Pursuant to the final order in Docket No. 93-057-01, Account 164, Gas Stored Underground - Current, is to be accounted for in the Company's pass-through cases and excluded from test-year rate base. This is accomplished by allowing a return on the actual average balance in this account to be entered as a gas cost in the 191 Account. This adjustment removes the total balance of Account 164 from the rate-base calculation.

**Underground Storage  
Questar Gas Company  
Utah - DEC 2014 Adjusted Avg Results  
12 Months Ended : Dec-2014**

**Account 164 - Underground Storage**

	<b>A</b>	<b>B</b>
	<b>Month</b>	<b>Monthly Balance</b>
1	Dec-13	39,172,683
2	Jan-14	29,848,683
3	Feb-14	18,583,034
4	Mar-14	6,166,885
5	Apr-14	4,699,534
6	May-14	13,360,087
7	Jun-14	27,776,654
8	Jul-14	42,002,347
9	Aug-14	56,135,252
10	Sep-14	66,798,582
11	Oct-14	69,627,002
12	Nov-14	59,708,122
13	Dec-14	40,325,370
14	Adjustment	(40,325,370)

## **WEXPRO ADJUSTMENT TO PRODUCTION PLANT**

This adjustment, rising from the Wexpro Agreement, and the final Commission orders in Docket 93-057-01 and Docket 99-057-20, the production plant component in each Questar Gas rate base plant account has been reduced by 6.3%. According to the agreement, Wexpro adds 6.3% of Questar Gas's production plant to the Wexpro investment when calculating the Wexpro service fee charged to Questar Gas.



**Wexpro Plant Adjustment**  
**Questar Gas Company**  
**Utah - DEC 2014 Adjusted Avg Results**  
**12 Months Ended : Dec-2014**

Wexpro Plant Adjustment

		B	C	D
	Acct # and Description	Production Amount \1	Allocation Factor \2	Adjustment Amount \3
1	<b>ADDITIONS TO RATE BASE</b>			
10	101 Total Gas Plant In Service	80,523,523	6.30%	(5,072,982)
11	105 Gas Plant Held For Future Use	0	6.30%	0
12	106 Completed Construction Not Classified	0	6.30%	0
13	154 Materials & Supplies	0	6.30%	0
14	164.1 Gas Stored Underground	0	6.30%	0
15	165 Prepayments	0	6.30%	0
16	Working Capital - Cash	0	6.30%	0
17	<b>Total Additions To Rate Base</b>	<u>80,523,523</u>		<u>(5,072,982)</u>
18	<b>DEDUCTIONS FROM RATE BASE</b>			
19	108 Accumulated Depreciation	(67,687,515)	6.30%	4,264,313
20	111 Accumulated Amort & Depletion	(6,085,709)	6.30%	383,400
21	235.1 Customer Deposits	0	6.30%	0
22	252 Misc Customer Credits	0	6.30%	0
23	253.1 Unclaimed Customer Deposits	0	6.30%	0
24	255 Deferred Investment Tax Credits	0	6.30%	0
25	282.0 Accum Deferred Income Taxes - Federal	0	6.30%	0
26	282.1 Accum Deferred Income Taxes - State	0	6.30%	0
27	<b>Total Deductions From Rate Base</b>	<u>(73,773,223)</u>		<u>4,647,713</u>
28	<b>TOTAL WEXPRO PLANT ADJUSTMENT</b>			<u>(425,269)</u>

\1 Test Period Production Rate Base

\2 See Wexpro Stipulation and Agreement, Exhibit E, Section 5(b).

\3 Column B x Column C.

## **BAD DEBT EXPENSE REMOVAL**

In Docket No. 01-057-14, the Company proposed to account for bad-debt expense related to SNG and Commodity revenues in the 191 Account. This was adopted by the Commission in the final order in that docket; therefore, only the DNG portion of bad debt has been included in the calculations of the Results of Operations. The bad debt expense recorded in Account 904 includes all components of bad debt. This adjustment annualizes the DNG portion of bad debt experienced during 2013 to the 3-year average rate of bad debt. This methodology was agreed to and used in Docket No. 02-057-02, Docket No. 07-057-13, Docket No. 09-057-16, and Docket No. 13-057-05. Bad debt is properly recognized as a reduction to revenues. A bad debt ratio of 0.16% (net write-offs to total revenue) is used in this Results of Operations.

Average Bad Debt Removal  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

Capital Structure : AVG CAP STR

	A	B	C	D	E
	Dec-14	Adjustment			
	3 Year Average				
	Bad Debt				
	Ratio				
	Adjustment				
7 904 Uncollectible Accounts					
8 Utah	(15,642)	(15,642)			
9 Wyoming	(43,260)	(43,260)			
10 Total	(58,903)	(58,903)			

13 Revenues are lagging the Charge Offs by 6 Months.	12 MONTHS	12 MONTHS	12 MONTHS	
14 6 Months of aging is required from time of billing to Charge Off.	2012	2013	2014	3 YR AVERAGE
18 CHARGE OFFS (ACC 144004) Dec of Each Year	3,440,114	3,691,373.66	3,909,824.17	3,680,437
19 COLLECTED (ACC 144005) Dec of Each Year	(2,218,828)	(2,206,756)	(2,253,448)	(2,226,344)
20 NET CHARGE OFFS	1,221,286	1,484,618	1,656,376	1,454,093
22 HISTORICAL BOOKED SYSTEM REVENUES (GREY BACK) June of Each Year	850,945,840	890,040,282	933,876,526	891,620,882
23 NET CHARGE OFFS	1,221,286	1,484,618	1,656,376	1,454,093
25 % of Uncollectible Accounts to Total Revenues	0.14%	0.17%	0.18%	0.16%
26 Adjustment to Reflect change in Security Deposits				
27 Adjusted % of Uncollectible Accounts to Total Revenues				0.16%

29				
30	UT Distribution Non Gas Rev		339,088,047	
31	WY Distribution Non Gas Rev		11,388,105	
32	3 YR BAD DEBT AVG FACTOR		0.16%	
33	3YR Average UT DNG Bad Debt		552,999	
34	3 YR Average WY DNG Bad Debt		18,572	
35				
36	Less Booked System UT DNG Bad Debt		568,642	
37	Less Booked System WY DNG Bad Debt		81,833	
38	SYSTEM ADJUSTMENT		630,474	
39				
	Utah		(15,642)	
	Wyoming		(43,260)	
	System Adjustment		(58,903)	

## QUESTAR CORPORATION INCENTIVE PLANS

In accordance with previous Commission orders in Docket No. 93-057-01 and 99-057-20, QGC has removed, for ratemaking purposes, incentive compensation expenses related to financial goals that were either paid directly by QGC or allocated from Questar Corporation for incentive payouts. Because the incentive plan payouts vary from year to year, a three-year average of payouts related to operating goals has been used in the calculation of normalized incentive plan expenses.

Workpaper A shows that for the period 2012-2014 the total average payout by Questar Corporation for the Annual Management Incentive Plan (AMIP) was \$4,814,574 (Column C, line 4). The total amount of Questar Corporation PIPE incentive compensation paid to employees in 2013 was \$2,509,031 (Column C line 10). All PIPE incentive compensation was related to QGC operating goals (Column C line 9). Under the AMIP plan, compensation related to QGC operating goals amounted to \$2,174,592 (Column C line 3). The remaining \$2,639,983 (Column D line 2) is removed. Line 20 shows that \$2,319,843 was allocated to QGC. This is the amount removed through this adjustment.

Workpaper B shows the calculation of the expense adjustment related to the Questar Gas incentive plan. Line 4 and Line 12 show that the amounts expensed (including overhead) in 2014 for the AMIP and PIPE incentive plans were respectively, \$1,377,931 (Line 4) and \$4,527,957 (Line 12). The \$885,893 (Line 6) amount of AMIP to be allowed is calculated by multiplying the \$1,377,931 (Line 4) by the three-year average Operating payout of 64.29% (Column D). All of the PIPE incentive is related to operating goals. This allowed amount is subtracted from the total incentive accrual of \$5,905,888 (Line 18) for a reduction to expenses of \$492,038 (Line 19). This adjustment, in addition to long term performance incentive adjustments of \$391,848 (Line 20), provide the total adjustment of \$883,886 (Line 21).

Incentive Compensation  
Questar Gas Company

Utah - DEC 2014 Adjusted Avg Results

QGC Incentives

12 Months Ended : Dec-2014

Incentive Compensation  
Removal of Financial Based Payouts

	<b>A</b>	<b>B</b>
1 Questar Corporation	1/	(\$2,319,843)
2 Questar Gas	2/	(\$883,886)
3 Total		(\$3,203,729)
4 Utah		(3,093,545)
5 Wyoming		(110,183)
Total		(3,203,729)

1/ See Workpaper A

2/ See Workpaper B

Incentive Compensation  
 Questar Gas Company

Utah - DEC 2014 Adjusted Avg Results

12 Months Ended : Dec-2014

Questar Corporation Incentive Pay Adjustment  
 12 Mos. Ending Dec. 2014.  
 Workpaper A

A	B	C	D
	3-YR Average Percentage	Total Payout	Disallow Adjustment
<b>Questar Corp Management and Employee Incentive Plans</b>			
1			
2	Bonus related to QGC Financial Goals & Affiliates	2,639,983	(2,639,983)
3	Bonus related to QGC O&M Goals	45.17%	2,174,592
4	<b>Total AMIP</b>	100.00%	4,814,574
5	Long Term Incentive Plan (2014)		(2,639,983)
6			(2,516,370)
7			
8	PIPE Bonus related to QGC Financial Goals & Affiliates	0.00%	0
9	PIPE Bonus related to QGC O&M Goals	1/ 100.00%	2,509,031
10	<b>TOTAL PIPE</b>	100.00%	2,509,031
11			0
12	Total Questar Corp AMIP and PIPE Plan Disallowed		<b>(5,156,352)</b>
13			
14			
15	<b>Disallowed Allocation</b>		
16	<b>Allocated Through Distrigas</b>		
17			
18	<b>Allocated to QGC</b>		
19	Percent to QGC	44.99%	
20	Total to QGC	(\$2,319,843)	(\$2,319,843)

1/ There is no longer a financial incentive included in the PIPE payout in 2014. 100% of PIPE is based on operating goals.

**Incentive Compensation**

**Questar Gas Company**

**Utah - DEC 2014 Adjusted Avg Results**

**12 Months Ended : Dec-2014**

Questar Gas Incentive Pay Adjustment  
 Actual Payout for 2014 (Paid in Feb 2015)  
 Workpaper B

	A	B	C	D	E	F
				% Payout	\$ Payout	Allowed \$
1	<b>QGC Management Incentive Plan (AMIP)</b>					
2						
3						
4	Amount Expensed	\$1,377,931				
5						
6	O&M Goals			64.29%	885,893	885,893
7	<b>Total AMIP Dollar Payout</b>			64.29%	885,893	
8						
9	<b>QGC Employee Incentive Plan (PIPE)</b>					
10						
11						
12	Amount Expensed	\$4,527,957				
13						
14	Operating Goals		1/	100.00%	4,527,957	4,527,957
15	<b>Total PIPE % Payout</b>			100.00%	4,527,957	
16						
17	Total AMIP and PIPE Allowed with Overheads (Line 6 + Line 14)					5,413,850
18	Total Incentives					5,905,888
19	Total Adjustment					(492,038)
20	Long Term Incentive Plan (2014)					(391,848)
21	Total Adjustment					(883,886)

Total AMIP Expense	1,377,931	
Total PIPE	4,527,957	
Total Incentive Expense	<u>5,905,888</u>	UPDATED FOR 2014

1/ There is no longer a financial incentive included in the PIPE payout in 2014. 100% of PIPE is based on operating goals.

## EVENT TICKETS

During 2014, Questar Gas received allocated expenses from Questar Corporation for tickets to sporting events at the Energy Solutions Arena, and the Real Salt Lake Stadium. During this period, 76.52% of the tickets were used in a QGC employee-recognition plan. That is, those employees who had performed in an exemplary manner were awarded tickets to the games. The remaining tickets were used for marketing or other purposes. Pursuant to the stipulations in Docket Nos. 99-057-20, 02-057-02, 07-057-13, 09-057-16, and 13-057-05 the portion of these expenses related to employee recognition is allowed in rates.

This adjustment removes 23.48% of these costs used for other purposes. The adjustment includes costs that were charged directly to Questar Gas Company from Questar Corporation.



Event Tickets  
Questar Gas Company  
Utah - DEC 2014 Adjusted Avg Results  
12 Months Ended : Dec-2014

QGC Sporting  
Events

Total Expenses	<hr/>	(81,519)
Utah Adjustment	<hr/>	(78,715)
Wyoming Adjustment		(2,804)

Event Tickets  
 Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

Event Tickets

Company	A	B Amounts	C Adjustment Amount
Total Disallowed QC Sporting Events Expense		-	
Company and Allocation Amounts	Allocation Calculations	Allocated Amount	Adjustment Amount
Allocated to QGC			
Percent to QGC	44.99%		
Total to QGC	-	-	-
<b>Total Disallowed QGC Sporting Events Expense</b>			\$81,519
<b>Total Expenses</b>			\$81,519
<b>Escalation Factor</b>			
<b>Total Adjustment</b>			(\$81,519)
Utah Adjustment			(\$78,715)
Wyoming Adjustment			(\$2,804)
<b>Total</b>			(\$81,519)

Event Tickets  
 Questar Gas Company  
 Utah - Average Adjusted Results Of Operations  
 12 Months Ended : Dec-2014

SPORTING EVENT TICKETS

Vendor	Questar Gas Direct	Allocated from Corp	Based on 2014 Data	QGC Direct Employee Recognition	Mktg PR	Allocated from Corp Employee Recognition	Mktg PR
Energy Solutions Arena	23,000	0	76.52%	17,598	5,402		
Utah Jazz	324,112	0	76.52%	247,995	76,117		
Real Salt Lake	0	0	0.00%	0	0		
<b>Total</b>	<b>347,112</b>	<b>0</b>		<b>265,593</b>	<b>81,519</b>	<b>0</b>	<b>0</b>

Tickets Used for Employee Recognition - % Calculation 2014

	Employee Recognition	Pub. Relations	Total
Jazz Tickets	404	124	528
Real Salt Lake	0	0	0
<b>Total Tickets</b>	<b>404</b>	<b>124</b>	<b>528</b>
<b>Total Percentage:</b>	<b>76.52%</b>	<b>23.48%</b>	<b>100.00%</b>

\*No Real tickets were charged to expense accounts included in this 528 adjustment. Percentage is calculated on Jazz only.

## **ADVERTISING**

Consistent with the Commission order in Docket No. 93-057-01, an adjustment has been made to decrease expenses for the 12 months ending December 31, 2014 by removing all of the advertising expenses related to promotional, and institutional advertising expenses.

Advertising  
Questar Gas Company  
Utah - DEC 2014 Adjusted Avg Results  
12 Months Ended : Dec-2014

QGC Advertising

<b>Account</b>	<b>Type</b>	
909003	Promotional Advertising-Dealer	\$0
909005	Adv Exp - Parade of Homes	\$18,031
930100	General Advertising Expenses	\$0
930101	Institutional Advertising	\$4,910
930102	Financial Advertising	\$0
<hr/>		
	Total	22,941
<hr/>		
	<b>Adjustment</b>	<b>(22,941)</b>
909	Utah Adjustment	(22,152)
909	Wyoming Adjustment	(789)

Advertising  
 Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

Advertising Adjustment

Account	Type	A	B Direct Charges To QGC	C Direct Charges To QC	D Allocated From Corp To QGC	E Total (B+D)	F Removed Amount
909003	1 Promotional Advertising-Dealer		\$0	\$0	\$0	\$0	\$0
909005	2 Adv Exp - Parade of Homes		\$18,031	\$0	\$0	\$18,031	\$18,031
930100	3 General Advertising Expenses		\$0	\$0	\$0	\$0	\$0
930101	4 Institutional Advertising		\$0	\$10,913	\$4,910	\$4,910	\$4,910
930102	5 Financial Advertising		\$0	\$0	\$0	\$0	\$0
	7						
	8 Total		\$18,031	\$10,913	\$4,910	\$22,941	\$22,941
	9						
	10						
	11 Adjustment						(22,941)
	12						
	13 Utah Adjustment						(22,152)
	14 Wyoming Adjustment						(789)
	15 Total Adjustment						(22,941)
	16						
	17						
	18						
	19						
	20						
	21						
	22						
	11 Workpaper 1						

Advertising  
Questar Gas Company  
Utah - DEC 2014 Adjusted Avg Results

Workpaper 1

Institutional Advertising

Total QC Institutional Advertising 10,913

Company and Allocation Amounts	Allocation Calculations	Allocated Amount	Adjustment Amount
Allocated to QGC			
Percent to QGC	44.99%		
Total to QGC	4,910	\$4,910	\$4,910

## **DONATIONS AND MEMBERSHIPS**

In the final order for Docket 93-057-01, the Commission prescribed which types of donations, memberships, and governmental costs are recoverable in rates. This adjustment identifies and removes similar entries which were booked during the 12 months ending December 31, 2014 and those expenses which were allocated from Questar Corporation.



**Donations and Memberships Adjustment**

**Questar Gas Company**

**Utah - DEC 2014 Adjusted Avg Results**

**12 Months Ended : Dec-2014**

	<b>QGC Don &amp; Membership</b>
Questar Corporation Allocated	(\$208,461)
Questar Gas	(\$20,250)
<b>Total</b>	<b>(\$228,711)</b>
Utah Adjustment	(\$220,845)
Wyoming Adjustment	(\$7,866)
<b>Total</b>	<b>(\$228,711)</b>

Donations and Memberships Adjustment

Questar Gas Company

Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

Donations and Memberships Adjustment Questar Corporation Allocated		B
A		Dec-14
Description	Amount	
1	Industry Associations	
2	Tax Executives Institute	-
3	921000 Utah Taxpayers Association	19,360
4	921000 Wyoming Taxpayers Association	9,330
5	921000 Government Relations Dept - Labor & Overhead	353,849
6	921000 Government Relations Dept - A&G	72,391
7	930200 AGA Expenses relating to Lobbying	8,420
8	Total	463,349
9		
10	<b>ADJUSTMENT CALCULATION</b>	
11		<b>Allocated</b>
12	<b>Company and Allocation Amounts</b>	<b>Amount</b>
13		
14	Allocated to QGC	
15	Percent to QGC	44.99%
16	Total to QGC	\$208,461
17		
18	Total Adjustment	(\$208,461)

**Donations and Memberships Adjustment**

**Questar Gas Company**

**Utah - DEC 2014 Adjusted Avg Results  
12 Months Ended : Dec-2014**

Time and Labor Data

**Donations and Memberships Adjustment  
Questar Gas**

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Account</b>	<b>Description</b>	<b>Amount</b>	<b>% Applicable to QGC</b>
		2014	
923000	Holland and Hart	0	100.00%
923000	NES Inc	0	100.00%
921000	Junior Achievement	250	100.00%
908	Golf Tournament	0	100.00%
921000	Utah Foundation	20,000	100.00%
	<b>Total</b>	20,250	
	<b>Adjustment</b>	<b>(\$20,250)</b>	
	<b>Utah Adjustment</b>	<b>(\$19,554)</b>	
	<b>Wyoming Adjustment</b>	<b>(\$696)</b>	
	<b>Total</b>	<b>(\$20,250)</b>	

## **RESERVE ACCRUAL**

The reserve accrual includes legal liabilities associated with the Company's self-insurance program as per the stipulation in Docket 07-057-13. The reserve accrual amount is calculated based on a five-year average of actual payments made.

Reserve Accrual Adjustment  
 Questar Gas Company  
 Utah - DEC 2014 Adjusted Avg Results  
 12 Months Ended : Dec-2014

Reserve Accrual	QGC Reserve accrual
<u>A</u>	
1 2010 Legal Payment	\$500,000
2 2011 Legal Payment	\$879,185
3 2012 Legal Payment	\$225,475
4 2013 Legal Payment	\$337,092
5 2014 Legal Payment	\$0
6 Total	<u>\$1,941,752</u>
7 5 Year Average	<u>\$388,350</u>
8 Legal Accruals for 12 Months Ended Dec 2014	\$0
9 Adjustment (Accrual Less 5 Yr Average Actual Payments)	\$388,350
10 Utah Allocation	\$374,994
11 Wyoming Allocation	<u>\$13,356</u>
12 Total	<u>\$388,350</u>

## **LABOR ADJUSTMENT**

This adjustment is in accordance with the methodology used by the Company in Docket 93-057-01. Included in the labor calculation is a capitalization ratio, which is a measure of the portion of labor and overhead costs that are capitalized and not currently expensed by Commission order. The Company has used a five-year average of this ratio for stating results of operations.

**Labor Annualization Calculations  
12 Mos Dec-2014**

Dec-14

1			
2			<b>Total</b>
3	<b>Base Pay</b>		<b>Actual</b>
4	<b>Including Allowed Time</b>		<b>Amount</b>
5	Capital		\$21,480,796
6	Intercompany & Allocated Charges		1,175,371
7	Expense		29,082,799
8	Other		1,818,436
9	<b>Total Base Labor</b>		<u>\$53,557,401</u>
10			
11	Incentive Compensation		10,450,062
12	<b>Total Labor</b>		<u>\$64,007,463</u>
13			
14	Expense		29,082,799
15	Incentive Accrual Expense		7,512,152
16	Other		286,679
17	<b>Total Base Labor Expensed</b>		<u>\$36,881,630</u>
18			
19			
20	<b>Overhead Components</b>		
21	<b>Other Than Payroll Taxes</b>		
22	Pension Plan		8,462,223
23	Healthcare		10,536,625
24	401K		3,705,100
25	Post Retirement		861,412
26	Allowed Time		10,465,468
27	Other		1,930,078
28	<b>Total Overhead</b>		<u>\$35,960,905</u>
29			
30	<b>Overhead Expensed</b>		<u>\$19,732,881</u>
31			
32	<b>Total Labor &amp; Overhead</b>		<u>\$99,968,368</u>
33			
34	<b>Total Labor &amp; Overhead Expensed</b>		<u>\$56,614,511</u>
35			
36	<u>Expense / Capitalization Ratio</u>		
37	√1 Average 12 Months Ending Dec 2010-Dec 2014 Capitalization Ratio	59.74%	\$59,722,929.43
38	√2 Actual 12 Months Ending Dec 2014 Capitalization Ratio	56.63%	\$56,614,511.12
39			
40			
41	<b>Labor Adjustment</b>		<b>\$3,108,418.31</b>
42			
43	Utah		3,018,479
44	Wyoming		89,939

## **QUESTAR GAS CAPITAL STRUCTURE**

Attached is the company's average capital structure for the 12 Months ending December 31, 2014.



**Capital Structure**  
**Questar Gas Company**  
**Utah - DEC 2014 Adjusted Avg Results**  
**12 Months Ended : Dec-2014**

<b>CAPITAL COMPONENT</b>	<b>Actual Weight</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long Term Debt	47.15%	5.30%	2.50%
Common Equity	52.85%	9.85%	5.21%
Weighted Cost of Capital	100.00%		7.71%

**PRE TAX RATE OF RETURN**

<b>CAPITAL COMPONENT</b>	<b>Weighted Cost</b>
Common Equity	5.21%
Effective Tax Rate	38.08%
Pre-Tax Equity Return (Line 4/(1-Line 5))	8.41%
Long Term Debt	2.50%
Total Pre-tax Rate of Return (Line 6+Line 7)	10.91%

**AVG CAP STR**

**LONG-TERM DEBT**

Bonds - Long Term	534,500,000
Unamort Loss on Reacq Debt	(4,541,945)
Unamortized Debt Expense	(3,762,764)
Notes Paybles-Outside Companies	-
<b>TOTAL LONG-TERM DEBT</b>	<b>526,195,291</b>

**LONG TERM DEBT COSTS**

Interest - Long term Debt	27,060,252
Amortization of Debt Discount & Expense	840,481
<b>TOTAL LONG TERM DEBT COSTS</b>	<b>27,900,733</b>

**LONG-TERM DEBIT COST %** 5.30%

**COMMON EQUITY**

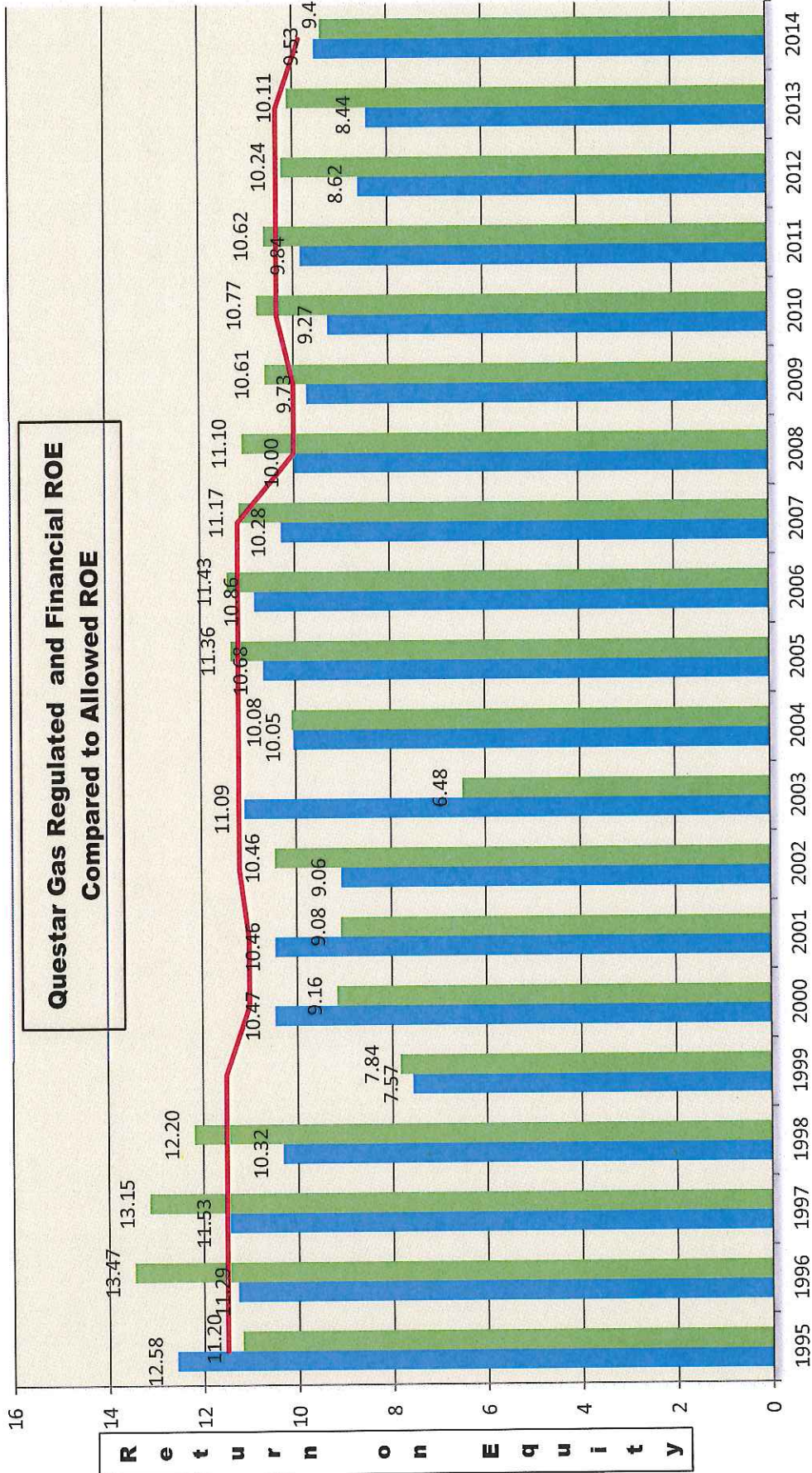
Common Stock Issued	22,974,065
Premium on Common Stock	264,511,175
Unappropriated Ret. Earnings	302,356,305
<b>TOTAL COMMON EQUITY</b>	<b>589,841,546</b>

**TOTAL CAPITAL** 1,116,036,837

2013 Forecast of 2014 & Actual 12 months ending December 2014

	(A)	(B)	(C)	(D)	(E)
		Forecast	Historical	Difference	Difference
	Description	12 Months	12 Months	Difference	Difference
		Dec-14	Dec-14	(\$)	(%)
1	<b>NET INCOME SUMMARY</b>				
2	<b>Utility Operating Revenue</b>				
3	System Distribution Non-Gas Revenue	300,069,042	301,419,786	1,350,744	0.45%
4	System Supplier Non-Gas Revenue				
5	System Commodity Revenue				
6	Pass-Through Related Other Revenue				
7	General Related Other Revenue	4,711,802	4,684,770	(27,032)	-0.58%
8	<b>Total Utility Operating Revenue</b>	<b>304,780,844</b>	<b>306,104,556</b>	<b>1,323,711</b>	<b>0.43%</b>
9	<b>Utility Operating Expenses</b>				
10	Gas Purchase Expenses				
11	Utah				
12	Wyoming				
13	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
14	<b>O&amp;M Expenses</b>				
15	Production	(1,123,188)	(1,354,508)	(231,320)	17.08%
16	Distribution	52,434,093	53,912,338	1,478,245	2.74%
17	Customer Accounts	24,112,864	22,326,351	(1,786,513)	-8.00%
18	Customer Service & Information	4,951,810	4,686,077	(265,733)	-5.67%
19	Administrative & General	45,525,862	50,585,139	5,059,277	10.00%
20	<b>Total O&amp;M Expense</b>	<b>125,901,441</b>	<b>130,155,398</b>	<b>4,253,957</b>	<b>3.27%</b>
21	<b>Other Operating Expenses</b>				
22	Depreciation, Depletion, Amortization	51,243,824	51,431,219	187,395	0.36%
23	Taxes Other Than Income Taxes	18,040,747	17,288,147	(752,599)	-4.35%
24	Income Taxes	32,030,972	31,225,937	(805,036)	-2.58%
25	<b>Total Other Operating Expenses</b>	<b>101,315,543</b>	<b>99,945,303</b>	<b>(1,370,240)</b>	<b>-1.37%</b>
26	<b>Total Utility Operating Expenses</b>	<b>227,216,984</b>	<b>230,100,701</b>	<b>2,883,717</b>	<b>1.25%</b>
27	<b>NET OPERATING INCOME</b>	<b>77,563,860</b>	<b>76,003,855</b>	<b>(1,560,005)</b>	<b>-2.05%</b>
28	<b>RATE BASE SUMMARY</b>				
29	<b>Net Utility Plant</b>				
30	101 Gas Plant In Service	2,112,548,715	2,119,771,684	7,222,969	0.34%
31	105 Gas Plant Held For Future Use	5,037	5,037	0	0.00%
32	106 Completed Construction Not Classified	22,405,659	14,840,237	(7,565,422)	-50.98%
33	108 Accumulated Depreciation	(719,914,970)	(719,623,637)	291,333	-0.04%
34	111 Accumulated Amort & Depletion	(5,550,717)	(5,546,730)	3,987	-0.07%
35	254 Other Regulatory Liabilities ARC	(50,850,466)	(54,633,579)	(3,783,114)	6.92%
36	<b>Total Net Utility Plant</b>	<b>1,358,643,258</b>	<b>1,354,813,011</b>	<b>(3,830,247)</b>	<b>-0.28%</b>
37	<b>Other Rate Base Accounts</b>				
38	154 Materials & Supplies	13,349,151	15,060,268	1,711,117	11.36%
39	164-1 Gas Stored Underground	0	0	0	0.00%
40	165 Prepayments	3,236,195	3,062,075	(174,120)	-5.69%
41	190008 Accum Deferred Income Tax Federal	2,903,374	2,925,119	21,746	0.74%
42	190008 Accum Deferred Income Tax State	258,148	259,545	1,397	0.54%
43	235-1 Customer Deposits	(9,972,140)	(7,569,034)	2,403,106	-31.75%
44	252 Contributions in Aid of Construction	(26,795,068)	(30,185,685)	(3,390,617)	11.23%
45	253-1 Unclaimed Customer Deposits	(95,608)	(70,854)	24,754	-34.94%
46	255 Deferred Investment Tax Credits	(445,047)	(446,270)	(1,223)	0.27%
47	282 Accum Deferred Income Taxes	(327,208,840)	(331,194,780)	(3,985,940)	1.20%
48	Working Capital - Cash	2,115,057	2,122,856	7,799	0.37%
49	<b>Total Other Rate Base Accounts</b>	<b>(342,654,778)</b>	<b>(346,036,760)</b>	<b>(3,381,982)</b>	<b>0.98%</b>
50	<b>TOTAL RATE BASE</b>	<b>1,015,988,481</b>	<b>1,008,776,251</b>	<b>(7,212,229)</b>	<b>-0.71%</b>
51	<b>RETURN ON RATE BASE</b>	<b>7.63%</b>	<b>7.53%</b>		
52	<b>RETURN ON EQUITY</b>	<b>9.73%</b>	<b>9.53%</b>		

**Questar Gas Regulated and Financial ROE Compared to Allowed ROE**



Regulated Actual    Booked Financial    Allowed