



GAS UTILITIES

# ANNUAL REPORT

OF

**Questar Gas Company**

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Utah Business Entity Number: 558729-0142

TO THE

**PUBLIC SERVICE COMMISSION  
OF UTAH**

For Calendar Year

**2014**

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### General Company & Contact Information

**Company Name:** Questar Gas Company

**DBA Name (if different):**

**FKA Name (if different):**

**Address:** 333 South State

**City:** Salt Lake City **State:** UT **Zip:** 84145

**Phone Number:** (801)324-5100 **Fax Number:**

**(800) Number:**

**Principle Business Address:** 333 South State

**City:** Salt Lake City **State:** UT **Zip:** 84145

**Corporate Book Address:** 333 South State

**City:** Salt Lake City **State:** UT **Zip:** 00008-4145

### Report Contact Person

**Name:** Connie Marshall **Title:** Director - Accounting

**Phone Number:** (801)324-2471 **Extension:**

**Fax Number:** **Email:** [connie.marshall@questar.com](mailto:connie.marshall@questar.com)

### Corporate Book Custodian

**Name:** Julie Wray **Title:** Corporate Secretary

**Phone Number:** (801)324-2736 **Extension:**

**Fax Number:** **Email:** [julie.wray@questar.com](mailto:julie.wray@questar.com)

### Contact Information

#### Attorney:

**Name:** Colleen Bell **Title:** General Counsel  
**Firm Name:** Questar Corporation  
**Address:** 333 South State  
**City:** Salt Lake City **State:** UT **Zip:** 84145  
**Phone Number:** (801)324-5556 **Extension:**  
**(800) Number:** **Fax Number:**

#### Accountant:

**Name:** **Title:**  
**Firm Name:**  
**Address:**  
**City:** **State:** **Zip:**  
**Phone Number:** **Extension:**  
**(800) Number:** **Fax Number:**

#### Other Contacts:

**Name:** **Title:**  
**Phone Number:** **Extension:**  
**Fax Number:** **E-mail:**

**Name:** **Title:**  
**Phone Number:** **Extension:**  
**Fax Number:** **E-mail:**

**Name:** **Title:**  
**Phone Number:** **Extension:**  
**Fax Number:** **E-mail:**



### IMPORTANT CHANGES DURING THE YEAR

Give particulars concerning the following matters. Make the statements explicit and precise. Each inquiry must be answered. Only use "none" or "not applicable" if it correctly states the fact.

1. Important additions or changes in franchise rights, including the actual consideration, if any, given therefore.

2. Important additions or extensions of the utility system such as new structures, exchanges, toll facilities, etc.



<b>COMPARATIVE BALANCE SHEETS</b>		
<b>(Utah Operations Financial Statement in Accordance with GAAP)</b>		
Certificated entity only. Do not consolidate with other affiliated entities.		
Account	Balance at beginning of year	Balance at end of year
1 Cash and cash equivalents	8,776,026	19,836,938
2 Federal income taxes receivable	2,767,089	
3 Accounts and notes receivable	116,306,143	111,338,658
4 Unbilled gas accounts receivable	93,390,066	93,664,096
5 Deferred income taxes - current	2,906,377	
6 Gas stored underground	39,172,683	41,866,681
7 Materials and supplies	12,080,748	19,188,538
8 Current regulatory assets	30,231,563	38,816,090
9 Prepaid expenses and other	3,035,038	3,544,129
10 Purchased gas adjustment	-	37,627,636
11 Total current assets	308,665,732	365,882,766
12 Construction Work in Progress	73,430,794	54,414,554
13 Property, plant and equipment	2,129,606,690	2,297,878,160
14 Less allowances for depreciation	(745,278,183)	(780,284,414)
15 Net property, plant and equipment	1,457,759,300	1,572,008,300
16 Other long-term assets		
17 Goodwill	5,652,450	5,652,450
18 Regulatory assets	16,129,514	21,288,541
19 Other long-term assets	3,938,584	3,596,820
20 Total Assets	1,792,145,580	1,968,428,877
21 Notes payable to affiliates	17,700,000	119,300,000
22 Federal income taxes payable		6,390,531
23 Accounts payable and accrued expenses	191,298,328	179,397,509
24 Customer credit balance	19,796,785	29,394,468
25 Current regulatory liabilities	3,665,044	12,244,458
26 Interest payable	5,185,063	6,765,065
27 Other taxes payable	10,463,101	7,028,303
28 Deferred income taxes - current		6,320,344
29 Purchased gas adjustment	7,432,556	
30 Total current liabilities	255,540,876	366,840,678
31 Long-term debt, less current portion	534,500,000	534,500,000
32 Other liabilities	432,524	453,182
33 Asset retirement obligation	2,589,294	2,279,063
34 Deferred investment tax credits		
35 Deferred income taxes	340,725,134	377,463,990
36 Customer contributions-in-aid-of-construction	29,131,278	29,155,903
37 Regulatory and other noncurrent liabilities	53,033,058	60,913,086
38 Total Liabilities	1,215,952,164	1,371,605,902
39 Common stock	22,974,065	22,974,065
40 Additional paid-in capital	263,856,316	265,331,469
41 Retained earnings	289,363,035	308,517,441
42 Total shareholder's equity	576,193,416	596,822,975
43 Total liabilities and equity	1,792,145,580	1,968,428,877

<b>COMPARATIVE STATEMENTS OF INCOME</b>		
<b>(Utah Operations Financial Statement in Accordance with GAAP)</b>		
Certificated entity only. Do not consolidate with other affiliated entities.		
Account	Amount for Preceding Year	Amount for Current Year
1 Operating Revenues	985,803,929	960,839,257
2 Utility Operating Expenses:		
3 Gas Purchases	650,552,084	604,765,358
4 Operating Expense	154,091,612	161,950,983
5 Maintenance Expense	11,527,623	13,366,387
6 Depreciation and Amortization	49,683,325	53,526,546
7 Taxes Other Than Income Taxes	18,061,994	17,863,864
8 Income Taxes	2,220,422	-8,559,860
9 Income Taxes - Deferred	28,351,301	39,303,408
10 Total Utility Operating Expenses	914,488,360	882,216,686
11 Net Operating Income	71,315,569	78,622,571
12 Other Income	3,940,839	5,200,818
13 Other Income Deductions	(227,099)	(416,140)
14 Total Other Income and Deductions	3,713,740	4,784,678
15 Interest Charges	22,251,307	28,252,843
16 Net Income	52,778,002	55,154,406

<b>COMPARATIVE STATEMENTS OF CASH FLOW</b>		
<b>(Utah Operations Financial Statement in Accordance with GAAP)</b>		
Certificated entity only. Do not consolidate with other affiliated entities.		
Account	Amount for Preceding Year	Amount for Current Year
<b>Operating Activities</b>		
Net Income	52,778,002	55,154,406
<b>Adjustments to reconcile net income to net cash provided from operating activities:</b>		
Depreciation, depletion and amortization	54,755,164	47,751,674
Deferred income taxes	37,713,903	45,965,577
Shared-based compensation	672,025	398,152
<b>Changes in operating assets and liabilities</b>		
Accounts receivable	(21,836,318)	18,250,570
Inventories	554,949	(9,801,787)
Prepaid expenses and other	25,533	(509,091)
Accounts payable and accrued expenses	17,520,639	(1,283,146)
Federal income taxes	(2,767,089)	9,157,619
Other taxes	857,726	(3,434,798)
Purchased gas adjustments	22,654,296	(45,060,191)
Other assets	(640,163)	(6,028,323)
Regulatory assets(current)	(4,392,471)	(8,584,527)
Regulatory liabilities(current)	(613,669)	8,579,415
Other liabilities	6,147,886	8,112,280
<b>NET CASH (USED IN) PROVIDED FROM OPERATING</b>	<b>163,430,414</b>	<b>118,667,830</b>
<b>Investing Activities</b>		
<b>Capital expenditures</b>		
Property, plant and equipment	(166,184,585)	(174,725,313)
Proceeds from disposition of assets	(3,630,413)	414,830
<b>NET CASH (USED IN) PROVIDED FROM INVESTING</b>	<b>(169,814,998)</b>	<b>(174,310,484)</b>
<b>Financing Activities</b>		
Common stock issued	90,681,227	1,077,001
Long-term debt issued, net of issue costs	148,942,318	26,565
Long-term debt repaid	(42,000,000)	
Change in short-term debt	(148,400,000)	101,600,000
Dividends paid	(35,500,000)	(36,000,000)
Excess tax benefits from share-based compensation	0	
<b>NET CASH(USED IN) PROVIDED FROM FINANCING</b>	<b>13,723,545</b>	<b>66,703,566</b>
<b>Change in cash and cash equivalents</b>	<b>7,338,960</b>	<b>11,060,912</b>
<b>Beginning cash and cash equivalents</b>	<b>1,437,066</b>	<b>8,776,026</b>
<b>Ending cash and cash equivalents</b>	<b>8,776,026</b>	<b>19,836,938</b>



**NOTES TO FINANCIAL STATEMENTS**  
**(Utah Operations Financial Statement in Accordance with GAAP)**

Provide the notes to the financial statements and sign the certification below.

See Attached

Signature of officer

**ATTESTATION / CERTIFICATION  
OF  
RESPONSIBILITY**

I certify that I have examined the information contained in this report submitted to the Utah Division of Public Utilities, and that, to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and represent an accurate statement of the affairs of the respondent company as of the date shown below.

<b>Signature:</b>	_____		
<b>Print Name:</b>	David M. Curtis	<b>Date:</b>	April 15, 2015
<b>Title:</b>	Vice-President and Controller		
<b>Phone Number:</b>	(801)324-2403	<b>Extension:</b>	_____
<b>Fax Number:</b>	_____	<b>Email:</b>	dave.curtis@questar.com

**Please send one completed hard copy and email one copy to the following:**

**Hard copy to:**

Utah Division of Public Utilities  
Heber Wells Building, 4th Floor  
160 East 300 South  
Salt Lake City, UT 84111-6751

**Email copy to: (using State approved e-filing protocol.)**

dennismiller@utah.gov