

### **Joint Applicant Commitments<sup>1</sup>**

1. As proposed by Dominion and Questar in their filing seeking approval of the merger transaction, any acquisition premium or transaction costs shall not be allowed to be recovered in rates. For purposes of this Condition, transaction costs also include executive severance or change of control payments. Any enhancement to severance costs, including payment of consulting fees, related to the merger or subsequent integration shall also not be recovered in rates.
2. Transition costs specifically identified already in the application or in discovery that result in material quantified net cost savings may be considered for allowance in rates during future rate cases to the extent the cost are otherwise prudently incurred and just and reasonable. The Applicants agree that they will not in any future rate case in Utah argue for inclusion in rates of any of the items described in Condition 1.
3. As proposed by Dominion and Questar in their filing seeking approval of the merger transaction, following the merger, Dominion Questar Gas should be operated in the same manner as it is operated today, including keeping Dominion Questar Gas' headquarters in Salt Lake City, Utah.
4. Dominion shall comply with the following financial commitments described in Mr. Wood's testimony as part of the Joint Application:
  - a. Dominion Questar Gas will maintain a complete set of books and records, including accounting records, for Dominion Questar Gas at its corporate office in Salt Lake City, Utah.
  - b. Dominion intends that its board of directors will take all necessary action, as soon as practical after the Effective Time<sup>2</sup>, to appoint a mutually agreeable current member of the Questar Corporation Board as a director to serve on Dominion's board of directors.
  - c. Dominion will take all necessary action to cause a mutually agreeable current member of the Questar Corporation Board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream at such time as all or part of Questar Pipeline is contributed to Dominion Midstream.
  - d. For regulatory purposes, Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates and deferred income taxes based on original cost in accordance with the Uniform System of Accounts.

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<sup>1</sup> Source: Joint Application, April 28 and 29th technical sessions in Utah and Wyoming.

<sup>2</sup> Effective Time is the time the Merger is effective as defined in the Merger Agreement.

- e. Dominion will not record any portion of the cost to acquire or any goodwill associated with the transaction on Dominion Questar Gas' books and is planning to make the required accounting entries associated with the transaction on that basis.
- f. Dominion Questar Gas may defer transition costs associated with the transaction upon written notice to the Commission identifying the costs and the anticipated benefits. Recovery of deferred costs in rates shall be subject to the requirements of Condition 2.
- g. Dominion, through Dominion Questar, will provide equity, as needed, to Dominion Questar Gas with the intent to maintain Questar Gas' current capital structure.
- h. Dominion intends to maintain credit metrics that are supportive of strong investment grade credit ratings for Dominion Questar Gas.
- i. Dominion Questar Gas will not transfer its debt to Dominion without prior Commission approval.
- j. Dominion Questar Gas will not transfer material assets to, or assume liabilities of, Dominion or any other subsidiary of Dominion without prior Commission approval.
- k. Neither Dominion nor its other subsidiaries will, without prior Commission approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than (i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or (ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.
- l. Dominion Questar Gas will only lend funds to Dominion in accordance with the current practice of Questar Gas whereby it occasionally provides short-term funds to Questar Corporation as seasonal working capital needs fluctuate.
- m. Employees, officers, directors, and agents of Dominion and Dominion Questar will be available to testify before the Commission, providing information relevant to matters within the jurisdiction of the Commission upon the request of the Commission.
- n. As part of this and future regulatory proceedings, Dominion Questar Gas will provide information about Dominion or its other subsidiaries relevant to matters within the Commission's jurisdiction to the Commission upon request of the Commission.
- o. Goods and services provided to Dominion Questar Gas by Dominion or its other subsidiaries will be provided at prices either (i) subject to regulation by regulators

with jurisdiction over those subsidiaries or (ii) at the lower of cost or market. This commitment does not apply to goods or services provided to Dominion Questar Gas by Wexpro, which shall be provided pursuant to the terms of the Wexpro Stipulation and Agreement, the Wexpro II Agreement or the conditions approved in connection with inclusion of properties in the Wexpro II Agreement (“Wexpro Agreements”).

- p. Dominion will use commercially reasonable efforts (subject to changes in interest rates or other actuarial factors and the plans’ investment performance) to provide up to \$75,000,000 toward the full funding of (i) Questar Corporation’s ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, and (ii) Questar Corporation’s nonqualified defined-benefit pension and postretirement medical and life insurance (OPEB) plans on a financial accounting basis, in each case by the end of the fiscal year commencing on or after the Effective Time, subject to any maximum contribution levels or other restrictions under applicable law.
5. Dominion shall comply with the following operational-related commitments described in Ms. Leopold’s testimony as part of the Joint Application:
- a. Dominion will maintain Dominion Questar Gas’ corporate headquarters in Salt Lake City, Utah; this operating location will be referred to as Dominion’s “Western Region” operating headquarters.
  - b. Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion, with responsibility for making decisions that achieve the objectives of customer satisfaction, reliable service, customer, public and employee safety, environmental stewardship, and collaborative and productive relationships with customers, regulators, other governmental entities and interested stakeholders.
  - c. Dominion intends to maintain Dominion Questar Gas’ customer service at or better than current levels and will strive for continued improvements thereto.
  - d. The Merger will not result in any changes to Questar Gas’ existing filed rates, rules, regulations and classifications under its existing Tariff on file with the Commission, except to revise the Tariff to change the name of the operating entity or reduce rates.
  - e. Dominion Questar Gas will maintain the billing requirements as described in Tariff.
  - f. Dominion Questar Gas will continue to follow the Commission’s Integrated Resource Plan process and guidelines.

- g. Dominion Questar Gas will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points with upstream interstate and intrastate pipeline and storage facilities as well as field production facilities in compliance with Commission requirements.
- h. Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced or eliminated in the future as a result of the Merger.
- i. Dominion will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by \$1,000,000 per year for at least five years and maintain or increase historic levels of community involvement, low income funding, and economic development efforts in Dominion Questar's current operation areas.
- j. Dominion will establish a newly-formed advisory board for its Western Region operations, within *8 months* of the completion of the merger, to be composed of regional-based business and community leaders. This Board will meet several times each year to receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities and other related activities that affect Dominion's and Questar Gas' local stakeholders, with such advisory board to include the current regional-based members of Questar Corporation's Board.
- k. Questar Gas and Dominion share a common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger.
- l. Dominion is committed to the environment and will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.