Questar Corporation

Questar Corporation Retirement Plan

Actuarial Valuation Report
Disclosure for Fiscal Year Ending December 31, 2015
and Preliminary 2016 Benefit Cost under US GAAP

January 26, 2016

TOWERS WATSON

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Purposes of valuation

Questar Corporation (the Company) engaged Towers Watson Delaware Inc. ("Towers Watson") to value the Company's pension plan.

As requested by Questar Corporation, this report provides information for year-end financial reporting purposes required by FASB Accounting Standards Codification Topic 715-20-50 (ASC 715) for your fiscal year ending December 31, 2015 for the Questar Corporation Retirement Plan (the Plan).

The exhibits present year-end financial reporting information in accordance with ASC 715-20-50, including net balance sheet position of the Plan, cash flow, plan asset information, amortization amounts during the fiscal year, participant information, the provisions on which the valuation is based, and the actuarial assumptions and methods used in the calculations. Additional input is required (as described below) by the Company in relation to the asset disclosures specified in ASC 715-20-50-1(d) (public entities) or ASC 715-20-50-5(c) (nonpublic entities).

In addition, this report presents the Net Periodic Benefit Cost/(Income), in accordance with ASC 715, for the fiscal year beginning January 1, 2016. Both year-end financial reporting and benefit cost results are based on a valuation of the Plan as of December 31, 2015.

Limitations

This valuation has been conducted for the purposes described above and may not be suitable for any other purpose. In particular, please note the following:

1. As discussed above, certain year-end financial reporting information in accordance with ASC 715-20-50 is not included in this report and must be provided by the Company, as follows:

   - Categorization of assets, actual asset allocation at December 31, 2015 and December 31, 2014, and the target asset allocation for 2016.

   - A description of the Company's investment policy for the assets held by the pension plan.

   - A description of the basis used to determine the expected long-term rate of return on plan assets.

   - The Company's expected contributions to the plan in 2016.

2. Questar Corporation has indicated total 2016 contributions of $18,100,000.

   Note that any significant change in the amounts contributed or expected to be contributed in 2016 will require disclosure in the interim financial statements.

3. There may be certain events that have occurred since the valuation date that are not reflected in the current valuation. See Subsequent Events in the Basis for Valuation section below for more information.

4. This report is not intended to constitute a certification of the Adjusted Funding Target Attainment Percentage (AFTAP) under IRC §436 for any plan year.

5. This report does not determine funding requirements under IRC §430.

6. This report does not provide information for plan reporting under ASC 960.

7. This report does not determine liabilities on a plan termination basis, for which a separate extensive analysis would be required. No funded status measure included in this report is intended to assess, and none may be appropriate for assessing, the sufficiency of plan assets to cover the estimated cost of settling benefit obligations, as all such measures differ in some way from plan termination obligations. In addition, funded status measures shown in this report do not reflect the current costs of settling obligations by offering immediate lump sum payments to participants and/or purchasing annuity contracts for the remaining participants (e.g., insurer profit, insurer pricing of contingent benefits and/or provision for anti-selection in the choice of a lump sum vs. an annuity).

8. The comparisons of accounting obligations to assets presented in this report cannot be relied upon to determine the need for nor the amount of required future plan contributions. Nevertheless, such comparisons may be useful to assess the need for future contributions because they reflect current interest rates at the measurement date in determining benefit obligations. However, asset gains and losses, demographic experience different from assumed, changes in interest rates, future benefit accruals, if any, and other factors will all affect the need for and amount of future contributions. In addition, if a plan is not required by law to be funded, benefit payments may also be paid directly as they come due.

Section 1: Summary of key results

Benefit cost, assets & obligations

All monetary amounts shown in US Dollars

Fiscal Year Beginning		01/01/2015	01/01/2014
Benefit Cost/ (Income)	Net Periodic Benefit Cost/(Income)	16,886,913	13,587,518
	Immediate Recognition of Benefit Cost/(Income) due to Special Events	16,682,789	0
	Total Benefit Cost/(Income)	33,569,702	13,587,518
Measurement Date		**12/31/2015**	**12/31/2014**
Plan Assets	Fair Value of Assets (FVA)	673,207,129	690,221,969
	Market Related Value of Assets (MRVA)	708,826,076	664,376,761
	Return on Fair Value Assets during Prior Year	(2.138%)	6.287%
Benefit Obligations	Accumulated Benefit Obligation (ABO)	(619,610,549)	(682,916,780)
	Projected Benefit Obligation (PBO)	(728,434,472)	(803,085,532)
Funded Ratios	Fair Value of Assets to ABO	108.7%	101.1%
	Fair Value of Assets to PBO	92.4%	85.9%
Accumulated Other Comprehensive (Income)/Loss	Net Prior Service Cost/(Credit)	10,609	142,841
	Net Loss/(Gain)	234,772,957	256,846,647
	Total Accumulated Other Comprehensive (Income)/Loss	234,783,566	256,989,488
Assumptions	Discount Rate	4.500%	4.100%
	Expected Long-term Rate of Return on Plan Assets	7.000%	7.000%
	Rate of Compensation Increase	5.500%	5.500%
Participant Data	Census Date	01/01/2015	01/01/2014

Comments on results

The actuarial gain/(loss) due to demographic experience, including any assumption changes, and investment return different from assumed during the prior year was $48,904,655 and $(62,798,880) respectively.

Change in net periodic cost and funded position

The net periodic cost decreased from $16,886,913 in fiscal 2015 to an estimated $8,156,298 in fiscal 2016 and the funded position improved from $(112,863,563) to $(55,227,343).

Significant reasons for these changes include the following:

- The return on the fair value of plan assets since the prior measurement date was less than expected, which caused the funded position to deteriorate.
- Contributions to the plan during the prior year reduced the net periodic cost and improved the funded position.
- The discount rate increased 40 basis points compared to the prior year which improved the funded position.
- The mortality tables were updated, and the net result of this change was an improvement to the funded position and a decrease to the net periodic benefit cost.

Basis for valuation

Appendix A summarizes the assumptions and methods used in the valuation. Appendix B summarizes our understanding of the principal provisions of the plan being valued. The most recent plan change reflected in this valuation was effective on January 1, 2015. Unless otherwise described below under Subsequent Events, assumptions were selected based on information known as of the measurement date.

Changes in assumptions

Rates of mortality were changed from separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, using Scale MP-2014 with generational projection) and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, using Scale MP-2014 with generational projection) to separate rates for non-annuitants (based on RP-2015 “Employees” table without collar or amount adjustments, using Scale MP-2015 with generational projection) and annuitants (based on RP-2015 “Healthy Annuitants” table without collar or amount adjustments, using Scale MP-2015 with generational projection) because recent experience evidenced by the Society of Actuaries’ study that produced the MP-2015 projection scale indicates that longevity has not been as aggressive as MP-2014 suggested.

The discount rate was changed from 4.10% to 4.50%.

Changes in methods

None.

Changes in benefits valued

None.

Subsequent events

None.

Additional information

Settlement accounting was triggered during 2015, resulting in remeasurements on October 1, 2015 and December 31, 2015. Discount rates of 4.40% and 4.50% were used for these measurements, respectively. Details regarding the settlement at October 1, 2015 are outlined in the 2015 Expense Report Reflecting Settlement at October 1, 2015 provided on November 6, 2015. The settlement resulted in an immediate recognition of a total of $16,682,789 or 6.21% of the unrecognized gain/loss existing at the measurement dates based on $48,367,626 in lump sum payments during 2015.

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Actuarial certification

This valuation has been conducted in accordance with generally accepted actuarial principles and practices. However, please note the information discussed below regarding this valuation.

Reliances

In preparing the results presented in this report, we have relied upon information regarding plan provisions, participants, assets, and sponsor accounting policies and methods provided by the Company and other persons or organizations designated by the Company. We have relied on all the data and information provided as complete and accurate. We have reviewed this information for overall reasonableness and consistency, but have neither audited nor independently verified this information. Based on discussions with and concurrence by the plan sponsor, assumptions or estimates may have been made if data were not available. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations. The results presented in this report are directly dependent upon the accuracy and completeness of the underlying data and information. Any material inaccuracy in the data, assets, plan provisions or other information provided to us may have produced results that are not suitable for the purposes of this report and such inaccuracies, as corrected by the Company, may produce materially different results that could require that a revised report be issued.

Measurement of benefit obligations, plan assets and balance sheet adjustments

Census date/measurement date

The measurement date is December 31, 2015. A measurement date of October 1, 2015 was used for the purpose of measuring the settlement impact due to lump sum payments. The benefit obligations were measured as of the Company's December 31, 2015 fiscal year end and are based on participant data as of the census date, January 1, 2015. We have projected forward benefit obligations to the end of the year, adjusting for benefit payments, the terminated vested lump sum offering in June 2015, expected growth in benefit obligations, changes in key assumptions and plan provisions, and any significant changes in plan demographics that occurred during the year. We are not aware of any other significant changes in the plan demographics during the year, other than the terminated vested lump sum offering in June 2015.

This is the same data that was used for the calculation of the preliminary Net Periodic Benefit Cost/(Income) for the fiscal year ending December 31, 2016.

Plan assets and balance sheet adjustments

Information about the fair value of plan assets was furnished to us by the Company. The Company also provided information about the general ledger account balances for the pension plan cost at December 31, 2015, which reflect the expected funded status of the plans before adjustment to reflect the funded status based on the year-end measurements. Towers Watson used information supplied by the Company regarding amounts recognized in accumulated other comprehensive income as of

December 31, 2015. This data was reviewed for reasonableness and consistency, but no audit was performed.

Accumulated other comprehensive (income)/loss amounts shown in the report are shown prior to adjustment for tax effects. Any tax effects in AOCI should be determined in consultation with the Company's tax advisors and auditors.

Assumptions and methods under U.S. GAAP

As required by U.S. GAAP, the actuarial assumptions and methods employed in the development of the pension cost and other financial reporting have been selected by the Company. Towers Watson has concurred with these assumptions and methods, except for the expected rate of return on plan assets selected as of January 1, 2016. Evaluation of the expected return assumption was outside the scope of Towers Watson's assignment and would have required substantial additional work that we were not engaged to perform. U.S. GAAP requires that each significant assumption "individually represent the best estimate of a particular future event."

The results shown in this report have been developed based on actuarial assumptions that, to the extent evaluated by Towers Watson, we consider to be reasonable. Other actuarial assumptions could also be considered to be reasonable. Thus, reasonable results differing from those presented in this report could have been developed by selecting different reasonable assumptions.

A summary of the assumptions and methods used is provided in Appendix A. Note that any subsequent changes in methods or assumptions for the December 31, 2015 measurement date will change the results shown in this report.

Nature of actuarial calculations

The results shown in this report are estimates based on data that may be imperfect and on assumptions about future events that cannot be predicted with any certainty. The effects of certain plan provisions may be approximated, or determined to be insignificant and therefore not valued. Reasonable efforts were made in preparing this valuation to confirm that items that are significant in the context of the actuarial liabilities or costs are treated appropriately, and are not excluded or included inappropriately. Any rounding (or lack thereof) used for displaying numbers in this report is not intended to imply a degree of precision, which is not a characteristic of actuarial calculations.

If overall future plan experience produces higher benefit payments or lower investment returns than assumed, the relative level of plan costs reported in this valuation will likely increase in future valuations (and vice versa). Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period), and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements.

See Basis for Valuation in Section 1 above for a discussion of any material events that have occurred after the valuation date that are not reflected in this valuation.

Limitations on use

This report is provided subject to the terms set out herein and in our engagement letter dated November 12, 2013 and any accompanying or referenced terms and conditions.

The information contained in this report was prepared for the internal use of the Company and its auditors in connection with our actuarial valuation of the pension plan as described in Purposes of Valuation above. It is not intended for and may not be used for other purposes, and we accept no responsibility or liability in this regard. The Company may distribute this actuarial valuation report to the appropriate authorities who have the legal right to require the Company to provide them this report, in which case the Company will use best efforts to notify Towers Watson in advance of this distribution. Further distribution to, or use by, other parties of all or part of this report is expressly prohibited without Towers Watson's prior written consent. Towers Watson accepts no responsibility for any consequences arising from any other party relying on this report or any advice relating to its contents.

Professional qualifications

The undersigned consulting actuaries are members of the Society of Actuaries and meet the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" relating to pension plans. Our objectivity is not impaired by any relationship between the plan sponsor and our employer, Towers Watson Delaware Inc.

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http://natct.internal.towerswatson.com/clients/608860/2015FundingValuation/Documents/Questar Retirement Plan 2015 Year-End Disclosure Report.docx

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Section 2: Accounting exhibits

2.1 Disclosed benefit cost

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2015	12/31/2014
A	**Disclosed Benefit Cost**			
	1	Employer service cost	13,426,530	11,406,166
	2	Interest cost	31,793,360	32,399,186
	3	Expected return on assets	(47,750,335)	(43,578,733)
	4	Subtotal	(2,530,445)	226,619
	5	Net prior service cost/(credit) amortization	132,232	588,586
	6	Net loss/(gain) amortization	19,285,126	12,772,313
	7	Subtotal	19,417,358	13,360,899
	8	Net periodic benefit cost/(income)	16,886,913	13,587,518
	9	Curtailments	0	0
	10	Settlements	16,682,789	0
	11	Special/contractual termination benefits	0	0
	12	Disclosed benefit cost	33,569,702	13,587,518
B	**Assumptions Used to Determine Benefit Cost**[1]			
	1	Discount rate	4.100%	4.900%
	2	Long-term rate of return on assets	7.000%	7.250%
	3	Rate of compensation increase	5.500%	5.500%

[1] These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. See Appendix A for interim measurements, if any.

2.2 Balance sheet asset/(liability)

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2015	12/31/2014
A	**Development of Balance Sheet Asset/(Liability)**		
1	Projected benefit obligation (PBO)	(728,434,472)	(803,085,532)
2	Fair value of assets (FVA) [1]	673,207,129	690,221,969
3	Net balance sheet asset/(liability)	(55,227,343)	(112,863,563)
B	**Current and Noncurrent Allocation**		
1	Noncurrent asset	0	0
2	Current liability	0	0
3	Noncurrent liability	(55,227,343)	(112,863,563)
4	Net balance sheet asset/(liability)	(55,227,343)	(112,863,563)
C	**Reconciliation of Net Balance Sheet Asset/(Liability)**		
1	Net balance sheet asset/(liability) at end of prior fiscal year	(112,863,563)	(46,949,676)
2	Employer service cost	(13,426,530)	(11,406,166)
3	Interest cost	(31,793,360)	(32,399,186)
4	Expected return on assets	47,750,335	43,578,733
5	Plan amendments	0	0
6	Actuarial gain/(loss)	(13,894,225)	(108,687,268)
7	Employer contributions	69,000,000	43,000,000
8	Benefits paid directly by the Company	0	0
9	Transfer payments	0	0
10	Acquisitions/divestitures	0	0
11	Curtailments	0	0
12	Settlements (if settled using corporate cash)	0	0
13	Special/contractual termination benefits	0	0
14	Net balance sheet asset /(liability) at end of current fiscal year	(55,227,343)	(112,863,563)
D	**Assumptions and Dates Used at Disclosure**		
1	Discount rate	4.500%	4.100%
2	Rate of compensation increase	5.500%	5.500%
3	Census date	01/01/2015	01/01/2014

[1] Excludes receivable contributions.

2.3 Accumulated other comprehensive (income)/loss

All monetary amounts shown in US Dollars

Fiscal Year Ending			12/31/2015	12/31/2014
A	**Accumulated Other Comprehensive (Income)/Loss**			
	1	Net prior service cost/(credit)	10,609	142,841
	2	Net loss/(gain)	234,772,957	256,846,647
	3	Accumulated other comprehensive (income)/loss[1]	234,783,566	256,989,488
B	**Development of Accumulated Other Comprehensive (Income)/Loss (AOCI)**			
	1	AOCI at prior fiscal year end	256,989,488	161,663,119
	2	Amounts amortized during the year		
		a Net prior service (cost)/credit	(132,232)	(588,586)
		b Net (loss)/gain	(35,967,915)	(12,772,313)
	3	Occurring during the year		
		a Net prior service cost/(credit)	0	0
		b Net loss/(gain)	13,894,225	108,687,268
	4	AOCI at current fiscal year end	234,783,566	256,989,488

[1] Amount shown is pre-tax and should be adjusted by plan sponsor for tax effects.

2.4 Additional disclosure information

All monetary amounts shown in US Dollars

A	**Accumulated Benefit Obligation (ABO)**		
	1	ABO at current fiscal year end	(619,610,549)
	2	ABO at prior fiscal year end	(682,916,780)
B	**Expected Future Benefit Payments**		
	1	During fiscal year ending 12/31/2016	44,827,566
	2	During fiscal year ending 12/31/2017	45,910,842
	3	During fiscal year ending 12/31/2018	50,239,466
	4	During fiscal year ending 12/31/2019	51,968,179
	5	During fiscal year ending 12/31/2020	52,005,603
	6	During fiscal years ending 12/31/2021 through 12/31/2025	258,687,354
C	**Expected Contributions during fiscal year ending December 31, 2016**		
	1	Employer	18,100,000
	2	Plan participants	0
D	**Expected Amortization Amounts during fiscal year ending December 31, 2016[1]**		
	1	Amortization of net prior service cost/(credit)	10,609
	2	Amortization of net loss/(gain)	13,147,367
	3	Total	13,157,976

[1] These amounts have been determined assuming there are no special events, plan amendments, assumption changes, or actuarial losses/(gains) during the upcoming fiscal year.

2.5 Changes in disclosed liabilities and assets

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2015	12/31/2014
A	**Change in Projected Benefit Obligation (PBO)**		
1	PBO at prior fiscal year end	803,085,532	675,165,787
2	Employer service cost	13,426,530	11,406,166
3	Interest cost	31,793,360	32,399,186
4	Actuarial loss/(gain)	(48,904,655)	105,449,580
5	Plan participants' contributions	0	0
6	Benefits paid from plan assets	(22,598,669)	(21,335,187)
7	Benefits paid from the Company	0	0
8	Transfers from (to) other plans	0	0
9	Administrative expenses paid	0	0
10	Plan change	0	0
11	Acquisitions/(divestitures)	0	0
12	Curtailments	0	0
13	Settlements	(48,367,626)	0
14	Special/contractual termination benefits	0	0
15	PBO at current fiscal year end	728,434,472	803,085,532
B	**Change in Plan Assets**		
1	Fair value of assets at prior fiscal year end	690,221,969	628,216,111
2	Actual return on assets	(15,048,545)	40,341,045
3	Employer contributions	69,000,000	43,000,000
4	Plan participants' contributions	0	0
5	Benefits paid	(22,598,669)	(21,335,187)
6	Transfer payments	0	0
7	Administrative expenses paid	0	0
8	Acquisitions/(divestitures)	0	0
9	Settlements	(48,367,626)	0
10	Fair value of assets at current fiscal year end	673,207,129	690,221,969

2.6 Reconciliation of net balances

All monetary amounts shown in US Dollars

A Reconciliation of Net Prior Service Cost/(Credit)

	Net Amount at 12/31/2014	Amortization Amount in 2015	Effect of Curtailments	Other Events	Net Amount at 12/31/2015	Remaining Amortization Period	Amortization Amount in 2016
	121,623	121,623	0	0	0	0.00000	0
	21,218	10,609	0	0	10,609	1.00000	10,609
Total	142,841	132,232	0	0	10,609		0

All monetary amounts shown in US Dollars

B Reconciliation of Net Loss/(Gain)[1]

	Net Amount at 12/31/2014	Amortization Amount in 2015	Experience Loss/(Gain)	Effect of Curtailments	Effect of Settlements	Net Amount at 12/31/2015	Amortization Amount in 2016
	256,846,647	(19,285,126)	13,894,225	0	(16,682,789)	234,772,957	(13,147,367)

[1] See Appendix A for description of amortization method.

2.7 Reconciliation with prior year's disclosure

All monetary amounts shown in US Dollars

		Projected Benefit Obligation (i)	Fair Value of Assets (ii)	Net Balance Sheet Asset / (Liability) (i+ii) (iii)	Net Prior Service Cost / (Credit) (iv)	Net Loss / (Gain) (v)	Accumulated Other Comprehensive (Income)/Loss (iv+v) (vi)
1	At December 31, 2014	(803,085,532)	690,221,969	(112,863,563)	142,841	256,846,647	256,989,488
2	Employer service cost	(13,426,530)		(13,426,530)			
3	Interest cost	(31,793,360)		(31,793,360)			
4	Expected asset return		47,750,335	47,750,335			
5	Amortizations				(132,232)	(19,285,126)	(19,417,358)
6	Experience loss/gain	48,904,655	(62,798,880)	(13,894,225)		13,894,225	13,894,225
7	Employer contributions		69,000,000	69,000,000			
8	Plan participants' contributions	0	0	0			
9	Benefits paid	22,598,669	(22,598,669)	0			
10	Administrative expenses paid	0	0	0			
11	Plan changes	0		0	0		0
12	Acquisitions/divestitures	0	0	0			
13	Curtailments	0		0	0	0	0
14	Settlements	43,367,626	(48,367,626)	0		(16,682,789)	(16,682,789)
15	Special/contractual termination benefits	0		0			
16	Transfer payments	0	0	0			
17	At December 31, 2015	(728,434,472)	673,207,129	(55,227,343)	10,609	234,772,957	234,783,566

2.8 Development of assets for benefit cost

All monetary amounts shown in US Dollars

			Fair Value	Market-Related Value
A		**Reconciliation of Assets**		
	1	Plan assets at 12/31/2014	690,221,969	664,376,761
	2	Investment return	(15,048,545)	46,415,610
	3	Employer contributions	69,000,000	69,000,000
	4	Plan participants' contributions	0	0
	5	Benefits paid	(22,598,669)	(22,598,669)
	6	Administrative expenses paid	0	0
	7	Acquisitions/(divestitures)	0	0
	8	Settlements	(48,367,626)	(48,367,626)
	9	Plan assets at 12/31/2015	673,207,129	708,826,076
B		**Rate of Return on Invested Assets**		
	1	Weighted invested assets	703,822,071	
	2	Rate of return	(2.138%)	
C		**Investment Loss/(Gain)**		
	1	Actual return	(15,048,545)	
	2	Expected return	47,750,335	
	3	Loss/(Gain)	62,798,880	
D		**Market-Related Value of Assets**		
	1	Fair value of assets at 12/31/2015	673,207,129	
	2	Deferred investment (gains) and losses for last 5 years		

	Measurement Year Ending (i)	Original (Gain)/Loss Base (ii)	(Gain)/Loss Base Adjusted for Settlement (iii)	Percent Recognized (iv)	Percent Deferred (v)	Deferred Amount (vi) = (iii) × (v)
a	12/31/2015	62,798,880	58,690,089	25.000%	75.000%	44,017,567
b	12/31/2014	3,237,688	3,037,048	50.000%	50.000%	1,518,524
c	12/31/2013	(42,289,247)	(39,668,576)	75.000%	25.000%	(9,917,144)
d	12/31/2012	(28,515,401)	(26,748,297)	100.000%	0.000%	0
f	Total					35,618,947

3	Market-related value of assets	708,826,076

2.9 Preliminary summary and comparison of benefit cost and cash flows

All monetary amounts shown in US Dollars

Fiscal Year Ending		12/31/2016	12/31/2015
A	**Total Benefit Cost**		
1	Employer service cost	11,909,752	13,426,530
2	Interest cost	31,770,931	31,793,360
3	Expected return on assets	(48,682,361)	(47,750,335)
4	Subtotal	(5,001,678)	(2,530,445)
5	Net prior service cost/(credit) amortization	10,609	132,232
6	Net loss/(gain) amortization	13,147,367	19,285,126
7	Subtotal	13,157,976	19,417,358
8	Net periodic benefit cost/(income)	8,156,298	16,886,913
9	Curtailments	0	0
10	Settlements	0	16,682,789
11	Special/contractual termination benefits	0	0
12	Total benefit cost	8,156,298	33,569,702
B	**Assumptions**[1]		
1	Discount rate	4.500%	4.100%
2	Rate of return on assets	7.000%	7.000%
3	Rate of compensation increase	5.500%	5.500%
4	Census date	01/01/2015	01/01/2015
C	**Assets at Beginning of Year**		
1	Fair market value	673,207,129	690,221,969
2	Market-related value	708,826,076	664,376,761
D	**Cash Flow**	**Expected**	**Actual**
1	Employer contributions	18,100,000	69,000,000
2	Plan participants' contributions[2]	0	0
3	Benefits paid from the Company	0	0
4	Benefits paid from plan assets[2]	44,827,566	70,966,295

[1] These assumptions were used to calculate Net Periodic Benefit Cost/(Income) as of the beginning of the year. Rates are expressed on an annual basis where applicable. For assumptions used for interim measurement periods, if any, refer to Appendix A.

[2] Over the fiscal year.

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Section 3: Data exhibits

3.1 Plan participant data

All monetary amounts shown in US Dollars

Census Date		01/01/2015	01/01/2014
A	**Participating Employees**		
	1 Number	1,234	1,287
	2 Expected plan compensation for year beginning on the valuation date	116,766,408	116,524,149
	3 Average expected plan compensation	94,624	90,539
	4 Average age	49.81	49.09
	5 Average credited service	22.65	21.82
B	**Participants with Deferred Benefits**		
	1 Number	621	654
	2 Total annual pension[1]	4,751,551	4,563,974
	3 Average annual pension[1]	7,651	6,979
	4 Average age	53.47	53.02
	5 Distribution at January 1, 2015		

Age	Number	Annual Pension
Under 40	49	224,913
40-44	38	216,136
45-49	65	418,097
50-54	146	1,197,342
55-59	224	1,918,067
60-64	98	771,980
65 and over	1	5,016

		01/01/2015	01/01/2014
C	**Participants Receiving Benefits[2]**		
	1 Number	1,235	1,223
	2 Total annual pension	21,535,726	20,754,946
	3 Average annual pension	17,437	16,971
	4 Average age	72.24	72.50
	5 Distribution at January 1, 2015		

Age	Number	Annual Pension
Under 55	8	40,408
55-59	125	3,279,661
60-64	263	6,545,531
65-69	212	3,674,746
70-74	144	1,966,824
75-79	136	1,924,989
80-84	158	2,017,490
85 and over	189	2,086,077

[1] Does not include $113,513 in Supplemental Retirement Benefits.
[2] Does not include six participants that elected lump sums commencing January 1, 2015 totaling $3,578,050.

3.2 Age and service distribution of participating employees

All monetary amounts shown in US Dollars

Attained Age	Attained Years of Credited Service and Number and Average Compensation[1]													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	0	1	0	0	0	0	0	0	0	1
	0	0	0	0	0	41,680	0	0	0	0	0	0	0	41,680
25-29	0	0	0	0	8	46	2	0	0	0	0	0	0	56
	0	0	0	0	55,041	65,394	73,133	0	0	0	0	0	0	64,191
30-34	0	0	0	0	5	71	16	0	0	0	0	0	0	92
	0	0	0	0	70,542	74,591	69,207	0	0	0	0	0	0	73,435
35-39	0	0	0	1	1	42	38	21	1	0	0	0	0	104
	0	0	0	108,373	57,067	76,899	78,412	84,006	108,010	0	0	0	0	79,298
40-44	0	0	0	0	2	19	18	29	20	1	0	0	0	89
	0	0	0	0	100,591	87,166	95,308	82,299	103,153	119,263	0	0	0	91,482
45-49	0	0	0	0	1	16	21	30	43	28	4	0	0	143
	0	0	0	0	44,610	66,242	90,409	95,484	87,206	114,474	99,425	0	0	92,450
50-54	0	0	0	0	1	12	10	27	38	72	104	24	0	288
	0	0	0	0	70,258	70,241	78,617	85,978	90,458	97,549	105,132	99,233	0	96,517
55-59	0	0	0	0	0	10	15	18	28	39	104	94	9	317
	0	0	0	0	0	76,200	86,803	78,759	99,900	107,700	118,433	106,141	122,810	106,873
60-64	0	0	0	0	1	6	8	9	9	15	39	24	18	129
	0	0	0	0	72,265	73,023	90,074	90,320	84,238	119,558	114,265	124,792	106,133	108,195
65-69	0	0	0	0	0	2	3	4	1	0	0	2	1	13
	0	0	0	0	0	48,253	72,702	79,816	77,170	0	0	98,082	63,310	74,655
70 & over	0	0	0	0	0	0	1	0	0	0	0	1	0	2
	0	0	0	0	0	0	37,186	0	0	0	0	124,099	0	80,643
Total	0	0	0	1	19	225	132	138	140	155	251	145	28	1,234
	0	0	0	108,373	65,180	73,027	82,663	86,134	92,792	105,431	111,971	108,098	109,964	94,624

Average:	Age	50	Number of Participants:	Fully vested	1,214	Males	936
	Service	23		Partially vested	0	Females	298

Census data as of January 1, 2015

[1] Age and service for purposes of determining category are based on exact (not rounded) values.

Appendix A – Statement of actuarial assumptions and methods

Plan Sponsor

Questar Corporation

Statement of Assumptions

The assumptions disclosed in this Appendix are for the fiscal year ending December 31, 2015 financial reporting, and the fiscal year 2016 benefit cost.

Assumptions and methods for pension cost purposes

Actuarial Assumptions and Methods — Pension Cost

Economic Assumptions

Discount rate

- December 31, 2014 — 4.10%
- October 1, 2015 — 4.40%
- December 31, 2015 — 4.50%

Expected rate of return on assets — 7.00%

The return on assets shown above is net of investment expenses and administrative expenses assumed to be paid from the trust.

Annual rates of increase

- Prices — 3.00%
- Compensation:
  - Representative rates

Age	Percentage
25	10.00%
30	8.50%
35	7.00%
40	5.70%
45	5.20%
50	4.70%
55	4.20%
60	3.70%
65	0.00%

- Weighted average 5.50%
- Employees are assumed to receive a bonus of 120% of their target in the valuation year and later.

- Social Security wage base 4.00%
- Statutory limits on compensation and benefits 3.00%

Lump sum conversion rate 4.50%

Demographic and Other Assumptions

Inclusion date
The valuation date coincident with or next following the date on which the employee becomes a participant.

New or rehired employees
It was assumed there will be no new or rehired employees.

Benefit commencement dates

- Preretirement death benefit: The later of the death of the active participant and the date the participant would have attained age 55.
- Deferred vested benefit: The later of age 65 or termination of employment.
- Retirement benefit: Upon termination of employment.

Form of payment

Payment Form	Married Participants	Single Participants
Lump Sum	60.00%	60.00%
50% J&S	40.00%	0.00%
SLA	0.00%	40.00%

Percent married
80% of males; 60% of females.

Spouse age
Wife 3 years younger than husband.

Demographic Assumptions

Mortality:

- Healthy mortality rates: Separate rates for non-annuitants (based on RP-2015 “Employees” table without collar or amount adjustments, using Scale MP-2015 with generational projection) and annuitants (based on RP-2015 “Healthy Annuitants” table without collar or amount adjustments, using Scale MP-2015 with generational projection).
- Disabled life mortality rates: None.

Disability rates
None.

Termination (not due to disability or retirement) rates

Rates varying by age.

Percentage leaving during the year	
Attained Age	Rate
20	15.00%
25	11.25%
30	8.25%
35	5.75%
40	3.25%
45	2.35%
50	1.85%
55	1.20%
60	0.00%

Retirement

Rates varying by age. The average retirement age is 62.

Percentage retiring during the year	
Attained Age	**Rate**
55	15%
56	7%
57	7%
58	7%
59	10%
60	10%
61	10%
62	20%
63	20%
64	20%
65	100%

Additional Assumptions

Cash flow

- Timing of benefit payments: Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on the date of decrement.
- Amount and timing of contributions: Contributions are assumed to be made throughout the year and, on average, at mid-year.

Funding policy

The funding policy of the Plan is to review the Plan's minimum funding requirement no less frequently than annually. Questar Corporation will contribute to the Plan each year an amount equal to at least that necessary to achieve the minimum funding level mandated by law. We understand the sponsor may deviate from this policy based on cash, tax or other considerations.

Methods – Pension Cost and Funded Position

Census date

January 1, 2015

Measurement date

October 1, 2015 and December 31, 2015

The benefit obligations are based on census data collected as of January 1, 2015. We have projected forward the benefit obligations to October 1, 2015 and December 31, 2015, adjusting for benefit payments, the terminated vested lump sum offering in June 2015, expected growth in the benefit obligations, changes in key assumptions, and plan provisions, and any significant changes in the plan population. We are not aware of any other significant changes in the plan demographics since the census date, other than the terminated vested lump sum offering in June 2015.

Service cost and projected benefit obligation

The Projected Unit Credit Cost Method is used to determine the present value of the Projected Benefit Obligation and the related current service cost. Under this method, a "projected accrued benefit" is calculated based upon service as of the measurement date and projected future compensation and social security levels at the age at which the employee is assumed to leave active service. In normal circumstances the "projected accrued benefit" is based upon the Plan's accrual formula. However, if service in later years leads to a materially higher level of benefit than in earlier years, the "projected accrued benefit" is calculated by attributing benefits on a straight-line basis over the relevant period.

The benefits described above are used to determine both ABO and PBO, except that final average pay is assumed to remain constant in the future when calculating ABO.

Market-related value of assets

The market-related value of assets is determined by adjusting the market value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last 4 years at the rate of 25% per year. Expected investment return is a component of Net Periodic Benefit Cost/(Income).

Amortization of unamortized amounts:

- Recognition of past service cost/(credit)

Amortization of net prior service cost/(credit) resulting from a plan change is included as a component of Net Periodic Benefit Cost/(Income) in the year first recognized and every year thereafter until such time as it is fully amortized. The annual amortization payment is determined in the first year as the increase in Projected Benefit Obligation due to the plan change divided by the average remaining service period of participating employees expected to receive benefits under the plan.

However, when the plan change reduces the Projected Benefit Obligation, existing positive prior service costs are reduced or eliminated starting with the earliest established before a new prior service credit base is established.

- Recognition of gains or losses

Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of Net Periodic Benefit Cost/(Income) for a year.

If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan.

Under this methodology, the gain/loss amounts recognized in AOCI are not expected to be fully recognized in benefit cost until the plan is terminated (or an earlier event, like a settlement, triggers recognition) because the average expected remaining service of active participants expected to benefit under the plan over which the amounts are amortized is redetermined each year and amounts that fall within the corridor described above are not amortized.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Questar Corporation and, based on that review, is not aware of any other significant benefits required to be valued that were not.

Data Sources

Questar Corporation furnished participant data and claims data as of January 1, 2015. Data were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available, and the data was adjusted to reflect any significant events that occurred between the date the data was collected and the measurement date. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate

As required by U.S. GAAP, the discount rate was chosen by the plan sponsor based on market information on the measurement date. Cash flows were matched to the Towers Watson Rate:Link 40:90 yield curve as of December 31, 2015.

Expected return on plan assets

We understand that the expected return on assets assumption reflects the plan sponsor's estimate of future experience for trust asset returns, reflecting the plan's current asset allocation and any expected changes during the current plan year, current market conditions and the plan sponsor's expectations for future market conditions.

Lump sum conversion rate	Lump sum benefits are valued assuming that the current lump sum conversion rate remains unchanged in the future, and the 2016 Pension Protection Act (PPA) optional combined mortality table projected to the year of commencement.
Rates of increase in compensation, National Average Wages (NAW) and Consumer Price Index (CPI)	Assumed increases were chosen by the plan sponsor and, as required by U.S. GAAP they represent an estimate of future experience.

Assumptions Rationale - Significant Demographic Assumptions

Healthy Mortality	Assumptions were selected by the plan sponsor and, as required by U.S. GAAP, represents a best estimate of future experience, and reflects the most recent recommendations made by the Society of Actuaries.
Termination	Termination rates were based on an experience study conducted in 2011. Annual consideration is given as to whether any conditions have changed that would be expected to produce different results in the future, or if experience differs significantly from expected.
Retirement	Retirement rates were based on an experience study conducted in 2011. Annual consideration is given as to whether any conditions have changed that would be expected to produce different results in the future, or if experience differs significantly from expected.
Benefit commencement date for deferred benefits:	
Preretirement death benefit	Surviving spouses are assumed to begin benefits at the earliest permitted commencement date because ERISA requires benefits to start then unless the spouse elects to defer. If the spouse elects to defer, actuarial increases from the earliest commencement date must be given, so that a later commencement date is expected to be of approximately equal value, and experience indicates that most spouses do take the benefit as soon as it is available.
Deferred vested benefit	Deferred vested participants are assumed to begin benefits at age 65 (or current age if later) because the plan's experience is not considered to be credible, but deferred vested early commencement factors are not subsidized so that the difference between this approach and using assumed commencement rates at earlier ages is not expected to be significant.
Form of payment	60% of active participants are assumed to take lump sums based on observed experience from Towers Watson. Because the 75% and 100% joint and survivor annuities are not subsidized, married participants that do not elect a lump sum are assumed to take 50% joint and survivor annuities. Single retiring participants that do not elect a lump sum are assumed to take single life annuities. The percentage of retiring participants assumed to take lump

sums is based on observed experience from Towers Watson. Annual consideration will be given if experience differs significantly from expected.

Marital Assumptions:

Percent married	The assumed percentage married is based on an experience study conducted in 2011.
Spouse age	The assumed age difference for spouses is based on general population statistics of the age difference for married individuals of retirement age.

Source of Prescribed Methods

Accounting methods	The methods used for accounting purposes as described in Appendix A, including the method of determining the market-related value of plan assets, are “prescribed methods set by another party”, as defined in the actuarial standards of practice (ASOPs). As required by U.S. GAAP, these methods were selected by the plan sponsor.

Changes in Assumptions and Methods

Change in assumptions since prior valuation	Rates of mortality were changed from separate rates for non-annuitants (based on RP-2014 “Employees” table without collar or amount adjustments, using Scale MP-2014 with generational projection) and annuitants (based on RP-2014 “Healthy Annuitants” table without collar or amount adjustments, using Scale MP-2014 with generational projection) to separate rates for non-annuitants (based on RP-2015 “Employees” table without collar or amount adjustments, using Scale MP-2015 with generational projection) and annuitants (based on RP-2015 “Healthy Annuitants” table without collar or amount adjustments, using Scale MP-2015 with generational projection) because recent experience evidenced by the Society of Actuaries’ study that produced the MP-2015 projection scale indicates that longevity has not been as aggressive as MP-2014 suggested. The discount rate was changed from 4.10% to 4.50%.
Change in methods since prior valuation	There have been no changes in methods since the prior valuation.

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Appendix B - Summary of principal pension plan provisions

Plan Provisions

The plan was originally effective January 1, 1936. The most recent amendment reflected in the following plan provisions was effective January 1, 2015.

Covered employees

Any individual who is employed by Questar Corporation or an Affiliated and Participating Company except:

- Employees hired or rehired on or after July 1, 2010;
- Leased or Temporary Employees or employees covered by a collective bargaining agreement; and
- Any individual who was employed by Questar or an Affiliated Company and who is receiving payments for disability under the Questar Corporation Long-term Disability Plan or any similar plan of an Affiliated Company.

Participation date

First day following completion of one year of service on which the individual is not covered by a collective bargaining agreement and is employed by Questar or an Affiliated and Participating Company.

Definitions

Vesting service

A year of Vesting Service is granted for each 12-month period measured from date hire (or anniversary of date of hire) during which an employee works 1,000 hours.

Credited service

A year of Credited Service is granted for each 12-month period measured from date hire (or anniversary of date of hire) during which a participant works 2,080 hours. Fractional service is granted for participants who work over 1,000 hours but less than 2,080 hours. For the final partial year of employment, fractional service is granted based on 1,000 hours rather than 2,080, provided that the termination is due to death, normal/early retirement, or to receive an enhanced benefit.

Pensionable pay

Compensation means wages for purposes of income tax withholding, including base salary, overtime, bonuses, commissions and shift differential. Compensation also includes deemed compensation for qualifying periods of military service. Compensation also includes salary reduction contributions to the Questar Corporation Employee Investment Plan, Cafeteria Plan, and IRC Section 132(f)(4) transportation benefits.

Compensation does not include reimbursements or other expense allowances, fringe benefits, income from stock options, moving expenses, nonqualified deferred compensation, cash or stock signing/retention bonuses after January 1, 2003, or loan forgiveness. Compensation also does not include welfare benefits such as vacation sales, payment at termination for unused vacation or paid leave, and severance payments.

No compensation is recognized in excess of IRS limits under IRC Section 401(a)(17).

Final average compensation

Highest 72 consecutive semi-monthly average compensation during final 10 years of employment.

Covered compensation

The 35-year average of taxable wage bases ending with the year the participant attains Social Security Normal Retirement Age, assuming constant future wage bases.

Basic benefit

1.3% of Final Average Compensation times Credited Service up to 25 years plus 0.5% of Final Average Compensation times Credited Service in excess of 25 years.

Permanent supplement

The excess of Final Average Compensation over Covered Compensation times Credited Service up to 25 years times a Supplemental Factor based on retirement age and year of birth and summarized in the table below.

	Year of Birth		
Retirement Age	**<1938**	**1938 - 1954**	**>1954**
>64	0.600%	0.600%	0.600%
63	0.600%	0.600%	0.550%
62	0.600%	0.550%	0.500%
61	0.550%	0.500%	0.475%
60	0.500%	0.475%	0.450%
59	0.475%	0.450%	0.425%
58	0.450%	0.425%	0.400%
57	0.425%	0.400%	0.375%
56	0.400%	0.375%	0.344%
55	0.375%	0.344%	0.316%

Temporary supplement

$204 times each year of Credited Service up to 25 years.

Supplemental retirement benefit

This benefit is provided in lieu of the respective vacation benefits as a monthly annuity that is the actuarial equivalent of the vacation benefits described above. This benefit is fully and immediately vested.

Normal retirement benefit	The sum of the Basic Benefit, the Permanent Supplement (if any), and the Supplemental Retirement Benefit.
Monthly preretirement death benefit	For participants who are eligible for normal or early retirement or have 25 years of service, the spousal annuity is the spousal portion of the 50% Survivor Annuity Option. The Basic Benefit portion of the death benefit is reduced by 2.5% per year for benefit commencement prior to age 62. For participants who die before meeting the above requirements, the spousal benefit is the spousal portion of the Qualified Joint and Survivor Annuity (actuarially reduced 50% Survivor Annuity Option). The Basic Benefit portion of the death benefit is reduced by 3% per year (for actives) or 6% per year (for terminated vested participants) for benefit commencement prior to age 65.

Eligibility for Benefits

Normal retirement	Retirement after the date on which the Participant reaches the later of (i) age 65 or (ii) the fifth anniversary of the date the Participant commenced participation in the Plan. With regard to subsection (ii), five years of participation will be measured from January 1 of the Plan Year in which the Participant first commenced participation in the Plan.
Early retirement	Retirement after attaining age 55 and completing 10 years of Credited Service.
Vested termination	Five years of Vesting Service.
Supplemental retirement benefit	Any employee employed at December 31, 1996 with vacation benefits earned between the anniversary of employment and December 31, 1996 that is due upon termination of employment.
Preretirement death benefits	Five years of Vesting Service.

Benefits Paid Upon the Following Events

Normal retirement	The sum of Basic Benefit, the Permanent Supplement (if any), and the Supplemental Retirement Benefit.
Early retirement	Basic Benefit reduced 2.5% per year for payment prior to age 62 plus Permanent Supplement Benefit plus Temporary Supplement.

Vested termination

For commencements prior to age 55, the Basic Benefit plus Permanent Supplement Benefit actuarially reduced from age 65 to commencement age. For commencements after age 55, the Basic Benefit reduced 6.0% per year for payment prior to age 65 plus Permanent Supplement Benefit.

Preretirement death

For participants who are eligible for normal or early retirement or have 25 years of service, the spousal annuity is the spousal portion of the 50% Survivor Annuity Option. The Basic Benefit portion of the death benefit is reduced by 2.5% per year for benefit commencement prior to age 62.

For participants who die before meeting the above requirements, the spousal benefit is the spousal portion of the Qualified Joint and Survivor Annuity (actuarially reduced 50% Survivor Annuity Option). The Basic Benefit portion of the death benefit is reduced by 3% per year (for actives) or 6% per year (for terminated vested participants) for benefit commencement prior to age 65.

Other Plan Provisions

Normal form of benefit

If a married participant retires while an employee at Questar Corporation, then the Normal Form of Benefit is an unreduced 50% Survivor Annuity Option.

If a married participant does not retire from active status or meet early retirement eligibility, the Normal Form of Benefit is the Qualified Joint and Survivor, which is the actuarially reduced 50% Survivor Annuity Option.

If the participant is single at retirement, the Normal Form of Benefit is the Single Life Annuity.

The Temporary Supplement is only payable as a temporary single life annuity to age 62, without survivor benefits.

In any case, if the actuarially equivalent present value of the accrued benefit of a participant is less than $1,000 upon termination of employment, the accrued benefit will be paid in an immediate single lump sum payment.

Optional forms of benefit

75% Survivor Annuity Option

100% Survivor Annuity Option

Ten-Year Certain Option

Lump Sum Option

The Temporary Supplement is not payable in an optional form, except the lump sum option. The Supplemental Retirement Benefit can always be paid in a lump sum, regardless of the amount.

Pension increases	None.
Maximum on benefits and pay	All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

Future Plan Changes

Towers Watson is not aware of any future plan changes which are required to be reflected.

Changes in Benefits Valued Since Prior Year

There are no changes to the benefits valued since the prior year.