BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION OF DOMINION ENERGY UTAH TO INCREASE DISTRIBUTION RATES AND CHARGES AND MAKE TARIFF MODIFICATIONS	Docket No. 19-057-02

DIRECT TESTIMONY OF

KELLY B MENDENHALL FOR

DOMINION ENERGY UTAH

July 1, 2019

DEU Exhibit 1.0

EXHIBIT 1.0
WIT: DEU
DATE: 12-17-19
ADVANCED REPORTING SOLUTIONS

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directives the Utah Public Service Commission ("Commission") ordered in the last general rate case (Docket No. 13-057-05). Additionally, Dominion Energy is seeking rate relief for its capital expenditures, including return, depreciation, property taxes, and expenses related to pipeline integrity compliance.

Also, I introduce the Company's witnesses who support the proposed return on equity of 10.5% and overall cost of capital of 7.73%, the proposed test period, the revenue requirement, the cost-of-service and rate-design proposals, and proposed changes to the Company's Utah Tariff No. 500 ("Tariff").

II. INTRODUCTION OF WITNESSES

Q. Please identify the Company's witnesses?

A. Mr. Robert Hevert, a Partner at ScottMadden Inc., will provide testimony supporting the Company's capital structure, cost of debt, cost of equity, and overall rate of return.

Mr. Jordan K. Stephenson, Manager of Regulation for DEU, provides testimony supporting the proposed test period and showing that the selected future test period best reflects the conditions that will exist during the rate-effective period. Mr. Stephenson also provides the revenue requirement for the proposed test period.

Mr. Austin C. Summers, Manager of Regulation for the Company, provides testimony supporting the Company's cost-of-service model and rate design for all rate classes.

Ms. Jessica L. Ipson, Regulatory Analyst for DEU, provides a summary of the Tariff changes proposed by the Company.

III. BACKGROUND

Q. Can you summarize the relief the Company is requesting?

A. Yes. The Company has identified a $19.2 million revenue deficiency and seeks a rate increase to address that deficiency.

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Kelly B Mendenhall. My business address is 333 South State Street, Salt Lake City, Utah.

Q. By whom are you employed and what is your position?

A. I am employed by Dominion Energy Utah ("Dominion Energy", "DEU" or the "Company") as Director of Regulatory and Pricing. I am responsible for state regulatory matters for Dominion Energy in Utah.

Q. What are your qualifications to testify in this proceeding?

A. I have listed my qualifications in DEU Exhibit 1.01.

Q. Attached to your written testimony are DEU Exhibits 1.01 through 1.13. Were these prepared by you or under your direction?

A. Yes, unless otherwise stated. If otherwise indicated, they are true and correct copies of what they purport to be.

Q. What is the purpose of your testimony in this Docket?

A. My testimony summarizes the merger commitments agreed to in Docket 16-057-01, and addresses how the Company has complied with these commitments. I also provide a status report of the Infrastructure Replacement Adjustment Tracker ("Infrastructure Tracker" or "Tracker") program, request that the program be continued, and propose that the annual expenditure level be increased from the current allowed $70.9 million to $80 million. My testimony also discusses the test period that the Company believes best reflects the rate-effective period.

My testimony explains that, in compliance with paragraph 33 of the Settlement Stipulation in Docket No. 16-057-01 (the "Merger Stipulation"), Dominion Energy is filing a general rate case between July 1, 2019 and December 31, 2019. My testimony also describes the commitments agreed to in the Partial Settlement Stipulation and the

Q. Why is the Company filing a general rate case at this time?

A. The Company's last filed general rate case was in Docket 16-057-03. That case was ultimately withdrawn in accordance with paragraph 33 of the Merger Stipulation, which provides: "Within (5) days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03" and "[t]he Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission." The Company files this rate case in compliance with these provisions.

Q. Are there additional drivers that are causing the Company to seek rate relief in this docket?

A. Yes. The projected 2020 rate base is $1.8 billion, about $800 million higher than the 2014 test period rate base in the 2013 general rate case. The return, depreciation and property taxes associated with this rate base are the main drivers for the requested increase.

Q. Are there cost offsets that have helped to reduce the increase the Company is seeking in its rate base?

A. Yes. Projected adjusted system Operating and Maintenance expenses have decreased considerably since base rates were last approved in Docket 13-057-05. In that rate case, the 2014 test period O&M expenses for Utah amounted to $128.5 million. The proposed O&M expenses in this case are $119.7 million, or $8.8 million lower than they were six years ago. These expense reductions are driven mainly by lower pension expense and operating efficiencies. Additionally, the impacts of the Tax Cuts and Jobs Act of 2017 have helped keep income tax expense low, and customer growth has resulted in an increase in collected revenue of approximately $85 million. All of these factors have helped to minimize the size of the requested rate relief.

Q. You mentioned that the 2016 general rate case was withdrawn. Were there commitments or directives agreed to by stipulation and/or ordered by the Commission in the Report and Order issued February 2, 2014 in Docket No. 13-057- (2013 Rate Case Order) that are still outstanding and need to be resolved?

A. There were multiple commitments and directives in the 2013 Rate Case Order, including several addressed in the Partial Settlement Stipulation in that same docket. Most have been resolved in prior proceedings; the remainders are addressed in the direct testimony in this docket. The 2013 Rate Case Order addressed the following seven issues: 1) the study of main and service extension policy (2013 Rate Case Order, Section V, paragraph D.); 2) the evaluation of issues related to self-installation of pipelines (2013 Rate Case Order, Section V, paragraph F); 3) the requirement to include depreciation study updates in customers' rates (Partial Settlement Stipulation, paragraph 29); 4) the study of IS and TS issues such as meter aggregation and FS load factor (Partial Settlement Stipulation, paragraph 28); 5) the commitment to provide revenue neutral percentage changes for each rate schedule based upon the Company's cost-of-service study in the next general rate case (Partial Settlement Stipulation, paragraph 27); 6) the requirement to provide specific reports related to the Infrastructure Tracker (Partial Settlement Stipulation, paragraph 22); and 7) the commitment to explore potential changes to interruption of transportation customers and other issues related to transportation service (Partial Settlement Stipulation Regarding TS Tariff Language, paragraph 8).

Q. Please describe how the Company has complied with each of these directives.

A. The table below provides a summary.

Directive	Result
1) Study main and service extension policy.	Resolved pursuant to the Order Addressing Pilot Program issued on June 11, 2015 in Docket No. 13-057-05.
2) Evaluate issues related to self-installation of pipelines.	Resolved pursuant to the Order Addressing Pilot Program issued on June 11, 2015 in

	Docket No. 13-057-05.
3) Include depreciation study updates in customers' rates.	Resolved pursuant to the Report and Order issued June 6, 2014 in Docket 13-057-19.
4) Study IS and TS issues such as meter aggregation and FS load factor in interim workgroups.	*See* discussion in the testimony of Austin Summers DEU Exhibit 4.0.
5) Provide revenue neutral percentage changes for each rate schedule based upon the Company's cost-of-service study in the next general rate case.	*See* DEU Exhibit 4.6, page 2.
6) Provide specific reports related to the Infrastructure Tracker,	*See* Kelly B Mendenhall testimony, DEU Exhibit 1.0, Section VI.C.
7) Explore potential changes to interruption of transportation customers and other issues related to transportation service.	These matters were resolved in Docket Nos. 14-057-19 (In the Matter of the Formal Complaint Against Questar Gas Company Regarding Nomination Procedures and Practices for Transportation Service Customers), 14-057-31 (In the Matter of the Application of Questar Gas Company to make Tariff Modifications to Charge Transportation Customers for Use of Supplier Non-Gas Services), and 18-057-T04 (Application of Dominion Energy Utah to make Tariff modifications relating to transportation service).

IV. TEST PERIOD

Q. What is the Company's proposed test period in the rate case?

A. The Company is proposing an average 12-month test period ending December 31, 2020. Mr. Stephenson discusses how the proposed test period best reflects the conditions the Company will encounter during the rate-effective period.

Q. What assurances can the Company provide that its forecasted test period is reliable?

A. With respect to both Capital Expenditures and Operation and Maintenance (O&M) expense, Mr. Stephenson's DEU Exhibit 3.09 shows that for the last five years the Company's capital expenditures and O&M expense have been, on average, within 1%

and 1.5%, respectively, of forecasted levels. Overall, the Company's budgeting and planning process has been accurate and reliable.

V. DOMINION RESOURCES, INC. AND QUESTAR CORPORATION MERGER

Q. On September 16, 2016, the Utah Public Service Commission approved the merger of Questar Corp. and Dominion Resources, Inc. (now Dominion Energy, Inc.) ("DEI"). What is the status of the integration activities related to this merger?

A. The integration activities are complete. The Company reorganizations have taken place, and the accounting, IT and other systems are fully integrated.

Q. DEI and Dominion Energy Utah both agreed to a number of specific commitments in the Merger Stipulation. Have DEI and DEU complied with these provisions?

A. Yes. There were 65 paragraphs in the Merger Stipulation, 57 of which were specific commitments. Paragraph 36 of the Merger Stipulation required Dominion Energy to file quarterly merger integration updates. These reports provide the status and details about all of the merger commitments. I have attached all of these reports as DEU Exhibit 1.02.

Q. Has Dominion and the Company complied with these commitments?

A. Yes. With one exception, where the Company received Commission approval to amend the commitment, DEU has fulfilled all of the Merger Stipulation provisions.

Q. Are there any specific provisions that you would like to highlight in your testimony?

A. Yes. I'd like to highlight several of the key provisions that are applicable in this case. I've summarized these provisions in the table below.

Merger Stipulation Provision Number	Provision Summary
8	Maintain capital spending
10	Fair consideration and opportunities for employees impacted by the reorganization

Merger Stipulation Provision Number	Provision Summary
11	Pension funding
23	Common equity percentage of total capitalization
37	Transaction costs
38	Transition costs
39	O&M per customer cap
47	Customer satisfaction standards

A. *Merger Stipulation Provision 8 – Maintain Capital Spending*

Q. What was the specific merger commitment related to capital spending?

A. Paragraph 8 of the Merger Stipulation states: "Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels."

Q. Please explain how the Company's capital spending is in compliance with paragraph 8.

A. The table below shows the comparisons between the committed spend amounts and the actual amounts.

	Budget (Millions)	Actual (Millions)	Variance
2017	$209	$211	$2

	Budget (Millions)	Actual (Millions)	Variance
2018	$208	$212	$4
2019	$233	$233	$0
Total	$650	$656	$6

As the table shows, the Company complied with this commitment and actually spent slightly more than the committed amounts.

B. *Merger Stipulation Provision 10 – Employee Consideration*

Q. What considerations were given to employees that might be impacted by the reorganization?

A. Provision 10 of the Merger Stipulation states: "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."

Q. How has Dominion complied with this commitment?

A. The Company reorganization impacted the areas of affiliated companies that provide support to DEU. Areas such as finance, accounting, human resources, information technology and treasury were reorganized over a long period of time to allow for the handoff of institutional knowledge, allow for a more seamless integration, and to give employees time to find opportunities either inside or outside of the Dominion Energy family of companies.

Q. Please explain the time period and steps taken during the reorganization.

A. DEU implemented an involuntary severance plan (ISP) in August 2017. Fifty-six employees were included in the ISP. The Company took steps to mitigate the impact that the merger had on these displaced employees. First, the Company delayed the termination dates for most of the employees, staggering these dates from September 2017 through December 2018. This allowed about one third of the affected employees to find employment in other areas of the Company, or with the Company's affiliates. Next, a severance package was provided to employees who were separated from the Company. This package included a two-month advance start date and three weeks of severance for each year of service up to 52 weeks.

Q. How many employees were ultimately impacted by the involuntary severance plan?

A. When the involuntary severance plan was complete, 37 employees of the ISP affected employees (of over 900 total employees) were impacted. The other 19 ISP affected employees were able to find other opportunities in the Company.

C. *Merger Stipulation Provision 11 - Pension Funding*

Q. What was the commitment related to pension funding?

A. Paragraph 11 of the Merger Stipulation states that "Dominion, as at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law."

Q. Did this funding occur?

A. Yes. The contribution was funded on January 19, 2017. This funding has resulted in lower O&M expenses for the foreseeable future. For comparison, the projected pension expense used in the 2020 test period in this case is $0 while the pension expense in 2015, the year before the merger was +$5.5 million. The pension funding was a large driver in the reduction in pension expense.

D. *Merger Stipulation Provision 23 - Common Equity percentage*

Q. Did the Company agree to maintain its common equity percentage within a certain range?

A. Yes. Paragraph 23 of the Merger Stipulation states that "Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.

Q. Please explain what occurred with this commitment?

A. Factors that were not related to the merger required that this provision be amended after approval by the Commission. The reduction in the income tax rate created by the Tax Cuts and Jobs Act put pressure on the cash flow and credit metrics of DEU, which could have resulted in a downgrade to DEU's credit ratings and higher debt costs for customers. In order to maintain the favorable credit metrics of the Company, it was necessary to seek Commission approval to issue equity to buy back debt that would push the equity capitalization levels above the 55% limit of this merger provision. As such, to make this change while honoring the original intent of the Merger Stipulation and holding customers harmless, the Company, the Division, the Office, the Utah Association of Energy Users, and the American Natural Gas Council, agreed that, in its next general rate case, the requested equity percentage would not exceed 55%. This agreement was approved by the Commission on January 4, 2019 in Docket 18-057-23.

Q. How was the provision amended?

A. The provision was amended to read, (changes italicized), "Dominion through Questar Gas will provide equity funding, as needed, for the first four calendar years following the Effective Time, in order for Questar Gas to maintain an end-of-year common equity percentage of total capitalization in the range of 48 to 55 percent through December 31, 2019. *If, during the first four calendar years following the Effective Time, Questar Gas increases its common equity percentage of total capitalization above 55% to maintain credit metrics, the equity percentage of total capitalization proposed by Questar Gas in its first general rate case after the Effective Time shall not exceed 55%. In the second general rate case following the Effective Time, Questar Gas will work to maintain and propose equity levels that are within the equity level ranges of a basket of A rated peers. If it proposes an equity level above the equity level ranges of a basket of A rated peers it must specifically identify factors unique to Questar Gas that prevent being within that range. The Parties do not intend that allowing equity capitalization at or above 55% creates any presumption that the outcome of a general rate case would allow equity capitalization at or above 55%."*

Q. Has the Company complied with this amendment in the calculation of its revenue requirement?

A. Yes. Although the Company's projected equity capitalization for 2020 is 60%, the Company is only requesting a 55% equity capitalization level.

E. *Merger Stipulation Provision 37 - Transaction Costs*

Q. What commitments did the Company make with respect to transaction costs?

A. Paragraph 37 of the Merger Stipulation states: "Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval."

Q. Has the Company complied with this commitment?

A. Yes. DEU and Questar Corporation incurred $17 million and $57.2 million respectively in transaction costs from 2016 through 2018. All of these costs have been booked below the line and have been excluded from the proposed revenue requirement.

F. *Merger Stipulation Provision 38 – Transition Costs*

Q. What was Dominion's commitment related to transition costs?

A. Paragraph 38 of the Merger Stipulation states: "Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers."

Q. Paragraph 38 states that "no transition costs will be deferred to future periods." Has DEU complied with this requirement?

A. Yes. No transition costs have been deferred into future periods.

Q. Paragraph 38 states further that the Company shall "identify any transition costs included in the base period and the test period in this filing and that the Company shall have the burden of proof to show that any transition costs provide a net positive benefit to customers." Please identify the transition costs included in the case and the rationale for why these costs should be included in the revenue requirement.

A. There are no transition costs included in the base period or forecasted test period in this rate case. The $26.5 million in transition costs for Questar Gas/DEU and $62.6 million for Questar Corporation were booked below the line.

Q. Paragraph 38 also states that any transition costs that are capitalized and not expensed should be identified in the general rate case. Were any of the transition costs capitalized?

A. No. All of the transition costs related to the merger were expensed.

G. *Merger Stipulation Provision 39 - O&M Per Customer*

Q. What commitments were made about operating and maintenance expenses?

A. Paragraph 39 of the Merger Stipulation states: "Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and

Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1."

Q. How has the O&M per customer of the Company compared to the 2015 baseline of $138.24?

A. The table below provides the O&M per customer number since 2015.

Year	O&M per customer
2016	$129.88
2017	$111.37
2018 (Base Period)	$113.72

It should be noted that in 2017 due to the transition in accounting systems, no corporate overhead was allocated to DEU and as a result this number was lower than it would have been with corporate allocations. As the table shows, the O&M per customer amounts are considerably lower than the 2015 baseline amount of $138. This reduction of expenses results in a large benefit that will be passed to customers in this general rate case.

H. *Merger Stipulation Provision 47 - Customer Satisfaction Standards*

Q. What commitments were made related to customer satisfaction standards?

A. Merger Stipulation provision 47 states: "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

Q. How have those metrics compared to the actual goals?

A. The Company has been presenting the results on a quarterly basis since the 3rd quarter of 2017. The most recent report was calculated for the 1st quarter of 2019, and I have attached this report as DEU Exhibit 1.03. The 11 quarters of reported data represent 660 observations. Of those 660 observations, the Company has met or exceeded the goal 626 times, or 95% of the time. There were 34 instances where the Company did not meet the goal.

Q. Were these deficiencies isolated to specific metrics?

A. Yes. There were six metrics that were impacted. I've summarized these deficient metrics in the table below.

Metric	**Goal**	**Number of deficiencies (11 quarters of data)**
Percentage of calls answered within 60 seconds after customer chooses menu option	85%	4
Average wait for customer after menu selection	Less than 45 seconds	7
Amount of time talking with customer and completing request	5 minutes	4
Read each meter monthly	99%	11
Percentage of billing inquiries responded to within 7 business days	95%	1
Response time to investigate meter problems and notify customer within 15 business days	95%	7

Of the six metrics that were impacted, three seemed to be sporadic misses where there was no real trend and where the deficiencies were not material. For example, the amount of time talking with a customer and completing a request was set with a goal of 5 minutes and there were quarters when the average time was 5.1 minutes. The three metrics that had a trend of being deficient were average wait time for customer after menu selection, read each meter monthly, and response time to investigate meter problems and notify customer within 15 business days. I discuss each of these metrics in more detail.

Q. Please discuss the metric to read each customer meter monthly.

A. This was the most concerning metric for the Company over the last couple of years. The goal for this metric is to read meters monthly 99% of the time and the Company has not been able to meet this goal during the ongoing transponder replacement period.

Q. Was the deficiency in this metric caused by the merger?

A. No. The meter reading metric has been impacted by faulty transponder batteries. The Company is currently replacing the faulty Elster meters with Itron meters and this replacement is expected to be complete in 2020. This replacement will resolve this issue. The Company discussed the transponder battery issue and the plan to resolve the problem in a technical conference on January 9, 2018. I have attached the presentation as DEU Exhibit 1.04.

Q. Please discuss the "average wait time" and "percentage of calls answered within 60 seconds" call metrics.

A. The goals for these metrics are that a customer will wait on average less than 45 seconds per call after menu selection and that 85% of calls are answered within 60 seconds after the customer chooses the menu option. These are ambitious metrics but the Company was able to meet it four out of the 11 quarters where the metric was measured for the average wait time, and seven out of the 11 quarters for the percentage of calls answered within 60 seconds.

Q. Was the deficiency in this metric caused by the merger?

A. No. With respect to the customer care metrics, the issues were mainly caused by high turnover. This turnover was caused by people taking other opportunities both inside and outside the Company. During 2018, the customer care center was challenged with lower staffing levels. This contributed to longer wait times particularly during 2018. The staffing levels have improved in 2019, and the result for the 1st quarter of 2019 was 30 seconds for average speed of answer and 92% of calls answered within 60 seconds, both meeting goal targets. The ability of the customer care group to meet these metrics will be tied to their ability to manage staffing levels and advance more self-serve options.

Q. Please discuss the metric for response time to investigate meter problems and notify customers within 15 business days.

A. This metric is also driven by the battery transponder issue. When meters are not read due to transponder error they are estimated based on historical usage. If a customer's usage has fluctuated significantly from year to year, this could cause a large difference between the estimated usage that is billed and the actual usage. This difference results in customer calls, and this higher call volume takes up additional resources to answer these requests. The goal for this metric is that 95% of the time the Company will respond within 15 days. For the last year, this metric has averaged 88%. It is expected that when the transponder replacement is complete the meter problem call volume will decrease and the Company should meet this goal.

Q. What is your overall conclusion after reviewing the merger commitments and the results over the last three years?

A. Dominion Energy Utah has complied with the commitments it made at the time of the merger. Many of these commitments have resulted in cost savings that customers will enjoy after the completion of this rate case.

VI. INFRASTRUCTURE TRACKER

Q. Would you please describe the Company's Infrastructure Rate Adjustment Mechanism ("Infrastructure Tracker")?

A. Yes. The Commission approved the Infrastructure Tracker as a pilot program in Docket Nos. 09-057-16 and 13-057-05, subject to review in the Company's next general rate case. The description and requirements of the Infrastructure Tracker are provided in Section 2.07 of Dominion Energy Utah's Natural Gas Tariff No. 500 ("Tariff"). Replacement Infrastructure, as approved in the above mentioned dockets, is defined as new high-pressure and intermediate high-pressure infrastructure that is replacing aging high-pressure and intermediate high-pressure infrastructure as required to ensure public safety and provide reliable service. The Company is allowed to track costs that are directly associated with Replacement Infrastructure through an incremental surcharge assigned to each rate class.

Q. Does the Company have reporting requirements associated with the Infrastructure Tracker?

A. Yes. The Company is required to file its next-year's annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure with the Commission no later than November 15 of each year. The Company is also required to file quarterly progress reports describing the Infrastructure Tracker program. Annual Replacement Infrastructure investment is limited to $65 million, adjusted annually for inflation. The surcharge is assigned to each rate class based on the Commission-approved total pro rata share of the DNG Tariff revenue ordered in the most recent general rate case. The Company is required to track costs associated with the Replacement Infrastructure separately, by sub-account, from other accounts. At the time of the next general rate case, all prudently incurred investment and costs associated with the surcharge are included in base rates and the proposed infrastructure surcharge is reset to $0.00.

A. Infrastructure Tracker Pilot Program

Q. The Infrastructure Tracker was approved in Docket Nos. 09-057-16 and 13-057-05 as a pilot program. Over that time, has the Infrastructure Tracker successfully functioned as intended?

A. Yes. The Infrastructure Tracker has facilitated the successful and expedited replacement of aging pipe, ensuring the continued safety and reliability of Dominion Energy's distribution system. The Infrastructure Tracker reporting framework has also allowed for increased transparency in reviewing and understanding investment decisions made by the Company. It eliminates the risk of forecasting errors because rate adjustments occur only when projects are complete.

Q. Are there any additional benefits that are provided by the Infrastructure Tracker mechanism?

A. Yes. The Infrastructure Tracker reduces the pressure for more frequent, costly general rate cases driven by significant capital expenditures. The Company and the regulators anticipated these benefits when the Infrastructure Tracker was originally proposed and approved. The Infrastructure Tracker is also viewed favorably by the credit rating agencies, and is one of the reasons why the Company has been able to maintain its positive credit rating.

Q. Have the credit rating agencies discussed this favorable view in their credit opinions?

A. Yes. The most recent credit opinion for DEU was issued January 30, 2019. This report is attached as DEU Exhibit 1.05. On page 3 of that document Moody's states: "The Company's infrastructure rider accelerates the recovery of certain distribution system investments, once the projects are complete. This will be particularly helpful as the company makes capital expenditures associated with a multi-year high-pressure natural gas feeder-line replacement program. We expect this replacement program to continue to keep Questar Gas' capital expenditures elevated for several years, therefore the rider will accelerate the recovery of this investment and help to maintain a stronger financial profile than would otherwise be possible."

Q. Why are favorable credit ratings important for customers?

A. A company's credit rating is one of the factors that debt investors use to determine the risk of their potential investments. A company with a strong credit rating is perceived to be lower risk and as a result enjoys lower debt costs than a company with a higher perceived risk. These debt costs are included in the general rate case as a component of customer rates. So these favorable credit ratings lead to lower customer rates.

Q. Has the Company followed the scope and intent defined in the two dockets mentioned above?

A. Yes. In Docket No. 09-057-16, the Company defined the type of infrastructure that would be scheduled for replacement under the Infrastructure Tracker. In testimony and presentations to the Utah Division of Public Utilities (Division), the Office of Consumer Services (Office), and the Commission, the Company provided a list of pipelines that would be replaced. The Company also explained that "[t]his is not one, neat, tidy project that can be identified and completed within the framework described in § 54-7-13.4. Replacing this type of aging infrastructure will take many years and will occur incrementally throughout that period."[1] In that docket, the Company explained it was still in the process of identifying the specific pipe segments that would be scheduled for replacement, and that the situation was dynamic.[2] Parties agreed to Tariff language that allowed for schedule and prioritization changes.[3] Pursuant to Commission order, the Company reports on those pipelines that will be replaced in the upcoming year and how much is spent on these replacements in comparison to the annual budget. During the three years following this initial implementation (2011-2013), the Company completed the replacement of thousands of feet of high pressure feeder lines and complied with the

[1] Docket No. 09-057-16, QGC Exhibit 1.0, Direct Testimony of Barrie L. McKay page 13.
[2] February 10, 2010 Technical Conference, Docket No. 09-057-16.
[3] Tariff Section 2.07.

reporting and spending requirements established in Docket 09-057-16.[4] The Division's audit of the program in 2014 found that "the Company has fulfilled the reporting requirements as stated in the Tariff" and "the program is beneficial to both ratepayers and shareholders."[5] In 2016, the Division's audit stated: "Based on the information provided by the Company, the tracker has worked by allowing the Company to recover capital expenditures without filing a general rate case."[6]

Q. Was there a change to the Infrastructure Tracker in Docket No. 13-057-05?

A. Yes. Following the initial three-year period, the Infrastructure Tracker was expanded to include 70 miles of specified intermediate high pressure ("IHP") belt mains, and the annual spending cap was increased to $65M adjusted for inflation. In addition, the Company agreed to further enhance the reporting of pipeline replacement and scheduling as it developed its "Master Lists" of high pressure ("HP") and IHP pipelines and criteria used in developing replacement schedules. The Company is working with regulators to make enhancements to its reporting and the transparency of this program.

Q. Based on these updates and schedules described above, has the Company met its projections shown in its annual budget each year?

A. Yes. Although the projections provided in November of each year require forward-looking assumptions concerning complex situations, the Company is pleased to have been within 0.4% of cumulative budgeted annual spending since 2013.

	Budget	**Actual**	**Variance**
2013	$59,000,000	$54,890,577	(4,109,423)
2014	65,000,000	68,233,344	3,233,344
2015	62,866,656	66,425,036	3,558,380
2016	70,890,000	70,556,816	(333,184)

[4] 2011-2013 spending cap ($55M plus inflation) was $183M compared to actual spending of $172.4MM.
[5] Infrastructure Tracker Pilot Program Report dated June 17, 2013, Division of Public Utilities, Dockets 09-057-16 and 13-057-05.
[6] Audit of Questar Infrastructure Tracker Pilot Program dated June 28, 2016, Division of Public Utilities, Dockets 09-057-16 and 13-057-05.

2017	69,417,000	68,991,700	(425,300)
2018	63,870,000	63,379,559	(490,441)
Total	**$391,043,656**	**$392,477,032**	**$1,433,376**
% Variance			**0.37%**

Q. In the past three years, has the number of natural gas utilities with infrastructure replacement programs continued to increase?

A. Yes. As more natural gas utilities have recognized the need to address and replace aging and/or non-compliant infrastructure to ensure safety and reliability, mechanisms to allow for recovery of costs between rate cases have become more common in the industry. Today over 74 natural gas utilities in 109 different jurisdictions in 43 states have implemented programs to address the replacement of different varieties of infrastructure.[7]

Q. Is the Company proposing that the Infrastructure Tracker be continued?

A. Yes. The current estimated replacement schedule for HP and IHP pipe demonstrates that replacement will continue at least through 2036. The Company believes that the Infrastructure Tracker, which has been tested, refined, and improved over the past nine years, continues to be the best option for addressing this type of substantial ongoing investment.

B. Spending Level and Variance

Q. Is the Company proposing any changes to the spending level calculation that is allowed annually in the Infrastructure Tracker?

A. Yes, the current spending cap of $65 million adjusted for inflation results in $72.2 million in 2020, as shown in DEU Exhibit 1.06, column F, line 7. The Company proposes that this amount be increased to $80 million as the new base in 2020, with future years being adjusted for inflation using the currently approved CPI index.

[7] American Gas Association Report, "State Infrastructure Replacement Activity" dated May 6, 2019.

Q. Why is the Company proposing to increase the cap to this level?

A. The construction costs of these replacement projects are outpacing the inflation rate that is calculated using the Global Insight GDP inflator. Additionally, construction best practices have changed over the past nine years which has also added to the costs of these projects.

Q. You mentioned that construction costs are increasing at a faster rate than the GDP inflator. What specific costs are increasing?

A. One major component of these pipeline replacements for the Company is the steel cost. DEU Exhibit 1.07 shows a quarterly comparison of the CPI inflation rate and various steel price indexes between the second quarter of 2016 and the first quarter of 2019. As the exhibit shows, steel prices have been increasing at a considerably faster rate than the consumer price index. This is just one of many inputs that do not necessarily track with the GDP inflator.

Q. Has the Company seen higher costs in the pipe that it has purchased?

A. Yes. DEU Confidential Exhibit 1.08 shows the price that the Company has paid for the last four years for various sizes and grades of pipe. As the exhibit shows, the price for 8" grade 52 pipe has increased by about 9% from 2014 to 2018, and the price for 12" pipe has increased by 27% over the same time period. In contrast, over the same period, the infrastructure budget has increased by 6%.

Q. You mentioned that construction best practices have changed over the past nine years. Specifically, which construction practices have caused project costs to increase?

A. Practices such as horizontal drilling improvements, methane reduction, pickling practices and AC mitigation have increased the initial cost of pipeline installation. These practices were discussed in greater detail in the Infrastructure Tracker annual update meeting on April 10, 2019 in Docket Nos. 17-057-25 and 18-057-22. A redacted copy of this presentation is attached as DEU Redacted Exhibit 1.09. Slides 29 through 35 discuss the new construction practices.

Q. Please provide a brief summary of horizontal boring practices.

A. Horizontal boring practices are discussed on pages 30 and 31 of the DEU Redacted Exhibit 1.09. When boring under sensitive areas (water ways, wetlands, railroads, environmental contaminants, freeways and interstates), the Company conducts additional work such as geotechnical studies and risk assessments to ensure that the bore does not create a rupture which disturbs the sensitive area with drilling mud.

Q. Are there benefits and potential cost savings that come from this practice?

A. Yes. These practices avoid the risk of spills like those shown in DEU Redacted Exhibit 1.09, preventing environmental damage and costly cleanups and fines that could result from an inadvertent return into a sensitive area.

Q. Please provide a brief description of the methane reduction practices that the Company is currently utilizing?

A. The greatest methane release associated with construction of HP pipelines is evacuating gas from existing pipelines to tie/weld new pipeline into the system. DEU's practice that greatly reduces methane release involves isolating (via valves or fittings) the section of pipeline that will accommodate the tie-in; once isolated we utilize customer demand to pull the pressures down over time from high pressure (125-1333 psi) to IHP (45 psi). The Company also purchased ZeVac pumps that are used to pump gas from isolated sections of pipe during tie-ins. This reduces the amount of methane released into the atmosphere which has environmental benefits as well as helps to reduce lost and unaccounted for gas on the system.

Q. Please explain "Pickling".

A. Pickling is a method of treating a new pipeline to ensure that new pipes do not absorb the odorant that has been injected into gas, thereby preserving the odorized gas for delivery downstream. The Company odorizes natural gas supplies as required by federal regulations as a safety measure to ensure that customers can smell a gas leak. In its natural state, natural gas is odorless. Odorant serves as an important signal when there is a gas leak. New pipelines can absorb odorant from gas supplies, essentially removing it from the gas and creating an unsafe situation for the public and end-use customers. Pickling is a process that involves injecting odorant into the pipeline at intervals to ensure that, as absorption occurs into the pipeline, the gas remains odorized. This practice increases the safety of the system for customers and the public and keeps DEU compliant with federal regulations.

Q. Please discuss AC mitigation and how it benefits the integrity of the system.

A. As growth occurs in the major population areas of Utah, electric lines come with it. These lines often create currents in the ground that can cause corrosion to gas pipelines. AC mitigation involves the installation of zinc ribbon and zinc matting on pipelines and facilities to create a ground that eliminates the current and the threat of corrosion. While this adds to the cost of the pipe during installation, that cost is more than justified by the long-term benefits provided, including the extension of the useful life of the pipe and the added safety for employees and the public.

Q. Are there any cost savings that come from the replacement of aging infrastructure with new pipe that has been installed using current construction practices?

A. Yes. Typically, because new lines have been constructed using modern practices approved by the Pipeline Hazardous Materials Agency ("PHMSA"), they fall under the distribution integrity management program instead of the transmission integrity management program. This means that they are not subject to some of the regulations governing pipes in high consequence areas like the requirement for inline inspection and other assessment method regulatory requirements. This ultimately reduces the pipeline integrity expenses. The Company still uses these methods, but does so less frequently. This helps, and will continue to help, reduce the integrity management costs for this pipe in the future. Additionally, as shown in the depreciation study addressed by Mr.

Stephenson in his pre-filed direct testimony, the replacement of these main lines has increased the depreciable life of the mains from 65 years to 70 years. This reduces the depreciation expense related to the mains account by over $2 million per year.[8] As more of this aging pipe is replaced, one would expect that the useful life of these main lines would continue to be extended.

Q. Have the increased costs related to the program caused a delay in the completion of the overall program?

A. Yes. A comparison of the feeder line replacement list filed with the Commission in April 2016 and the one filed in April 2019 show that the feeder line replacement program completion date has been postponed from 2030 to 2036. This is caused mainly by the cost increases I have discussed.

Q. Are there any other factors that have changed since 2009 that the Commission should consider as it reviews the Company's request to increase the Infrastructure Tracker?

A. Yes. When the Infrastructure Tracker was originally approved in 2010, it amounted to a larger portion of the Company's total capital spend than it does today. A summary of the Company's total capital spend compared to the Infrastructure Tracker spend is shown in DEU Exhibit 1.10, Tracker vs. Capital Spend. As the exhibit shows, in 2011, the first full year of the Company's Infrastructure Tracker program, the Company spent $58.8 million on the Infrastructure Tracker program and about $68.8 million on non-tracker spend. In 2019, the Infrastructure Tracker budget is $70.9M compared to a non-tracker budgeted amount of $162.3 million. While some of this investment provides incremental revenue through new customer growth, a lot of the investment is non-revenue generating maintenance capital, and the Company and its shareholders must wait for the next general rate case to receive cost recovery for it. This regulatory lag makes it difficult for the Company to recover its cost of service.

[8] This reduction in expense was calculated by taking the projected 2020 average investment in Account 376 mains of $1,948,166,146 divided by the difference between 70 year and 65 year depreciable lives.

Q. In recent years, the Company has had some budget variance over the calculated spending cap. Is the Company proposing a method to treat such spending variances going forward?

A. Yes. Over the years, the Company has experienced spending variances that are typical and expected with these types of construction projects. Some years have been under budget while some have been over. In addition, there have been projects that have been added to the scope of replacement work during a given budget year that had not originally been included in that year's budget. This occurred in 2016 with Feeder Lines 51 and 89. The Partial Settlement Stipulation in Docket No. 13-057-05 did not address how budget variances would be treated.

Q. How does the Company propose to address such variances?

A. To the extent there are spending variances in the annual budget, the Company proposes to adjust for the variance in the infrastructure replacement surcharge calculation. DEU Exhibit 1.11 is the calculation of the revenue requirement used in every Infrastructure Tracker filing. The exhibit shows the proposed adjustments for hypothetical budget variances for years 2020 and 2021. In years when spending exceeds the allowed cap there would be a reduction to the Infrastructure Tracker investment used in the rate base calculation the next time the Company seeks to adjust the surcharge. In this example, the Company spends $2 million over the cap in 2017. Row 3 shows the $2 million reduction to rate base resulting from that overage.

By contrast, in years when the Company's annual spending in the Infrastructure Tracker program is below the allowed spending cap, to the extent that the accumulated underspent amount is less than the accumulated overspent amount, the amount underspent would be netted against overspent amounts. Row 4 shows a $1 million adjustment for an assumed underspent amount in 2018. If there is no overspent amount, there would be no adjustment to rate base when actual spending is lower than the cap. If the Company is in an overall net-overspent position, the net overspent amount would not be recovered in rates until the next general rate case.

Q. Would the Company continue to track and report all of the spending for these projects separately as it currently does?

A. Yes. The Company would continue to track and report all of the investment including those dollars that are over the spending limit. The only change would be the adjustment to the revenue requirement calculation discussed above.

Q. In recent years, variances have been addressed by reducing the budget of the following year. Why is the Company proposing different treatment?

A. There are some negative planning and operational impacts to reducing the planned budget in a given year. By nature, these projects involve coordination with many constituents including governmental entities, cities, counties, contractors, customers, employees and other stakeholders. It can be detrimental to efficiencies and relations with these constituents to adjust the schedule after the plan is in place and construction is underway. The Company believes that, because of the complex and consequential nature of these projects, customers and other constituents are best served by allowing the construction schedule and budget to go forward as planned while managing budget variances as an adjustment in regulatory filings. The objective is to replace the identified infrastructure in a timely, effective manner while stabilizing the rate impact on customers. This proposed approach will add flexibility to the planning process.

C. Reporting

Q. Have the reporting requirements for the infrastructure tracker changed over time?

A. Yes. Since 2013, the Company has worked with the Division to hone the parameters, focus the efforts and develop reports that define the scope and the progress made in the infrastructure replacement program. The Company appreciates this collaborative effort as it has provided transparency and clarity to the program.

Q. Please describe the annual Tracker budget and quarterly progress reports the Company filed since its last general rate case.

A. Since the 2013 general rate case (Docket No. 13-057-05), the Company has filed an annual budget in November of each year. Each quarter, the Company has also filed progress reports. Additionally, in April of each year since the 2013 rate case, Company representatives (regulatory personnel, project managers and engineering personnel) have met with representatives from the Commission, the Division, and the Office in publicly-noticed meetings to explain the replacement budget projects, actual costs, variances and plans for the coming year.

Q. Does the Company plan to continue these types of meetings and reporting if the Infrastructure Tracker is approved going forward?

A. Yes. These meetings and reports help keep interested parties informed of upcoming projects and provides a forum to explain progress, changes and variances that are common with these types of projects. These meetings also allow interested parties to ask questions concerning any Infrastructure Tracker issues.

Q. Please describe the other reports provided each year.

A. Pursuant to the Report and Order approving the Partial Settlement Stipulation in Docket No. 13-057-05, the Company has annually provided updated copies of its HP and IHP Master Lists and Replacement Schedules. The Master Lists provide a snapshot of pipe in service by size, vintage year, and feeder line in the case of HP, or county in the case of IHP.

Q. Do these reports inform parties of progress on the Infrastructure Tracker?

A. Yes. These reports provide the annual progress of replacing scheduled pipe, as well as context for the amount of identified pipe remaining on the schedule in upcoming years. An evaluation of the change in the footages shown on the Replacement Schedules for feeder lines and belt mains scheduled for replacement reveals that the Company has replaced approximately 93 miles of HP pipe and 12 miles of IHP pipe. This compares to approximately 330 miles of HP and 58 miles of IHP pipe remaining to be replaced in future years.

Q. Are these reports subject to revisions?

A. As the Company continually learns more about the pipe in its system by evaluating records, conducting tests, and addressing needs throughout the distribution system, the Master Lists are subject to revision. The lists represent a snapshot of the system using the most accurate and up-to-date information the Company has at the time. However, there are times when the Company learns additional information that requires the Master Lists to be updated.

In addition, each project is unique, and as such the current replacement schedule is reviewed on an ongoing basis and is subject to change depending on factors such as pipeline-integrity testing, customer-growth patterns, highly populated areas, capacity constraints and development projects including proposed street-widening projects. Although the replacement schedule may vary for any or all of these reasons, annual expenditures should remain approximately the same.

The Company notes that there are other types of infrastructure such as Aldyl-A pipe, IHP steel pipe and other portions of the IHP system not included on these schedules that may, at some point in the future, also require accelerated replacement. The Company continually evaluates all infrastructure, both inside or outside of the Tracker, to ensure safety and reliability of service.

Q. When did the Company last update its HP Master List?

A. The Company provided the Commission with its HP Master List in May of 2019, in Docket No. 18-057-21.

Q. Please explain the changes that occurred in the scheduled HP footages since the last general rate case.

A. DEU Confidential Exhibit 1.12 is a summary of these changes. Column A lists each feeder line included in the Infrastructure Tracker program. Column D is a summary of the original estimated replacement footage for each feeder line in the Infrastructure

Tracker program. Column E is a summary of all the footage replaced/retired from 2013 to 2015. Column H shows the footage that remained in the 2016 Replacement Schedule. Column I shows the amount of footage replaced and retired since 2016. Column L shows the footage remaining to be replaced as provided in the 2019 Replacement Schedule. In addition to replacement footages (Columns E and I), the remaining footage was also adjusted in response to mapping improvements (Columns F and J), as well as data corrections to two feeder lines (Column G).

Q. **Please explain the data corrections in Feeder Line 38 and Feeder Line 97 shown in column G.**

A. A review of the Company's mapping database revealed that the 15,913 feet (Feeder Line 47) were not included on Feeder Line 38 in the 2013 Master List because the data was not properly queried. As a result, the footage was inadvertently omitted. This was corrected prior to the 2015 HP Master List update. The 5,600 feet (line 66) in Feeder Line 97, which is the Feeder Line from the old Utah Gas system, were incorrectly entered into the database with an installation date of 2001 (the date Questar Gas purchased the Utah Gas system) rather than 1963 (the installation date). The Company identified this error and corrected the date to reflect 1963. Because these were footage corrections rather than additional feeder lines, the Company believes that they should be included in the Infrastructure Tracker program footage.

Q. **Have there been any changes to the Intermediate High Pressure Master List since the last general rate case?**

A. The only changes have been those that reflect pipeline retirement due to the replacement of belt lines. DEU Exhibit 1.13 provides a summary of the retirement footages.

Q. **Is the Company proposing any changes to the reporting requirements for these master lists?**

A. Yes. In prior years, due to challenges getting the mapping data on time, it has been difficult to meet the April 30th filing deadline for these reports. The Company proposes that these deadlines be moved to June 30th. This will allow the Company to have extra time to gather the footage data. This change should not adversely impact the ability of the regulators to review the reports.

Q. What changes has the Company made to the evaluation criteria for the High Pressure and Intermediate High Pressure replacement schedules since the last general rate case?

A. The Company refined its evaluation criteria in 2017, and these changes were discussed in the annual infrastructure replacement technical conference held on April 27, 2017 in Docket Nos. 15-057-19 and 16-057-16. The presentation is attached as DEU Redacted Exhibit 1.14, pages 28-33.

Q. Can you summarize the changes that were made?

A. The risk evaluation is based upon the equation, Risk = Likelihood of Failure (Threat) X Consequence of Failure (Consequence). There were changes made to both the Likelihood of Failure (Threat) calculation and the Consequence of Failure (Consequence) components of that equation.

Q. What changes were made to the threat component of the Risk calculation?

A. There are many factors included in the threat calculation including construction year, pipe/equipment condition, manufacturing process used, pressure test records and whether the pipe is reconditioned or not. The weightings of these factors were updated based on incident counts from the PHMSA database. Now factors such as leak survey data and weld types carry more weight than they did in the past. The level of granularity for each category was also increased. For example, in the prior risk assessment, pipe was categorized as Pre-1955, 1955 to 1970 or post 1970 pipe. In the new risk assessment, the pipe is categorized into one of five different age groups. The manufacturing and pressure test categorizations are also more detailed in nature.

Q. What changes were made to the consequence component of the risk score?

A. Previously, the Company weighted high consequence areas 67% and census data 33% of this component. Now, the weighting is based on population (80%)

Q. Will future pipeline regulations require the Company to expand its pipeline replacement program?

A. Possibly. On August 25, 2011, PHMSA issued an advanced notice of proposed rulemaking for rules related to the Safety of Gas Transmission and Gathering Lines. Because this proposed rule represents the most comprehensive pipeline safety requirements proposed since 1970, it has become known as the "Mega Rule." If the Mega Rule is adopted, it would impose additional requirements for monitoring gas quality, mitigating internal corrosion, and managing external corrosion. The Company expects that the Mega Rule will become final, in some form, later this year. When it does, the Company expects that the rule's requirements could result in new and additional costs for most local distribution companies, including Dominion Energy Utah. It may also expedite the need to replace pipelines that, to date, are not included in either the HP Master List or the IHP Master List.

Q. Does the Company recommend making any other changes to the Infrastructure Tracker program?

A. No. The Infrastructure Tracker program has been functioning well, and as designed, for nearly a decade. The Company believes that all other aspects of the Infrastructure Tracker should continue as they have in the past.

D. Tracker Surcharge to Be Rolled into General Rates

Q. Is the Company proposing to include the infrastructure replacement costs that are included in the current surcharge, in base rates?

A. Yes.

Q. How will this work?

A. All of the plant, accumulated depreciation, accumulated deferred taxes, depreciation expense and taxes other than income taxes that were separately identified in the Infrastructure Tracker filings and that have been separately tracked since the last general rate case have been included in their respective FERC accounts and included in the test period. These costs are part of the total revenue requirement that the Company is requesting in this case and they have been included in the DNG portion of each rate schedule.

Q. What will happen to the surcharge at the time new base rates are approved?

A. The surcharge will be reset to zero. In Ms. Ipson's DEU Exhibit 5.02, Tariff Rate Schedules in 2.02, 2.03, 2.04, 4.02, 5.02, 5.03 and 5.04 illustrate this reset. As can be seen, the Infrastructure Rate Adjustment line shows zero for all block usage.

Q. Assuming new rates are set based on an average 2020 test period, at what point in time will replacement investment for feeder lines and IHP beltlines begin to be included in the Infrastructure Tracker?

A. Based on an average 2020 test period, any investment above $82.6 million that is put into service on or after January 1, 2019, should be included in the Infrastructure Tracker. The Company notes that it is proposing an average 2020 test period with a starting point that assumes $50,089,630 million of closed investment in HP Feeder Line and IHP beltline replacement in 2019 and $32,466,650 included in rate base for 2020. The inclusion of incremental investment of Replacement Infrastructure should not begin until the $82.6 million of investment has been reached. Additionally, the effective date of an incremental surcharge related to the Infrastructure Tracker should be set on or after March 1, 2020. Both of these limiting criteria will ensure that no costs have been included twice and that rates are just and reasonable. The Company's first request, following this general rate case, to adjust rates for the cost of Replacement Infrastructure will include evidence showing that these two limiting criteria have been followed. Attached as DEU Exhibit 1.15 is a summary of the Replacement Infrastructure costs that the Company has included in its 2019 and 2020 projected Infrastructure Tracker additions and is the basis for the amount included in the 2020 average test period. (*See* column C, line 28). This calculation uses the same reasoning that was used in the 13-057-05 case.

VII. CONCLUSION

Q. Would you please summarize your recommendations?

A. Yes. The rates proposed by Dominion Energy Utah in this case are just and reasonable. They reflect the prudent costs the Company will incur in providing safe, reliable and adequate service to its customers during the rate-effective period. The cost of service and rate design proposed by DEU represents a fair apportionment of costs among our customer rate classes and provides customers with the correct signals to use natural gas efficiently. I recommend that the Commission approve the proposed revenue requirement, rates and Tariff changes described in the Company's Application and testimony.

Additionally, the Company recommends the Infrastructure Tracker cap be raised to $80 million in 2020 and that it be continued going forward.

Q. Does this conclude your testimony?

A. Yes.

State of Utah)
) ss.
County of Salt Lake)

I, Kelly B Mendenhall, being first duly sworn on oath, state that the answers in the foregoing written testimony are true and correct to the best of my knowledge, information and belief. Except as stated in the testimony, the exhibits attached to the testimony were prepared by me or under my direction and supervision, and they are true and correct to the best of my knowledge, information and belief. Any exhibits not prepared by me or under my direction and supervision are true and correct copies of the documents they purport to be.

Kelly B Mendenhall

SUBSCRIBED AND SWORN TO this July 1, 2019.

Ginger Johnson
Notary Public

GINGER JOHNSON
Notary Public State of Utah
My Commission Expires on:
August 4, 2019
Comm. Number: 684539

Qualifications of Kelly B Mendenhall

Current Responsibilities

In September 2017 I assumed my current position as a Director of Regulatory and Pricing. I oversee the regulatory filings for Dominion Energy in the Utah and Wyoming jurisdictions.

Experience

I have been employed by the Dominion family of Companies since 1998 when I was hired as an accountant. In 2000, I began working in the regulatory affairs area and was responsible for preparing financial analysis, exhibits and models used in regulatory filings with the Public Service Commission of Utah, Public Service Commission of Wyoming and the Federal Energy Regulatory Commission. I have previously presented testimony before the Utah Public Service Commission and the Wyoming Public Service Commission. I have also made presentations on rate making principles to the National Association of Regulatory Utility Commissioners and the American Gas Association.

Educational Background

I received a Bachelor of Science degree in Accounting from the University of Utah in 1998, and a Master of Business Administration degree from Westminster College in 2001. I am a Certified Public Accountant (CPA) in the state of Utah and belong to the Utah Association of Certified Public Accountants (UACPA).

QUESTAR Gas

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Barrie L. McKay – Regulatory Affairs
Director Customer Rates & Regulation

April 17, 2017

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Questar Gas Company (Questar Gas) and Dominion Resources, Inc. (Dominion) respectfully submit the attached Integration Progress Report.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case."
The attached Integration Progress Report is the first report. Dominion and Questar Gas will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Barrie L. McKay

Barrie L. McKay
Director Customer Rates & Regulation

Utah Integration Progress Report as of 4/17/2017

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Questar Gas continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Questar Gas continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Questar Gas continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Questar Gas continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment is filed in Exhibit 1.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment is filed in Exhibit 2.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Questar Gas continues to comply with this commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Questar Gas continues to comply with this commitment.

Utah Integration Progress Report as of 4/17/2017

	Utah Stipulation	Status
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.
10	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.	Please see Exhibit 3 which summarizes the current status of this commitment.
11	Dominion, as at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion and Questar Gas will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion and Questar Gas will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Domion and Questar Gas will comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion and Questar Gas will continue to comply with this commitment.

Utah Integration Progress Report as of 4/17/2017

	Utah Stipulation	Status
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On February 6, 2017, Dominion Resources, Inc announced that it would be changing its name to Dominion Energy, Inc. A copy of the press release is included as Exhibit 4. This change will be made, pending shareholder approval on May 10, 2017. At this time, Dominion Questar Gas plans to change the doing business as ("DBA") name on its tariff to Dominion Energy Utah. When the name change becomes final, the appropriate tariff changes will be filed. This name change will also be communicated to customers through bill inserts and a media campaign.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Questar Gas will file its next Integrated Resource Plan in June of 2017.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Questar Gas continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion and Questar Gas continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Questar Gas will continue to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion and Questar Gas will comply with this commitment. As shown in Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion and Questar Gas continue to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a senior unsecured rating of A/stable from Fitch as shown in Exhibit 6.

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	Utah Stipulation	Status
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion and Questar Gas continue to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion and Questar Gas continue to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Since the merger, Questar Gas has not transferred assets to or assumed liabilities of Dominion or its affiliates. Dominion Questar Gas continues to comply with this commitment.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion and Questar Gas will continue to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion has and will continue to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion and Questar Gas will continue to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion is complying with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within Questar Gas' service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from *2017 to 2021* , Dominion Questar will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Questar announced that it had named a citizen advisory council. Attached as Exhibit 7 is a copy of the press release. The council met on January 19, 2017.

Utah Integration Progress Report as of 4/17/2017

	Utah Stipulation	Status
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 -Commission Order granted Withdrawal of the Application.
34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of February 2017, the balance in the CET is a $3.4 million over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion and Questar Gas will continue to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Questar Gas complies with this commitment by filing this report and will file similar quarterly reports in the future.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction costs are shown in Exhibit 8. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.

Utah Integration Progress Report as of 4/17/2017		
	Utah Stipulation	Status
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to	The transition costs are shown in Exhibit 8. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Questar Gas and Dominion will comply with this commitment. The attached Exhibit 9 shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (this does not include a full allocation of corporate costs from DRS). This is lower than the baseline amount of $138.24.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion and Questar Gas will comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion and Questar Gas will comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion and Questar Gas will comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion and Questar Gas will comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Questar Gas will comply with this commitment at the time designated. Dominion and Questar Gas are in the process of reviewing cost allocations and developing a proposed methodology.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Questar Gas will comply with this commitment at the time designated. Dominion and Questar Gas are in the process of reviewing cost allocations and developing a proposed methodology.

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	Utah Stipulation	Status
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion and Questar Gas will comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The updated standards are attached as Exhibit 10.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion and Questar Gas will comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion and Questar Gas will comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion and Questar Gas will comply with this commitment. Dominion Questar Gas has not issued a dividend since the merger. The financial statements for Wexpro and Questar Pipeline will be available at the end of April.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion and Questar Gas will comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Questar Gas has and will continue to comply with this commitment.

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	Utah Stipulation	Status
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion and Questar Gas will comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion and Questar Gas will continue to comply with this commitment. The Special Bankruptcy Director for Questar Gas, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion and Questar Gas will comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion and Dominion Questar Gas met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.

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	Utah Stipulation	Status
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11 is a copy of the notice that went to customers in the October bills.

Dominion

NEWS RELEASE

September 16, 2016

Dominion Resources Combines With Questar Corporation

RICHMOND, Va. – Dominion Resources, Inc. (NYSE: D), and Questar Corporation announced today that they have completed their proposed merger, forming one of the nation's largest combined electric and natural gas energy companies.

Thomas F. Farrell II, chairman, president and chief executive officer, said:

"We are pleased to complete our strategic combination with Questar, and to continue serving our Questar customers in the West with the same commitment and dedication to safety and excellence to which they – and our customers along the Eastern Seaboard and Midwest – are accustomed. Questar's high-performing regulated businesses also improve our geographic diversity and enhance our balance between electric and gas operations."

Questar's "hub of the Rockies" system is a principal gateway for gas supply to Western states. Dominion expects that demand on Questar's pipeline system will rise as Western states rely increasingly on low-carbon, natural gas-fired generation to comply with potentially stringent federal clean air requirements and to support state-mandated renewable standards. Questar's gas distribution operations benefit from being located in one of the country's fastest growing regions.

"Questar's businesses are ideally located to take advantage of the growth opportunities due to the changing energy landscape, benefiting the economies of the states in which they operate," Farrell said.

The combined company includes:

- 2.5 million electric utility customer accounts in Virginia and North Carolina;
- 2.3 million natural gas utility customer accounts in Idaho, Ohio, Utah, West Virginia and Wyoming;
- 1.3 million retail energy and related services customer accounts in 13 states;
- 14,400 miles of natural gas gathering, storage and transmission pipeline and nearly 51,000 miles of gas distribution pipeline;
- 6,500 miles of electric transmission lines and 57,300 miles of electric distribution lines;
- 25,700 megawatts of electric production in 11 states; and
- More than a trillion cubic feet of natural gas storage.

Ronald W. Jibson, chairman, president and chief executive officer of Questar, said:

"From our initial meetings with Dominion leaders it was evident from our similar strategies, cultures, values, and employee and safety focus that Dominion was an excellent company to combine with to move us into the future. After working through a very smooth merger, I'm more confident than ever that this opportunity to combine with one of the nation's best energy companies will benefit Questar customers, employees, shareholders and the communities we serve."

Benefit to customers, communities

Questar – now Dominion Questar – will operate as a first-tier, wholly owned subsidiary of Dominion. Questar's principal operating companies – Questar Gas, Questar Pipeline and Wexpro – have retained their names as of closing.

Dominion Questar will maintain its significant local presence with a local management structure drawn from existing Questar employees. Questar Gas' headquarters also will remain in Salt Lake City, along with a new Western Regional operating headquarters there.

Effective today, Questar CEO Jibson has retired and has been elected to Dominion's board of directors. Craig C. Wagstaff has been named president of Dominion Questar. He will lead Dominion's Western natural gas operations and be responsible for all current Questar operating companies.

Other benefits of the Dominion-Questar combination include:

- A $75 million contribution to Questar employee retirement plans, at Dominion shareholder expense;
- Withdrawal of a $22 million rate increase request in Utah, thereby stabilizing base rates until 2020;
- An agreement in Wyoming to freeze base rates at current levels until at least Jan. 1, 2020;
- A commitment to maintain Questar Gas' excellent customer service levels, with frequent reporting to state public service commissions;
- A $1 million per year increase in charitable giving in Dominion Questar's service area for at least the next five years, at Dominion shareholder expense;
- Establishment of a new Western region operating headquarters in Salt Lake City; and
- Maintaining environmental monitoring and maintenance programs at Questar Gas at or above current levels.

Jibson elected to Dominion's board of directors

Dominion's board of directors has elected Jibson as director, effective today. The election brings the size of the Dominion board to 11.

"Ron Jibson will bring to Dominion's board more than three decades of expertise in the energy infrastructure field, with a strong reputation for providing excellent customer service, protecting the environment and operating safely and efficiently," Farrell said. "We look forward to adding Ron's outstanding capabilities, intellect and insights to our board."

Until his retirement today, Jibson, 63, served as chairman, president and chief executive officer of Questar Corporation since 2012. Jibson joined Questar in 1980 and has held various operations and engineering positions within the company and its gas transmission and distribution subsidiaries. He has served or is serving on a number of industry, corporate and community boards, including the board of directors of the American Gas Association (past chairman); Western Energy Institute (past chairman); Gas Technology Institute; IDACORP, Inc.; his alma mater Utah State University's board of trustees (chairman); the Salt Lake Chamber Board of Governors (chairman); and the Utah Symphony/Utah Opera board, among others. Jibson received a bachelor's degree in civil engineering from Utah State and an MBA from Westminster College.

Dominion Midstream

Dominion Midstream Partners, LP (NYSE: DM), of which Dominion is the general partner and the majority holder of limited partner units, is also expected to benefit from the addition of Questar Corporation. "We expect Dominion Questar to contribute more than $425 million of EBITDA to Dominion's inventory of top-quality, low-risk MLP-eligible assets, supporting Dominion Midstream's targeted annual cash distribution growth rate of 22 percent," Farrell said.

Dominion has agreed to take all necessary action to appoint a current member of the Questar board as a director to serve on the board of directors of the general partner of Dominion Midstream as soon as practicable after such time as all or part of Questar Pipeline is contributed to Dominion Midstream.

Terms of transaction

Under the terms of the merger agreement, as of market close on Sept. 16, 2016, each Questar share has been canceled and shareholders are to receive $25.00 per share of common stock – or about $4.4 billion. Dominion has also assumed approximately $1.5 billion of Questar's outstanding debt. Questar shareholders of record as of the close of business Sept. 16, 2016, will also receive a pro-rated dividend of $0.07018 per share of common stock, payable Sept. 19, 2016.

Questar Corporation common stock will cease trading on the New York Stock Exchange prior to market open on Sept. 19, 2016. Additional information for Questar shareholders may be found at https://www.dom.com/corporate/investors/shareholder-services/merger-information.

About Dominion

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 25,700 megawatts of generation, 14,400 miles of natural gas transmission, gathering and storage pipeline, and 6,500 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves more than 6 million utility and retail energy customers. For more information about Dominion, visit the company's website at www.dom.com.

This release contains certain forward-looking statements that are subject to various risks and uncertainties. Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves. In addition, our business is influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual results and are often beyond our ability to control. These factors include, but are not limited to, financial market conditions and/or the anticipated benefits from the merger that may take longer to realize than expected. We have identified and will in the future identify a number of additional generally applicable factors in our reports on Forms 10-K, 10-Q and 8-K filed with the U.S. Securities and Exchange Commission. We refer you to those discussions for further information.

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Dominion Midstream board appoints new director

Monday, October 24, 2016

The board of directors of Dominion Midstream has appointed Harris H. Simmons as a new director, bringing the size of the Midstream board to six.

"Dominion Midstream and its thousands of unit holders no doubt will benefit from Harris Simmons' lifetime of leadership not only in the financial and energy sectors, but also in countless communities throughout the western United States," said Dominion Chairman and CEO Tom Farrell.

Simmons, 62, formerly lead director on the board of directors of Questar Corp. until the Dominion-Questar merger, is chairman and chief executive officer of the Salt Lake City-based Zions Bancorporation. In his more than 35 years with the Zions organization, he has served in a variety of positions. Simmons was named CEO in 1990 and added chairman to his duties in 2002.

His other corporate board experience includes O.C. Tanner Co. and National Life Group. He received a bachelor's degree in economics from the University of Utah in 1977 and an MBA from Harvard Business School in 1980.

by Don Porter (Questar) at 3:00 PM in Dominion: In the News

All Dominion Questar employees currently have the ability to apply for job opportunities across the Dominion business units. Recently two Questar Corporation employees chose to take job opportunities in the Richmond, Virginia office.

There are no positions identified for elimination for which other employment or promotion opportunities would be applicable. However, there have been a number of executive retirements, some of which will not be backfilled and some that have been backfilled with existing Questar employees (see First Supplement to Joint Application Exhibit 1.22). Those positions include:

- Questar Corporation President, Chief Executive Officer, Chairman of the Board
- Questar Corporation Executive Vice President –Questar Pipeline and Chief Operating Officer of Questar Pipeline
- Questar Corporation Vice President—Questar Pipeline and Chief Operating Officer of Questar Energy Services
- Wexpro Vice President—Engineering and Geoscience
- Questar Corporation Vice President, Audit and Chief Risk Officer
- Questar Corporation Vice President—Investor Relations and Corporate Treasurer
- Administrative Assistant to President and CEO
- General Manager – Corporate Communications and Community Relations
- General Manager – IT and Administration

Of these executive positions, the corporate leader and Questar Pipeline leader have been backfilled with existing Questar employees (see First Supplement to Joint Application Exhibit 1.22). Additionally, in the fall of 2016, Questar Corporation offered a Voluntary Separation Program (VSP) to Dominion Questar Corporation employees who were both retirement eligible, and had three or more years of service with the Company. The Company has selected a departure date for each of those employees who elected to participate in the VSP. The departure dates vary, but will all occur by the end of April of 2018. No such plans have been offered to employees of any of Dominion Questar Corporation's affiliates. Of those eligible, 61 employees accepted the VSP. Of the 61, 36 positions will not be backfilled and the duties of 8 positions will be performed by contractors. The other 17 positions are still being determined. The table provides further detail.

Function	Eliminate	Contract	To Be Determined
Administration	5		8
Legal	3		
Audit	2		
Communication	2		
Fleet	1		
Fueling	1		
Governance	1		
IT	1	8	7
External Affairs	1		
HR	6		
Accounting	11		
Regulatory			1
Finance			1
Tax	2		
Total(s)	**36**	**8**	**17**

Dominion

NEWS RELEASE

February 6, 2017

Dominion to Gain 'Energy' With New Name, Rebranding

RICHMOND, Va. – Dominion Resources, Inc. (NYSE: D), announced today it intends to change its name to Dominion Energy, Inc., in recognition of its focus on the evolving energy marketplace and to unify its brand following last year's merger with Questar Corporation. The company also unveiled a new logo befitting its new name.

"Dominion above all else is an energy company, committed to serving our customers safely and dependably," said Thomas F. Farrell II, chairman, president and chief executive officer. "Our company and our employees are proud of the work we have done in delivering energy for 119 years and of the reputation we have built through reliable and affordable service. Dominion Energy builds upon this equity, updates our company's look and unifies the company's brand across all of our lines of business and throughout the 18 states where we do business."

The changes will be made later this year, pending approval of shareholders of the name change at the Annual Meeting this spring. The company's 2017 Proxy Statement, which is expected to be filed in March, will contain information regarding the proposed change.

Dominion Resources was created in 1983 as a holding company for its electric and natural gas utilities, a services company and a subsidiary that was entering the natural gas exploration and production business.

The current logo was introduced just prior to the merger with Consolidated Natural Gas in 2000. The new logo retains a "D" shape while modernizing the look with stripes suggesting energy through the blue silhouette. It was designed by the global branding firm of Chermayeff & Geismar & Haviv, the design firm behind many of the world's most recognizable trademarks – including Chase, NBC, State Farm, National Geographic, PBS, the Smithsonian and the Library of Congress.

"A logo is a company's most focused public presentation — its flag," said Sagi Haviv, partner and designer at Chermayeff & Geismar & Haviv. "We designed the new Dominion Energy logo as an evolution of the company's visual heritage, while reflecting the vibrancy and changes occurring in the energy industry. Building on the established and familiar Dominion brand mark, we simplified the rising 'D' and infused it with energy. The new, bold and distinctive symbol is now suited to represent a leading energy provider."

"Over the years, Dominion has expanded to serve new markets with a broader range of services," said Kelly O'Keefe, head of creative brand management at Virginia Commonwealth University's Brandcenter, the country's leading branding school. "This is a good time to unify the brand, clarify the name and simplify the logo. The updated name is more recognizable and the new logo is simple, fresh and timeless." O'Keefe guided the company's rebranding.

After the annual meeting, the company would begin implementation, including replacing logos on company facilities and service vehicles and changing its "doing business as" names in Idaho, North Carolina, Ohio, Utah, Virginia, West Virginia and Wyoming — where its gas and electric distribution companies reside. The company's new principal operating units – Power Delivery Group, Power Generation Group and Gas Infrastructure Group – would replace Dominion Virginia Power, Dominion Generation and Dominion Energy, respectively.

The company's shares of common stock will continue to be traded on the New York Stock Exchange under the ticker symbol "D."

For more information regarding the company's branding efforts, please visit www.dom.com/NewBrand.

Dominion is one of the nation's largest producers and transporters of energy, with a portfolio of approximately 26,400 megawatts of generation, 14,600 miles of natural gas transmission, gathering and storage pipeline, and 6,600 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves more than 6 million utility and retail energy customers. For more information, visit www.dom.com.

Additional information and where to find it
This communication may be deemed to be solicitation material in respect of the shareholder vote on the corporate name change. Dominion intends to file a proxy statement with the U.S. Securities and Exchange Commission ("SEC") in connection with the 2017 Annual Meeting of Shareholders. INVESTORS AND SECURITY HOLDERS OF DOMINION ARE URGED TO READ THE PROXY STATEMENT, ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders will be able to obtain that proxy statement, any amendments or supplements thereto and other documents filed by Dominion with the SEC free of charge at the SEC's website (www.sec.gov). These items also may be viewed by visiting Dominion's website (www.dom.com).

Participants in the solicitation
Dominion and its directors and officers may be deemed to be participants in the solicitation of proxies from Dominion shareholders with respect to the corporate name change and other matters to be considered at the 2017 Annual Meeting of Shareholders. Information about the directors and executive officers of Dominion, including their respective interests by security holdings or otherwise, is available in Dominion's (i) Proxy Statement, dated March 22, 2016, for its 2016 Annual Meeting of Shareholders, (ii) Annual Report on Form 10-K for the year ended Dec. 31, 2015, filed with the SEC on Feb. 26, 2016, and (iii) Current Report on Form 8-K filed, filed with the SEC on Jan. 24, 2017, each of which are available free of charge at the SEC's website and Dominion's website.

#####

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Capital Structure - Questar Gas Company
As of December 31, 2016
($ in millions)

1 Current Portion of long-term debt	14.5
2 Long-term debt	613.1
3 Total long-term debt	627.6
5 Common shareholders equity	657.5
7 Total capitalization (excluding short-term debt)	1,285.1
6 Equity % of capitalization (excluding short-term debt)	51.2%

Questar Gas Company (/gws/en/esp/issr/96444249)

FitchRatings

Fitch Assigns Initial 'A-' Issuer Default Rating to Questar Gas Company

Fitch Ratings-Chicago-15 December 2016: Fitch Ratings has assigned an initial Long-Term Issuer Default Rating (IDR) of 'A-' to Questar Gas Company. The senior unsecured debt rating is 'A' and the Short-Term IDR/Commercial Paper rating is 'F2'. The Rating Outlook is Stable. A full list of ratings follows at the end of this release.

KEY RATING DRIVERS

Low Risk Business Profile: Questar Gas is a local gas distribution utility serving customers in Utah, Wyoming, and Idaho. The majority of the company's customers are located in the state of Utah, which continues to experience significant growth. Questar's customer count increased by 2.9% in 2015, and is expected to continue to increase in line with Utah's economic growth.

Limited Regulatory Risk: Utah has implemented numerous rider mechanisms (including weather normalization, revenue decoupling, infrastructure replacement, and purchased gas adjustment) that serve to reduce regulatory lag and stabilize credit metrics. ROEs granted in Utah are generally in line with the industry averages. As a result of the Utah and Wyoming commissions' approval of the acquisition by Dominion Resources, Inc. (D, Long-Term IDR 'BBB+'/Stable Outlook), Questar Gas is currently precluded from filing a base rate case in Utah before July 2019 and in Wyoming from filing a general rate case with an effective date early than January 2020.

Strong Financial Metrics: Credit measures are in line with current rating level. The company's numerous riders help offset potential impact from the agreed to stay-out provisions. Additionally, D's agreement to maintain Questar Gas' total equity/total capitalization at a minimum of 48% (thru Dec. 2019) underpins Questar Gas's credit quality.

Manageable Capital Expenditures: Like most gas utilities, Questar has experienced increasing capital expenditures for growth, reliability, and infrastructure upgrades. As part of the merger approval Questar Gas and D committed to spending the following capital expenditures to maintain and improve Questar Gas' facilities - $209 million in 2017, $208 million in 2018, and $233 million in 2019 with any variances to this plan to be supported by Questar Gas in its next general rate case. While the elevated capital expenditures exert some pressure on Questar's credit metrics, ratios are expected to remain in line with its current rating level.

Dominion Resources Ownership: Questar Gas is an indirect subsidiary of D. Questar Gas benefits from numerous ringfencing provisions in the merger approval, including separate books and records, separate legal entity, and D's commitment to maintain minimum 48% total equity/total capitalization at Questar Gas thru Dec 2019. D also committed to use reasonable efforts to maintain credit metrics consistent with strong investment-grade credit ratings (i.e. targeting single-A range.) Moderate linkage exists between Questar Gas and D's rating under Fitch's parent and subsidiary linkage criteria.

KEY ASSUMPTIONS
--Annual customer growth of 2.0% to 2.3%;
--Capital expenditures of $209 million in 2017, $208 million in 2018, and $233 million in 2019;
--General rate case filings in Utah and Wyoming in 2H19;
--Minimum equity/total capital of 48%.

RATING SENSITIVITIES

Positive Rating Action: Positive rating action is not expected in the near term given Questar Gas' current metrics and minimal geographic diversity.

Negative Rating Action: Negative rating action would be considered if Questar Gas' adjusted Debt/EBITDAR is above 4.0x on a consistent basis. A downgrade of two notches or more at Dominion Resources would also likely trigger a downgrade of Questar Gas under Fitch's parent and subsidiary linkage criteria.

LIQUIDITY

Liquidity: Questar Gas has adequate liquidity. As a result of the acquisition by D, Questar Gas was added as a direct borrower on D's two credit facilities, which total $5.5 billion. While Questar Gas' sublimit is set initially at $250 million it can be revised as needed. As per the Utah merger agreement, D has agreed that it will provide Questar Gas with access to no less than $750 million in short-term debt or commercial paper programs.

FULL LIST OF RATING ACTIONS

Fitch has assigned the following initial ratings to Questar Gas Company.

--Long-Term IDR at 'A-';
--Senior unsecured debt at 'A';
--Short-Term IDR at 'F2';
--Commercial Paper Rating at 'F2'.

Contact:

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Disclosure: There were no financial statement adjustments made that were material to the rating rationale outlined above.

Additional information is available on www.fitchratings.com

Applicable Criteria
Criteria for Rating Non-Financial Corporates (pub. 27 Sep 2016) (https://www.fitchratings.com/site/re/885629)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form
(https://www.fitchratings.com/creditdesk/press_releases/content/ridf_frame.cfm?pr_id=1016609&cft=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eyJzZXNzaW9uS2V5IjoiN1hEODU4WEFOSlZWSkFLTzFBUlikyQl5vHYr93_i2oys)
Solicitation Status (https://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=1016609)
Endorsement Policy (https://www.fitchratings.com/regulatory)

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Endorsement Policy - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (https://www.fitchratings.com/regulatory) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

Dominion Questar names members of Citizen Advisory Council

Monday, November 28, 2016

SALT LAKE CITY – Dominion Questar has named an 11-member Citizen Advisory Council to ensure the continuation of a strong relationship between the company and community. The council will provide guidance and feedback on community needs, system performance, environmental stewardship and sustainability, economic development opportunities, and other related activities of importance to the communities and regions served by Dominion Questar.

The council is made up of seven community and customer representatives and four company representatives. The members are:

- Gregory S. Bell, president and CEO, Utah Hospital Association;
- Patricia Jones, CEO, Women's Leadership Institute;
- Lane Beattie, president and CEO, Salt Lake Chamber;
- Derek Miller, president and CEO, World Trade Center Utah;
- Natalie Gochnour, associate dean and director, University of Utah's David Eccles School of Business;
- Dr. Karla Leach, president, Western Wyoming Community College;
- Nick Tatton, community director, Price City, Utah;
- Thomas F. Farrell II, chairman, president and CEO, Dominion;
- Diane Leopold, president and CEO–Dominion Energy;
- Carter Reid, senior vice president and chief administrative & compliance officer, Dominion; and
- Craig Wagstaff, president–Dominion Questar, and citizen-advisory council chairman.

"We are fortunate to have a high level of knowledge, wisdom and principled experience represented by the members of this council," Wagstaff said. "Their leadership and viewpoints, coupled with deep roots and relationships within our region, will help to pilot and grow the company as we move forward."

Dominion Questar is headquartered in Salt Lake City. Subsidiaries include Questar Gas, Questar Pipeline and Wexpro.

Dominion Questar is a subsidiary of Dominion, one of the nation's largest producers and transporters of energy. Dominion has a portfolio of approximately 26,000 megawatts of generation, 14,400 miles of natural gas transmission, gathering and storage pipeline, and 6,500 miles of electric transmission lines. Dominion operates one of the nation's largest natural gas storage systems with 1 trillion cubic feet of storage capacity and serves more than 6 million utility and retail energy customers. For more information about Dominion, visit the company's website at www.dom.com.

Dominion Questar
Merger Costs
Through December 2016

		A	B	C	D	E	F	
		Questar Pipeline	Questar Gas	Wexpro	Questar Fueling	Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$6,171,099	$5,644,730	$3,699,626	$80,769	$0	$15,596,224	1/
2	Mark-to-market of performance shares and deferred compensation	134,589	402,971	168,960	0	2,532,972	3,239,492	
3	Restricted stock units settlement	2,235,343	2,561,901	1,741,908	20,707	0	6,559,860	1/
4	Peformance share settlement	1,811,092	2,192,863	1,294,449	24,540	0	5,322,945	1/
5	Peformance share - additional expense	663,405	674,976	387,948	7,468	0	1,733,797	1/
6	Wexpro software relicensing charges	0	0	393,700	0	0	393,700	
7	Legal	0	0	0	0	6,093,953	6,093,953	
8	Financial advisor	0	0	0	0	28,257,211	28,257,211	
9	Fees for special proxy statement	0	0	0	0	658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	367,773	367,773	
11	Unamortized debt costs	0	0	0	0	336,078	336,078	
12	Debt issuance revolver fees	0	0	0	0	2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	1,572,224	1,572,224	
14	Other transaction costs	267,021	49,877	66,147	1,014	62,444	446,502	
15	Total Transaction Costs	11,282,549	11,527,319	7,752,738	134,498	41,897,244	72,594,348	
	Transition Costs - GL Account 930205							
16	Retention	233,262	541,973	597,182	5,928	0	1,378,345	1/
17	Voluntary severance program	2,374,208	3,872,896	2,240,413	60,339	0	8,547,856	1/
18	Total Transition Costs	2,607,470	4,414,870	2,837,594	66,267	0	9,926,201	
19	Total	$13,890,019	$15,942,189	$10,590,332	$200,765	$41,897,244	$82,520,549	

1/ Costs include directly assignable costs and allocated corporate costs.

Questar Gas Company

12 Months Ended 2016 O&M and A&G per customer

(Annual Results of Operations)

	(A)	(B)	
1	Production	$ (950,342.66)	
2	Distribution	58,448,083	
3	Customer Accounts (Excl. Bad Debt)	21,276,019	
4	Customer Service/Information (Excl. EE)	5,018,702	
5	Administrative & General	47,078,875	1/
6	Bad Debt	2,121,551	
7	Energy Efficiency	23,923,726	
8	**Total O&M and A&G**	$ 156,916,614	
		-	
9	LESS Bad Debt	(2,121,551)	
10	LESS Energy Efficiency	(23,923,726)	
11	Adjusted O&M and A&G	$ 130,871,336	
12	Year End Customers	1,007,667	
13	O&M and A&G/Customer (Line 11 divided by 12)	$ 129.88	

Wexpro

12 Months Ended 2016 O&M and A&G

(Audited Financial Statements)

14	Operating & Maintenance Expense	23,410,413	
15	Administrative & General Expense	25,927,681	1/
16	**Total O&M and A&G**	**$ 49,338,094**	

Questar Pipeline Company

12 Months Ended 2016 O&M and A&G

(FERC Form 2 pages 320-325)

17	Production Expenses		
18	Natural Gas Storage, Terminaling and Processing Expenses		
19	Transmission Expenses		
20	Customer Service and Informational Expenses		
21	Administrative & General Expense		
22	**Total O&M and A&G**	$ -	2/

1/ Does not include full allocation of costs from DRS

2/ QPC Ferc Form 2 numbers are not yet available. They will be provided as part of the next quarterly update.

CUSTOMER SATISFACTION STANDARDS QUARTERLY REPORT

	Service	Previous Annual Goal	Measurement Source	Updated Annual Goal
Overall Impression of QGC				
1	How satisfied are you with the product and services you receive	5.9	CSS	6.0
2	Delivers natural gas to my home/good value for price paid	4.9	CSS	5.5
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.0
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.5
5	Is honest and open in its dealings	5.5	CSS	5.5
6	Safely delivers natural gas to my home	6.5	CSS	6.5
7	Demonstrates care and concern for people like me	5.0	CSS	5.0

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	Previous Annual Goal	Measurement Source	Updated Annual Goal
Customer Care				
1	Percentage of calls answered within 60 seconds after customer chooses menu option	40%	Internal Statistics	85%
2	Percentage of emergency calls answered within 60 seconds by agent	95%	Internal Statistics	99%
3	Average wait for customer after menu selection	less than 60 seconds	Internal Statistics	less than 45 seconds
4	Callers that hang up after menu choice is made	less than 10%	Internal Statistics	less than 2%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	less than 5 minutes
6	The phone staff was courteous	6.0	CSS	6.0
7	The phone staff was knowledgeable	6.0	CSS	6.0
8	My call was answered quickly	5.5	CSS	5.5
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.0
10	The automated menu was easy to use	5.7	CSS	5.7
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	5.8

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

Service		Previous Annual Goal	Measurement Source	Updated Annual Goal
Customer Affairs				
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100.0%

Service		Previous Annual Goal	Measurement Source	Updated Annual Goal
Service Calls - Ask-A-Tech				
1	The technician was courteous	6.2	CSS	6.2
2	The technician was knowledgeable	6.2	CSS	6.2
3	The technician was able to help me quickly	5.9	CSS	5.9
4	The technician was able to help me resolve my issue	5.9	CSS	5.9
5	The automated menu was easy to use	5.7	CSS	5.7
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.0

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	Previous Annual Goal	Measurement Source	Updated Annual Goal
Service Calls				
1	The service technician was courteous	6.4	CSS	6.4
2	The service technician was knowledgeable	6.4	CSS	6.4
3	The service technician was able to help me quickly	6.2	CSS	6.2
4	The service technician was able to help me resolve my issue	6.2	CSS	6.2
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.3
6	Emergency calls - company representative is onsite within 1 hour of call	90%	Internal Statistics	95%
7	Remove meter seal within 1 business day requested by customer for activation	90%	Internal Statistics	95%
8	Activate or reactivate customers' gas service within 3 business days	90%	Internal Statistics	95%
9	Keeping customer appointments	90%	Internal Statistics	95%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	24 hours

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	Previous Annual Goal	Measurement Source	Updated Annual Goal
Billing				
1	Read each meter monthly	99%	Billing Statistics	99%
2	Percent of adjustments	5% Annual	Billing Statistics	3% Annual
3	Send corrected statement to customer	7 Business Days	Internal Report	5 Business Days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	90%	Internal Statistics	95%
5	Response time to investigate meter problems and notify customer within 15 business days	90%	Internal Statistics	95%

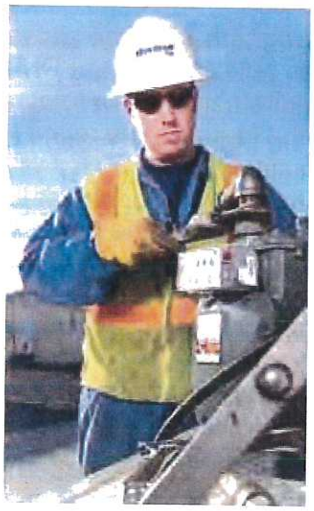
Questar Combines with Dominion

QUESTAR

Dominion

It's Official: Questar Combines with Dominion

Our parent company, Questar Corporation, merged with Richmond, Va.-based Dominion to form a cross-country energy company serving about five million natural gas and electric customers. While our corporate parent is new, we think you'll be most impressed by what isn't changing: **Our commitment to you.** The same men and women will continue to proudly focus on providing you with safe, reliable and low-cost energy delivery, and with responsive and courteous customer service. We'll continue to invest in our local communities and will be responsible environmental stewards. Our headquarters will stay in Salt Lake City and you can contact us at the same phone number and at the same place on the web at **www.questargas.com.**



Dominion Energy Utah
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DominionEnergy.com

Dominion Energy

August 15, 2017

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." The attached Integration Progress Report is the second report. Dominion Energy will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B. Mendenhall
General Manager, Regulatory Affairs

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment.

Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.
10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They will receive three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company.
11	Dominion, as at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2017/2018 IRP on June 14th, 2017, in Docket 17-057-12.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Since the merger, Dominion Energy Utah has not transferred assets to or assumed liabilities of Dominion or its affiliates. Dominion Energy continues to comply with this commitment.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion is complying with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 Integration report is a copy of the press release. The council's most recent meeting was on June 1, 2017.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.
34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of July 2017, the balance in the CET is a $1.9 million over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the integration report on April 17, 2017. and will file similar quarterly reports in the future.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 are shown in Exhibit 12 of this report. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to	The transition costs are shown in Exhibit 12. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. The attached Exhibit 13 shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy will comply with this commitment at the time designated. Dominion Energy is in the process of reviewing cost allocations and developing a proposed methodology.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy will comply with this commitment at the time designated.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results are attached as Exhibit 14.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy has not issued a dividend since the merger. The financial statements for Wexpro and Questar Pipeline are included in this report as exhibit 15 and 16.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.

Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.

Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Dominion Energy
Merger Costs
YTD June 30, 2017

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$0	$0	$0	$0	$0	$0	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	34,557	34,557	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	1,557,709	4,984,000	180,000	134,000	2,816,000	9,671,709	1/
14	Other transaction costs	0	0	(15,792)	0	11,604	(4,188)	
15	Total Transaction Costs	1,557,709	4,984,000	164,208	134,000	2,862,161	9,702,078	
	Transition Costs - GL Account 930205							
16	Retention	38,092	72,650	74,251	4,295	4,198	193,486	1/
17	Voluntary severance program	2,562,703	4,941,204	135,344	14,531	0	7,653,782	1/
18	Total Transition Costs for 2016 and 2017	2,600,795	5,013,854	209,595	18,826	4,198	7,847,268	
19	Total	$4,158,504	$9,997,854	$373,803	$152,826	$2,866,359	$17,549,346	

1/ Costs include directly assignable costs and allocated corporate costs.

Questar Gas Company

12 Months Ended 2016 O&M and A&G per customer
(Annual Results of Operations)

	(A)		(B)	
1	Production	$	(950,343)	
2	Distribution		58,448,083	
3	Customer Accounts (Excl. Bad Debt)		21,276,019	
4	Customer Service/Information (Excl. EE)		5,018,702	
5	Administrative & General		47,078,875	1/
6	Bad Debt		2,121,551	
7	Energy Efficiency		23,923,726	
8	**Total O&M and A&G**	$	156,916,614	
			-	
9	LESS Bad Debt		(2,121,551)	
10	LESS Energy Efficiency		(23,923,726)	
11	Adjusted O&M and A&G	$	130,871,336	
12	Year End Customers		1,007,667	
13	O&M and A&G/Customer (Line 11 divided by 12)	$	129.88	

Wexpro

12 Months Ended 2016 O&M and A&G
(Audited Financial Statements)

14	Operating & Maintenance Expense		23,410,413	
15	Administrative & General Expense		25,927,681	1/
16	**Total O&M and A&G**	**$**	**49,338,094**	

Questar Pipeline Company

12 Months Ended 2016 O&M and A&G
(FERC Form 2 pages 320-325)

17	Production Expenses		(9,549,590)	
18	Natural Gas Storage, Terminaling and Processing Expenses		12,578,992	
19	Transmission Expenses		32,066,699	
20	Customer Service and Informational Expenses		41,813	
21	Administrative & General Expense		24,583,605	
22	**Total O&M and A&G**	**$**	**59,721,519**	2/

1/ Does not include full allocation of costs from DRS

2/ QPC Ferc Form 2 numbers are not yet available. They will be provided as part of the next quarterly update.

August 15, 2017

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 2nd quarter ended June 2017.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending June 2017 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

Dominion Energy met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results are attached as Exhibit 14. There are three areas where the Company is deficient. Customer Care metric #3, average wait time after menu selection was 51 seconds on average instead of 45 seconds on average. Billing metric #1, read each meter monthly, was 97.4%, instead of 99% on average. These two metrics were deficient due to issues with battery failure on transponders. When the batteries fail, meter reads decrease and meter read estimates increase. This results in higher call volume and a lower number of reads. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. This should result in reduced battery failures, higher meter reads and lower call volume. The third deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 94% instead of 95% because the responsible department was down by three employees due to job changes and maternity leave. Going forward this department is fully staffed and response times should improve.

Cc: Doug Wheelwright, DPU
Maria Martinez, DPU
Cheryl Murray, OCS

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.4	6.3	6.3	6.3	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	6.0	5.9	5.8	5.9	5.9
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.6	5.5	5.4	5.5	5.5
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.7	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	6.1	6.1	5.8	6.0	6.0
6	Safely delivers natural gas to my home	6.5	CSS	6.7	6.7	6.6	6.6	6.7
7	Demonstrates care and concern for people like me	5.0	CSS	5.8	5.9	5.7	5.8	5.8

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	89.5%	86.3%	84.4%	88.1%	87.1%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.3%	99.2%	99.5%	99.4%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	37	57	70	51	54
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.2%	1.8%	1.9%	1.5%	1.6%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	4.9	5.1	5.0	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.6	6.6	6.7	6.7
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.6	6.5	6.6	6.6
8	My call was answered quickly	5.5	CSS	6.2	6.3	6.1	6.4	6.3
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.3	6.4	6.4	6.4
10	The automated menu was easy to use	5.7	CSS	6.1	6.1	6.0	6.2	6.1
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	6.3	6.2	6.3	6.3

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q3 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.9	6.8	6.7	6.8	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.6	6.7	6.7	6.7
3	The technician was able to help me quickly	5.9	CSS	6.7	6.6	6.6	6.6	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.6	6.7	6.5	6.3	6.5
5	The automated menu was easy to use	5.7	CSS	6.4	6.3	6.4	6.1	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.6	6.5	6.7	6.5	6.6

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Service Calls								
1	The service technician was courteous	6.4	CSS	6.7	6.8	7.0	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.8	6.9	6.8	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.5	6.6	6.8	6.7	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.6	6.6	6.8	6.4	6.6
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.6	6.7	6.8	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.6%	98.0%	98.1%	98.3%	98.3%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	98.8%	100.0%	100.0%	100.0%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Q3 2016	Q4 2016	Q1 2017	Q2 2017
CUSTOMER CARE SATISFACTION	6.3	6.3	6.2	6.3

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	98.2%	94.8%	94.2%	97.4%	96.2%
2	Percent of adjustments	3% Annual	Billing Statistics	0.77%	0.56%	0.53%	0.53%	2.39%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.57 days	.78 days	1.75 days	2.21 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.7%	99.9%	99.7%	99.8%	99.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	100%	100%	97%	94%	98%

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2016 and 2015
and Report of Independent Auditors

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2016 and 2015

Contents

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INDEPENDENT AUDITORS' REPORT

Wexpro Company
Salt Lake City, Utah

We have audited the accompanying consolidated financial statements of Wexpro Company and its subsidiary (the "Company"), which comprise the consolidated balance sheet as of December 31, 2016, and the related consolidated statements of income, comprehensive income, common shareholder's equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Wexpro Company and its subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Predecessor Auditors' Opinion on 2015 Consolidated Financial Statements

The consolidated financial statements of the Company as of and for the year ended December 31, 2015 were audited by other auditors whose report, dated April 8, 2016, expressed an unmodified opinion on those statements.

Deloitte & Touche LLP

May 26, 2017

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31, 2016	2015
	(in millions)	
REVENUES		
Operator service fee	$ 311.7	$ 313.3
Oil and natural gas liquids sales	8.5	10.5
Other	1.1	5.2
Total Revenues	321.3	329.0
OPERATING EXPENSES		
Operating and maintenance	23.9	25.7
General and administrative	26.0	29.2
Merger and restructuring costs	12.3	—
Production and other taxes	16.2	19.7
Depreciation, depletion and amortization	106.7	89.9
Accretion expense	4.0	3.2
Total Operating Expenses	189.1	167.7
Net gain from asset sales	—	1.6
OPERATING INCOME	132.2	162.9
Interest and other income	0.4	0.9
INCOME BEFORE INCOME TAXES	132.6	163.8
Income taxes	(41.1)	(54.9)
NET INCOME	$ 91.5	$ 108.9

See notes accompanying the consolidated financial statements

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31, 2016	2015
	(in millions)	
Net income	$ 91.5	$ 108.9
Other comprehensive loss		
Unrealized gain (loss) on available-for-sale securities	(0.1)	—
Income taxes	—	—
Net other comprehensive loss	(0.1)	—
COMPREHENSIVE INCOME	$ 91.4	$ 108.9

See notes accompanying the consolidated financial statements

WEXPRO COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31, 2016	2015
	(in millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1.5	$ 3.6
Notes receivable from Dominion Energy Questar Corporation	—	40.7
Accounts receivable	4.2	5.4
Receivables from affiliates	29.7	68.1
Materials and supplies, at lower of average cost or market	3.1	4.3
Current regulatory assets	24.0	—
Prepaid expenses and other	2.8	2.4
Total Current Assets	65.3	124.5
Cost-of-service gas and oil property, plant and equipment, successful efforts method	1,653.0	1,629.8
Accumulated depreciation, depletion and amortization	(887.8)	(789.9)
Net Cost-of-Service Gas and Oil Property, Plant and Equipment	765.2	839.9
Receivables from affiliates	9.3	9.1
Regulatory assets	7.6	—
Other noncurrent assets	31.2	27.1
TOTAL ASSETS	$ 878.6	$ 1,000.6
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY		
Current Liabilities		
Notes payable to Dominion Energy, Inc.	$ 4.0	$ —
Accounts payable	8.0	6.1
Payables to affiliates	1.3	18.0
Accrued expenses and other	9.3	7.7
Production and other taxes	12.8	18.0
Total Current Liabilities	35.4	49.8
Deferred income taxes	171.9	200.2
Asset retirement obligations	68.7	63.4
Regulatory liabilities	9.7	—
Other long-term liabilities	22.7	23.8
Total Liabilities	308.4	337.2
Commitments and contingencies - Note 9		
COMMON SHAREHOLDER'S EQUITY		
Common stock – par value $0.01 per share; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	184.4	181.8
Retained earnings	385.8	481.5
Accumulated other comprehensive income	—	0.1
Total Common Shareholder's Equity	570.2	663.4
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	$ 878.6	$ 1,000.6

See notes accompanying the consolidated financial statements

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY

	Common Stock[1]	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp. Income (Loss)	Total
			(in millions)		
Balances at December 31, 2014	$ —	$ 179.8	$ 552.6	$ 0.1	$ 732.5
Dividends to Dominion Energy Questar Corporation	—	—	(180.0)	—	(180.0)
Share-based compensation	—	2.0	—	—	2.0
2015 net income	—	—	108.9	—	108.9
Balances at December 31, 2015	—	181.8	481.5	0.1	663.4
Dividends to Dominion Energy Questar Corporation	—	—	(187.2)	—	(187.2)
Share-based compensation	—	2.6	—	—	2.6
2016 net income	—	—	91.5	—	91.5
Net other comprehensive loss	—	—	—	(0.1)	(0.1)
Balances at December 31, 2016	$ —	$ 184.4	$ 385.8	$ —	$ 570.2

[1]Par value $0.01 per share; 1,000 shares authorized, issued and outstanding

See notes accompanying the consolidated financial statements

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2016	2015
	(in millions)	
OPERATING ACTIVITIES		
Net income	$ 91.5	$ 108.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	106.7	89.9
Accretion expense	4.0	3.2
Deferred income taxes	(28.3)	2.7
Share-based compensation	2.6	2.0
Net (gain) from asset sales	—	(1.6)
Other operating	0.6	0.6
Changes in operating assets and liabilities		
Accounts and affiliate receivables	39.6	10.1
Materials and supplies	1.2	—
Regulatory assets - current	(24.0)	—
Prepaid expenses	(0.4)	(0.8)
Accounts payable and accrued expenses	(14.6)	(3.8)
Production and other taxes	(5.2)	(6.7)
Other assets and liabilities	(6.3)	(14.8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	167.4	189.7
INVESTING ACTIVITIES		
Purchases of long-term investment	(5.5)	(2.3)
Proceeds from the sale of long-term investment	0.4	3.9
Repayment of notes receivable from Dominion Energy Questar Corporation, net	40.7	—
Additions to property, plant and equipment	(22.2)	(24.3)
Proceeds from disposition of assets and other	0.3	0.4
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	13.7	(22.3)
FINANCING ACTIVITIES		
Issuance of notes to Dominion Energy, Inc.	4.0	—
Repayment of notes receivable from Dominion Energy Questar Corporation, net	—	29.6
Dividends paid to Dominion Energy Questar Corporation	(187.2)	(197.0)
NET CASH USED IN FINANCING ACTIVITIES	(183.2)	(167.4)
Change in cash and cash equivalents	(2.1)	—
Beginning cash and cash equivalents	3.6	3.6
Ending cash and cash equivalents	$ 1.5	$ 3.6
Supplemental Disclosure of Cash Paid During the Year for:		
Interest	$ —	$ 0.1
Income taxes	72.0	54.4

See notes accompanying the consolidated financial statements.

Note 1 - Summary of Significant Accounting Policies

A. Nature of Business
Wexpro Company (Wexpro) is a wholly-owned subsidiary of Dominion Energy Questar Corporation (Dominion Energy Questar). Wexpro develops and produces cost-of-service reserves for a gas utility affiliate Questar Gas Company (Questar Gas), another wholly-owned subsidiary of Dominion Energy Questar, under the terms of the Wexpro agreements and comprehensive agreements with the states of Utah and Wyoming as disclosed further in the following paragraphs.

In 2013, Wexpro and Questar Gas received approval of the Public Service Commission of Utah (PSCU) and the Wyoming Public Service Commission (PSCW) for a Wexpro II Agreement to add properties under the cost-of-service pricing methodology for the benefit of Questar Gas customers. The agreement is modeled after the terms of the original Wexpro Agreement. Wexpro Company formed a wholly-owned subsidiary, Wexpro II Company. Wexpro II Company's financial records are consolidated with Wexpro's to form consolidated Wexpro Company (Wexpro or the Company).

Pursuant to the Wexpro Agreement and the Wexpro II Agreement (Wexpro agreements), Wexpro recovers its costs and receives an after-tax return on its investment base. Wexpro's investment base is made up of the costs of acquired properties and commercial wells and related facilities, adjusted for working capital and reduced for deferred income taxes and accumulated depreciation, depletion and amortization. Property acquisition costs only pertain to properties that have been approved under the Wexpro II Agreement by the PSCU and PSCW. The terms of the Wexpro agreements coincide with the productive lives of the gas and oil properties covered therein. Wexpro's gas and oil development and production activities are subject to oversight by the Utah Division of Public Utilities and the staff of the Wyoming Public Service Commission, which have retained an independent certified public accountant and an independent petroleum engineer to monitor the performance of the agreements.

On September 4, 2013, Wexpro Development (discussed below) acquired an additional interest in natural gas-producing properties in the Trail Unit of southwestern Wyoming's Vermillion Basin. This acquisition was an addition to Wexpro's existing Trail assets, which are governed by the 1981 Wexpro Agreement. In January of 2014, the Commissions approved the inclusion of these properties in the Wexpro II Agreement. On February 1, 2014, Wexpro Development contributed the net assets associated with the Trail acquisition gas and oil properties to Wexpro Company in a noncash transaction amounting to $103.2 million. Wexpro Company, in turn, contributed the net Trail acquisition assets to its newly-formed, wholly-owned subsidiary, Wexpro II Company, to own and operate.

As part of the stipulation to include the Trail acquisition in the Wexpro II Agreement, Wexpro agreed to manage the combined production from the original Wexpro properties and the Trail acquisition to 65% of Questar Gas's annual forecasted demand. Beginning in June 2015 through May 2016 and for each subsequent 12-month period, if the combined annual production exceeds 65% of the forecasted demand and the cost-of-service price is greater than the Questar Gas purchased-gas price, an amount equal to the excess production times the excess price will be credited back to Questar Gas customers. Wexpro may also sell production to manage the 65% level and credit back to Questar Gas customers the higher of market price or the cost-of-service price times the sales volumes. As of December 31, 2016, Wexpro's trailing 12-month cost-of-service gas deliveries were below the 65% threshold.

In December 2014, Wexpro Development acquired an additional interest in its existing Wexpro-operated assets in the Canyon Creek Unit of southwestern Wyoming's Vermillion Basin. During 2015, Wexpro and Questar Gas submitted an application to the Commissions for approval to include the acquired Canyon Creek properties under the terms of the Wexpro II Agreement. As part of this application, Wexpro proposed significant changes to its cost-of-service program to enable future cost-of-service gas production to be more competitive with market prices. The proposed changes to the cost-of-service program were subsequently modified by a Settlement Stipulation among Questar Gas, Wexpro, the Utah Division of Public Utilities, the Utah Office of Consumer Services and the Wyoming Office of Consumer Advocate. The proposed modifications to the Wexpro Agreements, as modified by the Settlement Stipulation, were approved by the PSCU on November 17, 2015 and by the PSCW on November 24, 2015.

As modified, the Wexpro Agreements include the Canyon Creek acquisition as a Wexpro II property and provide for the following changes to the cost-of-service program:

- The return on post-2015 development drilling will be lowered to the Commission allowed rate of return on investment as defined in the Wexpro II Agreement (currently 7.64%), and the pre-2016 investment base and associated returns will not be affected;
- Wexpro and Questar Gas will reduce the threshold of maximum combined production from Wexpro properties from 65% of Questar Gas's annual forecasted demand to 55% in 2020;
- Dry-hole and non-commercial well costs will be shared on a 50%/50% basis between utility customers and Wexpro so long as the costs allocated to utility customers do not exceed 4.5% of Wexpro's annual development drilling program costs;
- Wexpro will share in 50% of the savings when the annual price of cost-of-service production is lower than the annual average market price. However Wexpro's 50% share of any annual savings will be limited so that Wexpro will not earn a return exceeding the return earned on gas development investment under the 1981 Wexpro Agreement.

In December 2015, Wexpro Development, acquired working interests in 75 producing wells and 112 future drilling locations in the Trail, Whiskey Canyon, Canyon Creek and Kinney units in southwestern Wyoming (collectively known as the Vermillion Basin acquisition) for $16.0 million. In January 2017, Wexpro applied to the Public Service Commission of Utah and the Wyoming Public Service Commission (the Commissions) to have these properties included as Wexpro II properties. The proposal stipulated that the acquisition costs of the approved properties would be adjusted for the depreciation of the gas sold from the time Wexpro Development closed on the properties until their final approval as Wexpro II properties. Subsequently, in March 2017, the Commissions approved the Vermillion Settlement Stipulation effective March 1, 2017.

Wexpro Development
Wexpro Development is an affiliate company owned by Dominion Energy Questar, but is not included in these consolidated financial statements. Wexpro Development invests in properties outside the Wexpro agreements. However, the properties may be transferred to Wexpro II if approved by the Commissions.

B. Principles of Consolidation
The Wexpro consolidated financial statements contain the accounts of the parent company and its wholly-owned subsidiary. The consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP). All intercompany accounts and transactions have been eliminated in consolidation.

C. Use of Estimates
The preparation of financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. The Company also incorporates estimates of proved developed and total proved gas and oil reserves in the calculation of depreciation, depletion and amortization rates of its gas and oil properties. Changes in estimated quantities of its reserves could impact the Company's reported financial results. Actual results could differ from these estimates.

D. Revenue Recognition
Wexpro recognizes revenues in the period that services are provided or products are delivered. In accordance with the Wexpro agreements, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service, including an after-tax return on Wexpro's investment. Wexpro sells crude oil and natural gas liquids (NGL) production from certain producing properties at market prices, with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Questar Gas and Wexpro, with Wexpro retaining 46%. Amounts received by Questar Gas from the sharing of Wexpro's oil and NGL income are used to reduce natural gas costs to utility customers.

Revenue associated with the sale of gas, oil and NGL is accounted for using the sales method, whereby revenue is recognized as gas, oil and NGL are sold to purchasers. A liability is recorded to the extent that Wexpro has sold or delivered volumes in excess of its share of remaining gas and oil reserves in the underlying properties. Wexpro may collect revenues subject to possible refunds and establish reserves pending final calculation of the after-tax return on investment, which is adjusted annually.

E. Cash and Cash Equivalents
For purposes of the Consolidated Balance Sheets and Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with an original maturity of three months or less.

F. Notes Payable to and Notes Receivable from Affiliates

Notes payable to or receivable from Dominion Energy Questar represent interest bearing demand notes for cash borrowed for use in operations or loaned until needed in operations. The funds were centrally managed by Dominion Energy Questar. Amounts loaned earn an interest rate that is identical to the interest rate paid by Wexpro for borrowings. Subsequent to the merger, Wexpro no longer loans funds to Dominion Energy Questar. Notes payable to Dominion Energy, Inc. (Dominion Energy) represent interest bearing demand notes for cash borrowed for use in operations. During 2016, in conjunction with the Dominion Energy and Questar merger, the company changed its presentation of cash receipts and cash payments from notes receivable from affiliates, and now presents such transactions in investing activities on the Statement of Cash Flows.

G. Property, Plant and Equipment

Property, plant and equipment balances are stated at historical cost. Maintenance and repair costs are expensed as incurred.

Cost-of-service gas and oil operations

The successful efforts method of accounting is used for cost-of-service reserves developed and produced by Wexpro for gas utility affiliate Questar Gas. Cost-of-service reserves are properties for which the operations and return on investment are subject to the Wexpro agreements. Under the successful efforts method, Wexpro capitalizes the costs of acquiring leaseholds, drilling development wells, drilling successful exploratory wells, and purchasing related support equipment and facilities. Geological and geophysical studies are expensed as incurred. Costs of production and general corporate activities are expensed in the period incurred. A gain or loss is generally recognized on assets as they are retired from service.

Depreciation, Depletion and Amortization

Capitalized costs of development wells and leaseholds are amortized on a field-by-field basis using the unit-of-production method and the estimated proved developed or total proved gas and oil reserves. Oil and NGL volumes are converted to natural gas equivalents using the ratio of one barrel of crude oil, condensate or NGL to 6,000 cubic feet of natural gas. The Company capitalizes an estimate of the fair value of future abandonment costs associated with cost-of-service reserves and depreciates these costs using a unit-of-production method. Depreciation, depletion and amortization for the remaining Company properties is based upon rates that will systematically charge the costs of assets against income over the estimated useful lives of those assets using a straight-line method. The following represent average depreciation, depletion and amortization rates of the Company's capitalized costs:

	Year Ended December 31,	
	2016	2015
Cost-of-service gas and oil properties, per Mcfe	$ 2.00	$ 1.81

H. Impairment of Long-Lived Assets

Proved gas and oil properties are evaluated on a field-by-field basis for potential impairment. Other properties are evaluated on a specific-asset basis or in groups of similar assets, as applicable. Impairment is indicated when a triggering event occurs and the sum of the estimated undiscounted future net cash flows of an evaluated asset is less than the asset's carrying value. Triggering events could include, but are not limited to, an impairment of gas and oil reserves caused by mechanical problems, faster-than-expected decline of reserves, lease-ownership issues, and an other-than-temporary decline in gas and oil prices. If impairment is indicated, fair value is estimated using a discounted cash flow approach that incorporates market interest rates or, if available, other market data. The amount of impairment loss recorded, if any, is the difference between the fair value of the asset and the current net book value. Cash flow estimates require forecasts and assumptions for many years into the future for a variety of factors, including commodity prices and operating costs. There were no impairments recorded in 2015. Wexpro recorded a $0.2 million pre-tax abandonment and impairment charge in 2016.

I. Allowance for Funds Used During Construction

The Wexpro agreements require capitalization of allowance for funds used during construction (AFUDC) on cost-of-service gas and oil development projects. AFUDC amounted to $0.3 million in 2016 and $0.6 million in 2015 and increased interest and other income in the Consolidated Statements of Income.

J. Regulatory Assets and Liabilities

The accounting for Wexpro's operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its Financial Statements. For regulated businesses subject to state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

Wexpro evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made.

K. ASC 980 - Regulated Operations for Depreciation Expense
Wexpro adopted principles in ASC 980. Based on the Wexpro II Agreement, the Company is allowed to depreciate its investment base faster than allowed by GAAP. Thus, the difference between the two depreciation methods increases GAAP recovery of investment and gives rise to a regulatory liability which was recognized in 2016. The increased depreciation expense recognized in 2016 was $9.7 million or $6.3 million after tax.

L. Concentration of Credit Risk
Wexpro's primary market area is the Rocky Mountain region of the United States. Pursuant to the Wexpro agreements, Wexpro's primary customer is Questar Gas. The Wexpro agreements generate the majority of Wexpro's revenue and net income.

M. Income Taxes
For 2016, a consolidated federal income tax return will be filed for Dominion Energy Questar, including Wexpro, for the period January 1, 2016 through September 16, 2016. Wexpro will also be part of the consolidated federal income tax return filed by Dominion Energy for the period September 17, 2016 through December 31, 2016. Wexpro will be part of the consolidated Dominion Energy federal income tax return for the full year 2017 and going forward. In addition, where applicable, combined income tax returns for Dominion Energy and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed.

Wexpro participates in intercompany tax sharing agreements with Dominion Energy Questar (through September 16, 2016) and Dominion Energy (from September 17, 2016 through December 31, 2016). Current income taxes are based on taxable income or loss and credits determined on a separate company basis. Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

Deferred income taxes are recorded for temporary differences arising between the book and tax carrying amounts of assets and liabilities. These differences create taxable or tax-deductible amounts for future periods. The Company records interest earned on income tax refunds in interest and other income and records penalties and interest charged on tax deficiencies in interest expense.

Accounting standards for income taxes specify the accounting for uncertainty in income taxes by prescribing a minimum recognition threshold for a tax position to be reflected in the financial statements. If recognized, the tax benefit is measured as the largest amount of tax benefit that is more-likely-than-not to be realized upon ultimate settlement. Management has considered the amounts and the probabilities of the outcomes that could be realized upon ultimate settlement and believes that it is more-likely-than-not that the Company's recorded income tax benefits will be fully realized. There were no unrecognized tax benefits at the beginning or end of the years ended December 31, 2016 or 2015. The Internal Revenue Service has completed its review of all returns through 2015. The 2016 federal income tax return has not been filed. Tax years 2013 to 2015 remain open to state income tax audits. Wexpro has accumulated about $4 million of state income tax credits that expire between 2017 and 2023. See Note 6 for further discussion on income taxes.

N. Comprehensive Income
Comprehensive income is the sum of net income as reported in the Consolidated Statements of Income and other comprehensive income (OCI). OCI includes changes in the fair value of long-term investment, and the related income taxes. Income or loss is recognized when the long-term investment is sold or otherwise realized. Accumulated other comprehensive income was $0.1 million and $0.0 at December 31, 2016 and 2015, respectively. The balance is related to the money market and to the short-term bond index mutual funds held in Wexpro's trust (see Note 4).

O. Recent Accounting Developments

In May 2014, the FASB issued revised accounting guidance for revenue recognition from contracts with customers. The core principle of this revised accounting guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update also require disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

For Wexpro, the revised accounting guidance is effective for interim and annual periods beginning January 1, 2018. We have completed the preliminary stages of evaluating the impact of this guidance and, pending evaluation of the items discussed below, expect no significant impact on our results of operations. Now that our preliminary evaluation is complete, we will expand the scope of our assessment to include all contracts with customers. In addition, we are considering certain issues that could potentially change the accounting for certain transactions. Among the issues being considered are accounting for contributions in aid of construction, recognition of revenue when collectability is in question, recognition of revenue in contracts with variable consideration and accounting for alternative revenue programs. Wexpro plans on applying the standard using the modified retrospective method as opposed to the full retrospective method.

P. Subsequent Events

The consolidated financial statements reflect management's consideration of known subsequent events as of May 26, 2017, the date that the financial statements were issued. See Note 11.

Q. Reclassifications

Certain reclassifications were made to prior-year financial statements to conform to the 2016 presentation. The reclassifications did not affect Wexpro's net income, total assets, liabilities, equity or cash flows.

Note 2 - Merger with Dominion Energy

On September 16, 2016, the merger closed and Questar Corporation became known as Dominion Energy Questar, a wholly-owned subsidiary of Dominion Energy.

Note 3 - Asset Retirement Obligations

Wexpro records an asset retirement obligation (ARO) when there is a legal obligation associated with the retirement of a tangible long-lived asset. Wexpro's AROs apply primarily to abandonment costs associated with gas and oil wells, production facilities and certain other properties. The fair value of retirement costs is estimated by Company personnel based on abandonment costs of similar properties available to field operations and depreciated over the life of the related assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs. Income or expense resulting from the settlement of ARO liabilities is included in net gain (loss) from asset sales on the Consolidated Statements of Income. The ARO liability is adjusted to present value each period through an accretion calculation using a credit-adjusted risk-free interest rate.

Changes in AROs from the Consolidated Balance Sheets were as follows:

	2016	2015
	(in millions)	
AROs at beginning of year	$ **63.4**	$ 64.8
Accretion	**3.9**	3.1
Liabilities incurred	**0.3**	2.3
Revisions in estimated cash flows	**2.1**	1.8
Liabilities settled	**(0.8)**	(8.6)
AROs at end of year	$ **68.9**	$ 63.4

Wexpro collects from Questar Gas and deposits in trust certain funds related to estimated ARO costs. The funds are recorded as other noncurrent assets on the Consolidated Balance Sheets and used to satisfy retirement obligations as the properties are abandoned. The accounting treatment of reclamation activities associated with AROs for properties administered under the Wexpro agreements is defined in a guideline letter between Wexpro and the Utah Division of Public Utilities and the staff of the Public Service Commission of Wyoming.

Note 4 - Fair Value Measurements

Wexpro complies with the accounting standards for fair value measurements and disclosures. These standards define fair value in applying GAAP, establish a framework for measuring fair value and require disclosures about fair value measurements. The standards establish a fair value hierarchy. Level 1 inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company had no assets or liabilities measured on a recurring basis using Level 2 or Level 3 inputs at December 31, 2016 or 2015. Fair value accounting standards also apply to certain nonfinancial assets and liabilities that are measured at fair value on a non-recurring basis. Wexpro did not have any such assets or liabilities at December 31, 2016 or 2015.

The following table discloses the carrying amount, estimated fair value and level within the fair value hierarchy of certain financial instruments not disclosed in other notes to the consolidated financial statements in this annual report:

	Hierarchy Level of Fair Value Estimates	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
		December 31, 2016		December 31, 2015	
		(in millions)			
Financial assets [(1)]					
Cash and cash equivalents	1	$ 1.5	$ 1.5	$ 3.6	$ 3.6
Notes receivable from Dominion Energy Questar	1	—	—	40.7	40.7
Financial liabilities					
Notes payable to Dominion Energy	1	4.0	4.0	—	—

(1) Excludes $19.2 million and $14.1 million of long-term investment assets at December 31 2016 and 2015, respectively, measured at fair value using NAV (or its equivalent) as a practical expedient which are not required to be categorized in the fair value hierarchy.

The carrying amounts of cash and cash equivalents approximate fair value. The carrying amounts of notes receivable from Dominion Energy Questar and notes payable to Dominion Energy approximate fair value because of their short maturities and market-based interest rates.

Note 5 - Debt

Dominion Energy may make loans to Wexpro under a short-term borrowing arrangement. As of December 31, 2016, Wexpro had a short-term note with Dominion Energy for $4.0 million with an variable interest rate of 1.05%. As of December 31, 2015, there were no short-term or long-term borrowings.

Note 6 - Income Taxes

Details of Wexpro's income tax expense and deferred income taxes are provided in the following tables. The components of income tax expense were as follows:

	Year Ended December 31, 2016	2015
	(in millions)	
Federal		
Current	$ 69.0	$ 50.2
Deferred	(24.4)	3.0
State		
Current	0.5	2.0
Deferred	(4.0)	(0.3)
Total income tax expense	$ 41.1	$ 54.9

The difference between the statutory federal income tax rate and the Company's effective income tax rate is explained as follows:

	Year Ended December 31, 2016	2015
Federal income tax statutory rate	35.0%	35.0%
Increase (decrease) in rate as a result of:		
State income taxes, net of federal income tax benefit	(1.8)	0.6
Domestic production deduction	(2.4)	(2.1)
Other	0.2	—
Effective income tax rate	31.0%	33.5%

Significant components of Wexpro's deferred income taxes were as follows:

	December 31, 2016	2015
	(in millions)	
Deferred income taxes		
Deferred tax liabilities		
Property, plant and equipment	$ 183.8	$ 227.3
Employee benefits	3.3	3.4
Deferred tax liabilities	187.1	230.7
Deferred tax assets		
Asset retirement obligations	9.7	21.3
Deferred compensation	0.7	0.8
State tax credits net of valuation allowance	0.9	0.9
Ad valorem taxes	4.2	6.6
Other	(0.3)	0.9
Deferred tax assets	15.2	30.5
Net deferred income tax liability	$ 171.9	$ 200.2

Note 7 - Regulatory Assets and Liabilities

At December 31, 2016, regulatory assets and liabilities include the following:

		2016
		(in millions)
Regulatory Assets:		
Deferred operating and maintenance	$	1.9
Deferred production taxes		3.7
Deferred depreciation, depletion and amortization		13.8
Deferred royalties		4.4
Asset retirement obligations		0.2
Regulatory assets - current (1)		24.0
Asset retirement obligations		0.7
Deferred production imbalance		6.9
Regulatory assets - noncurrent (2)		7.6
Total regulatory assets	$	31.6
Regulatory Liabilities:		
Depreciation - noncurrent (3)	$	9.7

(1) The current regulatory assets represent recoverable charges incurred by Wexpro but not billed to Questar Gas at December 31, 2016. These charges include operating and maintenance, production taxes, depreciation, depletion, and amortization, royalty, and estimates of asset retirement obligation that are recoverable under the terms of the Wexpro Agreements within the next 12 months.

(2) The noncurrent regulatory assets include estimates of asset retirement obligation-expenses that are recoverable under the terms of the Wexpro Agreements; however, such recovery will occur beyond next 12 months.

(3) Based on the Wexpro II Agreement, the Company depreciates its investment base on an accelerated basis. The noncurrent regulatory liability corresponds to the accumulated incremental depreciation expense recorded in accordance with the Wexpro II Agreement.

Note 8 - Employee Benefits

Wexpro companies participate in retirement benefit plans sponsored by Dominion Energy Questar, which provide certain retirement benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion Energy Questar reserves the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Pension benefits for employees are covered by the Questar Retirement Plan, a defined benefit pension plan sponsored by Dominion Energy Questar. The Plan provides benefits to multiple Dominion Energy Questar subsidiaries. Retirement benefits payable are based primarily on years of service, age and the employee's compensation. As a participating employer, Wexpro is subject to Dominion Energy Questar's funding policy, which is to contribute annually an amount that is in accordance with the provisions of ERISA. During 2016, Wexpro made $0.8 million of contributions to the Questar Pension Plan, and no contributions to this plan are currently expected in 2017. Net periodic pension cost related to this plan was $0.5 million and $0.8 million in 2016 and 2015, respectively, recorded in general and administrative expense in the Consolidated Statements of Income. The funding status of various Dominion Energy Questar subsidiary groups and employee compensation is the basis for determining the share of total pension costs for participating Dominion Energy Questar subsidiaries.

Retiree healthcare and life insurance benefits for employees are covered by the Questar Corporation Umbrella Health Plan, a plan sponsored by Dominion Energy Questar that provides certain retiree healthcare and life insurance benefits to multiple Dominion Energy Questar subsidiaries. Annual employee premiums are based on several factors such as retirement date and years of service. Net periodic benefit cost related to this plan was $0.2 million in both 2016 and 2015, recorded in general and administrative expense in the Consolidated Statements of Income. Employee headcount is the basis for determining the share of total other postretirement benefit costs for participating Dominion Energy Questar subsidiaries.

Defined Contribution Plan

Wexpro also participates in a Dominion Energy Questar-sponsored defined contribution plan, the Questar 401(k) Retirement Income Plan, covers multiple Dominion Energy Questar subsidiaries. Wexpro recognized $1.2 million and $1.3 million of expense in general and administrative and operating expense in the Consolidated Statements of Income in 2016 and 2015, respectively, as the employer matched contributions to this plan.

Share-Based Compensation

Prior to the Dominion Energy Questar Combination, Wexpro employees participated in certain share-based compensation plans of Dominion Energy Questar. Effective with the Dominion Energy Questar Combination all such awards vested on September 16, 2016. Wexpro had no share-based compensation balances as of December 31, 2016. Total share-based compensation expense amounted to $2.6 million in 2016 compared to $2.0 million in 2015.

Note 9 - Contingencies and Commitments

Contingencies

As a result of issues generated in the ordinary course of business, Wexpro is involved in legal proceedings before various courts and is periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for Wexpro to estimate a range of possible loss. For such matters for which Wexpro cannot estimate a range of possible loss, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that Wexpro is able to estimate a range of possible loss. For legal proceedings and governmental examinations for which Wexpro is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent Wexpro's maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial position, liquidity or results of operations of Wexpro.

Litigation

In February 2015, a trial was held in the case of *Rocky Mountain Resources and Robert N. Floyd v. QEP Energy Company and Wexpro Company*, Ninth Judicial District, County of Sublette, State of Wyoming, Case No. 2011-7816. Plaintiffs alleged they were entitled to a 4% overriding royalty interest (ORRI) in a so-called replacement state oil and gas lease ultimately assigned to Wexpro and QEP Energy Company (QEP) in the Pinedale Field. A jury decision was reached on February 13, 2015, that awarded the Plaintiffs $14.1 million from Wexpro and $16.2 million from QEP. Wexpro and QEP filed an appeal to the Wyoming Supreme Court alleging that the former state leases subject to the ORRI expired and a new lease was issued by the State of Wyoming unburdened by the 4% ORRI. On February 1, 2017, the Wyoming Supreme Court agreed with QEP and Wexpro, reversed the district court's order, and ordered the district court to grant summary judgment in favor of QEP and Wexpro. All escrowed amounts have been refunded to Wexpro. Additionally, based on the summary judgement of the Wyoming Supreme Court, in February 2017, Wexpro refunded to Questar Gas customers all amounts that were accrued to pay Rocky Mountain Resources and Robert N. Floyd supported by the district court's initial jury decision.

Commitments

Wexpro had no material future commitments at December 31, 2016.

Note 10 - Related-Party Transactions

Under the Wexpro agreements, Wexpro earned revenues from Questar Gas for operator service fees for costs associated with operating gas wells for the benefit of Questar Gas customers of $311.7 million in 2016 and $319.0 million in 2015. There were $4 million of expenses for oil and NGL income shared with Questar Gas in 2016 and 2015.

Dominion Energy Questar charged Wexpro for certain administrative functions amounting to $12.4 million in 2016 and $16.2 million in 2015. These costs are included in general and administrative expenses and are allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs. Management believes that the allocation method is reasonable.

Questar Gas provides certain administrative services to Wexpro. Questar Gas provided these services at its cost of $0.2 million in 2016 and $0.5 million in 2015. The majority of these costs are allocated and included in general and administrative expenses. The allocation methods are based on the specific nature of the charges. Management believes that the allocation methods are reasonable.

Affiliate Dominion Energy Questar Pipeline, LLC charged Wexpro for communication services amounting to $0.3 million in 2016 and $0.4 million in 2015. These costs are included primarily in operating expenses and are allocated based on usage.

Wexpro also provides administrative services to an affiliated company, Wexpro Development Company. Administrative fees allocated to Wexpro Development Company totaled $0.7 million in 2016 and $1.2 million in 2015.

Note 11 - Subsequent Events

Rocky Mountain Resources and Robert N. Floyd v. QEP Energy Company and Wexpro Company Ruling
On February 1, 2017, the Wyoming Supreme Court agreed with QEP and Wexpro, reversed the district court's order, and ordered the district court to grant summary judgment in favor of QEP and Wexpro. For additional information on this case, see Note 9.

Approval of 2015 Vermillion Basin Acquisition to under the Wexpro II Agreement
On January 9, 2017, Questar Gas filed an application with the PSCU and PSCW for approval of the 2015 Vermillion acquisition including properties and interests within the Trail, Whiskey Canyon, Kinney and Canyon Creek units. In March 2017, Questar Gas filed the Vermillion Settlement Stipulation with the PSCU and the PSCW. The Settlement Stipulation was signed by the parties to the proceedings and agreed to include the Trail, Whiskey Canyon and Canyon Creek unit property interests as Wexpro II properties. Both Commissions approved the Settlement Stipulation effective March 1, 2017. For additional discussion of Wexpro II properties see Note 1.

THIS FILING IS

Item 1: [X] An Initial (Original) Submission OR [ ] Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 09/30/2017)

Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2016)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

Exact Legal Name of Respondent (Company)	Year/Period of Report
Questar Pipeline, LLC	End of 2016/Q4

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
Mailing Address:
P.O. Box 45360, Salt Lake City, UT 84145
DominionEnergy.com

Dominion Energy®

December 04, 2017

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 3rd quarter 2017.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." The attached Integration Progress Report is the third report. Dominion Energy will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B. Mendenhall
Director, Pricing and Regulation

Utah Integration 3rd Quarter 2017 Progress Report		
	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment.

9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.
10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They will receive three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. A summary of the plan is shown in DEU Exhibit 17.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.

15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2017/2018 IRP on June 14th, 2017, in Docket 17-057-12.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%.

24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report is attached as Exhibit 18.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Since the merger, Dominion Energy Utah has not transferred assets to or assumed liabilities of Dominion or its affiliates. Dominion Energy continues to comply with this commitment.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion is complying with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment.

32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, and August 29th, 2017.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.
34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of September 2017, the balance in the CET is a $291,217 over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD September 2017 are shown in Exhibit 19. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.

38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to	The transition costs are shown in Exhibit 12. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy will comply with this commitment at the time designated.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.

47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline are were filed on August 15, 2017 as exhibit 15 and 16.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.

54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

2017 Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

Severance package includes a two month advance start date and three weeks of severance for each year of service up to 52 weeks.

Advance Notice Start Dates were scheduled as follows:

Month	Positions eliminated
September 2017	2
October 2017	3
November 2017	4
January 2018	4
February 2018	3
April 2018	31
July 2018	5
December 2018	4
Total	56

Of the 56 affected employees 10 have found other positions in the Company and several others are under consideration for other positions that have not yet been filled. This number will be updated in future integration progress reports.

FitchRatings

Fitch Affirms Dominion Resources & Subs; Dominion Gas Holdings' Outlook Revised to Negative

Fitch Ratings-New York-03 May 2017: Fitch Ratings has affirmed the 'BBB+' Issuer Default Rating (IDR) of Dominion Resources, Inc. (DRI) and the 'A-' IDRs of DRI subsidiaries Virginia Electric and Power Co. (VEPCo), Dominion Gas Holdings, LLC (DGH), and Questar Gas Company (Questar). Fitch has also affirmed the companies' debt instrument ratings as listed at the end of this release. The Rating Outlook for DRI, VEPCo, and Questar is Stable. The Rating Outlook for DGH has been revised to Negative from Stable.

The Negative Outlook for DGH reflects leverage that remained elevated at the end of 2016 as a result of management's previous strategy to move debt from corporate parent DRI to DGH to achieve a more balanced capital structure at the parent level. As a result, higher debt levels and recent variability in DGH's cash flows have resulted in leverage measures that are high for the rating level. For the year ended Dec. 31, 2016, DGH adjusted debt/EBITDAR of 4.8 is materially above Fitch's previously stated rating sensitivity of 3.75x. FFO adjusted leverage for the same period is 5.7x versus prior sensitivity of 4.25x. While Fitch expects some organic improvement in DGH's metrics, DRI may need to adjust financial policies to keep DGH's credit measures commensurate with the current ratings.

KEY RATING DRIVERS FOR DRI

Diversified Asset Base: DRI owns a large portfolio of utility, power, midstream and other energy assets that provides a diversified and stable source of earnings and cash flow. DRI's financial strength is currently anchored by VEPCO, a large integrated electric utility. However, VEPCOs percentage of DRI's earnings and cash flow will decrease over time due to DRI's significantly expanding gas infrastructure business.

Large Capex Plan: Fitch expects DRI's business risk profile to be elevated for the next few years, reflecting the construction risks associated with various large-scale projects, including the Cove Point liquefied natural gas (LNG) export facility, which is expected to enter service in late 2017. Timely execution of major projects are important drivers for the expected parent-level debt reduction, given expected cash flow and in some cases, asset sale proceeds from drops to affiliated master limited partnership (MLP).

Parent-Level Debt: The percentage of DRI parent-level debt is high, reflecting the prior centralized funding strategy for all subsidiaries and operations except VEPCo, DGH, and the recently acquired Questar. DRI level debt currently accounts for approximately 50% of consolidated indebtedness. While there are significant cash flows generated by the DRI-directly held assets, large capital projects have resulted in elevated leverage on a both a consolidated and deconsolidated basis. Fitch expects management to adhere to stated goal of reducing DRI level debt to 30%-40% of total indebtedness by 2020.

Financial Profile: Consolidated leverage is high for the rating level but should gradually improve over the next several years as DRI realizes anticipated earnings contributions from projects currently under construction and expected sizeable asset drops to its MLP. Fitch expects that DRI consolidated 2016 debt/EBITDAR of 6.3x will improve dramatically as assets become operational. As such, consolidated leverage will likely fall to 4.6x by the end of the forecast period and funds flow from operations (FFO) leverage return to just below 5.0x from the current 6.4x.

Cash Flow Subordination: The creation of DM and subsequent IPO in 2014 provided DRI another vehicle to raise capital and monetize existing assets and investments. The MLP structure offers greater tax efficiency since earnings are not subject to corporate taxation and potentially a lower cost of capital. With its general partner interest, DRI participates in growth at the MLP through incentive distribution rights. DRI owns 100% of the general partner interest and 51% of the limited partnership units (of Dec. 31, 2016). While asset drops to DM is expected to be the key driver to DRI-level debt reduction, it adds a level of cash flow subordination and corporate complexity.

KEY RATING DRIVERS FOR VEPCo

Strong Credit Profile
VEPCo's current and projected credit metrics are supportive of the ratings. Fitch forecasts adjusted debt/EBITDAR to approximate 3.4x over the next few years, funds flow from operations (FFO) lease-adjusted leverage 3.5x, and FFO fixed-charge coverage to remain above 6.0x. By comparison, these figures were 3.1x, 3.3x and 6.4x, respectively, for the latest 12 months (LTM) ended Dec. 31, 2016.

Constructive Regulatory Environment
Fitch considers the regulatory environment in Virginia and North Carolina to be constructive, due largely to rider mechanisms that provide timely cost recovery of invested capital, including incentive returns on certain generation projects. In Virginia, VEPCo's primary regulatory jurisdiction, adjustment clauses are in place to recover costs for new generation projects, FERC-approved transmission costs, environmental compliance, energy efficiency and renewable energy programs.

Large Capex Plan
Capex is expected to remain elevated over the forecast period. The timely cost recovery mechanisms available to VEPCo soften the financial strain of funding the capex plan. Capex (including nuclear fuel) aggregates $8.5 billion over 2017-2019, including a peak of $2.9 billion in 2018, compared with $8.7 billion over the prior three year forecast. Approximately two-thirds of the capex is growth-related and the remainder is maintenance. Fitch's forecast assumes timely execution of the capital plan and that funding will be managed to maintain a balanced capital structure.

Biennial Review Suspension
Legislation enacted in Virginia in February 2015 suspends biennial reviews after 2015 until 2022 and freezes base rates through 2019. Fitch considers the impact to be credit neutral. During the rate-freeze period rider mechanisms remain in place and VEPCo can retain any earnings in excess of its authorized return on equity of 10%. VEPCo is at risk for unexpected storm costs and increased operating and capital costs not subject to rider mechanisms. The 2022 biennial review will address rates in 2020 and 2021.

Favorable Service Territory Demographics
A large government and military presence tends to limit economic and sales volatility. In addition, VEPCo's service territory has experienced strong growth of data centers due in large measure to its proximity to Washington, D.C. and high-capacity fiber networks. The service area also benefits from an attractive climate and sound economy that drives residential customer growth.

KEY RATING DRIVERS FOR DGH

Stable and Diverse Operations: The majority of DGH's earnings and cash flow comes from pipeline subsidiary Dominion Transmission and LDC Dominion East Ohio. DGH's transmission and distribution entities benefit from long-term transportation contracts, strategic location and supportive federal and state regulation. Other DGH businesses with a somewhat higher risk profile are the storage, gathering and processing of natural gas and the sale of natural gas liquids (NGL). Commodity price risk from NGL sales and recontracting, volumetric and counterparty risk are primary credit concerns.

Well-Situated Assets: DGH's assets are well positioned to benefit from the significant supply growth in the Marcellus and Utica shale basins. The supply growth is driving increased investment in new pipeline projects that earn relatively attractive Federal Energy Regulatory Commission (FERC) authorized returns. DGH also has entered into a number of farm-out transactions that generate additional revenue from lease acquisition payments and potentially long-term royalty streams.

Large Capex Plan: Fitch expects capex to remain elevated and front-end loaded over the next three years, given the large number of growth projects underway or anticipated, plus the pipeline infrastructure and replacement program at Dominion East Ohio (DEO) and maintenance capex. The investments are largely related to market access and producer outlet projects to support the expanding gas production in Marcellus and Utica. Ratings assume capex will be funded in a manner to support a balanced capital structure.

Elevated Leverage: Higher debt balances from capex spending and variability in DGH's cash flows have resulted in leverage measures that are high for the rating level. Leverage remained elevated at the end of 2016 as a result of management's previous strategy to move debt from corporate parent DRI to DGH and to achieve a more balanced capital structure at the parent level. For the year ended Dec. 31, 2016, DGH adjusted debt/EBITDAR of 4.8 is materially above Fitch's previously stated rating sensitivity of 3.75x. FFO adjusted leverage for the same period is 5.7x versus prior sensitivity of 4.25x. While Fitch expects some organic improvement in DGH's metrics, DRI may need to adjust financial policies (e.g. payment of dividends to DRI) to keep DGH's credit measures commensurate with current ratings.

Natural Gas Price Environment: Although direct commodity price exposure is limited, low prices for natural gas and NGL and associated curtailment of third-party drilling has an adverse effect on transportation volumes, on the value of NGL and consequently on DGH's earnings and cash flow. The low-price environment also has the potential to reduce future pipeline investments and anticipated earnings growth.

KEY RATING DRIVERS FOR QUESTAR

Low Risk Business Profile: Questar is a local gas distribution utility serving customers in Utah, Wyoming, and Idaho. The majority of the company's customers are located in the state of Utah, which continues to experience significant growth. Questar's customer count increased by 1.7% in 2016, and is expected to continue to increase over the forecast period in line with Utah's economic growth.

Limited Regulatory Risk: Utah has implemented numerous rider mechanisms (including weather normalization, revenue decoupling, infrastructure replacement, and purchased gas adjustment) that serve to reduce regulatory lag and stabilize credit metrics. ROEs granted in Utah are generally in line with the industry averages. As a result of the Utah and Wyoming commissions' approval of the acquisition by DRI, Questar is currently precluded from filing a base rate case in Utah before July 2019 and in Wyoming from filing a general rate case with an effective date early than January 2020.

Strong Financial Metrics: Credit measures are in-line with current rating level.

The company's numerous riders help offset potential impact from the agreed to stay out provisions. Additionally, Dominion's agreement to maintain Questar' total equity/total capitalization at a minimum of 48% (thru Dec. 2019) underpins Questar's credit quality.

Manageable Capital Expenditures: Like most gas utilities, Questar has experienced increasing capital expenditures for growth, reliability, and infrastructure upgrades. As part of the merger approval, Questar and DRI committed to spending the following capital expenditures to maintain and improve Questar' facilities: $209 million in 2017, $208 million in 2018, and $233 million in 2019. Any variances to this plan are to be supported by Questar in its next general rate case. While the elevated capital expenditures exert some pressure on Questar's credit metrics, ratios are expected to remain in line with its current rating level.

DRI Ownership: As of September 2016, Questar is an indirect subsidiary of DRI. Questar benefits from numerous ringfencing provisions in the merger approval, including separate books and records, separate legal entity, and DRI's commitment to maintain minimum 48% total equity/total capitalization at Questar thru Dec 2019. DRI also committed to using reasonable efforts to maintain credit metrics consistent with strong investment-grade credit ratings (i.e. targeting 'A' range.)

Liquidity: Questar has adequate liquidity. As a result of the acquisition by D, Questar was added as a borrower on DRI's two credit facilities which total $5.5 billion. While Questar' sublimit is set initially at $250 million it can be revised as needed. As per the Utah merger agreement, DRI has agreed that it will provide Questar with access to no less than $750 million in short-term debt or commercial paper programs.

KEY ASSUMPTIONS

Fitch's key assumptions within the rating case for DRI include:
--Growth capex will remain elevated through 2019;
--VEPCo's base rates remain frozen through 2019;
--VEPCO annual sales growth of 1% in 2017 and 1.5% thereafter;
--Maintenance of VEPCO, DGH, and Questar's capital structures inline with

regulatory capital structures (approximately 50%);
--Cove Point will enter commercial operations by the end of 2017;
--Cove Point will be fully dropped into DM by 2020, with significant amount of proceeds used to reduce DRI level debt to 30%-40% of consolidated debt.

Fitch's key assumptions within the rating case for VEPCo include:
--Base rate freeze through 2019;
--Annual sales growth of 1% in 2017 and 1.5% thereafter;
--Continuation of existing rider mechanism;
--Timely execution of capex plan.

Fitch's key assumptions within the rating case for DGH include:
--Timely execution of capital plan;
--Maintenance of a balanced capital structure;
--Reduction of leverage to levels commensurate with current ratings
--No meaningful increase in commodity exposure.

Fitch's key assumptions within the rating case for Questar include:
--Annual customer growth of 2.3%;
--Capital expenditures of $209 million in 2017, $208 million in 2018, and $233 million in 2019;
--General rate case filings in Utah and Wyoming in 2H19.

RATING SENSITIVITIES

DRI
Positive Rating Action: Positive rating action is not expected at this time given the large capital investment plan and high consolidated leverage. However, ratings could be upgraded if adjusted debt to EBITDAR falls below 3.5x and FFO lease-adjusted leverage below 4.25x on a sustainable basis.

Negative Rating Action: Ratings could be downgraded if there are substantial cost overruns or delays in completing the Cove Point LNG export project. Additionally, ratings could be downgrades if significant proceeds from asset drops to DM are not used to reduce parent level debt. Weaker earnings, lower dividends from VEPCo, or FFO-adjusted leverage above 5.0x on a sustained basis could also lead to negative rating action.

VEPCo
Positive Rating Action: A positive rating action is not expected in the near future given the large capex plan and rate freeze. However, ratings could be upgraded if Fitch were to expect adjusted debt/EBITDAR to fall below 3.3x and FFO lease-adjusted leverage below 3.5x on a sustainable basis.

Negative Rating Action: An increase in adjusted debt/EBITDAR above 3.5x and FFO-adjusted leverage above 4.3x on a sustainable basis could lead to a downgrade. While not anticipated, a significant shift in existing regulatory support in Virginia could lead to a negative rating action. A downgrade of two notches or more at DRI would also likely trigger a downgrade of VEPCo under Fitch's parent and subsidiary linkage criteria.

DGH
Positive Rating Action: Positive rating action is not expected at this time, given DGH's Negative Outlook. However, ratings could be upgraded if adjusted debt/EBITDAR falls below 3.25x and FFO lease adjusted leverage below 3.5x on a sustainable basis.

Negative Rating Action: Ratings could be downgrade if Fitch does not see improvement in expected metrics in line with our prior stated thresholds of debt/EBITDAR above 3.75x and FFO adjusted leverage above 4.25x. A downgrade of two notches or more at DRI would also likely trigger a downgrade of DGH under Fitch's parent and subsidiary linkage criteria.

Questar
Positive Rating Action: Positive rating action is not expected in the near term given Questar' current metrics and minimal geographic diversity.

Negative Rating Action: Negative rating action would be considered if Questar' adjusted Debt/EBITDAR is above 4.0x on a consistent basis. Significant credit degradation of DRI's credit quality could also result in negative rating action. A downgrade of two notches or more at DRI would also likely trigger a downgrade of Questar under Fitch's parent and subsidiary linkage criteria.

LIQUIDITY

Fitch considers DRI to have adequate liquidity. On Nov. 10, 2016, DRI, along with DRI, VEPCO, DGH, and Questar entered into a $5 billion amended and restated revolving credit agreement (core facility) and a $500 million letter of credit facility. In addition to direct borrowing, the two credit facilities support the issuance of CP. Both credit facilities mature in April 2020. As of Dec. 31, 2016, DRI has $2.3 billion of unused capacity under its credit facilities.

FULL LIST OF RATING ACTIONS

Fitch has affirmed the following ratings with a Stable Outlook:

Dominion Resources, Inc.
--Long-term IDR at 'BBB+';
--Senior unsecured debt at 'BBB+';
--Junior subordinated at 'BBB';
--Enhanced junior subordinated at 'BBB-';
--Trust preferred at 'BBB-';
--Short-term IDR at 'F2';
--Commercial paper at 'F2'.

Virginia Electric and Power Co.
--IDR at 'A-';
--Senior secured debt and revenue bonds at 'A+';
--Senior unsecured debt and revenue bonds at 'A'/'F2';
--Short-term IDR at 'F2';
--Commercial Paper at 'F2'.

Questar Gas;
--IDR at 'A-';
--Senior unsecured debt at 'A'
--Short-term IDR at 'F2';
--Commercial Paper at 'F2'.

Fitch has affirmed the following ratings:

Dominion Gas Holdings, LLC
--IDR at 'A-';
--Senior unsecured debt at 'A-';
--Short-term IDR at 'F2';
--Commercial Paper at 'F2'.

The Rating Outlook is revised to Negative from Stable.

Fitch has withdrawn the following ratings:

Consolidated Natural Gas Co. (debt assumed by Dominion Resources.)
--IDR 'BBB+'.

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Date of Relevant Rating Committee: May 1, 2017

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Additional information is available on www.fitchratings.com

Applicable Criteria
Criteria for Rating Non-Financial Corporates (pub. 10 Mar 2017) (https://www.fitchratings.com/site/re/895493)

Additional Disclosures
Dodd-Frank Rating Information Disclosure Form (https://www.fitchratings.com/site/dodd-frank-disclosure/1023103)
Solicitation Status (https://www.fitchratings.com/site/pr/1023103#solicitation)
Endorsement Policy (https://www.fitchratings.com/regulatory)

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Dominion Energy
Merger Costs
YTD September 30, 2017

		A Dominion Energy Questar Pipeline Consolidated	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar Corporation	F Total
	Transaction Costs - GL Account 930205						
1	Severance	$3,797,756	$0	$0	$0	$0	$3,797,756 1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0
3	Restricted stock units settlement	0	0	0	0	0	0 1/
4	Performance share settlement	0	0	0	0	0	0 1/
5	Performance share - additional expense	0	0	0	0	0	0 1/
6	Wexpro software relicensing charges	0	0	0	0	0	0
7	Legal	0	0	0	0	69,729	69,729
8	Financial advisor	0	0	0	0	0	0
9	Fees for special proxy statement	0	0	0	0	0	0
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0
11	Unamortized debt costs	0	0	0	0	0	0
12	Debt issuance revolver fees	0	0	0	0	0	0
13	Curtailment of Supplemental Executive Retirement Plan	2,313,866	4,984,000	858,938	134,000	2,816,000	11,106,804 1/
14	Other transaction costs	0	0	(15,792)	0	11,604	(4,188)
15	Total Transaction Costs	6,111,622	4,984,000	843,146	134,000	2,897,333	14,970,101
	Transition Costs - GL Account 930205						
16	Retention	152,537	0	231,724	0	386,195	770,456 1/
17	Voluntary severance program	0	4,941,204	135,344	14,531	4,667,262	9,758,341 1/
18	Involuntary severance program	0	0	$1,125,277	0	0	1,125,277 1/
19	Total Transition Costs for 2016 and 2017	152,537	4,941,204	1,492,345	14,531	5,053,457	11,654,074
20	Total	$6,264,159 2/	$9,925,204	$2,335,491	$148,531	$7,950,790	$26,624,175

1/ Costs include directly assignable costs and allocated corporate costs.
2/ The detailed costs for Questar Pipeline by business unit are shown on page 2.

Allocated Costs	A	B	C	D	E	F
Curtailment of Supplemental Executive Retirement Plan	685,696	1,477,891	678,938	(26,525)	(2,816,000)	0
Retention	93,357	184,950	94,719	8,971	(381,997)	0
Involuntary severance program	1,136,478	2,309,361	1,125,277	96,146	(4,667,262)	0

Dominion Energy Questar Pipeline Consolidated
Merger Costs
YTD September 30, 2017

		Info-Com	QPC	Overthrust	QES	So. Trails	QTS	Total
1	Severance expense (Voluntary and Involuntary)	2,182	3,393,886	289,280	55,417	40,943	16,048	3,797,756
2	Retention Expense	184	70,997	21,075	55,308	3,688	1,286	152,537
3	SERP settlement	1,126	1,690,619	329,321	120,919	142,815	29,066	2,313,866
4	**Total**	**3,492**	**5,155,502**	**639,676**	**231,644**	**187,446**	**46,399**	**6,264,159**

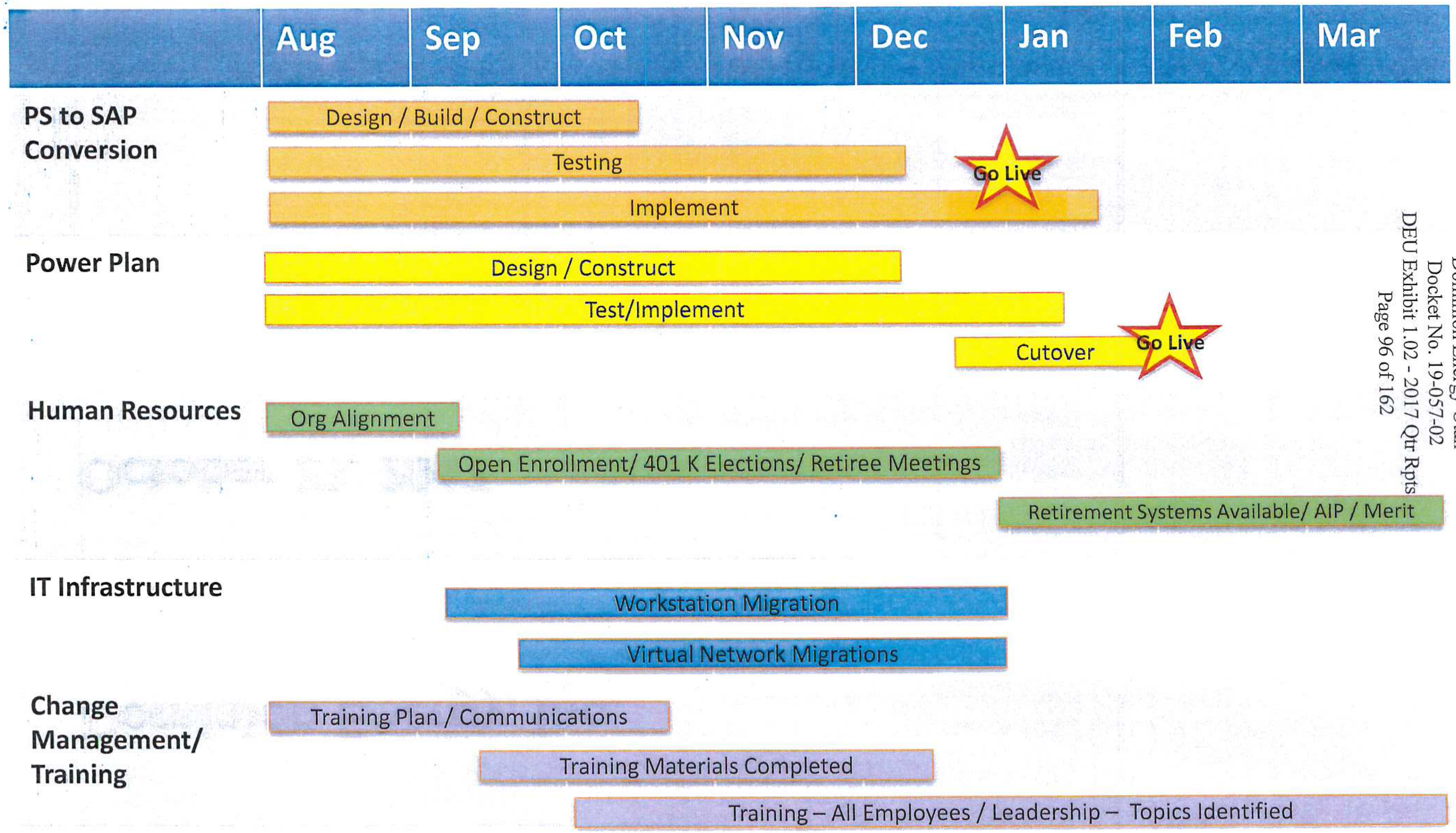
Dominion Energy, Inc.

Allocations

October 23, 2017

Dominion Energy®

Questar Integration – High Level Schedule



Dominion Ener

Integration – Implementation Phase

Ongoing

- **Teams are highly focused on go-live activities**
  - Employee Network Access
    - Employees are receiving workstations or Virtual Desktop Interfaces (VDI)
    - Expect completion end of November
  - PeopleSoft to SAP functional areas are in various stages of preparation for cutover
    - Development is almost completely done
    - Master data is in various stages of loading and validation
      - Expected to be complete Mid Nov
  - Functional testing, integration testing, and full data testing is planned and in some cases underway

Integration – Implementation Phase

- **Ensuring the employees prepared for cutover is high priority**
  - Change Management, communication, and training plans are down to the individual level

  - Training has gone on since the merger finalized
  - Focus now is what is needed by the end year end
    - Examples: Policies, Time entry, Pay polices, Cyber-security

Cost Allocation Commitment

No later than January 1, 2018 Dominion Questar Gas will present and review for informational purposes, Dominion Resources Inc., Cost Allocation Manual the Wyoming OCA and the Commission staff. Dominion Questar will continue to use the current Distrigas methodology to allocate shared costs to subsidiaries until January 1, 2018, at which point will use Dominion Resources Services Cost Allocation Manual. [Merger Settlement Stipulation Paragraph 44]

Service Company Overview

Service Company Background

- Dominion Energy Services, Inc. (DES) was formed in 1999 to provide centralized services to DEI and its subsidiaries (affiliates of DES)
- Governed by Public Utility Holding Act of 2005 (Federal Energy Regulatory Commission)
- Maintains their records in accordance with detail required by state Commissions for regulated affiliates
- Currently follows and bills affiliates in accordance with the 'DES Services Agreement'
- An agreement must be executed between DES and affiliates prior to receiving services
  - Services provided at cost to comply with state Commission's lower of cost or market standard

Services Billed by DES

1. Accounting	12. Supply Chain
2. Auditing	13. Rates
3. Legal and Regulatory	14. Research
4. Information Technology, Electronic Transmission and Computer Services	15. Tax
5. Software/ Hardware Pooling	16. Corporate Secretary
6. Human Resources	17. Investor Relations
7. Operations	18. Environmental Compliance
8. Executive and Administrative	19. Customer Services
9. Business Services	21. Treasury/ Finance
10. Risk Management	22. External Affairs
11. Corporate Planning	23. Office Space and Equipment

DES Function

- Labor company
  - 'House' DES employees (approximately 2,700 employees) and captures all costs necessary to provide services to affiliates
    - Salaries, benefits, payroll taxes, 3rd party charges
- All costs are billed out on a monthly basis
- Services are billed to affiliates based on how employees charge their time
  - Direct time charging
  - Allocated time charging

Dominion Energy

Methods of Allocation

Service Department or Function	Pre-Merger Basis of Allocation	Post-Merger Basis of Allocation
Accounting Services	Distrigas	Operating Expenses
Auditing	Distrigas	
Legal and Regulatory	Distrigas	
Operations	Distrigas	
Executive and Administration	Distrigas	
Rates	Distrigas	
Corporate Secretary	Distrigas	
Investor Relations	Distrigas	
Environmental Compliance	Headcount	
Energy Marketing	Distrigas	
External Affairs	Distrigas	
Human Resources	Headcount	Headcount
Security (function of Business Services)	Headcount	
Office Space and Equipment	Distrigas	
Corporate Planning Treasury/ Finance	Distrigas	Total capitalization (debit and equity)
Client Services (function of Information Technology) Software/Hardware Pooling	Number of Computers	Number of Employee ID's
Telecommunications (function of Information Technology)	Number of telecomm units	Number of telecomm units
Data Operations (function of Information Technology)	Number of Transactions	Mainframe Usage

Methods of Allocation

Service Department or Function	Pre-Merger Basis of Allocation	Post-Merger Basis of Allocation
Facility Services (function of Business Services)	Distrigas	Square footage of managed office space
Fleet Administration (function of Business Services)	Number of Vehicles	Number of vehicles
Risk Management	Direct	Insurance premiums
Supply Chain	Survey of Usage	Dollar value of purchases
Tax Department	Distrigas	Sum of the total income and total deductions as reported for FIT purposes on last return filed [Tax]
Aviation	N/A	Number of flight days for the previous two years for fixed costs [Aviation] combined with O&M for variable costs
Fixed Assets Accounting (function of Accounting)	Number of Transactions	Fixed assets added, retired or transferred during the previous year [Fixed Assets]
Accounts Payable [function of Accounting]	Number of Transactions	Number of A/P docs processed during the previous year [A/P invoices]

Cost Allocation Comparison

2015 Corporate Allocations

Pre-Merger/Actual

Line	Charges by Allocation Type	QGC	QPC	Wexpro	QFC	Total	Pct
1	Direct	10,553,096	6,743,443	4,985,930	1,409,743	**23,692,212**	23%
2	Convenience Payments	2,798,119	2,157,993	4,291,060	151,774	**9,398,946**	9%
3	Distrigas	20,092,771	12,072,653	11,399,144	236,349	**43,800,916**	43%
4	# Computers	3,987,262	1,300,656	285,553	2,510	**5,575,981**	5%
5	# Transactions	2,186,112	969,819	295,957	27,506	**3,479,394**	3%
6	Employees	4,395,632	1,678,637	654,959	-	**6,729,228**	7%
7	Survey of usage	1,797,725	581,039	208,353	16,947	**2,604,064**	3%
8	100% QGC	1,769,909	13,622	5,036	262	**1,788,829**	2%
9	80/20 (Quorum)	204,223	921,867	-	-	**1,126,090**	1%
10	Vehicles	620,515	154,559	64,076	4,291	**843,440**	1%
11	Square Footage	556,284	1,209,874	880,966		**2,647,124**	3%
12	**TOTAL**	**48,961,647**	**27,804,162**	**23,071,034**	**1,849,383**	**101,686,226**	100%
13	Percent of Total	48%	27%	23%	2%	100%	

2015 Corporate Allocations

Restated based on DES Methods*

Line	Charges by Allocation Type	QGC	QPC	Wexpro	QFC	Total	Pct
1	Direct	10,553,096	6,743,443	4,985,930	1,409,743	**23,692,212**	23%
2	Convenience Payments	2,798,119	2,157,993	4,291,060	151,774	**9,398,946**	9%
3	O&M	7,360,027	4,962,857	2,989,208	189,788	**15,501,881**	15%
4	Users	10,944,143	4,384,329	1,525,992	9,455	**16,863,918**	17%
5	Capitalization	1,809,362	2,151,380	741,653	11,856	**4,714,251**	5%
6	Headcount	2,714,212	608,409	327,832	-	**3,650,453**	4%
7	Flexcard Spend (Purchases)	1,607,038	728,397	122,209	-	**2,457,644**	2%
8	Telecom Units	592,962	366,441	344,262	6,998	**1,310,663**	1%
9	Square Footage	993,489	252,331	39,068	-	**1,284,888**	1%
10	Total Income & Total Deductions	773,094	219,102	208,170	7,627	**1,207,993**	1%
11	Vehicles	429,692	92,906	36,951	-	**559,550**	1%
12	Insurance Premiums	136,018	130,731	38,984	1,565	**307,297**	0%
13	Allocations from Fueling	6,009	3,799	3,904	72	**13,784**	0%
14	Incentive Accrual	6,360,167	3,926,749	3,855,638	79,644	**14,222,197**	14%
15	Building Services	2,278,808	2,273,771	1,926,417	21,552	**6,500,548**	6%
16	**TOTAL**	**49,356,236**	**29,002,636**	**21,437,279**	**1,890,074**	**101,686,226**	100%
17	Percent of Total	49%	29%	21%	2%	100%	

*Demonstrates a high-level estimated impact from the change in allocation methods – with all else being equal. Does not include merger synergies or changes in organizational design, and is not indicative of future results.

Dominion Ener

2015 Corporate Allocations
Comparison*

	QGC	QPC	Wexpro	QFC	Total
Pre-Merger/Actual					
Direct	13,351,215	8,901,435	9,276,990	1,561,518	**33,091,158**
Allocated	35,610,432	18,902,727	13,794,044	287,865	**68,595,068**
Total	**48,961,647**	**27,804,162**	**23,071,034**	**1,849,383**	**101,686,226**
% of Total	*48%*	*27%*	*23%*	*2%*	*100%*
Restated based on DES Methods					
Direct	13,351,215	8,901,435	9,276,990	1,561,518	**33,091,158**
Allocated	36,005,021	20,101,201	12,160,289	328,557	**68,595,068**
Total	**49,356,236**	**29,002,636**	**21,437,279**	**1,890,074**	**101,686,226**
% of Total	*49%*	*29%*	*21%*	*2%*	*100%*
Increase/(Decrease)					
Direct	-	-	-	-	-
Allocated	394,589	1,198,474	(1,633,755)	40,691	**0**
Total	**394,589**	**1,198,474**	**(1,633,755)**	**40,691**	**0**
% of Total	*0.4%*	*1.2%*	*-1.6%*	*0.0%*	*0.0%*

*Demonstrates a high-level estimated impact from the change in allocation methods – with all else being equal. Does not include merger synergies or changes in organizational design, and is not indicative of future results.

Dominion Energy®

2015 Charges by Department

Pre-Merger/Actual

Line	Charges by Service	QGC	QPC	Wexpro	QFC	Total	Pct
1	Convenience Payments	2,798,119	2,157,993	4,291,060	151,774	**9,398,946**	9%
2	Administration	7,682,236	3,669,627	2,302,361	47,142	**13,701,366**	13%
3	Compliance	2,827,229	1,624,232	1,407,080	12,585	**5,871,127**	6%
4	Corporate Officers	3,229,160	2,035,393	1,922,745	41,582	**7,228,880**	7%
5	Finance	5,537,921	3,116,760	1,869,801	65,303	**10,589,785**	10%
6	Fleet Operations	2,556,675	931,810	46,417	19,855	**3,554,758**	3%
7	Human Resources	2,024,208	704,352	2,966,885	-	**5,695,446**	6%
8	Legal	1,151,127	431,746	2,258,977	31,207	**3,873,056**	4%
9	IT	11,058,626	3,561,761	1,246,516	101,965	**15,968,868**	16%
10	Incentive Accrual	6,360,167	3,926,749	3,855,638	79,644	**14,222,197**	14%
11	Questar Fueling	8,984	5,481	3,904	1,198,827	**1,217,196**	1%
12	Telecommunications	3,727,195	5,638,258	899,650	99,499	**10,364,603**	10%
13	**TOTAL**	**48,961,647**	**27,804,162**	**23,071,034**	**1,849,383**	**101,686,226**	100%
14	Percent of Total	48%	27%	23%	2%	100%	

2015 Charges by Department

Restated based on DES Methods*

Line	Charges by Service	QGC	QPC	Wexpro	QFC	Total	Pct
1	Convenience Payments	2,798,119	2,157,993	4,291,060	151,774	**9,398,946**	9%
2	Administration	7,840,941	3,762,780	2,070,715	26,930	**13,701,366**	13%
3	Compliance	2,817,352	1,765,624	1,251,420	36,731	**5,871,127**	6%
4	Corporate Officers	3,423,049	2,345,003	1,372,551	88,277	**7,228,880**	7%
5	Finance	5,062,793	3,833,484	1,626,524	66,984	**10,589,785**	10%
6	Fleet Operations	2,589,207	911,984	36,951	16,616	**3,554,758**	3%
7	Human Resources	2,272,454	502,902	2,920,090	-	**5,695,446**	6%
8	Legal	1,216,634	555,185	2,057,908	43,329	**3,873,056**	4%
9	IT	11,239,341	3,597,195	1,050,869	81,463	**15,968,868**	16%
10	Incentive Accrual	6,360,167	3,926,749	3,855,638	79,644	**14,222,197**	14%
11	Questar Fueling	8,984	5,481	3,904	1,198,827	**1,217,196**	1%
12	Telecommunications	3,727,195	5,638,258	899,650	99,499	**10,364,603**	10%
13	**TOTAL**	**49,356,236**	**29,002,636**	**21,437,279**	**1,890,074**	**101,686,226**	100%
14	Percent of Total	49%	29%	21%	2%	100%	

*Demonstrates a high-level estimated impact from the change in allocation methods – with all else being equal. Does not include merger synergies or changes in organizational design, and is not indicative of future results.

Dominion Energy

2015 Charges by Department

Comparison*

Line	Charges by Service	QGC	QPC	Wexpro	QFC	Total	Pct
1	Convenience Payments	-	-	-	-	-	0%
2	Administration	158,705	93,153	(231,646)	(20,212)	-	0%
3	Compliance	(9,877)	141,392	(155,661)	24,146	-	0%
4	Corporate Officers	193,889	309,610	(550,194)	46,695	-	0%
5	Finance	(475,128)	716,724	(243,277)	1,681	-	0%
6	Fleet Operations	32,532	(19,827)	(9,466)	(3,239)	-	0%
7	Human Resources	248,246	(201,450)	(46,796)	-	-	0%
8	Legal	65,507	123,439	(201,068)	12,122	-	0%
9	IT	180,715	35,434	(195,646)	(20,502)	-	0%
10	Incentive Accrual	-	-	-	-	-	0%
11	Questar Fueling	-	-	-	-	-	0%
12	Telecommunications	-	-	-	-	-	0%
13	**TOTAL**	**394,589**	**1,198,474**	**(1,633,755)**	**40,691**	-	0%
14	Percent of Total	0.4%	1.2%	-1.6%	0.0%	0.0%	

*Demonstrates a high-level estimated impact from the change in allocation methods – with all else being equal. Does not include merger synergies or changes in organizational design, and is not indicative of future results.

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Assigned and Allocated Costs

Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.

[Merger Settlement Stipulation Paragraph 52]

Access to Information

Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers. [Merger Settlement Stipulation Paragraph 51]

O&M and A&G per Customer Commitment

"Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance (O&M), Administrative and General (G&A) expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not a result of the merger. The aggregate total of O&M and G&A expenses per customer for the 12 months ended December 2015 was $138.24 in Utah. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for O&M and G&A expenses for Questar Pipeline and Wexpro. "

[Merger Settlement Stipulation Paragraph 39]

O&M and A&G per Customer

Line	O&M and A&G Per Customer	2015	2016	12 months June 2017
1	Production	$ (497,459)	$ (950,343)	$ (924,2225)
2	Distribution	58,606,964	58,448,083	56,854,691
3	Customer Accounts	23,090,544	21,276,019	18,346,248
4	Customer Service/Information	5,159,033	5,018,702	4,298,013
5	Administrative & General	50,550,710	47,078,875	42,498,291
6	Bad Debt	2,093,764	2,121,551	2,107,691
7	Energy Efficiency	23,482,897	23,923,726	20,820,794
8	Total O&M and A&G	**$ 162,486,453**	**$ 156,916,614**	**$ 144,001,505**
			-	
9	LESS Bad Debt	(2,093,764)	(2,121,551)	(2,107,691)
10	LESS Energy Efficiency	(23,482,897)	(23,923,726)	(20,820,794)
11	Adjusted O&M and A&G	**$ 136,909,792**	**$ 130,871,336**	**$ 121,073,020**
12	Year End Customers	990,383	1,007,667	1,021,551
13	O&M and A&G/Customer (Line 11 divided by 12)	**$ 138.24**	**$ 129.88**	**$ 118.52**

2016 & 2017 costs are not indicative of future costs because of changes in DES and Questar Corp organizations.

November 30, 2017

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 3rd quarter ended September 2017.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending September 2017 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The third quarter results are attached as Exhibit 20. There are two areas where the Company is deficient. Billing metric #1, read each meter monthly, was 97%, instead of 99% on average. While it is lower than the goal it is an improvement from prior quarters. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. Approximately 55% of the failing transponders have been replaced but the remaining transponders that are still in service continue to experience declining performance. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 90% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests which increased the response time. Going forward, as the transponders are replaced there will be fewer issues to deal with and response times should improve.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.3	6.3	6.2	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.8	5.9	5.9	5.9
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.5	5.4	5.5	5.2	5.4
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.7	6.6	6.7
5	Is honest and open in its dealings	5.5	CSS	6.1	5.8	6.0	5.9	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.7	6.6	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.9	5.7	5.8	5.6	5.7

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	86.3%	84.4%	88.1%	92.0%	87.7%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.2%	99.5%	99.4%	99.5%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	57	70	51	33	53
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.8%	1.9%	1.5%	1.0%	1.6%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	5.1	5.0	4.8	5.0
6	The phone staff was courteous	6.0	CSS	6.6	6.6	6.7	6.7	6.7
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.5	6.6	6.6	6.6
8	My call was answered quickly	5.5	CSS	6.3	6.1	6.4	6.2	6.3
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.3	6.4	6.4	6.5	6.4
10	The automated menu was easy to use	5.7	CSS	6.1	6.0	6.2	5.9	6.0
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	6.2	6.3	6.4	6.3

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2017 Annual Goal	Measurement Source	Q3 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.7	6.8	6.8	6.8
2	The technician was knowledgeable	6.2	CSS	6.6	6.7	6.7	6.8	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.6	6.6	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.7	6.5	6.3	6.5	6.5
5	The automated menu was easy to use	5.7	CSS	6.3	6.4	6.1	6.4	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.7	6.5	6.5	6.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	7.0	6.8	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.9	6.8	6.7	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.8	6.7	6.6	6.7
4	The service technician was able to help me resolve my issue	6.2	CSS	6.6	6.8	6.4	6.5	6.6
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.8	6.7	6.6	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.0%	98.1%	98.3%	98.4%	98.2%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	100.0%	100.0%	98.9%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.8%	94.2%	97.4%	97.0%	95.9%
2	Percent of adjustments	3% Annual	Billing Statistics	0.56%	0.53%	0.53%	0.73%	2.35%
3	Send corrected statement to customer	5 Business Days	Internal Report	.78 days	1.75 days	2.21 days	1.75 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.9%	99.7%	99.8%	99.8%	99.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	100%	97%	94%	90%	95%

9/30/2017

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	0	1	0	0	0
Service Calls						
1	The service technician was courteous	6.7	7.0	6.8	6.8	6.8
2	The service technician was knowledgeable	6.5	6.8	6.6	6.9	6.8
3	The service technician was able to help me quickly	6.5	6.8	6.7	6.3	6.6
4	The service technician was able to resolve my issue	6.3	6.8	6.6	6.4	6.8
5	How satisfied are you with the service technician's overall performance	6.5	6.5	6.6	6.5	6.6
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	98.0%	98.3%	97.1%	97.2%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	99.8%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	96.4%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
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DominionEnergy.com

Dominion Energy®

May 1, 2018

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 4th quarter 2017.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." The attached Integration Progress Report is the fourth report. Dominion Energy will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah Integration 4th Quarter 2017 Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.

8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.
10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 23.

11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2017/2018 IRP on June 14th, 2017, in Docket 17-057-12.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.

21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports are included as attachments DEU 24 and 25.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Since the merger, Dominion Energy Utah has not transferred assets to or assumed liabilities of Dominion or its affiliates. Dominion Energy continues to comply with this commitment.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.

30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.

33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.
34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of December 2017, the balance in the CET is a $4,438,824.04 over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.

37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	The transition costs are shown in Exhibit 27. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 is the Questar Pipeline 2017 FERC Form 2.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.

43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy will comply with this commitment at the time designated.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results are attached as Exhibit 30.

48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Wexpro and Questar Pipeline final financials are not ready as of this report but will be included in the 1st quarter 2018 merger report.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.

55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Dominion Energy
Captial Expenditures
YTD December 31, 2017

Description	Utah	Wyoming	Total
Distribution Measure & Regulation	13,552,442	67,500	13,619,942
Feeder Lines	87,613,643	1,775	87,615,419
Distribution Compressor Plant	2,125		2,125
Distribution Mains	2,742,298	341,223	3,083,521
Distribution Services	7,968,450	292,682	8,261,132
Meters	12,252,039	187,406	12,439,445
Office Buildings & Residences	886,413	2,425,893	3,312,306
Furniture & Office Equipment	606,971		606,971
Transportation Equipment	2,843,450		2,843,450
Tools & Work Equipment	3,100,073	95,503	3,195,576
Communication & Telemetering	20,966		20,966
Filling Stations & Plants	665,316		665,316
Computer System Software	1,972,654		1,972,654
Computer Equipment	836,913		836,913
Mains - Other	32,032,512	2,638,603	34,671,115
Services - Other	7,945,499	1,290,536	9,236,034
Meters - Conversions	36,389,555	1,811,101	38,200,656
Telecom Non Construction	1,484,110		1,484,110
Retirement Projects	(2,016,996)	13,836	(2,003,160)
UDOT Accounts Receivable	2,426,448		2,426,448
Accounts Receivable Projects	(2,976,687)		(2,976,687)
Accounting Purposes	(8,370,572)		(8,370,572)
Total	201,977,621	9,166,058	211,143,679

2017 Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

Severance package includes a two month advance start date and three weeks of severance for each year of service up to 52 weeks.

Advance Notice Start Dates were scheduled as follows:

Month	Positions eliminated
September 2017	2
October 2017	3
November 2017	4
January 2018	4
February 2018	3
April 2018	31
July 2018	5
December 2018	4
Total	56

Of the 56 affected employees 15 have found other positions in the Company and several others are under consideration for other positions that have not yet been filled. This number will be updated in future integration progress reports.

S&P Global
Ratings

RatingsDirect®

Summary:
Questar Gas Co.

Primary Credit Analyst:
Gabe Grosberg, New York (1) 212-438-6043; gabe.grosberg@spglobal.com

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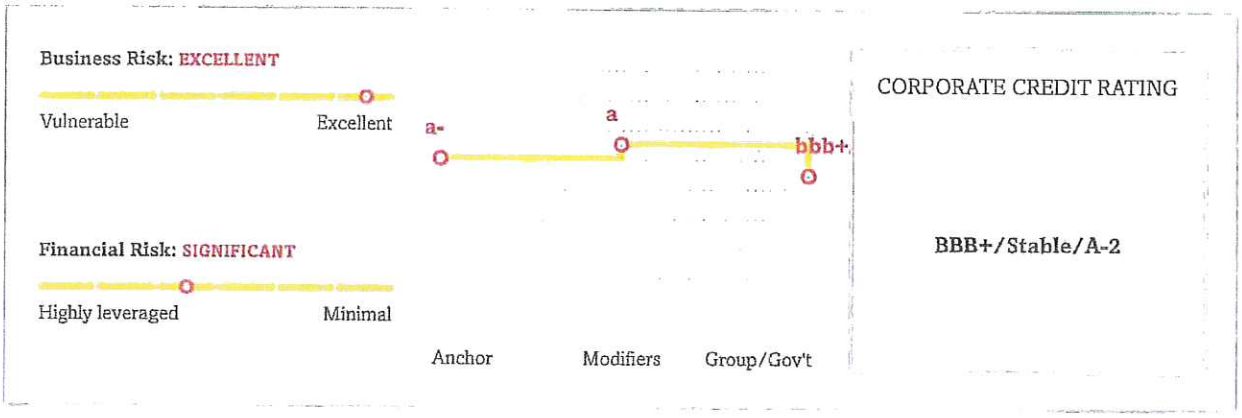
Summary:

Questar Gas Co.



Rationale

Business Risk: Excellent	Financial Risk: Significant
• Low-operating-risk gas distribution utility; • Effective management of regulatory risk; • Above average size utility; • Lack of business or regulatory diversity; and • Strong access to gas supply and storage.	• We assess the company's financial measures using more moderate financial benchmarks compared to the typical corporate issuer, reflecting its lower-risk regulated utility business and its effective management of regulatory risk; • Recovery mechanisms enhance cash flow predictability and mitigates regulatory lag; and • Financial measures that consistently reflect the higher-end of the range for its financial risk profile category.

Outlook: Stable

S&P Global Ratings' stable outlook on Salt Lake City-based Questar Gas Co.(QGC), reflects the outlook on ultimate parent Dominion Energy, Inc. (Dominion) and the expectation that Dominion will continue consisting of mostly lower-risk regulated utilities. Additionally, we expect Dominion's consolidated financial measures will improve gradually, consistent with the middle of the range for the significant financial risk profile category, reflecting consolidated funds from operations (FFO) to debt of about 17%.

Downside scenario

We could lower the rating on QGC over the next 12-24 months if its ultimate parent, Dominion's business risk profile weakens either by less-effective management of regulatory risk or through disproportionate growth of its higher-risk businesses. We could also lower the rating if Dominion's consolidated financial measures consistently reflected the lower end of the range for the significant financial risk profile category, reflecting consolidated FFO to debt consistently below 15%.

Upside scenario

We could raise the ratings on QGC over the next 12-24 months if its ultimate parent, Dominion's consolidated financial measures consistently improved to the higher end of the range for the significant financial risk profile category, reflecting FFO to debt consistently greater than 20%.

Our Base-Case Scenario

Questar Gas Co.

Assumptions

- Incrementally improving economic conditions in the company's service territory, resulting in higher cash flows;
- Future rate case increases;
- Continued use of riders;
- Capital expenditures averaging about $220 million annually;
- Dividends at about $40 million; and
- Negative discretionary cash flow.

Key Metrics

	2016A	2017E	2018E
FFO to debt (%)	17.5	18-22	18-22
OCF to debt (%)	22.8	18-23	18-23
Debt to EBITDA (x)	4.7	4.2-4.7	4.2-4.7

S&P Global Ratings' adjusted measures. A—Actual. E—Estimate. FFO-- Funds from operations. OCF—Operating cash flow.

Business Risk: Excellent

Our stand-alone business risk assessment of QGC reflects the utility's low-risk regulated natural gas distribution business, above average size, and its effective management of regulatory risk.

QGC serves approximately one million customers in Utah (about 97%), southwestern Wyoming, and southeastern Idaho. Constructive regulation in Utah strengthens the company's management of regulatory risk including a credit supportive rate design and the use of multiple regulatory mechanisms including a fuel cost adjustment, a weather normalization adjustment, decoupling, and an infrastructure cost tracking adjustment. QGC cash flows are generally stable and largely insulated from fluctuations in gas prices, weather, and usage. Furthermore, most of the customer base is residential and commercial, providing an additional measure of cash flow stability. Marginally effecting the company's business risk profile is the general lack of business or regulatory diversity.

QGC has good access to gas supply (65% of the utility's supply) due to its relationship with Wexpro, a cost-of-service exploration and production operation company providing natural gas to QGC at cost plus a fixed return. In addition, Dominion Energy Questar Pipeline, LLC, another affiliate, provides QGC with long-term transportation contracts and storage. These relationships and contracts minimizes QGC's supply risk compared to peers.

Financial Risk: Significant

We assess the company's financial measures using more moderate financial benchmarks compared to the typical corporate issuer, reflecting its low-risk regulated utility business and its effective management of regulatory risk.

Under our base-case scenario, which includes improving economic conditions in the company's service territory, a rate case increase in 2020, capital spending of about $220 million, and dividends of about $40 million, we expect financial measures consistent with the higher end of the range for the company's financial risk category. Specifically, we expect FFO to debt of about 20%.

Liquidity: Adequate

QGC has adequate liquidity, in our view, and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources will exceed uses by more than 1.1x over the next 12 months, which is the minimum threshold for an adequate liquidity assessment under our criteria. Under our stress scenario, we do not expect the company would require access to the capital markets during that period to meet liquidity needs. Our assessment also reflects the company's stable cash flow generation, generally prudent risk management, sound relationships with banks, and a generally satisfactory standing in the credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
• Cash FFO of about $175 million; • Credit facility availability of $250 million; and • Minimal cash of about $10 million.	• Long-term debt maturities of about $120 million in 2018; • Maintenance capital spending of about $125 million; and • Dividends of about $40 million.

Other Credit Considerations

We assess the comparable rating analysis modifier for QGC as positive, reflecting our view that QGC's financial measures will consistently reflect the higher end of the range for its financial risk profile.

Group Influence

Although QGC accounts for a relatively small portion of Dominion's overall business, representing less than 5% of Dominion's operating income, we assess QGC as a core subsidiary of Dominion, under our group rating methodology. This reflects our view that QGC is highly unlikely to be sold, has a strong long-term commitment from senior management, is successful at what it does, and contributes meaningfully to the group. As a result, we assess QGC's issuer credit rating as in line with Dominion's 'bbb+' group credit profile.

Ratings Score Snapshot

Corporate Credit Rating

BBB+/Stable/A-2

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : a

- **Group credit profile:** bbb+
- **Entity status within group:** Core (-2 notches from SACP)

Issue Ratings

Questar Gas' unsecured debt is rated the same as the corporate credit rating because it is unsecured debt of a qualifying investment-grade regulated utility.

Related Criteria

- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Midstream Energy Industry, Dec. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Reflecting Subordination Risk In Corporate Issue Ratings, Sept. 21, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

Business And Financial Risk Matrix

	Financial Risk Profile					
Business Risk Profile	Minimal	Modest	Intermediate	**Significant**	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
22 December 2017

Update

Rate this Research

RATINGS

Questar Gas Company

Domicile	Salt Lake City, Utah, United States
Long Term Rating	A2
Type	Senior Unsecured - Dom Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Questar Gas Company

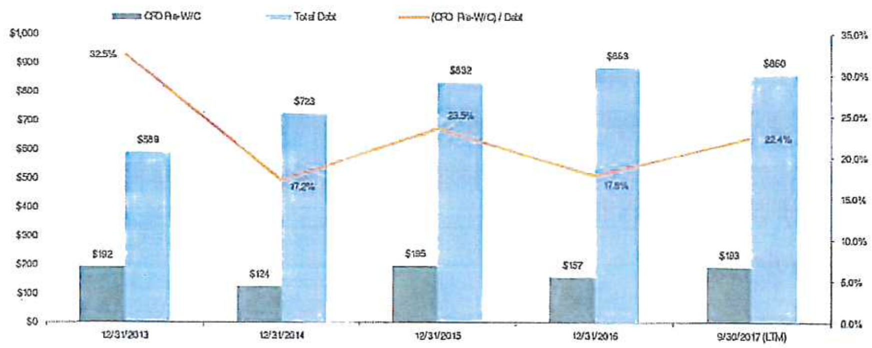
Update to credit analysis

Summary

Questar Gas Company's (A2 stable) credit reflects 1) low-risk operations as a local gas distribution company (LDC), 2) supportive regulators in Utah and Wyoming and 3) stable cash flow production through its suite of cost recovery mechanisms.

The Questar Gas credit profile is constrained by 1) low-20% cash flow to debt ratio that is weak versus peers, 2) a base rate freeze that will further reduce financial metrics through 2020 and a highly levered parent company (i.e., Dominion Energy Inc. (DEI, Baa2 stable).

Exhibit 1
Historical CFO Pre-W/C, Total Debt and CFO Pre-W/C to Debt
($ MM)



Source: Moody's Financial Metrics

Credit strengths

» Stable and predictable cash flow derived from cost recovery mechanisms

» Cooperative relationships with regulators in Utah and Wyoming

» Ring-fencing like provisions helps offset some risk of its highly levered parent

Credit challenges

» Base rate freeze through 2020 will weaken financial metrics

» Elevated capital spend over the next three years

» Highly levered parent that carries higher credit risk

Rating outlook

The stable outlook reflects ongoing cash collection through tracking mechanisms that should keep cash flow to debt at 20% over the next 12-18 months. Typically, we would expect the company to produce cash flow to debt in the mid-20% range, but now expect a decline in this metric due to a base rate freeze in Utah and Wyoming.

Factors that could lead to an upgrade

» Cash flow to debt metrics above 25% on a sustainable basis, while maintaining the same degree of regulatory support that it currently has.

Factors that could lead to a downgrade

» Cash flow to debt metrics below 20%, on a sustainable basis.

» If regulatory provisions in either Utah or Wyoming were to become less supportive.

» If parent credit risk increases, which could include a higher dependence upon Questar Gas dividends, reducing Questar Gas retained cash flow to debt to 15%.

Key indicators

Exhibit 2

KEY INDICATORS [1]

Questar Gas Company

	12/31/2013	12/31/2014	12/31/2015	12/31/2016	9/30/2017(L)
CFO pre-WC + Interest / Interest	8.3x	5.2x	7.4x	6.1x	6.8x
CFO pre-WC / Debt	32.5%	17.2%	23.5%	17.8%	22.4%
CFO pre-WC – Dividends / Debt	26.5%	13.5%	17.8%	14.4%	22.4%
Debt / Capitalization	39.1%	42.4%	44.0%	43.9%	41.2%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Questar Gas is a local gas distribution company that serves over 1 million customers primarily in Utah but also in Wyoming and Idaho. Questar Gas is primarily regulated by the PSCU and the PSCW and generates over $900 million of revenue and about $200 million of EBITDA through its LDC operations.

Questar Gas' ultimate parent company is Dominion Energy Inc. (Baa2 stable), one of the nation's largest producers and transporters of energy, headquartered in Richmond, VA.

Detailed credit considerations

Supportive regulatory environments with key cost recovery features

Questar Gas' credit profile is underpinned by its low-risk gas distribution operations in very supportive regulatory environments. The PSCU and PSCW provide Questar Gas with general rate case outcomes that allow the company to recover prudently incurred costs on a timely basis.

A key example of such recovery is the company's revenue decoupling mechanism and weather normalization adjustment, which help to provide revenue and cash flow certainty despite fluctuations in customer use patterns. Importantly, the decoupling mechanism also helps Questar Gas to recover its fixed charges in a flat to declining demand environment, which mitigates volume risk. We note that while the company is experiencing declining use on a per-customer basis, the overall service territory demand is experiencing growth of over 2.0% per year - a credit positive.

Another example is the company's infrastructure rider, which accelerates the recovery of certain distribution system investments, immediately upon project completion. This will be particularly helpful as the company makes capital expenditures associated with a multi-year high-pressure natural gas feeder-line replacement program. We expect this replacement program to continue to keep Questar Gas' capital expenditures elevated for several years, therefore the rider will accelerate the recovery of this investment and help to maintain a stronger financial profile than would otherwise be possible.

While timely cost recovery has been the norm in Utah and Wyoming, we note that a condition of the DEI acquisition approval included a base rate freeze for Questar Gas, in both jurisdictions, through 2020. This is credit negative which we expect to result in declining financial metrics over the next three years, but assume that rates and cash flow would increase thereafter.

Financial metrics will weaken, especially compared to peers

We expect that Questar Gas' financial profile will weaken through 2020 as a result of the Utah and Wyoming base rate freezes and a robust capital plan. Typically, we would expect the company to produce cash flow to debt in the mid-20% range, but now expect a decline in this metric toward 20% over the next twelve to eighteen months.

We maintain our stable view of the company's credit at this time, despite the rate freeze, since its decoupling mechanism and infrastructure replacement riders will continue to increase cash flow on an annual basis. We also expect that management will take steps to stabilize the company's financial profile in the meantime, such as the reduced dividend payout seen over the last twelve months (i.e., no dividends versus an average of about 60% over the last five years) and a capex financing strategy that balances debt and equity.

Cash flow to debt at 20% range is weak for the current credit profile - especially compared to the A2 LDC peer average, which produced over 26% through LTM 3Q17. Should the company's financial profile decline to levels consistently below 20% cash flow to debt, negative ratings pressure could ensue.

Risks of a highly-levered parent are mitigated by a track record of utility support and regulatory ring-fencing type provisions

While we analyze the credit of Questar Gas from a standalone perspective, the financial policies and credit of its parent company, DEI, do influence our view of all of DEI's subsidiaries to a degree.

DEI has a higher risk profile than many other utility holding companies due to very weak consolidated financial metrics (e.g., around 12% cash flow to debt through LTM 3Q17), a growing master limited partnership investment - which we view to be a form of financial engineering - and around 50% of its consolidated debt issued at the parent level.

Despite DEI having added risk and lower credit quality than Questar Gas, we also view DEI as having deep pockets, unfettered access to capital markets and a strong track record of managing utility credit quality. We believe that Questar Gas will continue to maintain strong regulatory relationships in Utah and Wyoming and will further benefit from the strong corporate resources of DEI.

The ring-fencing like provisions put in-place by the PSCU and PSCW also help to support Questar Gas' standalone credit profile. For example, by instituting measures focused on minimum equity levels, rating levels, intercompany lending restrictions, liquidity facility requirements and a "Special Bankruptcy Director" for Questar Gas, we see added regulatory focus on maintaining Questar Gas' individual credit quality. Some of these features also govern the degree to which DEI can increase Questar Gas' leverage ratios - a credit positive.

Liquidity Analysis

Questar Gas' standalone liquidity profile is relatively weak. Negative free cash flow is common in the sector, but the company had only $25 million of credit facility availability to supplement cash needs as of 30 September. While DEI can also supply Questar Gas with intercompany loans or equity infusions, if Questar Gas' standalone liquidity profile continues to be constrained, it could jeopardize its P-1 commercial paper rating.

Questar Gas has direct access to the DEI master credit facilities. DEI currently has two shared credit facilities (with affiliates Virginia Electric and Power Company (A2 stable) and Dominion Energy Gas Holdings, LLC (A2 negative), and Questar Gas as co-borrowers) totaling $5.5 billion, maturing in April 2020.

At 30 September, Questar Gas had an aggregate sub-limit of $250 million under the shared facilities and $225 million of commercial paper outstanding, leaving only $25 million of capacity under the revolver. The sub-limit can be increased or decreased multiple times per year and if Questar Gas has liquidity needs in excess of its sub-limit, its needs can be satisfied through short-term intercompany borrowings from DEI.

The joint facilities contain no material adverse change clause for borrowings but do contain a maximum 65% debt to capitalization covenant (as defined in the credit agreements), and all four borrowers have reported that they remain comfortably in compliance with this covenant restriction.

The company's P-1 commercial paper (CP) rating is high for a company requiring external financing from a P-2 rated parent program and with only $25 million available under its current sub-limit. The P-1 is currently derived from Questar Gas' A2 long-term rating and recognizes that sub-limits for DEI subsidiaries can be changed at the option of DEI multiple times per year.

We also note that while it is common practice for DEI and its subsidiaries to limit CP issuances to amounts available under the revolver backstop, the program documentation has no overt language that restricts CP issuance in this manner. We expect DEI to continue its practice of maintaining 100% backup, at all times, for funded commercial paper in the form of cash balances and its $5.5 billion of committed bank credit facilities. Should there be a deviation of this practice, the P-1 of Questar Gas would be downgraded and could result in negative ratings implications for its long-term debt as well.

Questar Gas' internal liquidity consists of cash flow from operations of around $140 million, versus capital expenditures of nearly $200 million. With high capital expenditures over the next 12-18 months, we expect that Questar Gas will maintain a lower dividend payout over the next twelve to eighteen months. Through LTM 3Q17, the company has paid no dividends to DEI.

Questar Gas also has $70 million and $50 million in notes maturing in March 2018 and April 2018, respectively.

Rating Methodology and Scorecard Factors

Exhibit 3

Rating Factors				
Questar Gas Company				
Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2017		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.8x	Aa	6x - 7x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	22.2%	A	20% - 25%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	19.1%	A	16% - 20%	A
d) Debt / Capitalization (3 Year Avg)	42.6%	A	45% - 50%	Baa
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A2		A2
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2017(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Ratings

Exhibit 4

Category	Moody's Rating
QUESTAR GAS COMPANY	
Outlook	Stable
Senior Unsecured	A2
Commercial Paper	P-1
ULT PARENT: DOMINION ENERGY, INC.	
Outlook	Stable
Bkd LT IRB/PC	Baa2
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2

Source: Moody's Investors Service

REPORT NUMBER 1098308

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE

Charitable Contribution - Dominion Energy Utah
As of December 31, 2017

2014	$ 1,741,233.00
2015	$ 1,819,168.00
2016	$ 1,552,447.00
2017	$ 2,788,234.00
	$ 7,901,082.00

Dominion Energy
Merger Costs
YTD December 31, 2017

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$3,885,386	$0	$0	$0	$0	$3,885,386	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	140,566	140,566	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	2,308,760	5,451,368	980,092	123,885	2,712,940	11,577,045	1/
14	Curtailment of Pension/Medical/Life Plans					12,895,606	12,895,606	
15	Insurance proceeds					(559,573)	(559,573)	
16	Other transaction costs	0	0	(15,792)	0	78,016	62,224	
17	Total Transaction Costs	6,194,146	5,451,368	964,300	123,885	15,267,555	28,001,254	
	Transition Costs - GL Account 930205							
18	Retention	152,538	0	231,724	0	386,195	770,457	1/
19	Voluntary severance program	0	4,941,204	135,344	14,531	4,667,262	9,758,341	1/
20	Involuntary severance program	0	0	1,125,277	0	335,109	1,460,386	1/
21	Total Transition Costs for 2016 and 2017	152,538	4,941,204	1,492,345	14,531	5,388,566	11,989,184	
22	Total	$6,346,684	$10,392,572	$2,456,645	$138,416	$20,656,121	$39,990,438	

1/ Costs include directly assignable costs and allocated corporate costs.

Allocated Costs					
Curtailment of Supplemental Executive Retirement Plan	660,601	1,426,897	654,090	(28,648)	(2,712,940)
Retention	93,357	184,950	94,719	8,971	(381,997)
Involuntary severance program	1,218,077	2,475,173	1,206,072	103,049	(5,002,371)

Dominion Energy
Merger Costs
LTD December 31, 2017

		A Dominion Energy Questar Pipeline Consolidated	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar Corporation	F Total	
	Transaction Costs - GL Account 930205							
1	Severance	$10,056,485	$5,644,730	$3,699,626	$80,769	$0	$19,481,610	1/
2	Mark-to-market of performance shares and deferred compensation	$134,589	$402,971	$168,960	$0	$2,532,972	3,239,492	
3	Restricted stock units settlement	$2,235,343	$2,561,901	$1,741,908	$20,707	$0	6,559,860	1/
4	Peformance share settlement	$1,811,092	$2,192,863	$1,294,449	$24,540	$0	5,322,945	1/
5	Peformance share - additional expense	$663,405	$674,976	$387,948	$7,468	$0	1,733,797	1/
6	Wexpro software relicensing charges	$0	$0	$393,700	$0	$0	393,700	
7	Legal	$0	$0	$0	$0	$6,234,519	6,234,519	
8	Financial advisor	$0	$0	$0	$0	$28,257,211	28,257,211	
9	Fees for special proxy statement	$0	$0	$0	$0	$658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	$0	$0	$0	$0	$367,773	367,773	
11	Unamortized debt costs	$0	$0	$0	$0	$336,078	336,078	
12	Debt issuance revolver fees	$0	$0	$0	$0	$2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	$2,308,760	$5,451,368	$980,092	$123,885	$4,285,164	13,149,269	1/
14	Curtailment of Pension/Medical/Life Plans	$0	$0	$0	$0	$12,895,606	12,895,606	
15	Insurance proceeds	$0	$0	$0	$0	($559,573)	(559,573)	
16	Other transaction costs	$267,021	$49,877	$50,355	$1,014	$140,460	508,726	
17	Total Transaction Costs	17,476,695	16,978,687	8,717,038	258,383	57,164,799	100,595,602	
	Transition Costs - GL Account 930205							
18	Retention	385,800	541,973	828,906	5,928	386,195	2,148,802	1/
19	Voluntary severance program	2,374,208	8,814,100	2,375,757	74,870	4,667,262	18,306,197	1/
20	Involuntary severance program	0	0	1,125,277	0	335,109	1,460,386	1/
21	Total Transition Costs for 2016 and 2017	2,760,008	9,356,074	4,329,939	80,798	5,388,566	21,915,385	
22	Total	$20,236,703	$26,334,761	$13,046,977	$339,181	$62,553,365	$122,510,987	

1/ Costs include directly assignable costs and allocated corporate costs.

Questar Gas Company

12 Months Ended 2017 O&M and A&G per customer
(Annual Results of Operations)

	(A)		(B)	
1	Production	$	(907,324.93)	
2	Distribution		54,949,884	
3	Customer Accounts (Excl. Bad Debt)		17,311,560	
4	Customer Service/Information (Excl. EE)		3,832,331	
5	Administrative & General		39,652,833	1/
6	Bad Debt		1,774,020	
7	Energy Efficiency		20,820,794	
8	**Total O&M and A&G**	$	137,434,097	
			-	
9	LESS Bad Debt		(1,774,020)	
10	LESS Energy Efficiency		(20,820,794)	
11	Adjusted O&M and A&G	$	114,839,284	
12	Year End Customers		1,031,121	
13	O&M and A&G/Customer (Line 11 divided by 12)	$	111.37	

Wexpro

12 Months Ended 2017 O&M and A&G
(Financial Statements)

14	Operating & Maintenance Expense		23,031,384	
15	Administrative & General Expense		19,642,727	1/
16	**Total O&M and A&G**	**$**	**42,674,111**	

Questar Pipeline Company

12 Months Ended 2017 O&M and A&G
(FERC Form 2 pages 320-325)

17	Production Expenses		(12,556,338)	
18	Natural Gas Storage, Terminaling and Processing Expenses		14,963,977	
19	Transmission Expenses		36,094,542	
20	Customer Service and Informational Expenses		70,500	
21	Administrative & General Expense		14,523,702	
22	**Total O&M and A&G**	$	**53,096,383**	2/

1/ Does not include full allocation of costs from DRS
2/ Form 2 is included as attachment DEU Exhibit 29

May 1, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 2017.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending December 2017 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The fourth quarter results are attached as Exhibit 29. There are two areas where the Company is deficient. Billing metric #1, read each meter monthly, was 93.8%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 84% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.3	6.2	6.3	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.8	5.9	5.9	5.8	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.4	5.5	5.2	5.2	5.3
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.6	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	5.8	6.0	5.9	5.8	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.7	5.8	5.6	5.6	5.7

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	84.4%	88.1%	92.0%	92.2%	89.2%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.4%	99.5%	99.4%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	70	51	33	29	46
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.9%	1.5%	1.0%	0.9%	1.3%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.1	5.0	4.8	4.9	5.0
6	The phone staff was courteous	6.0	CSS	6.6	6.7	6.7	6.6	6.7
7	The phone staff was knowledgeable	6.0	CSS	6.5	6.6	6.6	6.3	6.5
8	My call was answered quickly	5.5	CSS	6.1	6.4	6.2	6.1	6.2
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.4	6.5	6.2	6.3
10	The automated menu was easy to use	5.7	CSS	6.0	6.2	5.9	6.0	6.0
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.2	6.3	6.4	6.1	6.2

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.8	6.8	6.8	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.7	6.8	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.6	6.7	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.5	6.3	6.5	6.6	6.5
5	The automated menu was easy to use	5.7	CSS	6.4	6.1	6.4	6.5	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.7	6.5	6.5	6.5	6.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Service Calls								
1	The service technician was courteous	6.4	CSS	7.0	6.8	6.8	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.9	6.8	6.7	6.7	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.8	6.7	6.6	6.6	6.7
4	The service technician was able to help me resolve my issue	6.2	CSS	6.8	6.4	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.8	6.7	6.6	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.1%	98.3%	98.4%	98.3%	98.3%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	100.0%	98.9%	100.0%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.2%	97.4%	97.0%	93.8%	95.6%
2	Percent of adjustments	3% Annual	Billing Statistics	0.53%	0.53%	0.73%	0.60%	2.39%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.75 days	2.21 days	1.75 days	3.24 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.7%	99.8%	99.8%	97.8%	99.3%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	97%	94%	90%	84%	91%

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	0	0	0	0	0
Service Calls						
1	The service technician was courteous	6.8	6.0	6.7	7.0	7.0
2	The service technician was knowledgeable	6.5	6.8	6.7	6.9	7.0
3	The service technician was able to help me quickly	6.6	6.2	6.6	6.6	7.0
4	The service technician was able to resolve my issue	6.5	6.5	6.4	6.6	7.0
5	How satisfied are you with the service technician's overall performance	6.5	6.8	6.6	7.0	7.0
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	97.7%	97.8%	97.3%	99.2%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	99.9%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
Mailing Address:
P.O. Box 45360, Salt Lake City, UT 84145
DominionEnergy.com

Dominion Energy®

August 1, 2018

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 1st quarter 2018.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." The attached Integration Progress Report is the fifth report. Dominion Energy will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 1st Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 31.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of March 2018, the balance in the CET is a $8,207,918.79 over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 1st quarter 2018 are included in Exhibit 32. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	The transition costs are shown in Exhibit 32. All of the costs shown in the exhibit are booked to 930.205.

39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.

46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

Severance package includes a two month advance start date and three weeks of severance for each year of service up to 52 weeks.

Advance Notice Start Dates were scheduled as follows:

Month	Positions eliminated
September 2017	2
October 2017	3
November 2017	4
January 2018	4
February 2018	3
April 2018	31
July 2018	5
December 2018	4
Total	56

Of the 56 affected employees 17 have found other positions in the Company. This number will be updated in future integration progress reports.

Dominion Energy
Merger Costs
YTD March 31, 2018

		A Dominion Energy Questar Pipeline Consolidated	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar Corporation	F Total	
	Transaction Costs - GL Account 930205							
1	Severance	$0	$0	$0	$0	$0	$0	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	0	0	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0	0	1/
14	Curtailment of Pension/Medical/Life Plans					0	0	
15	Insurance proceeds					0	0	
16	Other transaction costs	0	0	0	0	0	0	
17	Total Transaction Costs	0	0	0	0	0	0	
	Transition Costs - GL Account 930205							
18	Retention	0	0	0	0	0	0	1/
19	Voluntary severance program	0	0	0	0	0	0	1/
20	Involuntary severance program	0	204,311	0	0	0	204,311	1/
21	Total Transition Costs for 2018	0	204,311	0	0	0	204,311	
22	Total	$0	$204,311	$0	$0	$0	$204,311	

1/ Costs include directly assignable costs and allocated corporate costs.

Allocated Costs	A	B	C	D	E
Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0
Retention	0	0	0	0	0
Involuntary severance program	0	0	0	0	0

Dominion Energy
Merger Costs
LTD March 31, 2018

		A Dominion Energy Questar Pipeline Consolidated	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar Corporation	F Total	
	Transaction Costs - GL Account 930205							
1	Severance	$10,056,485	$5,644,730	$3,699,626	$80,769	$0	$19,481,610	1/
2	Mark-to-market of performance shares and deferred compensation	$134,589	$402,971	$168,960	$0	$2,532,972	3,239,492	
3	Restricted stock units settlement	$2,235,343	$2,561,901	$1,741,908	$20,707	$0	6,559,860	1/
4	Peformance share settlement	$1,811,092	$2,192,863	$1,294,449	$24,540	$0	5,322,945	1/
5	Peformance share - additional expense	$663,405	$674,976	$387,948	$7,468	$0	1,733,797	1/
6	Wexpro software relicensing charges	$0	$0	$393,700	$0	$0	393,700	
7	Legal	$0	$0	$0	$0	$6,234,519	6,234,519	
8	Financial advisor	$0	$0	$0	$0	$28,257,211	28,257,211	
9	Fees for special proxy statement	$0	$0	$0	$0	$658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	$0	$0	$0	$0	$367,773	367,773	
11	Unamortized debt costs	$0	$0	$0	$0	$336,078	336,078	
12	Debt issuance revolver fees	$0	$0	$0	$0	$2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	$2,308,760	$5,451,368	$980,092	$123,885	$4,285,164	13,149,269	1/
14	Curtailment of Pension/Medical/Life Plans	$0	$0	$0	$0	$12,895,606	12,895,606	
15	Insurance proceeds	$0	$0	$0	$0	($559,573)	(559,573)	
16	Other transaction costs	$267,021	$49,877	$50,355	$1,014	$140,460	508,726	
17	Total Transaction Costs	17,476,695	16,978,687	8,717,038	258,383	57,164,799	100,595,602	
	Transition Costs - GL Account 930205							
18	Retention	385,800	541,973	828,906	5,928	386,195	2,148,802	1/
19	Voluntary severance program	2,374,208	8,814,100	2,375,757	74,870	4,667,262	18,306,197	1/
20	Involuntary severance program	0	204,311	1,125,277	0	335,109	1,664,696	1/
21	Total Transition Costs	2,760,008	9,560,384	4,329,939	80,798	5,388,566	22,119,696	
22	Total	$20,236,703	$26,539,072	$13,046,977	$339,181	$62,553,365	$122,715,298	
23	Allocated Costs							
24	Merger and restructuring	166,855	318,255	175,197	19,820	(680,127)	(0)	
25	Share-based compensation	1,864,135	3,555,613	1,957,343	262,812	(7,639,903)	0	
26	Severance program	5,199,538	9,917,480	5,459,515	733,049	(21,309,583)	0	
		7,230,528	13,791,347	7,592,056	1,015,681	(29,629,613)	(0)	

1/ Costs include directly assignable costs and allocated corporate costs.

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016
and Report of Independent Auditors

GLOSSARY OF TERMS

The following abbreviations or acronyms used in these Consolidated Financial Statements are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as The Tax Cuts and Jobs Act) enacted on December 22, 2017
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
Commissions	The Public Service Commission of Utah and the Wyoming Commission
DEQPS	Dominion Energy Questar Pipeline Services, Inc.
DES	Dominion Energy Services, Inc.
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than Dominion Energy Questar) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
Dominion Energy Questar	The legal entity, Dominion Energy Questar Corporation, one or more of its consolidated subsidiaries (other than Wexpro) or operating segment, or the entirety of Dominion Energy Questar Corporation and its consolidated subsidiaries
Dominion Energy Questar Combination	Dominion Energy's acquisition of Dominion Energy Questar completed on September 16, 2016 pursuant to the terms of the agreement and plan of merger entered into on January 31, 2016
GAAP	U.S. generally accepted accounting principles
mcfe	Thousand cubic feet equivalent
NGL	Natural gas liquids
QEP	QEP Energy Company
Questar Gas	Questar Gas Company
SEC	Securities and Exchange Commission
VIE	Variable interest entity
Wexpro	The legal entity, Wexpro Company, one or more of its consolidated subsidiaries, or the entirety of Wexpro Company and its consolidated subsidiaries
Wexpro II	The legal entity, Wexpro II Company
Wexpro Agreement	Comprehensive agreement with the states of Utah and Wyoming that sets forth the rights of Questar Gas to receive certain benefits from Wexpro's operations
Wexpro II Agreement	Agreement with the states of Utah and Wyoming modeled after the Wexpro Agreement that allows for the addition of properties under the cost-of-service methodology for the benefit of Questar Gas customers
Wexpro Agreements	The Wexpro Agreement and the Wexpro II Agreement combined
Wexpro Development	Wexpro Development Company
Wyoming Commission	Wyoming Public Service Commission

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31, 2017	2016
	(in millions)	
REVENUES		
Operator service fee[1]	$ 306.9	$ 311.7
Oil and NGL sales	11.6	8.5
Other[1]	1.4	1.1
Total Revenues	319.9	321.3
OPERATING EXPENSES		
Operating and maintenance[1]	23.0	23.9
General and administrative[1]	19.6	26.0
Merger and restructuring costs	2.5	12.3
Production and other taxes	19.9	16.2
Depreciation, depletion and amortization	109.6	106.7
Accretion expense	4.3	4.0
Total Operating Expenses	178.9	189.1
OPERATING INCOME	141.0	132.2
Interest and other income[1]	0.5	0.4
INCOME BEFORE INCOME TAXES	141.5	132.6
Income taxes	(50.5)	(41.1)
NET INCOME	$ 91.0	$ 91.5

(1) See Note 10 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY

	Common Stock(1)	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp. Income (Loss)	Total
			(in millions)		
Balances at December 31, 2015	$ —	$ 181.8	$ 481.5	$ 0.1	$ 663.4
Dividends	—	—	(187.2)	—	(187.2)
Share-based compensation	—	2.6			2.6
Net income	—	—	91.5	—	91.5
Net other comprehensive loss	—	—	—	(0.1)	(0.1)
Balances at December 31, 2016	—	184.4	385.8	—	570.2
Dividends	—	—	(107.0)	—	(107.0)
Net income	—	—	91.0	—	91.0
Other	—	—	0.2	—	0.2
Balances at December 31, 2017	$ —	$ 184.4	$ 370.0	$ —	$ 554.4

(1) Par value $0.01 per share; 1,000 shares authorized, issued and outstanding

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Description of Business

Wexpro is a wholly-owned subsidiary of Dominion Energy Questar, a wholly-owned subsidiary of Dominion Energy. Wexpro develops and produces cost-of-service reserves for a gas utility affiliate, Questar Gas, under the terms of the Wexpro Agreements and comprehensive agreements with the states of Utah and Wyoming.

Pursuant to the Wexpro Agreements, Wexpro recovers its costs and receives an after-tax return on its investment base. Wexpro's investment base is made up of the costs of acquired properties and commercial wells and related facilities, adjusted for working capital and reduced for deferred income taxes and accumulated depreciation, depletion and amortization. Property acquisition costs only pertain to properties that have been approved under the Wexpro II Agreement by the Commissions. The terms of the Wexpro Agreements coincide with the productive lives of the gas and oil properties covered therein. Wexpro's gas and oil development and production activities are subject to oversight by the Utah Division of Public Utilities and the staff of the Wyoming Commission, which have retained an independent certified public accountant and an independent petroleum engineer to monitor the performance of the agreements.

Wexpro has agreed to manage production to 65% of Questar Gas' annual forecasted demand. Beginning in June 2015 through May 2016 and for each subsequent 12-month period, if the combined annual production exceeds 65% of the forecasted demand and the cost-of-service price is greater than the Questar Gas purchased-gas price, an amount equal to the excess production times the excess price will be credited back to Questar Gas' customers. Wexpro may also sell production to manage the 65% level and credit back to Questar Gas' customers the higher of market price or the cost-of-service price times the sales volumes. As of December 31, 2017, Wexpro's trailing 12-month cost-of-service gas deliveries were below the 65% threshold.

Wexpro's primary market area is the Rocky Mountain region of the United States. Pursuant to the Wexpro Agreements, Wexpro's primary customer is Questar Gas which is responsible for over 90% of Wexpro's operating revenues and receivables from affiliates. The Wexpro Agreements generate the majority of Wexpro's revenue and net income.

Wexpro Development
Wexpro Development is an affiliate company owned by Dominion Energy Questar, but is not included in these consolidated financial statements. Wexpro Development invests in properties outside the Wexpro Agreements. However, the properties may be transferred to Wexpro II if approved by the Commissions.

Note 2 – Summary of Significant Accounting Policies

General
The Wexpro consolidated financial statements contain the accounts of the parent company and its wholly-owned subsidiary, Wexpro II. The consolidated financial statements were prepared in accordance with GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Wexpro also incorporates estimates of proved developed and total proved gas and oil reserves in the calculation of depreciation, depletion and amortization rates of its gas and oil properties. Changes in estimated quantities of its reserves could impact Wexpro's reported financial results. Actual results could differ from these estimates.

Wexpro reports certain contracts and instruments at fair value. The carrying amount of cash and cash equivalents, accounts receivable, receivables from affiliates, payables to affiliates and accounts payable are representative of fair value because of the short-term nature of these instruments. The carrying amount of the note payable to Dominion Energy is representative of fair value because of its short-term maturity and market-based interest rate.

Revenue Recognition
Wexpro recognizes revenues in the period that services are provided or products are delivered. In accordance with the Wexpro Agreements, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service, including an after-tax return on Wexpro's investment. Wexpro sells crude oil and NGL production from certain producing properties at market prices, with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Questar Gas and Wexpro, with Wexpro retaining 46%. Amounts received by Questar Gas from the sharing of Wexpro's oil and NGL income are used to reduce natural gas costs to utility customers.

Regulatory Assets and Liabilities
The accounting for Wexpro's operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its Consolidated Financial Statements. For regulated businesses subject to state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

Wexpro evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made.

Asset Retirement Obligations
The fair value of retirement costs is estimated based on abandonment costs of similar properties available to field operations and depreciated over the life of the related assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs.

Income Taxes
Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws, including the provisions of the 2017 Tax Reform Act, involves uncertainty, since tax authorities may interpret the laws differently. In addition, the states in which Wexpro operates may or may not conform to some or all the provisions in the 2017 Tax Reform Act. Ultimate resolution or clarification of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

A consolidated federal income tax return is filed for Dominion Energy and its subsidiaries, including Wexpro. For 2016, a consolidated federal income tax return was filed for Dominion Energy Questar, including Wexpro, for the period January 1, 2016 through September 16, 2016. Wexpro was part of the consolidated federal income tax return filed by Dominion Energy for the period September 17, 2016 through December 31, 2016. In addition, where applicable, combined income tax returns for Dominion Energy and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed.

Wexpro participates in intercompany tax sharing agreements with Dominion Energy and its subsidiaries. Current income taxes are based on taxable income or loss and credits determined on a separate company basis. Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Dominion Energy and its subsidiary Wexpro, including changes in corporate tax rates and business deductions. The 2017 Tax Reform Act reduces the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. Deferred tax assets and liabilities are measured at the enacted tax rate expected to apply when temporary differences are realized or settled. Thus, at the date of enactment, deferred taxes were remeasured based upon the new 21% tax rate. The total effect of tax rate changes on federal deferred tax balances is recorded as a component of the income tax provision related to continuing operations for the period in which the law is enacted, even if the assets and liabilities relate to other components of the financial statements. As a regulated entity, Wexpro is required to adjust deferred income tax assets and liabilities for the change in income tax rates. However, as it is probable that the effect of the change in income tax rates will be recovered or refunded in future rates, Wexpro has recorded a regulatory asset or liability instead of an increase or decrease to deferred income tax expense.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. Wexpro establishes a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized.

Wexpro recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information.

The current portion of the ARO balance is $0.2 million and is included in accrued expenses and other on the Consolidated Balance Sheets. Changes in AROs from the Consolidated Balance Sheets were as follows:

	2017	2016
	(in millions)	
AROs at beginning of year	$ 68.9	$ 63.4
Accretion	4.3	3.9
Liabilities incurred	3.8	0.3
Revisions in estimated cash flows	9.2	2.1
Liabilities settled	(1.2)	(0.8)
AROs at end of year	$ 85.0	$ 68.9

Wexpro collects from Questar Gas and deposits in trust certain funds related to estimated ARO costs. These funds are used to satisfy retirement obligations as the properties are abandoned. The funds are measured using net asset value (or its equivalent) as a practical expedient which are not required to be categorized in the fair value hierarchy. At December 31, 2017 and 2016, the funds totaled $26.1 million and $19.2 million, respectively, and are included in other noncurrent assets on the Consolidated Balance Sheets. The accounting treatment of reclamation activities associated with AROs for properties administered under the Wexpro Agreements is defined in a guideline letter between Wexpro and the Utah Division of Public Utilities and the staff of the Wyoming Commission.

Note 4 – Short-Term Debt

Dominion Energy may make loans to Wexpro under a short-term borrowing arrangement. As of December 31, 2017, there were no short-term borrowings outstanding. At December 31, 2016, Wexpro had a short-term note with Dominion Energy for $4.0 million with a variable interest rate of 1.05%. Interest charges paid to Dominion Energy were less than $0.1 million for the years ended December 31, 2017 and 2016.

Note 5 - Income Taxes

Judgments and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws involves uncertainty, since tax authorities may interpret the laws differently. Wexpro is routinely audited by federal and state tax authorities. Ultimate resolution of income tax matters may result in favorable or unfavorable impacts of net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Wexpro, as discussed in Note 2. The 2017 Act Reform Act reduces the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. At the date of enactment, deferred tax assets and liabilities were remeasured based upon the enacted 21% tax rate expected to apply when temporary differences are to be realized and settled. The specific provisions related to regulated entities in the 2017 Tax Reform Act generally allows for the continued deductibility of interest expense, changes the tax depreciation of certain property acquired after September 27, 2017, and continues certain rate normalization requirements for accelerated depreciation benefits.

As indicated in Note 2, Wexpro's operations, including accounting for income taxes, are subject to regulatory accounting treatment. For regulated operations, many of the changes in deferred taxes represent amounts probable of collection from or refund to customers, and are recorded as either an increase to a regulatory asset or liability. The 2017 Tax Reform Act includes provisions that stipulate how these excess deferred taxes are to be passed back to customers for certain accelerated tax depreciation benefits. Potential refunds of other deferred taxes will be determined by Wexpro's state regulators.

Wexpro has completed or has made a reasonable estimate for the measurement and accounting of certain effects of the 2017 Tax Reform Act which have been reflected in the consolidated financial statements. The changes in deferred taxes were recorded as either an increase to a regulatory liability or as an adjustment to Wexpro's deferred tax provision.

The items reflected as provisional amounts are related to accelerated depreciation for tax purposes of certain property acquired and placed into service after September 27, 2017 and the impact of accelerated depreciation on state income taxes to the extent there is uncertainty on conformity to the new federal tax system.

The determination of the impact of the income tax effects of the items reflected as provisional amounts represents a reasonable estimate, but will require additional analysis of historical records and further interpretation of the 2017 Tax Reform Act from

Note 6 - Regulatory Assets and Liabilities and Regulatory Matters

Regulatory assets and liabilities include the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Regulatory Assets:		
Deferred depreciation, depletion and amortization[(1)]	$ 13.8	$ 13.8
Deferred production taxes[(1)]	3.7	3.7
Deferred other operations and maintenance[(1)]	2.8	1.9
Deferred royalties[(2)]	1.4	4.4
AROs[(3)]	0.2	0.2
Regulatory assets - current	21.9	24.0
Deferred production imbalance[(4)]	-	6.9
AROs[(3)]	0.5	0.7
Regulatory assets - noncurrent	0.5	7.6
Total regulatory assets	$ 22.4	$ 31.6
Regulatory Liabilities:		
Income taxes refundable through future rates[(5)]	$ 78.7	$ —
Depreciation[(6)]	13.5	9.7
Regulatory liabilities - noncurrent	92.2	9.7
Total regulatory liabilities	$ 92.2	$ 9.7

(1) *Recoverable charges incurred by Wexpro but not yet billed to Questar Gas.*
(2) *Royalties on cost-of-service gas produced are recovered from Questar Gas on a delayed basis.*
(3) *Allowed recovery of the cumulative effect of adoption of revised accounting standards for AROs.*
(4) *Production imbalances are recovered from customers at the end of the gas wells' useful life.*
(5) *Amounts recorded to pass the effect of reduced income tax rates from the 2017 Tax Reform Act to customers in future periods, which will reverse at the weighted average tax rate that was used to build the reserves over the remaining book life of the property.*
(6) *Based on the Wexpro II Agreement, Wexpro depreciates its investment base on an accelerated basis. This corresponds to the accumulated incremental depreciation expense recorded in accordance with the Wexpro II Agreement.*

In December 2015, Wexpro Development acquired working interests in 75 producing wells and 112 future drilling locations in the Trail, Whiskey Canyon, Canyon Creek and Kinney units in southwestern Wyoming (collectively known as the Vermillion Basin acquisition). In January 2017, Wexpro applied to the Commissions to have these properties included as Wexpro II properties. The proposal stipulated that the acquisition costs of the approved properties would be adjusted for the depreciation of the gas sold from the time Wexpro Development closed on the properties until their final approval as Wexpro II properties. In March 2017, the Commissions approved the inclusion of these properties in Wexpro II at an adjusted price of $11.1 million.

Note 7 - Employee Benefit Plans

Wexpro participates in retirement benefit plans sponsored by Dominion Energy effective December 2017, reflecting the merger of plans previously sponsored by Dominion Energy Questar, which provide certain retirement benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion Energy reserves the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Pension benefits for employees are covered by a defined benefit pension plan sponsored by Dominion Energy that provides benefits to multiple Dominion Energy subsidiaries. Retirement benefits payable are based primarily on years of service, age and the employee's compensation. As a participating employer, Wexpro is subject to Dominion Energy's funding policy, which is to contribute annually an amount that is in accordance with the provisions of the Employee Retirement Income Security Act of 1974. During 2017, Wexpro made $0.4 million of contributions to the pension plan, and no contributions to this plan are currently expected in 2018. Net periodic pension cost (credit) related to this plan was $(0.4) million and $0.5 million in 2017 and 2016, respectively, recorded in general and administrative expense in the Consolidated Statements of Income. The funding status of various Dominion Energy subsidiary groups and employee compensation is the basis for determining the share of total pension costs for participating Dominion Energy subsidiaries.

Retiree healthcare and life insurance benefits for employees are covered by a plan sponsored by Dominion Energy that provides certain retiree healthcare and life insurance benefits to multiple Dominion Energy subsidiaries. Annual employee premiums are subsidiaries, including Wexpro, as a subsidiary service company. The Consolidated Balance Sheets at December 31, 2017 and 2016, included amounts due to DEQPS of less than $1 million for both periods.

Wexpro entered into a service agreement with DES, an affiliated VIE, effective January 2018. DES provides accounting, legal, finance, and certain administrative and technical services to Dominion Energy and its subsidiaries including Wexpro.

Wexpro determined that it is not the primary beneficiary of DEQPS or DES as it does not have both the power to direct the activities that most significantly impact their economic performance nor the obligation to absorb losses and benefits which could be significant to it. Wexpro has no obligation to absorb more than its allocated share of DEQPS and DES costs.

Note 10 - Related-Party Transactions

Under the Wexpro Agreements, Wexpro earns revenues from Questar Gas as operator service fees for costs associated with operating gas wells for the benefit of Questar Gas customers.

Dominion Energy Questar and other affiliates (including DES) provide accounting, legal, finance and certain administrative and technical services to Wexpro. These costs are primarily included in general and administrative expense in the Consolidated Statements of Income on the basis of direct and allocated methods. Where costs incurred cannot be determined by specific identification, the costs are generally allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs for costs from Dominion Energy Questar and based on the proportional level of effort devoted by resources that is attributable to Wexpro, determined by reference to number of employees, salaries and wages and other similar measures for the relevant DES service. Management believes that the allocation methods are reasonable. Wexpro provides certain services to related parties, including technical services which are allocated based on the specific nature of the charges. Management believes that the allocation method is reasonable. The amounts for the services follow:

	December 31, 2017	December 31, 2016
	(in millions)	
Operator service fee	$ 306.9	$ 311.7
Services provided by related parties	12.5	12.9
Services provided to related parties	1.1	0.7

See Note 4 for interest expense associated with related parties and Note 6 for regulatory assets associated with related parties.

Note 11 - Subsequent Events

The consolidated financial statements reflect management's consideration of known subsequent events as of May 22, 2018, the date the financial statements were issued.

August 1, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 2017.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending March 31, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 1st quarter 2018 results are attached as Exhibit 34. There are three areas where the Company is deficient. Billing metric #1, read each meter monthly, was 94.4%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 73% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. The Customer Care deficiency is also related to these same issues. The average wait was 60 seconds instead of 45. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.2	6.3	6.2	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.9	5.8	5.7	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.5	5.2	5.2	5.2	5.3
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.6	6.7	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	6.0	5.9	5.8	5.8	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.8	5.6	5.6	5.5	5.6

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	88.1%	92.0%	92.2%	86.9%	89.8%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.4%	99.5%	99.4%	99.5%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	51	33	29	60	43
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.5%	1.0%	0.9%	1.4%	1.2%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.0	4.8	4.9	5.1	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.7	6.6	6.6	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.6	6.3	6.3	6.5
8	My call was answered quickly	5.5	CSS	6.4	6.2	6.1	6.2	6.2
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.5	6.2	6.1	6.3
10	The automated menu was easy to use	5.7	CSS	6.2	5.9	6.0	6.0	6.0
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	6.4	6.1	6.0	6.2

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.8	6.8	6.7	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.8	6.6	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.7	6.6	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.3	6.5	6.6	6.3	6.4
5	The automated menu was easy to use	5.7	CSS	6.1	6.4	6.5	6.2	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.5	6.5	6.3	6.4

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.8	6.8	6.9	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.7	6.7	6.8	6.7
3	The service technician was able to help me quickly	6.2	CSS	6.7	6.6	6.6	6.8	6.7
4	The service technician was able to help me resolve my issue	6.2	CSS	6.4	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.6	6.7	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.3%	98.4%	98.3%	97.8%	98.2%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	98.9%	100.0%	100.0%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	97.4%	97.0%	93.8%	94.4%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.53%	0.73%	0.60%	0.52%	2.38%
3	Send corrected statement to customer	5 Business Days	Internal Report	2.21 days	1.75 days	3.24 days	3.52 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.8%	99.8%	97.8%	98.3%	98.9%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	94%	90%	84%	73%	85%

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	3		5		
Service Calls						
1	The service technician was courteous	6.7	7.0	6.9	7.0	6.8
2	The service technician was knowledgeable	6.6	6.5	6.9	7.0	7.0
3	The service technician was able to help me quickly	6.5	7.0	6.8	7.0	7.0
4	The service technician was able to resolve my issue	6.0	6.8	6.6	6.6	7.0
5	How satisfied are you with the service technician's overall performance	6.4	7.0	6.7	7.0	7.0
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	93.2%	97.6%	97.2%	97.6%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	99.7%	100.0%	99.8%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
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Dominion Energy®

October 23, 2018

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 2nd quarter 2018.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." Dominion Energy will continue to submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 2nd Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 35.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 in the first quarter 2018 report for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of June 2018, the balance in the CET is a $10.5 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 2nd quarter 2018 costs are included in Exhibit 36. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	The transition costs are shown in Exhibit 36. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33 in the 1st quarter 2018 report.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.

42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34. 2nd quarter 2018 results are attached as Exhibit 37.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33 in the second quarter 2018 report.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

Severance package includes a two month advance start date and three weeks of severance for each year of service up to 52 weeks.

Advance Notice Start Dates were scheduled as follows:

Month	Positions eliminated
September 2017	2
October 2017	3
November 2017	4
January 2018	4
February 2018	3
April 2018	31
July 2018	5
December 2018	4
Total	56

Of the 56 affected employees 19 have found other positions in the Company. This number will be updated in future integration progress reports.

Dominion Energy
Merger Costs
YTD June 30, 2018

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$0	$0	$0	$0	$0	$0	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	0	0	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0	0	1/
14	Curtailment of Pension/Medical/Life Plans					0	0	
15	Insurance proceeds					0	0	
16	Other transaction costs	0	0	0	0	0	0	
17	Total Transaction Costs	0	0	0	0	0	0	
	Transition Costs - GL Account 930205							
18	Retention	0	0	0	0	0	0	1/
19	Voluntary severance program	0	0	0	0	0	0	1/
20	Involuntary severance program	0	204,311	0	0	0	204,311	1/
21	Total Transition Costs for 2018	0	204,311	0	0	0	204,311	
22	Total	$0	$204,311	$0	$0	$0	$204,311	

1/ Costs include directly assignable costs and allocated corporate costs.

Allocated Costs	A	B	C	D	E
Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0
Retention	0	0	0	0	0
Involuntary severance program	0	0	0	0	0

Dominion Energy
Merger Costs
LTD June 30, 2018

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$10,056,485	$5,644,730	$3,699,626	$80,769	$0	$19,481,610	1/
2	Mark-to-market of performance shares and deferred compensation	$134,589	$402,971	$168,960	$0	$2,532,972	3,239,492	
3	Restricted stock units settlement	$2,235,343	$2,561,901	$1,741,908	$20,707	$0	6,559,860	1/
4	Peformance share settlement	$1,811,092	$2,192,863	$1,294,449	$24,540	$0	5,322,945	1/
5	Peformance share - additional expense	$663,405	$674,976	$387,948	$7,468	$0	1,733,797	1/
6	Wexpro software relicensing charges	$0	$0	$393,700	$0	$0	393,700	
7	Legal	$0	$0	$0	$0	$6,234,519	6,234,519	
8	Financial advisor	$0	$0	$0	$0	$28,257,211	28,257,211	
9	Fees for special proxy statement	$0	$0	$0	$0	$658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	$0	$0	$0	$0	$367,773	367,773	
11	Unamortized debt costs	$0	$0	$0	$0	$336,078	336,078	
12	Debt issuance revolver fees	$0	$0	$0	$0	$2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	$2,308,760	$5,451,368	$980,092	$123,885	$4,285,164	13,149,269	1/
14	Curtailment of Pension/Medical/Life Plans	$0	$0	$0	$0	$12,895,606	12,895,606	
15	Insurance proceeds	$0	$0	$0	$0	($559,573)	(559,573)	
16	Other transaction costs	$267,021	$49,877	$50,355	$1,014	$140,460	508,726	
17	Total Transaction Costs	17,476,695	16,978,687	8,717,038	258,383	57,164,799	100,595,602	
	Transition Costs - GL Account 930205							
18	Retention	385,800	541,973	828,906	5,928	386,195	2,148,802	1/
19	Voluntary severance program	2,374,208	8,814,100	2,375,757	74,870	4,667,262	18,306,197	1/
20	Involuntary severance program	0	204,311	1,125,277	0	335,109	1,664,696	1/
21	Total Transition Costs	2,760,008	9,560,384	4,329,939	80,798	5,388,566	22,119,696	
22	Total	$20,236,703	$26,539,072	$13,046,977	$339,181	$62,553,365	$122,715,298	
23	Allocated Costs							
24	Merger and restructuring	166,855	318,255	175,197	19,820	(680,127)	(0)	
25	Share-based compensation	1,864,135	3,555,613	1,957,343	262,812	(7,639,903)	0	
26	Severance program	5,199,538	9,917,480	5,459,515	733,049	(21,309,583)	0	
27	Curtailment of Supplemental Executive Retirement Plan	660,601	1,426,897	654,090	(28,648)	(2,712,940)		
28	Retention	93,357	184,950	94,719	8,971	(381,997)		
29	Involuntary severance program	1,218,077	2,475,173	1,206,072	103,049	(5,002,371)		
		9,202,563	17,878,367	9,546,937	1,099,053	(37,726,921)		

1/ Costs include directly assignable costs and allocated corporate costs.

October 23, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 2nd quarter ended June 2018.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending June 30, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 2nd quarter 2018 results are attached as Exhibit 37. There are three areas where the Company is deficient. Billing metric #1, read each meter monthly, was 97.8%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 83% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve. The Customer Care deficiency is related to high employee turnover in the call center. The average wait was 150 seconds instead of 45, due mainly to the fact that the department was understaffed because of the high employee turnover in the second quarter. The department is currently hiring additional people and should be fully staffed in the fourth quarter.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.2	6.3	6.2	6.1	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.8	5.7	5.7	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.2	5.2	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.6	6.7	6.7	6.6	6.6
5	Is honest and open in its dealings	5.5	CSS	5.9	5.8	5.8	5.7	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.5	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.6	5.6	5.5	5.4	5.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	92.0%	92.2%	86.9%	75.8%	86.7%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.4%	99.5%	99.5%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	33	29	60	150	68
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.0%	0.9%	1.4%	3.7%	1.8%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.8	4.9	5.1	5.0	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.6	6.6	6.5	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.3	6.3	6.3	6.4
8	My call was answered quickly	5.5	CSS	6.2	6.1	6.2	5.8	6.1
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.5	6.2	6.1	6.2	6.2
10	The automated menu was easy to use	5.7	CSS	5.9	6.0	6.0	5.8	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.4	6.1	6.0	5.9	6.1

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.8	6.7	6.7	6.8
2	The technician was knowledgeable	6.2	CSS	6.8	6.6	6.6	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.7	6.6	6.4	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.5	6.6	6.3	6.8	6.6
5	The automated menu was easy to use	5.7	CSS	6.4	6.5	6.2	6.4	6.4
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.5	6.3	6.7	6.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.8	6.9	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.7	6.8	6.8	6.7
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.6	6.8	6.5	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.6	6.7	6.7	6.8	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.4%	98.3%	97.8%	98.1%	98.1%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	98.9%	100.0%	100.0%	97.9%	99.2%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	97.0%	93.8%	94.4%	97.8%	95.8%
2	Percent of adjustments	3% Annual	Billing Statistics	0.73%	0.60%	0.52%	0.52%	0.6%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.75 days	3.24 days	3.52 days	3.13 days	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.8%	97.8%	98.3%	96.0%	98.0%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	90%	84%	73%	83%	83%

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	1		3		
Service Calls						
1	The service technician was courteous	6.8	7.0	6.7	6.6	6.8
2	The service technician was knowledgeable	6.7	7.0	6.8	6.8	6.8
3	The service technician was able to help me quickly	6.5	7.0	6.6	6.3	5.8
4	The service technician was able to resolve my issue	5.9	7.0	6.6	6.9	5.8
5	How satisfied are you with the service technician's overall performance	6.8	6.8	6.7	6.9	6.8
6	Emergency calls - company representative is onsite within 1 hour of call	99.3%	94.5%	97.2%	97.2%	98.2%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	94.4%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
Mailing Address:
P.O. Box 45360, Salt Lake City, UT 84145
DominionEnergy.com

Dominion Energy

January 4, 2019

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 3rd quarter 2018.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." Dominion Energy will continue to submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 3rd Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	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.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 35 in the 2nd quarter 2018 report. There were no changes in the third quarter 2018.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%. The Company has requested from the commission to be able to adjust the capitalization range, see the application filed in Docket No. 18 057-23.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment grade credit ratings (targeting the Single A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 in the first quarter 2018 report for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017. In 2018 the council held meetings on Feb 12, July 18, and September 17.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of June 2018, the balance in the CET is a $7.4 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 2nd quarter 2018 costs are included in Exhibit 36. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates. There were no transaction/transition costs in the 3rd quarter 2018.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	Total YTD transition costs are shown in Exhibit 36 of the 2nd quarter 2018 report. There were no costs in the 3rd quarter 2018 All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (In 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33 in the 1st quarter 2018 report.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.

42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter 2017 progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34. 2nd quarter 2018 results are attached as Exhibit 37. 3rd quarter results are attached in Exhibit 38.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33 in the first quarter 2018 report. Questar Pipeline financial statements contained in the Form 3Q and Form 2 have been provided each quarter to the Division. The latest Form 3Q for the 3rd quarter 2018 was sent on 12/31/2018.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

December 27, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 3rd quarter ended September 2018.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending September 30, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 3rd quarter 2018 results are attached as Exhibit 38. The company is deficient in the same areas addressed in the 1st and 2nd quarter reports of 2018. The transponder issues were explained in the January 6th technical conference and the transponder replacement program is expected to be complete in 2020. The other deficiencies are related to the current staffing situation in the Company's customer care department. In 2018 the average rate of attrition in the department was 23.2% compared to 12.9% in 2017. Because of the tight labor market it is more challenging to hire and retain employees. The department is currently understaffed by ten employees but has offered jobs to 6 candidates and is planning on having the four remaining slots filled by the 2nd quarter of 2019. The Company expects the customer service metrics will improve once the department is fully staffed and the faulty transponders have all been replaced.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

Service		2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.2	6.1	6.2	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.8	5.7	5.7	5.8	5.7
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.2	5.1	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.6	6.6	6.6
5	Is honest and open in its dealings	5.5	CSS	5.8	5.8	5.7	5.8	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.5	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.6	5.5	5.4	5.5	5.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	92.2%	86.9%	75.8%	78.4%	83.3%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.4%	99.5%	99.5%	99.5%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	29	60	150	124	91
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	0.9%	1.4%	3.7%	3.3%	2.3%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	5.1	5.0	5.2	5.1
6	The phone staff was courteous	6.0	CSS	6.6	6.6	6.5	6.5	6.5
7	The phone staff was knowledgeable	6.0	CSS	6.3	6.3	6.3	6.4	6.3
8	My call was answered quickly	5.5	CSS	6.1	6.2	5.8	6.0	6.0
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.2	6.1	6.2	6.2	6.2
10	The automated menu was easy to use	5.7	CSS	6.0	6.0	5.8	5.9	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.1	6.0	5.9	6.0	6.[illegible]

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.7	6.7	6.5	6.7
2	The technician was knowledgeable	6.2	CSS	6.6	6.6	6.6	6.2	6.5
3	The technician was able to help me quickly	5.9	CSS	6.7	6.6	6.4	6.4	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.6	6.3	6.8	6.3	6.[illegible]
5	The automated menu was easy to use	5.7	CSS	6.5	6.2	6.4	6.1	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.3	6.7	6.1	6.[illegible]

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.9	6.7	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.8	6.8	6.7	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.8	6.5	6.5	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.7	6.8	6.6	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.3%	97.8%	98.1%	97.2%	97.8%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	99.9%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	100.0%	97.9%	96.4%	98.[illegible]%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	93.8%	94.4%	97.8%	96.7%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.60%	0.52%	0.52%	0.61%	0.6%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.24 days	3.52 days	3.13 days	2.55	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	97.8%	98.3%	96.0%	99.0%	97.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	84%	73%	83%	90%	83%

9/30/2018

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	0	0	0	0	0
Service Calls						
1	The service technician was courteous	6.9	7.0	6.7	6.9	7.0
2	The service technician was knowledgeable	6.8	7.0	6.5	6.7	7.0
3	The service technician was able to help me quickly	6.7	7.0	6.3	6.5	7.0
4	The service technician was able to resolve my issue	6.6	6.9	6.4	6.5	7.0
5	How satisfied are you with the service technician's overall performance	6.9	7.0	6.5	6.5	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	98.6%	93.7%	95.9%	95.8%	100.0%
7	Remove meter seal within 24 hours if requested by customer for activation	99.7%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	92.9%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
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DominionEnergy.com

Dominion Energy®

May 16, 2019

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Questar Gas Company dba Dominion Energy Utah (Dominion Energy) respectfully submits the attached Integration Progress Report for the 4th quarter 2018.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." Dominion Energy will continue to submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 4th Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy, Inc. (DEI) continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. DEI and Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) continue to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. DEI and Dominion Energy continue to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to DEI's Board of Directors. The press release related to this appointment was filed as DEU Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a 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 Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as DEU Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	DEI and Dominion Energy continue to comply with the commitment.
8	Questar Gas and Dominion share the 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. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. Actual capital expenditures in 2017 were $211 million, as shown in DEU Exhibit 22 of the Fourth Quarter 2017 Integration Progress Report. Capital Expenditures for 2018 were $212 million as shown in DEU Exhibit 39 to the Fourth Quarter 2018 Integration Progress Report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	DEI and its subsidiaries continue to comply with this commitment.

10	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.	On June 6, 2017, Dominion Energy and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees retired between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he assumed responsibility for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees were eligible for the Company's severance package and were given the opportunity to apply for other positions. An update of the plan was provided in DEU Exhibit 35 in the Second Quarter 2018 Integration Progress Report. There were no changes in the third or fourth quarter 2018.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy and DEI continue to comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy continues to comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy and DEI continue to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion 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 and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July of 2017 the Company began billing customers using the new name.

18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01. The 2019/2020 will be filed in June of 2019.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	DEI will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	As shown in DEU Exhibit 5 to the April 17, 2017 Integration Progress Report 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%. The 2018 end-of-year common equity percentage of total capitalization was 57.66%. In Docket 18-057-23 the Company received permission to exceed the 55% equity range in exchange for holding customers harmless in its next general rate case proceeding. Dominion Energy continues to comply with this commitment, as amended.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Dominion Energy are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Dominion Energy since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Dominion Energy obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on DEI and kept the Dominion Energy rating unchanged at A-. This report was attached as DEU Exhibit 18 to the Third Quarter 2016 Integration Progress Report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as DEU Exhibits 24 and 25 to the Fourth Quarter 2017 Integration Progress Report. On December 27, 2018 S&P's rating was BBB+/Stable/A-2. On January 30, 2019 Moody's issued a rating of A2 negative. Copies of the reports are included in the Fourth Quarter 2018 Integration Progress Report as DEU Exhibits 40 and 41.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of 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.	DEI and Dominion Energy continue to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Dominion Energy continues to comply with this commitment. Dominion Energy has not made any transfers of material assets and has not assumed liabilities from any other Dominion Energy Inc. subsidiary.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	DEI continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	DEI continues to comply with this commitment.
31	Dominion, at shareholders' expense, 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 following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	As shown in DEU Exhibit 42 attached to the Fourth Quarter 2018 Integration Progress Report, DEI has complied with this commitment. It will continue to do so.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. DEU Exhibit 7 to the April 17, 2017 Integration Progress Report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017. In 2018 the council held meetings on Feb 12, July 18, and September 17.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of December 2018, the balance in the CET is a $6.9 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	DEI and Dominion Energy continue to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first Integration Report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were submitted in DEU Exhibit 8 with the April 17, 2017 Integration Progress Report. The transaction costs for the six months ended June 2017 were submitted on August 15, 2017 in DEU Exhibit 12. The transaction/transition costs for YTD December 2017 are shown in DEU Exhibit 27 attached to the Fourth Quarter 2017 Integration Progress Report. Second quarter 2018 costs are shown in the attached DEU Exhibit 36. All of these costs shown in the exhibits are booked to account no. 930.205. These are below the line and will not be included in customer rates. There were no transaction/transition costs in the 3rd or 4th quarters in 2018.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	Total transition costs are shown in DEU Exhibit 36 attached to the Second Quarter 2018 Integration Progress Report. There were no costs in the third or fourth quarters of 2018. All of the costs shown in the exhibit are booked to account no. 930.205.

39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. DEU Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. DEU Exhibit 28 shows the O&M per customer for 2017 of $111.37. DEU Exhibit 29 (attached to the Fourth Quarter 2017 Integration Progress Report) shows the Dominion Energy Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Operation and Maintenance costs for 2018 were $114, and are show in the attached DEU Exhibit 43. Wexpro's 2018 final financial statements are included herewith as DEU Exhibit 44. DEQP's 2018 FERC Form 2 is attached hereto as DEU Exhibit 45.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	DEI and Dominion Energy continue to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	DEI and Dominion Energy continue to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	DEI continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	DEI continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23, 2017 to discuss proposed cost allocation methodologies. A copy of the presentation offered at that meeting is attached as DEU Exhibit 20 to the Third Quarter 2017 Integration Progress Report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy complied with this commitment and will continue to do so. The first affiliate transaction report was filed on July 1st, 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Dominion Energy met with the Division and the OCS and have updated the customer satisfaction standards. Performance results have been filed with each of the quarterly Integration Progress Reports. Fourth quarter 2018 results are attached as DEU Exhibit 46.

48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The 2016 financial statements for Wexpro and Dominion Energy Questar Pipeline were filed on August 15, 2017 as DEU Exhibit 15 and 16. The 2017 Dominion Energy Questar Pipeline financials were filed as DEU Exhibit 29 with the Fourth Quarter 2017 Integration Progress Report. Wexpro 2017 final financials were included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Dominion Energy Questar Pipeline financial statements contained in the FERC Form 3Q and Form 2 have been provided each quarter to the Division. The latest FERC Form 3Q for the third quarter of 2018 was provided to the Division on December 31, 2018. The 2018 Wexpro final financial statements are provided herewith as DEU Exhibit 44. The 2018 DEQP Ferc Form 2 is provided herewith as DEU Exhibit 45.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	DEI and Dominion Energy continue to comply with this commitment.

54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	DEI and Dominion Energy continue to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. DEU Exhibit 11 (attached to the April 17, 2017 Integration Progress Report) included a copy of the notice that was sent to customers in their October bills.

Dominion Energy

Captial Expenditures

YTD December 31, 2018

Description	Utah	Wyoming	Total
Distribution Measure & Regulation	10,595,066.62	433,116.92	11,028,183.54
Feeder Lines	67,412,660.84	4,702,353.41	72,115,014.25
Distribution Compressor Plant	4,534.13		4,534.13
Distribution Mains	7,704,507.43	816,319.21	8,520,826.64
Distribution Services	11,461,213.49	339,703.97	11,800,917.46
Meters	26,053,303.97	211,695.95	26,264,999.92
Land	4,931.38		4,931.38
Office Buildings & Residences	1,643,450.09	294,203.68	1,937,653.77
Furniture & Office Equipment	240,916.23		240,916.23
Transportation Equipment	5,205,649.06		5,205,649.06
Tools & Work Equipment	2,224,888.75	136,268.43	2,361,157.18
Communication & Telemetering	2,591.03		2,591.03
Filling Stations & Plants	643,019.40		643,019.40
Computer System Software	2,425,257.35		2,425,257.35
Computer Equipment	885,792.57		885,792.57
Mains - Other	34,570,965.78	2,256,957.40	36,827,923.18
Services - Other	6,926,579.81	236,037.51	7,162,617.32
Meters - Conversions	13,656,996.53	82,099.13	13,739,095.66
Telecom Non Construction	1,785,915.22	37,267.74	1,823,182.96
Retirement Projects	2,822,649.90	66,566.58	2,889,216.48
UDOT Accounts Receivable	3,603,085.96		3,603,085.96
Accounts Receivable Projects	2,709,780.85		2,709,780.85
Total	202,583,756.39	9,612,589.93	212,196,346.32

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017
and Report of Independent Auditor

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017

Contents

GLOSSARY OF TERMS

The following abbreviations or acronyms used in these Consolidated Financial Statements are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as The Tax Cuts and Jobs Act) enacted on December 22, 2017
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
Commissions	The Public Service Commission of Utah and the Wyoming Commission
DEQPS	Dominion Energy Questar Pipeline Services, Inc.
DES	Dominion Energy Services, Inc.
DEWS	Dominion Energy Wexpro Services Company
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than Dominion Energy Questar) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
Dominion Energy Questar	The legal entity, Dominion Energy Questar Corporation, one or more of its consolidated subsidiaries (other than Wexpro), or the entirety of Dominion Energy Questar Corporation and its consolidated subsidiaries
GAAP	U.S. generally accepted accounting principles
mcfe	Thousand cubic feet equivalent
NGL	Natural gas liquids
Questar Gas	Questar Gas Company
SEC	U.S. Securities and Exchange Commission
VIE	Variable interest entity
Wexpro	The legal entity, Wexpro Company, one or more of its consolidated subsidiaries, or the entirety of Wexpro Company and its consolidated subsidiaries
Wexpro II	The legal entity, Wexpro II Company
Wexpro Agreement	Comprehensive agreement with the states of Utah and Wyoming that sets forth the rights of Questar Gas to receive certain benefits from Wexpro's operations
Wexpro II Agreement	Agreement with the states of Utah and Wyoming modeled after the Wexpro Agreement that allows for the addition of properties under the cost-of-service methodology for the benefit of Questar Gas customers
Wexpro Agreements	The Wexpro Agreement and the Wexpro II Agreement combined
Wexpro Development	Wexpro Development Company
Wyoming Commission	Wyoming Public Service Commission

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INDEPENDENT AUDITORS' REPORT

Wexpro Company

We have audited the accompanying consolidated financial statements of Wexpro Company and its subsidiary (the "Company"), which comprise the consolidated balance sheets at December 31, 2018 and 2017, and the related consolidated statements of income, common shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the consolidated statements of income, common shareholder's equity, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Richmond, Virginia

April 5, 2019

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF INCOME

(in millions)	Year Ended December 31, 2018	2017
REVENUES		
Operator service fee[1]	$ 244.8	$ 306.9
Oil and NGL sales	14.5	11.6
Other[1]	3.1	1.4
Total Revenues	262.4	319.9
OPERATING EXPENSES		
Operating and maintenance[1]	22.5	23.0
General and administrative[1]	23.1	19.6
Merger and restructuring costs	—	2.5
Production and other taxes	19.9	19.9
Depreciation, depletion and amortization	102.2	109.6
Accretion expense	4.6	4.3
Total Operating Expenses	172.3	178.9
Gains on sales of assets	2.8	—
OPERATING INCOME	92.9	141.0
Other income[1]	0.4	0.5
INCOME BEFORE INCOME TAXES	93.3	141.5
Income taxes	(16.0)	(50.5)
NET INCOME	$ 77.3	$ 91.0

(1) See Note 10 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED BALANCE SHEETS

(in millions)		December 31, 2018		2017
ASSETS				
Current Assets				
Cash and cash equivalents	$	4.7	$	3.4
Accounts receivable		6.8		7.0
Receivables from affiliates		17.5		29.3
Materials and supplies, at lower of average cost or market		2.5		3.1
Regulatory assets[1]		21.4		21.9
Prepaid expenses and other		0.9		1.1
Total Current Assets		53.8		65.8
Cost-of-service gas and oil property, plant and equipment, successful efforts method		1,778.7		1,734.7
Accumulated depreciation, depletion and amortization		(1,085.0)		(994.4)
Net Cost-of-Service Gas and Oil Property, Plant and Equipment		693.7		740.3
Deferred Charges and Other Assets				
Receivables from affiliates		—		9.9
Regulatory assets		0.2		0.5
Other		37.8		30.1
Total Deferred Charges and Other Assets		38.0		40.5
TOTAL ASSETS	$	785.5	$	846.6
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY				
Current Liabilities				
Accounts payable	$	16.0	$	9.1
Payables to affiliates		3.2		3.6
Accrued expenses and other		2.3		5.8
Production and other taxes		11.3		8.6
Total Current Liabilities		32.8		27.1
Deferred Credits and Other Liabilities				
Deferred income taxes		66.1		78.0
Asset retirement obligations		87.8		84.8
Regulatory liabilities		94.3		92.2
Other		9.8		10.1
Total Deferred Credits and Other Liabilities		258.0		265.1
Total Liabilities		290.8		292.2
Commitments and Contingencies (Note 8)				
COMMON SHAREHOLDER'S EQUITY				
Common stock – par value $0.01 per share; 1,000 shares authorized, issued and outstanding		—		—
Additional paid-in capital		174.4		184.4
Retained earnings		320.3		370.0
Total Common Shareholder's Equity		494.7		554.4
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	$	785.5	$	846.6

(1) See Note 6 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY

	Common Stock[1]	Additional Paid-in Capital	Retained Earnings	Total
(in millions)				
Balances at December 31, 2016	$ —	$ 184.4	$ 385.8	$ 570.2
Dividends	—	—	(107.0)	(107.0)
Net income	—	—	91.0	91.0
Other	—	—	0.2	0.2
Balances at December 31, 2017	—	184.4	370.0	554.4
Dividends	—	—	(127.0)	(127.0)
Net income	—	—	77.3	77.3
Contribution to Dominion Energy Questar	—	(9.9)	—	(9.9)
Other	—	(0.1)	—	(0.1)
Balances at December 31, 2018	**$ —**	**$ 174.4**	**$ 320.3**	**$ 494.7**

(1) Par value $0.01 per share; 1,000 shares authorized, issued and outstanding

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2018	2017
(in millions)		
OPERATING ACTIVITIES		
Net income	$ 77.3	$ 91.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	102.2	109.6
Accretion expense	4.6	4.3
Deferred income taxes	(14.4)	(15.4)
Gains on sales of assets	(2.8)	—
Other	0.7	0.8
Changes in operating assets and liabilities		
Accounts and affiliate receivables	12.0	(2.4)
Materials and supplies	0.6	—
Regulatory assets - current	(1.1)	2.1
Prepaid expenses	0.2	0.9
Accounts payable and accrued expenses	(3.5)	(0.7)
Production and other taxes	2.7	(4.2)
Other assets and liabilities	(1.0)	1.3
NET CASH PROVIDED BY OPERATING ACTIVITIES	177.5	187.3
INVESTING ACTIVITIES		
Purchases of long-term investment	(8.1)	(7.1)
Proceeds from the sale of long-term investment	—	0.2
Additions to property, plant and equipment	(42.7)	(67.3)
Proceeds from disposition of assets and other	1.6	0.2
NET CASH USED IN INVESTING ACTIVITIES	(49.2)	(74.0)
FINANCING ACTIVITIES		
Repayment of notes to Dominion Energy	—	(4.0)
Dividends paid to Dominion Energy Questar	(127.0)	(107.0)
NET CASH USED IN FINANCING ACTIVITIES	(127.0)	(111.0)
Change in cash, restricted cash and equivalents	1.3	2.3
Beginning cash, restricted cash and equivalents	3.8	1.5
Ending cash, restricted cash and equivalents	$ 5.1	$ 3.8

Supplemental Cash Flow Information:		
Cash paid during the year for:		
Interest	$ —	$ 0.1
Income taxes	30.8	64.6
Significant noncash investing and financing activities:		
Accrued capital expenditures	6.6	0.5
Equity contribution to Dominion Energy Questar for employee and employee-related net assets	9.9	—

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Description of Business

Wexpro is a wholly-owned subsidiary of Dominion Energy Questar, a wholly-owned subsidiary of Dominion Energy. Wexpro develops and produces cost-of-service reserves for a gas utility affiliate, Questar Gas, under the terms of the Wexpro Agreements and comprehensive agreements with the states of Utah and Wyoming.

Pursuant to the Wexpro Agreements, Wexpro recovers its costs and receives an after-tax return on its investment base. Wexpro's investment base is made up of the costs of acquired properties and commercial wells and related facilities, adjusted for working capital and deferred income taxes and reduced for accumulated depreciation, depletion and amortization. Property acquisition costs only pertain to properties that have been approved under the Wexpro II Agreement by the Commissions. The terms of the Wexpro Agreements coincide with the productive lives of the gas and oil properties covered therein. Wexpro's gas and oil development and production activities are subject to oversight by the Utah Division of Public Utilities and the staff of the Wyoming Commission, which have retained an independent certified public accountant and an independent petroleum engineer to monitor the performance of the agreements.

Wexpro has agreed to manage production to 65% of Questar Gas' annual forecasted demand. For each 12-month period ending in May, if the combined annual production exceeds 65% of the forecasted demand and the cost-of-service price is greater than the Questar Gas purchased-gas price, an amount equal to the excess production times the excess price will be credited back to Questar Gas' customers. Wexpro may also sell production to manage the 65% level and credit back to Questar Gas' customers the higher of market price or the cost-of-service price times the sales volumes. As of December 31, 2018, Wexpro's trailing 12-month cost-of-service gas deliveries were below the 65% threshold.

Wexpro's primary market area is the Rocky Mountain region of the United States. Pursuant to the Wexpro Agreements, Wexpro's primary customer is Questar Gas which is responsible for over 90% of Wexpro's operating revenues and receivables from affiliates. The Wexpro Agreements generate the majority of Wexpro's revenue and net income.

In January 2018, Wexpro contributed its employees and employee-related net assets of $9.9 million, into a newly formed service company, DEWS, a wholly-owned subsidiary of Dominion Energy Questar, reflected as an equity transaction.

Wexpro Development
Wexpro Development is an affiliate company owned by Dominion Energy Questar, but is not included in these consolidated financial statements. Wexpro Development invests in properties outside the Wexpro Agreements. However, the properties may be transferred to Wexpro II if approved by the Commissions.

Note 2 – Summary of Significant Accounting Policies

General
The Wexpro consolidated financial statements contain the accounts of the parent company and its wholly-owned subsidiary, Wexpro II. The consolidated financial statements were prepared in accordance with GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Wexpro also incorporates estimates of proved developed and total proved gas and oil reserves in the calculation of depreciation, depletion and amortization rates of its gas and oil properties. Changes in estimated quantities of its reserves could impact Wexpro's reported financial results. Actual results could differ from these estimates.

Wexpro reports certain contracts and instruments at fair value. The carrying amount of cash and cash equivalents, accounts receivable, receivables from affiliates, payables to affiliates and accounts payable are representative of fair value because of the short-term nature of these instruments.

Revenue Recognition
Wexpro recognizes revenues in the period that services are provided or products are delivered. In accordance with the Wexpro Agreements, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service, including an after-tax return on Wexpro's investment. This revenue is recognized over time, as service is provided to Questar Gas. Wexpro also sells crude oil and NGL production from certain producing properties at market prices, with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. The sale of gas, crude oil and

NGLs are considered to be goods transferred at a point in time and are accounted for using the sales method, whereby revenue is recognized as gas, oil and NGLs are sold to purchasers. Transfer of control of these products and their recognition in revenue occurs upon delivery to the customer. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Questar Gas and Wexpro, with Wexpro retaining 46%. Amounts received by Questar Gas from the sharing of Wexpro's oil and NGL income are used to reduce natural gas costs to utility customers. The contract with the customer states the final terms of the sale, including the description, quantity and price of each product or service purchased. Payment for most sales and services varies by contract type, but is typically due within a month of billing.

Wexpro may collect revenues subject to possible refunds and establish reserves pending final calculation of the after-tax return on investment, which is adjusted annually.

Cash, Restricted Cash and Equivalents

For purposes of the Consolidated Balance Sheets and Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with an original maturity of three months or less.

Restricted Cash and Equivalents

Wexpro holds restricted cash and equivalent balances that primarily consist of amounts held in escrow for royalties. Upon the adoption of revised accounting guidance in January 2018, restricted cash and equivalents are included within Wexpro's Consolidated Statements of Cash Flows, with the change in balance no longer considered a separate investing activity. The following table provides a reconciliation of the total cash, restricted cash, and equivalents reported within Wexpro's Consolidated Balance Sheets to the corresponding amounts reported within Wexpro's Consolidated Statements of Cash Flows:

	Cash, Restricted Cash and Equivalents at End of Year **2018**		Cash, Restricted Cash and Equivalents at End of Year **2017**	
(in millions)				
Cash and cash equivalents	$	4.7	$	3.4
Restricted cash and equivalents		0.4		0.4
Cash, restricted cash and equivalents shown in the Consolidated Statement of Cash Flows	$	5.1	$	3.8

(1) Restricted cash and equivalent balances are presented within other noncurrent assets in Wexpro's Consolidated Balance Sheets.

Property, Plant and Equipment

Property, plant and equipment balances are stated at historical cost. Maintenance and repair costs are expensed as incurred.

Cost-of-service gas and oil operations

The successful efforts method of accounting is used for cost-of-service reserves developed and produced by Wexpro for gas utility affiliate Questar Gas. Cost-of-service reserves are properties for which the operations and return on investment are subject to the Wexpro Agreements. Under the successful efforts method, Wexpro capitalizes the costs of acquiring leaseholds, drilling development wells, drilling successful exploratory wells, and purchasing related support equipment and facilities. Geological and geophysical studies are expensed as incurred. Costs of production and general corporate activities are expensed in the period incurred. A gain or loss is generally recognized on assets as they are retired from service.

Depreciation, Depletion and Amortization

Capitalized costs of development wells and leaseholds are amortized on a field-by-field basis using the unit-of-production method and the estimated proved developed or total proved gas and oil reserves. Oil and NGL volumes are converted to natural gas equivalents using the ratio of one barrel of crude oil, condensate or NGL to 6,000 cubic feet of natural gas. Wexpro capitalizes an estimate of the fair value of future abandonment costs associated with cost-of-service reserves and depreciates these costs using a unit-of-production method. Depreciation, depletion and amortization for the remaining properties is based upon rates that will systematically charge the costs of assets against income over the estimated useful lives of those assets using a straight-line method. The following represent average depreciation, depletion and amortization rates of Wexpro's capitalized costs:

	Year Ended December 31, **2018**		2017	
Cost-of-service gas and oil properties, per mcfe	$	**1.95**	$	2.18

Impairment of Long-Lived Assets
Proved gas and oil properties are evaluated on a field-by-field basis for potential impairment. Other properties are evaluated on a specific-asset basis or in groups of similar assets, as applicable. Impairment is indicated when a triggering event occurs and the sum of the estimated undiscounted future net cash flows of an evaluated asset is less than the asset's carrying value.

Triggering events could include, but are not limited to, an impairment of gas and oil reserves caused by mechanical problems, faster-than-expected decline of reserves, lease-ownership issues, and an other-than-temporary decline in gas and oil prices. If impairment is indicated, fair value is estimated using a discounted cash flow approach that incorporates market interest rates or, if available, other market data. The amount of impairment loss recorded, if any, is the difference between the fair value of the asset and the current net book value. Cash flow estimates require forecasts and assumptions for many years into the future for a variety of factors, including commodity prices and operating costs. No material impairments were recorded in 2018 or 2017.

Allowance for Funds Used During Construction
The Wexpro Agreements require capitalization of AFUDC on cost-of-service gas and oil development projects. AFUDC amounted to $0.4 million and $0.9 million in 2018 and 2017, respectively, which is included in other income in the Consolidated Statements of Income.

Regulatory Assets and Liabilities
The accounting for Wexpro's operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its Consolidated Financial Statements. For regulated businesses subject to state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

Wexpro evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made.

Asset Retirement Obligations
The fair value of retirement costs is estimated based on abandonment costs of similar properties available to field operations and depreciated over the life of the related assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs.

Income Taxes
Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws, including the provisions of the 2017 Tax Reform Act, involves uncertainty, since tax authorities may interpret the laws differently. In addition, the states in which we operate may or may not conform to some or all the provisions in the 2017 Tax Reform Act. Ultimate resolution or clarification of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

A consolidated federal income tax return is filed for Dominion Energy and its subsidiaries, including Wexpro for the full year 2017 and going forward. In addition, where applicable, combined income tax returns for Dominion Energy and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed. The 2018 federal income tax return has not been filed.

Wexpro participates in intercompany tax sharing agreements with Dominion Energy and its subsidiaries. Current income taxes are based on taxable income or loss and credits determined on a separate company basis.

Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

The 2017 Tax Reform Act included a broad range of tax reform provisions affecting Dominion Energy and its subsidiary Wexpro, including changes in corporate tax rates and business deductions. The 2017 Tax Reform Act reduced the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. Deferred tax assets and liabilities are measured at the enacted tax rate expected to apply when temporary differences are realized or settled. Thus, at the date of enactment, deferred taxes were remeasured based upon the new 21% tax rate. The total effect of tax rate changes on federal deferred tax balances was recorded as a component of the income tax provision related to continuing operations for the period in which the law is enacted, even if the assets and liabilities relate to other components of the financial statements. Existing deferred income tax assets or liabilities were adjusted for the reduction in the corporate income tax rate and allocated to continuing operations. As a rate-regulated entity, Wexpro was required to adjust deferred income tax assets and liabilities for the change in income tax rates. However, as it is probable that the effect of the change in income tax rates will be recovered or refunded in future rates, Wexpro recorded a regulatory asset or liability instead of an increase or decrease to deferred income tax expense.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. Wexpro establishes a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized. A regulatory asset is recognized if it is probable that future revenues will be provided for the payment of deferred tax liabilities. For both the years ended December 31, 2018 and 2017, Wexpro had a valuation allowance of $2.2 million.

Wexpro recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information.

If it is not more-likely-than-not that a tax position, or some portion thereof, will be sustained, the related tax benefits are not recognized in the financial statements. Unrecognized tax benefits may result in an increase in income taxes payable, a reduction of income tax refunds receivable or changes in deferred taxes. Also, when uncertainty about the deductibility of an amount is limited to the timing of such deductibility, the increase in income taxes payable (or reduction in tax refunds receivable) is accompanied by a decrease in deferred tax liabilities. Except when such amounts are presented net with amounts receivable from or amounts prepaid to tax authorities, noncurrent income taxes payable related to unrecognized tax benefits are classified in other deferred credits and other liabilities in the Consolidated Balance Sheets and current payables are included in accrued expenses and other current liabilities in the Consolidated Balance Sheets. Management has considered the amounts and the probabilities of the outcomes that could be realized upon ultimate settlement and believes that it is more-likely-than-not that Wexpro's recorded income tax benefits will be fully realized. There were no unrecognized tax benefits at the beginning or end of the years ended December 31, 2018 or 2017.

Wexpro recognizes interest on underpayments and overpayments of income taxes net in other income, respectively, in the Consolidated Statements of Income. Penalties are also recognized net in other income in the Consolidated Statements of Income. Wexpro's interest and penalties were immaterial in 2018 and 2017.

At December 31, 2018, Wexpro's Consolidated Balance Sheet included $0.7 million of tax-related receivables from affiliates, representing $1.6 million of current federal income taxes receivable and $0.9 million of state income taxes payable. The net affiliated receivables are expected to be paid by Dominion Energy.

At December 31, 2017, Wexpro's Consolidated Balance Sheet included $0.2 million of tax-related receivables from affiliates, representing $1.6 million of current federal income taxes receivable and $1.4 million of state income taxes payable. The affiliated receivables were paid by Dominion Energy.

New Accounting Standards

Revenue Recognition
In May 2014, the Financial Accounting Standards Board issued revised accounting guidance for revenue recognition from contracts with customers. Wexpro adopted this revised accounting guidance beginning January 1, 2018 using the modified retrospective method. The adoption of the revised standard had no impact on the amount of revenue recognized.

Tax Reform
In December 2017, the staff of the SEC issued guidance which clarifies accounting for income taxes if information is not yet available or complete and provides for up to a one year measurement period in which to complete the required analyses and accounting. The guidance describes three scenarios associated with a company's status of accounting for income tax reform:

(1) a company is complete with its accounting for certain effects of tax reform, (2) a company is able to determine a reasonable estimate for certain effects of tax reform and records that estimate as a provisional amount, or (3) a company is not able to determine a reasonable estimate and therefore continues to apply accounting for income taxes based on the provisions of the tax laws that were in effect immediately prior to the 2017 Tax Reform Act being enacted. Wexpro has accounted for the effects of the 2017 Tax Reform Act, although additional changes could occur as guidance is issued and finalized as described below. In addition, certain states in which the Companies operate may or may not conform to some or all of the provisions of the 2017 Tax Reform Act. Ultimate resolution or clarification of these matters may result in favorable or unfavorable impacts to results of operations and cash flows, and adjustments to tax-related assets and liabilities, and could be material.

In August 2018, the U.S. Department of Treasury issued proposed regulations addressing the availability of federal bonus depreciation for the period beginning after September 27, 2017 through December 31, 2017. The application of these changes decreased Dominion Energy's net operating loss carryforward utilization on its 2017 tax return. See Note 5 for impacts to Wexpro.

In November 2018, the U.S. Department of Treasury issued proposed regulations defining interest as any amounts associated with the time value of money or use of funds. These proposed regulations provide guidance for purposes of the exception to the interest limitation for regulated public utilities and the application of the interest limitation to consolidated groups, such as Dominion Energy, which includes Wexpro. It is unclear when the guidance may be finalized, or whether that guidance could result in a disallowance of a portion of Dominion Energy's interest deductions in the future, which could be allocated to Wexpro under these proposed regulations.

Reclassifications

Certain reclassifications were made to Wexpro's 2017 Consolidated Financial Statements and Notes to conform to the 2018 presentation. The reclassifications did not affect Wexpro's net income, total assets, liabilities, equity or cash flows.

Note 3 - Asset Retirement Obligations

Wexpro records an ARO when there is a legal obligation associated with the eventual retirement of a tangible long-lived asset. Wexpro's AROs apply primarily to abandonment costs associated with gas and oil wells, production facilities and certain other properties. The ARO liability is adjusted to present value each period through an accretion calculation using a credit-adjusted risk-free interest rate.

The current portion of the ARO balance is $0.2 million at both December 31, 2018 and 2017 and is included in accrued expenses and other on the Consolidated Balance Sheets. Changes in AROs from the Consolidated Balance Sheets were as follows:

		2018		2017
(in millions)				
AROs at beginning of year	$	**85.0**	$	68.9
Accretion		**4.6**		4.3
Liabilities incurred		**1.1**		3.8
Revisions in estimated cash flows		—		9.2
Liabilities settled		**(2.7)**		(1.2)
AROs at end of year	$	**88.0**	$	85.0

Wexpro collects from Questar Gas and deposits in trust certain funds related to estimated ARO costs. These funds are used to satisfy retirement obligations as the properties are abandoned. The funds are measured using net asset value (or its equivalent) as a practical expedient which are not required to be categorized in the fair value hierarchy. At December 31, 2018 and 2017, the funds totaled $34.2 million and $26.1 million, respectively, and are included in other deferred charges and other assets on the Consolidated Balance Sheets. The accounting treatment of reclamation activities associated with AROs for properties administered under the Wexpro Agreements is defined in a guideline letter between Wexpro and the Utah Division of Public Utilities and the staff of the Wyoming Commission.

Note 4 – Short-Term Debt

Dominion Energy may make loans to Wexpro under a short-term borrowing arrangement. As of December 31, 2018 and 2017, there were no short-term borrowings outstanding. Interest charges paid to Dominion Energy were less than $0.1 million for both of the years ended December 31, 2018 and 2017, which are presented net in other income in the Consolidated Statements of Income.

Note 5 - Income Taxes

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Wexpro, as discussed in Note 2. The 2017 Act Reform Act reduced the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. At the date of enactment, federal deferred tax assets and liabilities were remeasured based upon the enacted 21% tax rate expected to apply when temporary differences are to be realized and settled. The specific provisions related the 2017 Tax Reform Act generally changes the tax depreciation of certain property acquired after September 27, 2017.

As indicated in Note 2, Wexpro's operations, including accounting for income taxes, are subject to regulatory accounting treatment. Reductions in accumulated deferred income tax balances due to the reduction in the corporate income tax rates to 21% under the provisions of the 2017 Tax Reform Act may result in amounts previously collected through the operator service fee for these deferred taxes to be returned to Questar Gas. Wexpro is not a "public utility" for purposes of the Internal Revenue Code's normalization rules. Instead, all Wexpro's excess deferred income taxes included in the operator service fee or the derivation thereof will be returned to Questar Gas over a period not to exceed 15 years using the straight-line amortization method.

Wexpro has accounted for the effects of the 2017 Tax Reform Act, although changes could occur as additional guidance is issued and finalized. In addition, certain states in which Wexpro operates may or may not conform to some or all of the provisions of the 2017 Tax Reform Act. Ultimate resolution or clarification of these matters may result in favorable or unfavorable impacts to net income, cash flows, and tax-related assets and liabilities and could be material. The changes in deferred taxes were recorded as either an increase to a regulatory liability or as an adjustment to Wexpro's deferred tax provision.

Details of Wexpro's income tax expense and deferred income taxes are provided in the following tables. The components of income tax expense were as follows:

	Year Ended December 31,	
	2018	2017
(in millions)		
Current:		
Federal	$ **29.6**	$ 64.4
State	**0.8**	1.5
Total current expense	**30.4**	65.9
Deferred:		
Federal	**(14.2)**	(15.0)
State	**(0.2)**	(0.4)
Total deferred expense	**(14.4)**	(15.4)
Total income tax expense	$ **16.0**	$ 50.5

The difference between the statutory federal income tax rate and Wexpro's effective income tax rate is explained as follows:

	Year Ended December 31,	
	2018	2017
Federal income taxes statutory rate	**21.0%**	35.0%
Increases (reductions) resulting from:		
State taxes, net of federal benefit	**0.5**	0.5
Reversal of excess deferred income taxes	**(4.6)**	—
Legislative change - federal	**0.2**	(0.1)
Other	—	0.3
Effective income tax rate	**17.1%**	35.7%

The 2017 Tax Reform Act reduced the statutory federal income tax rate to 21% beginning in January 2018. Accordingly, current income taxes, and deferred income taxes that originate in 2018, are being recorded at the new 21% rate. Wexpro has recorded an estimate of the portion of excess deferred income tax amortization expected to occur in 2018. The reversal of these excess deferred income taxes will impact the effective tax rate, and may ultimately impact rates charged to customers. As described in Note 2 to the Consolidated Financial Statements, Wexpro decreased revenue and recorded a corresponding adjustment to amounts due from Questar Gas to offset these deferred tax impacts in accordance with applicable regulatory commission orders or formula rate mechanisms.

In 2018, Wexpro applied the provisions of recently proposed regulations addressing the availability of federal bonus depreciation for the period beginning after September 27, 2017 through December 31, 2017. The application of these proposed regulations had no impact on income tax expense as the changes in, and remeasurement of, deferred tax liabilities were recorded as increases to regulatory liabilities of $3.7 million. These amounts represent Wexpro's best estimate based on available information, and could be subject to change based on additional guidance in yet to be finalized regulations.

Significant components of Wexpro's deferred income taxes were as follows:

	December 31,			
		2018		2017
(in millions)				
Deferred income taxes:				
Deferred tax liabilities				
Property, plant and equipment	$	**99.1**	$	103.3
Employee benefits		**0.2**		2.1
Deferred tax liabilities	$	**99.3**	$	105.4
Deferred tax assets				
Excess deferred income taxes	$	**16.5**	$	17.1
Asset retirement obligations		**10.4**		6.1
Deferred compensation		**0.3**		0.3
State tax credits net of valuation allowance		**0.8**		0.9
Ad valorem taxes		**3.0**		3.1
Other		**2.2**		(0.1)
Deferred tax assets	$	**33.2**	$	27.4
Net deferred income tax liability	$	**66.1**	$	78.0

The most significant impact reflected for the 2017 Tax Reform Act is the adjustment of the net accumulated deferred income tax liability for the reduction in the corporate income tax rate to 21%. In addition to amounts recognized in deferred income tax expense, the impacts of the 2017 Tax Reform Act decreased the accumulated deferred income tax liability by $61.7 million at December 31, 2017. The December 31, 2017 balance sheet reflects the impact of the 2017 Tax Reform Act on Wexpro's regulatory liabilities which increased regulatory liabilities by $78.7 million and a related deferred tax asset of $17.1 million. This adjustment had no impact on Wexpro's 2017 cash flows.

Wexpro had Colorado credit carryforwards of $3.7 million, that if not utilized will expire between 2019 and 2023.

Note 6 - Regulatory Assets and Liabilities

Regulatory assets and liabilities include the following:

	December 31,			
		2018		2017
(in millions)				
Regulatory Assets:				
Deferred depreciation, depletion and amortization(1)	$	**12.4**	$	13.8
Deferred production taxes(1)		**4.5**		3.7
Deferred other operating and maintenance(1)		**2.2**		2.8
Deferred royalties(2)		**2.1**		1.4
AROs(3)		**0.2**		0.2
Regulatory assets - current		**21.4**		21.9
AROs(3)		**0.2**		0.5
Regulatory assets - noncurrent		**0.2**		0.5
Total regulatory assets	$	**21.6**	$	22.4
Regulatory Liabilities:				
Income taxes refundable through future rates(4)	$	**76.2**	$	78.7
Depreciation(5)		**18.1**		13.5
Regulatory liabilities - noncurrent		**94.3**		92.2
Total regulatory liabilities	$	**94.3**	$	92.2

(1) *Recoverable charges incurred by Wexpro but not yet billed to Questar Gas.*
(2) *Royalties on cost-of-service gas produced are recovered from Questar Gas on a delayed basis.*
(3) *Allowed recovery of the cumulative effect of adoption of revised accounting standards for AROs.*
(4) *Amounts recorded to pass the effect of reduced income tax rates from the 2017 Tax Reform Act to customers in future periods, which will reverse over a period not to exceed 15 years.*
(5) *Based on the Wexpro II Agreement, Wexpro depreciates its investment base on an accelerated basis. This corresponds to the accumulated incremental depreciation expense recorded in accordance with the Wexpro II Agreement.*

Note 7 - Employee Benefit Plans

In January 2018, all Wexpro employees were transferred to DEWS. See Note 1 for further details. DEWS charges Wexpro its share of all employee related expenses.

Prior to January 2018, Wexpro participated in retirement benefit plans sponsored by Dominion Energy effective December 2017, reflecting the merger of plans previously sponsored by Dominion Energy Questar, which provided certain retirement benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion Energy reserved the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Prior to January 2018, pension benefits for employees were covered by a defined benefit pension plan sponsored by Dominion Energy that provided benefits to multiple Dominion Energy subsidiaries. Retirement benefits payable were based primarily on years of service, age and the employee's compensation. As a participating employer, Wexpro was subject to Dominion Energy's funding policy, which was to contribute annually an amount that is in accordance with the provisions of the Employee Retirement Income Security Act of 1974. Net periodic pension credit related to this plan was $(0.4) million in 2017, recorded in general and administrative expense in the Consolidated Statements of Income. The funding status of various Dominion Energy subsidiary groups and employee compensation was the basis for determining the share of total pension costs for participating Dominion Energy subsidiaries.

Retiree healthcare and life insurance benefits for employees were covered by a plan sponsored by Dominion Energy that provided certain retiree healthcare and life insurance benefits to multiple Dominion Energy subsidiaries. Annual employee premiums were based on several factors such as retirement date and years of service. Net periodic benefit cost related to this plan was $0.1 million in 2017, recorded in general and administrative expense in the Consolidated Statements of Income. Employee headcount was the basis for determining the share of total other postretirement benefit costs for participating Dominion Energy subsidiaries.

Defined Contribution Plan
Wexpro also participated in a defined contribution plan sponsored by Dominion Energy that covered multiple Dominion Energy subsidiaries. Wexpro recognized $1.0 million of expense in general and administrative expense in the Consolidated Statements of Income in 2017, as the employer matching contributions to this plan.

Note 8 – Commitments and Contingencies

As a result of issues generated in the ordinary course of business, Wexpro is involved in legal proceedings before various courts and is periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for Wexpro to estimate a range of possible loss. For such matters for which Wexpro cannot estimate, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that Wexpro is able to estimate a range of possible loss. For legal proceedings and governmental examinations for which Wexpro is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent Wexpro's maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on Wexpro's financial position, liquidity or results of operations.

Note 9 - Variable Interest Entities

The primary beneficiary of a VIE is required to consolidate the VIE and to disclose certain information about its significant variable interest in the VIE. The primary beneficiary of a VIE is the entity that has both: (1) the power to direct activities that most significantly impact the entity's economic performance and (2) the obligation to absorb losses or receive benefits from the entity that could potentially be significant to the VIE.

Wexpro purchased shared services from DEQPS, an affiliated VIE, of $0.1 million for both of the years ended December 31, 2018 and 2017. DEQPS provides operational services to certain Dominion Energy subsidiaries, including Wexpro, as a subsidiary service company. The Consolidated Balance Sheets at December 31, 2018 and 2017, includes amounts due to DEQPS of less than $0.1 million and $0.1 million, respectively.

Wexpro entered into a service agreement with DES, an affiliated VIE, effective January 2018. DES provides accounting, legal, finance, and certain administrative and technical services to Dominion Energy and its subsidiaries, including Wexpro. Wexpro purchased shared services from DES of $9.0 million for the year ended December 31, 2018. The Consolidated Balance Sheet at December 31, 2018 includes amounts due to DES of $0.8 million.

Wexpro entered into a service agreement with DEWS, an affiliated VIE, effective January 2018. DEWS provides human resources and operations services to Dominion Energy and its subsidiaries, including Wexpro. Wexpro purchased shared services from DEWS of $17.2 million for the year ended December 31, 2018. The Consolidated Balance Sheet at December 31, 2018 includes amounts due to DEWS of $1.4 million.

Wexpro determined that it is not the primary beneficiary of DEQPS, DES or DEWS as it does not have both the power to direct the activities that most significantly impact their economic performance nor the obligation to absorb losses and benefits which could be significant to it. Wexpro has no obligation to absorb more than its allocated share of DEQPS, DES and DEWS costs.

Note 10 - Related-Party Transactions

Under the Wexpro Agreements, Wexpro earns revenues from Questar Gas as operator service fees for costs associated with operating gas wells for the benefit of Questar Gas customers.

Dominion Energy Questar and other affiliates (including DES) provide accounting, legal, finance and certain administrative and technical services to Wexpro while DEWS provides human resources and operations services to Wexpro. These costs are primarily included in general and administrative expense in the Consolidated Statements of Income on the basis of direct and allocated methods. Where costs incurred cannot be determined by specific identification, the costs are generally allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs for costs from Dominion Energy Questar and based on the proportional level of effort devoted by resources that is attributable to Wexpro, determined by reference to number of employees, salaries and wages and other similar measures for the relevant DES service. Management believes that the allocation methods are reasonable. Wexpro provides certain services to related parties, including technical services which are allocated based on the specific nature of the charges. Management believes that the allocation method is reasonable. The amounts for the services follow:

	December 31,			
	2018		2017	
(in millions)				
Operator service fee	$	**244.8**	$	306.9
Services provided by related parties		**29.9**		12.5
Services provided to related parties		**3.0**		1.1

See Note 4 for interest expense associated with related parties and Note 6 for regulatory assets associated with related parties.

Note 11 - Subsequent Events

The Consolidated Financial Statements reflect management's consideration of known subsequent events as of April 5, 2019, the date the Consolidated Financial Statements were available to be issued.

Questar Gas Company

12 Months Ended 2018 O&M and A&G per customer
(Annual Results of Operations)

	(A)	(B)
1	Production	$ (886,886.91)
2	Distribution	57,001,664
3	Customer Accounts (Excl. Bad Debt)	12,176,173
4	Customer Service/Information (Excl. EE)	3,166,142
5	Administrative & General	49,494,549
6	Bad Debt	1,651,763
7	Energy Efficiency	24,077,931
8	**Total O&M and A&G**	$ 146,681,337
		(9,247,239)
9	LESS Bad Debt	(1,651,763)
10	LESS Energy Efficiency	(24,077,931)
11	Adjusted O&M and A&G	$ 120,951,642
12	Year End Customers	1,058,205
13	O&M and A&G/Customer (Line 11 divided by 12)	$ 114.30

Wexpro

12 Months Ended 2018 O&M and A&G
(Financial Statements)

14	Operating & Maintenance Expense	22,499,634
15	Administrative & General Expense	23,129,086 1/
16	**Total O&M and A&G**	**$ 45,628,720**

Questar Pipeline Company

12 Months Ended 2018 O&M and A&G
(FERC Form 2 pages 320-325)

17	Production Expenses	(19,217,638)
18	Natural Gas Storage, Terminaling and Processing Expenses	14,375,384
19	Transmission Expenses	36,616,366
20	Customer Service and Informational Expenses	-
21	Administrative & General Expense	18,938,053
22	**Total O&M and A&G**	**$ 50,712,165** 2/

1/ Wexpro 2018 financial statements are included as Exhibit 44
2/ Form 2 is included as attachment DEU Exhibit 45

Charitable Contribution - Dominion Energy Utah
As of December 31, 2018

2014	$ 1,741,233.00
2015	$ 1,819,168.00
2016	$ 1,552,447.00
2017	$ 2,788,234.00
2018	$ 2,786,925.00

S&P Global
Ratings

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Research Update:

Dominion Energy Inc. Outlook Revised To Stable On Expected SCANA Aquisition; Ratings Affirmed

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Research Update:

Dominion Energy Inc. Outlook Revised To Stable On Expected SCANA Aquisition; Ratings Affirmed

Rating Action Overview

- The Public Service Commission of South Carolina approved Dominion Energy Inc.'s acquisition of South Carolina Electric & Gas Co., and we expect that Dominion will close on its all-stock acquisition of SCANA Corp. in the very near term. In addition, Dominion previously entered into a definitive agreement to acquire Dominion Energy Midstream, which we also expect will soon be completed.
- On Dec. 27, 2018, S&P Global Ratings affirmed its ratings on Dominion and subsidiaries Virginia Electric & Power Co. (VEPCO), Dominion Energy Gas Holdings LLC, and Questar Gas Co., including the 'BBB+' issuer credit ratings, and revised the outlooks to stable from negative.
- At the same time, we raised the issuer credit and unsecured debt issue rating on subsidiary Dominion Energy Questar Pipeline LLC (DEQP) to 'BBB+' from 'BBB'. The outlook is stable.
- The stable outlook reflects our expectations that Dominion's lower-risk utility businesses will increase to about 75% of consolidated EBITDA following the SCANA acquisition from prior expectations of about 70% of consolidated EBITDA. We expect that financial measures will reflect the lower half of the range for its financial risk profile category. Specifically, we expect funds from operations (FFO) to debt of 15%-16%.

Rating Action Rationale

The outlook revision reflects the company's increasing focus on low-risk utility businesses and expectations for modestly improved financial measures following the acquisition of SCANA. We expect that Dominion's utility businesses will reflect about 75% of consolidated EBITDA, up from about 70% of consolidated EBITDA. Furthermore, we expect that FFO to debt will reflect about 15%-16% or a modest improvement from 14.8% at year-end 2017 and 14.4% for the rolling 12 months ended September 2018.

The upgrade on DEQP reflects our revised assessment of the relationship between Dominion and DEQP. Because Dominion will very shortly complete its acquisition of Dominion Energy Midstream Partners L.P. (DM), which was the parent company of DEQP, we expect that Dominion's relationship to DEQP will be consistent with that of Dominion's other subsidiaries. Previously, we assessed DEQP as a moderately strategic subsidiary of Dominion, partially reflecting the increased probability that some of DEQP would be sold as Dominion strategically reduced its interest in DM. However, with Dominion's acquisition of DM, we now consider DEQP to be a core subsidiary. This reflects our view that DEQP is highly unlikely to be sold, is integral to the overall group strategy, and has a strong long-term commitment from senior management. As a result, we assess the issuer credit rating on DEQP as in line with Dominion's 'bbb+' group credit profile.

We assess Dominion's stand-alone credit profile based on its excellent business risk profile and significant financial risk profile.

We assess Dominion's business risk profile based on its very large size and high proportion of lower-risk, rate-regulated utility assets reflecting about 75% of EBITDA and operating across nine states. However, we expect it may take SCANA's South Carolina utility several years to restore regulatory confidence and to effectively manage regulatory risk at the consistently high level that it did prior to the abandonment of its nuclear generating facility. Further supporting the company's business risk profile is its recent sale of its ownership in higher-risk Blue Racer Midstream LLC and non-nuclear merchant generating assets.

The balance of Dominion's non-utility businesses consist of gas transmission pipelines (about 10% of EBITDA), liquefied natural gas (LNG) (about 10% of EBITDA), and merchant nuclear generation (about 5% of EBITDA). While we generally view the Federal Energy Regulatory Commission (FERC)-regulated gas transmission pipeline business and the long-term contracted LNG businesses as more credit supportive than a typical industrial company, we still view these businesses as higher risk than the low risk regulated utility business. This reflects our assessment of the weaker FERC regulation for the gas transmission pipelines compared with regulated utilities and our view that over the long-term contracted assets are generally modestly higher risk than regulated utility assets because of counterparty credit risk and the possibility of an unforeseen event that could erode margins. Furthermore, we view the higher-risk merchant business as exposing the company to volumetric, commodity, and operational risks. Because of these higher risks, we continue to assess Dominion at the lower half of the range for its business risk profile category.

We assess Dominion's financial measures using our medial volatility table reflecting the company's operating focus on mostly lower-risk regulated utilities and its generally effective management of regulatory risk in Virginia, Ohio, and Utah.

Our base-case scenario includes the credit supportive funding of the SCANA transaction as an all-stock acquisition, robust capital spending of more than $5 billion annually, annual EBITDA greater than $8 billion, a fully operational Atlantic Coast Pipeline by mid 2020, and rising annual dividends of more than $2 billion. Under our base case, we expect financial measures to consistently reflect the lower half of the range for its financial risk profile category, with FFO to debt of 15%-16%.

To account for our assessment of Dominion's business and financial risk profiles at the lower half of their respective categories, we are revising the comparable rating analysis modifier to negative from neutral. However, Dominion's stand-alone financial profile is unchanged, as we are also revising the financial policy modifier to neutral from negative. This reflects Dominion's decision to fully acquire DM and our improved opinion of the company's financial policy. Our previous assessment reflected our expectations that the company would grow through acquisitions at a faster pace than peers because of DM, a master limited partnership, which added a degree of complexity to the company's organizational structure, and provided incremental opportunities and incentive for the company to complete acquisitions.

Outlook

The stable outlook reflects our expectations that Dominion's lower-risk utility businesses will show modest improvement to about 75% of consolidated EBITDA following the SCANA acquisition. We expect that financial measures will reflect the lower half of the range for its financial risk profile category, with FFO to debt of 15%-16%.

Downside scenario

We could lower the ratings on Dominion over the next two years if the company's financial measures materially weaken reflecting FFO to debt below 13%. This could occur if the company's ability to effectively manage regulatory risk weakens or it suffers material delays and cost increases at its large projects including the Atlantic Coast Pipeline.

Upside scenario

We could upgrade Dominion over the next two years if its financial measures significantly improve, reflecting FFO to debt that is consistently greater than 18%, without a material increase to business risk. This would most likely occur if the company finances a higher percentage of its future projects with a higher degree of equity, and continues to largely grow through its regulated utility operations.

Company Description

Dominion Energy is a very large company that has a significant utility, pipeline, LNG, and merchant generation businesses. The company's utilities serve more than 6 million customers across nine states. The lower-risk utility business accounts for about 75% of its consolidated EBITDA. The company also has a large gas pipeline business that accounts for about 10% of consolidated EBITDA and is regulated by FERC. The company's Cove Point LNG also accounts for about 10% of EBITDA and has long-term contracts with high credit counterparties. The company's highest risk business is its nuclear merchant generation business that accounts for about 5% of EBITDA.

Liquidity

We assess Dominion's liquidity as adequate because we believe its liquidity sources are likely to cover its uses by more than 1.1x over the next 12 months and to meet cash outflows even with a 10% decline in EBITDA. Under our stress scenario, we do not expect that Dominion would require access to capital markets during that period to meet its liquidity needs. In addition, Dominion has sound relationships with its banks, satisfactory standing in the credit markets, generally prudent risk management, and could absorb a high-impact, low-probability events with limited need for refinancing.

Principal liquidity sources:

- Credit facility availability of about $6 billion;
- FFO of more than $6 billion; and
- Minimal cash of about $300 million.

Principal liquidity uses:

- Robust capital spending of more than $5 billion;
- Rising dividends at more than $2 billion; and
- Long-term debt maturities of more than $4 billion in 2019.

Issue Ratings - Subordination Risk Analysis

Capital structure

Dominion Energy Inc.'s capital structure consists of approximately $40 billion of debt, of which about $22 billion is outstanding at its subsidiaries following the SCANA acquisition.

Analytical conclusions

- The short-term rating on Dominion is 'A-2' based on our long-term issuer credit rating (ICR) on the company.
- The unsecured debt issued at Dominion is rated 'BBB', one notch lower than the ICR. This is due to the significant proportion of priority debt at the company's subsidiaries.
- Dominion's junior subordinated notes are subordinated and not deferrable and we therefore rate them in line with the senior unsecured debt at 'BBB', one notch below our ICR.
- DEI's enhanced junior subordinated notes are rated 'BBB-', two notches below the ICR. We classify the enhanced junior subordinated notes as hybrid securities premised on their permanence, deferability, and subordination features.
- DEI's equity units are hybrid securities that incorporate equity risk and are therefore also rated 'BBB-', two notches below the ICR.

- The unsecured debt issues at Dominion Energy Gas Holdings LLC and Dominion Energy Questar Pipeline LLC are rated 'BBB+', the same as the ICR, because there is no secured or priority debt that ranks ahead of these issues in its capital structure.
- The unsecured debt issues at VEPCO and Questar Gas Co. are rated 'BBB+', the same as the ICR, as these are unsecured debt issues of a qualifying investment-grade regulated utility.

Ratings Score Snapshot

Issuer Credit Rating: BBB+/Stable/A-2

Business risk: Excellent
- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant
- Cash flow/Leverage: Significant

Anchor: a-

Modifiers
- Diversification/Portfolio effect: Neutral (no impact)
- Capital structure: Neutral (no impact)
- Financial policy: Neutral (no impact)
- Liquidity: Adequate (no impact)
- Management and governance: Satisfactory (no impact)
- Comparable rating analysis: Negative (-1 notch)

Stand-alone credit profile: bbb+
- Group credit profile: bbb+

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Midstream

Energy Industry, Dec. 19, 2013

- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed; Outlook Action		
	To	From
Dominion Energy, Inc.		
Virginia Electric & Power Co.		
Questar Gas Co.		
Dominion Energy Gas Holdings, LLC		
Issuer Credit Rating	BBB+/Stable/A-2	BBB+/Negative/A-2
Upgraded; Outlook Action		
Dominion Energy Questar Pipeline, LLC		
Issuer Credit Rating	BBB+/Stable/--	BBB/Negative/--
Issue-level Ratings Raised		
Dominion Energy Questar Pipeline, LLC		
Senior Unsecured	BBB+	BBB
Ratings Affirmed		
Dominion Energy, Inc.		
Senior Unsecured	BBB	
Junior Subordinated	BBB	
Junior Subordinated	BBB-	
Commercial Paper	A-2	

Dominion Energy Gas Holdings, LLC	
Senior Unsecured	BBB+
Commercial Paper	A-2
Questar Gas Co.	
Senior Unsecured	BBB+
Commercial Paper	A-2
Virginia Electric & Power Co.	
Senior Unsecured	BBB+
Preferred Stock	BBB-
Commercial Paper	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
30 January 2019

Update

Rate this Research

RATINGS

Questar Gas Company

Domicile	Salt Lake City, Utah, United States
Long Term Rating	A2
Type	Senior Unsecured - Dom Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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EMEA	44-20-7772-5454

Questar Gas Company

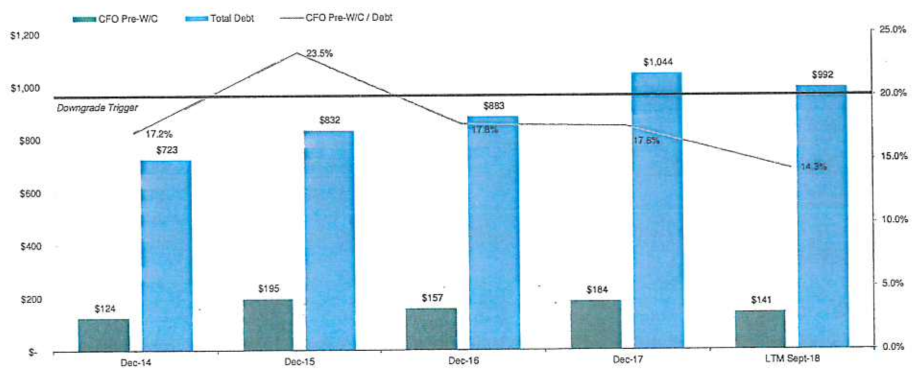
Update to credit analysis

Summary

Questar Gas Company's (A2 negative) credit profile reflects 1) low-risk operations as a local gas distribution company (LDC), 2) supportive regulators in Utah and Wyoming, 3) stable cash flow production through its suite of cost recovery mechanisms and 4) an expectation for more conservative financial policies with regard to capital structure over the next 12-18 months.

The Questar Gas credit profile is constrained by 1) very weak financial metrics versus peers, 2) a base rate freeze and tax reform impacts that will reduce cash flow metrics through 2020 and 3) a highly levered parent company (i.e., Dominion Energy Inc. (DEI, Baa2 stable).

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt
($MM)



Source: Moody's Financial Metrics

Credit strengths

» Stable and predictable cash flow derived from cost recovery mechanisms on around $1 billion of rate base

» Cooperative relationships with regulators in Utah and Wyoming

» Management financial policies are improving the capital structure

» Ring-fencing like provisions helps offset some risk of its highly levered parent

Credit challenges

» Base rate freeze through 2020 and tax reform impacts will weaken financial metrics

» Elevated capital spend over the next three years

» Highly levered parent that carries higher credit risk

» Carbon transition exposure

Rating outlook

The negative outlook for Questar Gas reflects the company's financial profile, which has been weak for the rating since Dominion acquired the company in 2016. Moody's expects Questar Gas to generate a ratio of cash flow to debt in the high teens range over the next few years, primarily reflecting a decline in cash flow triggered by a general rate freeze, tax reform and increasing debt.

Factors that could lead to an upgrade

» Cash flow to debt metrics above 25% on a sustainable basis, while maintaining the same degree of regulatory support that it currently has.

Factors that could lead to a downgrade

» Cash flow to debt metrics below 20%, on a sustainable basis.

» If regulatory provisions in either Utah or Wyoming were to become less supportive.

Key indicators

Exhibit 2
Questar Gas Company [1]

	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
CFO Pre-W/C + Interest / Interest	5.2x	7.4x	6.1x	6.2x	4.6x
CFO Pre-W/C / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
CFO Pre-W/C – Dividends / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
Debt / Capitalization	42.4%	44.0%	43.9%	51.2%	48.8%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Questar Gas is a local gas distribution company that serves over 1 million customers primarily in Utah but also in Wyoming and Idaho. Questar Gas is primarily regulated by the PSCU and the PSCW and generates around $950 million of revenue and about $220 million of EBITDA through its LDC operations.

Questar Gas' ultimate parent company is Dominion Energy Inc. (Baa2 stable), one of the nation's largest producers and transporters of energy, headquartered in Richmond, VA.

Detailed credit considerations

Supportive regulatory environments with key cost recovery features

Questar Gas' credit profile is underpinned by its low-risk gas distribution operations in very supportive regulatory environments. The PSCU and PSCW provide Questar Gas with cost recovery provisions that allow the company to recover prudently incurred costs on a timely basis.

Some of the key regulatory provisions include the company's revenue decoupling mechanism and weather normalization adjustment, which help to provide revenue and cash flow certainty despite fluctuations in customer use patterns. Importantly, the decoupling mechanism also helps Questar Gas to recover its fixed charges in a flat to declining demand environment, which mitigates volume risk. We note that while the company is experiencing declining use on a per-customer basis, the overall service territory demand is experiencing growth of around 2.0% per year - a credit positive.

The company's infrastructure rider accelerates the recovery of certain distribution system investments, once the projects are complete. This will be particularly helpful as the company makes capital expenditures associated with a multi-year high-pressure natural gas feeder-line replacement program. We expect this replacement program to continue to keep Questar Gas' capital expenditures elevated for several years, therefore the rider will accelerate the recovery of this investment and help to maintain a stronger financial profile than would otherwise be possible.

While timely cost recovery has been the norm in Utah and Wyoming, we note that a condition of the Dominion acquisition approval included a base rate freeze for Questar Gas, in both jurisdictions, through 2020. This is credit negative which we expect to result in declining financial metrics over the next two years, but assume that rates and cash flow would increase thereafter.

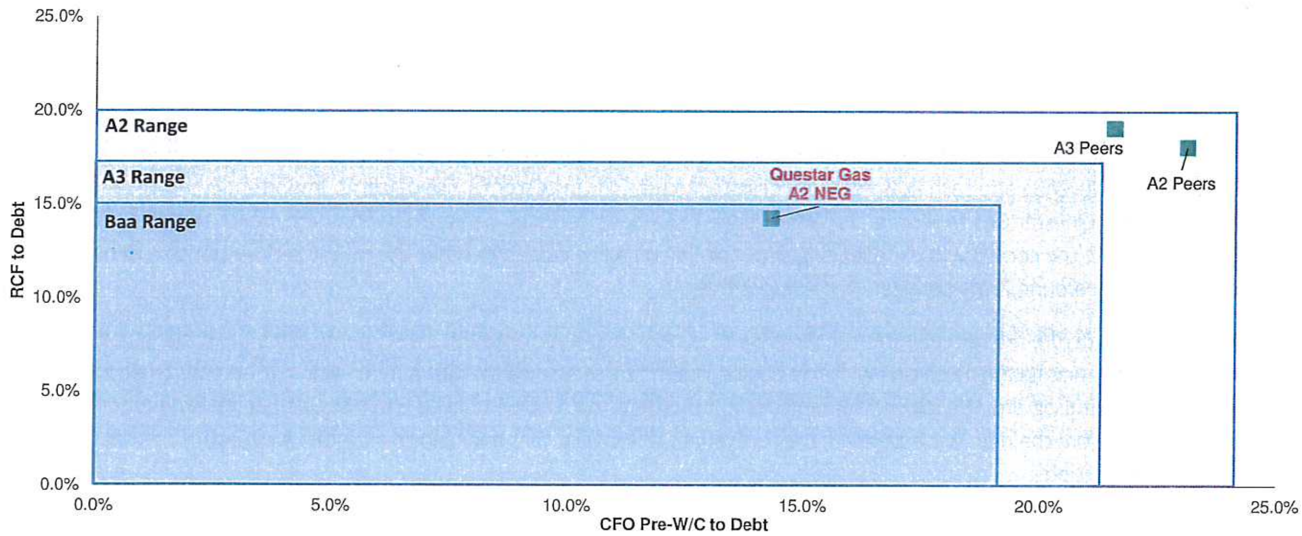
Weakened cash flow will persist over the next 18 months, but managing financial policies should help improve metrics

At about 14%, Questar Gas' ratio of CFO pre-WC to debt through LTM 3Q18, is much lower than A2 LDC peers that have averaged around 23% over the same period. We expect that Questar Gas' financial profile will remain relatively weak through 2020 as a result of the Utah and Wyoming base rate freezes, a robust capital plan and cash flow headwinds due to December 2017 tax reform. For example, we expect cash flow from operations to stagnate around $180 million.

However, management has taken steps to stabilize and improve the company's financial profile until new rates can begin in mid-2020. For example, Questar Gas has made no dividend payments since 4Q16 and has received approval from the UPSC to temporarily increase the equity component of the LDC's capital structure, as a means to improve financial credit metrics. In January 2019, Questar Gas received commission approval to exceed the 55% equity layer of capitalization that was ordered in the 2016 merger approval. This should help stave off the pace of increasing debt during the cash flow stagnation and keep CFO pre-WC to debt - and CFO pre-WC less dividends to debt - between 16-18%.

Despite the greater retained cash flow, the company's financial profile remains weak compared to peer LDCs that have similar cost recovery mechanisms and operate in very supportive regulatory jurisdictions. Exhibit 3 shows a comparison of CFO pre-WC to debt and CFO pre-WC less dividends to debt for Questar Gas and its peers.

Exhibit 3



Source: Moody's Financial Metrics

Parent contagion risk reduced by utility ring-fencing type provisions and de-risking events in 2018

The ring-fencing like provisions put in-place by the PSCU and PSCW help to support Questar Gas' standalone credit profile and provide some downside protections from its highly levered parent. For example, by instituting measures focused on minimum equity levels, rating levels, intercompany lending restrictions, liquidity facility requirements and a "Special Bankruptcy Director" for Questar Gas, we see added regulatory focus on maintaining Questar Gas' individual credit quality. Some of these features also govern the degree to which Dominion can increase Questar Gas' leverage ratios - a credit positive.

Moreover, Dominion made significant progress toward lowering its business and financial risk in 2018. Some of the key features include the reduction of holding company debt by around $8.0 billion ($5.0 billion on a consolidated basis) by way of selling three merchant power generation plants and its 50% interest in Blue Racer (Ba1 stable) midstream gas business with higher risk operations. Furthermore, the acquisition of SCANA Corp. (Ba1 positive) added over $800 million of rate regulated utility cash flow to the consolidated operations and provides more geographic and regulatory diversity going forward.

Low carbon transition risk

Questar Gas has low carbon transition risk within the utility sector because it is a gas LDC and natural gas commodity purchase costs are fully passed through to customers with an effective cost recovery mechanism. Moreover, the company's decoupling mechanism helps to insulate its financial profile from the potential negative impacts of lower sales volume, should usage decline.

Liquidity analysis

Questar Gas' internal liquidity consists of cash flow from operations around $180 million, versus capital expenditures above $230 million. We expect that Questar Gas will maintain a lower dividend payout through 2019, in-line with the past 12 months, but will still require external liquidity sources to maintain an adequate liquidity profile.

To supplement the company's negative free cash flow, Questar Gas has direct access to Dominion's $6.0 billion master credit facility, by way of a $250 million sub-limit. On 30 September, Questar Gas had $110 million of commercial paper (CP) outstanding, leaving around $140 million of available borrowing capacity per the sub-limit. The sub-limit can be increased or decreased multiple times per year and if Questar Gas has liquidity needs in excess of its sub-limit, its needs can be satisfied through short-term intercompany borrowings from Dominion.

The master credit facility is a joint facility that also names affiliates Virginia Electric and Power Company (A2 stable) and Dominion Energy Gas Holdings, LLC (A3 stable) as co-borrowers. The facility matures in March 2023. The joint facilities contain no material adverse change clause for borrowings but do contain a maximum 67.5% debt to capitalization covenant (Questar Gas' specific covenant is 65%), and all four borrowers have reported that they remain comfortably in compliance with this covenant restriction.

Questar's P-1 CP rating is currently derived from Questar Gas' A2 long-term rating and recognizes that sub-limits for Dominion subsidiaries can be changed at the option of Dominion multiple times per year.

We also note that while it is common practice for Dominion and its subsidiaries to limit CP issuances to amounts available under the revolver backstop, the program documentation has no overt language that restricts CP issuance in this manner. We expect Dominion to continue its practice of maintaining 100% backup, at all times, for funded commercial paper in the form of cash balances and its $6.0 billion of committed bank credit facility. Should there be a deviation of this practice, the P-1 of Questar Gas would be downgraded and could result in negative ratings implications for its long-term debt as well.

Questar Gas also has $40 million and $110 million in notes maturing in December 2024 and December 2027, respectively.

Exhibit 4

Dominion's credit facility profile as of 30 September 2018 [1]

Company	Current Sub-Limit	CP Outstanding	Letters of Credit	Total Use as % of Sub-Limit	Sub-Limit Available
Total	**$ 6,000**	**$ 2,928**	**$ 132**	**51%**	**$ 2,940**
DEI	$ 3,500	$ 1,743	$ 71	52%	$ 1,686
VEPCO	$ 1,500	$ 934	$ 61	66%	$ 505
DEGH	$ 750	$ 141	$ -	19%	$ 609
Questar Gas	$ 250	$ 110	$ -	44%	$ 140

Dominion represents Dominion Energy Inc.'s parent and unregulated operations

[1] This does not incorporate any of the cash receipts from the sale of Blue Racer, merchant assets, and settlement of forward equity sale.

Source: Company reports

Rating methodology and scorecard factors

Exhibit 5
Rating Factors
Questar Gas Company

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2018		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.3x	Aa	5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	20.6%	A	16% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	19.1%	A	16% - 18%	A
d) Debt / Capitalization (3 Year Avg)	44.2%	A	40% - 44%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A2		A3
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2018(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 6

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
As Adjusted					
FFO	**162**	**179**	**157**	**184**	**141**
+/- Other	(37)	16	-	-	-
CFO Pre-WC	**124**	**195**	**157**	**184**	**141**
+/- ΔWC	5	(63)	44	(43)	63
CFO	**129**	**132**	**201**	**141**	**205**
- Div	27	47	30	-	-
- Capex	175	217	240	215	252
FCF	**(72)**	**(132)**	**(69)**	**(74)**	**(47)**
(CFO Pre-W/C) / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
(CFO Pre-W/C - Dividends) / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
FFO / Debt	22.3%	21.5%	17.8%	17.6%	14.3%
RCF / Debt	18.6%	15.9%	14.4%	17.6%	14.3%
Revenue	961	918	921	947	948
Cost of Good Sold	603	553	528	550	561
Interest Expense	30	30	31	35	39
Net Income	56	60	65	70	70
Total Assets	1,969	2,193	2,507	2,698	2,695
Total Liabilities	1,372	1,571	1,853	1,977	1,929
Total Equity	597	621	654	721	766

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 7

Peer Comparison Table [1]

	Questar Gas Company			South Jersey Gas Company			UGI Utilities, Inc.			ONE Gas, Inc			Public Service Co. of North Carolina, Inc.		
	A2 Negative			A2 Negative			A2 Stable			A2 Stable			A3 Negative		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
(in US millions)	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18	Sep-16	Sep-17	Sept-18	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18
Revenue	921	947	948	461	517	538	768	888	1,092	1,427	1,540	1,632	423	470	498
CFO Pre-W/C	157	184	141	118	172	200	215	298	344	296	376	462	128	157	123
Total Debt	883	1,044	992	837	984	1,060	1,000	1,095	1,138	1,608	1,702	1,621	572	747	886
CFO Pre-W/C / Debt	17.8%	17.6%	14.3%	14.1%	17.5%	18.9%	21.4%	27.2%	30.2%	18.4%	22.1%	28.5%	22.4%	21.0%	13.8%
CFO Pre-W/C – Dividends / Debt	14.4%	17.6%	14.3%	14.1%	15.4%	17.0%	16.7%	22.0%	25.8%	13.9%	16.9%	22.6%	16.5%	16.2%	9.0%
Debt / Capitalization	43.9%	51.2%	48.8%	39.3%	45.4%	45.2%	40.5%	40.3%	43.3%	35.6%	40.0%	38.0%	34.9%	43.3%	47.1%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
QUESTAR GAS COMPANY	
Outlook	Negative
Senior Unsecured	A2
Commercial Paper	P-1
ULT PARENT: DOMINION ENERGY, INC.	
Outlook	Stable
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Commercial Paper	P-2

Source: Moody's Investors Service

Belt Line 2019

- Current 2019 Projects Schedule:
  - – Salt Lake County ($4.5M)
    - 300 E in SLC (Temporarily Placed on Hold Due to ROW Matter)
    - 300 E in SLC (Resumed Work March 2019)
    - 500W in SLC (May-Sept)
  - – Davis County ($12M)
    - Phase II with FL replacement (January – December)

Belt Line Work 2019

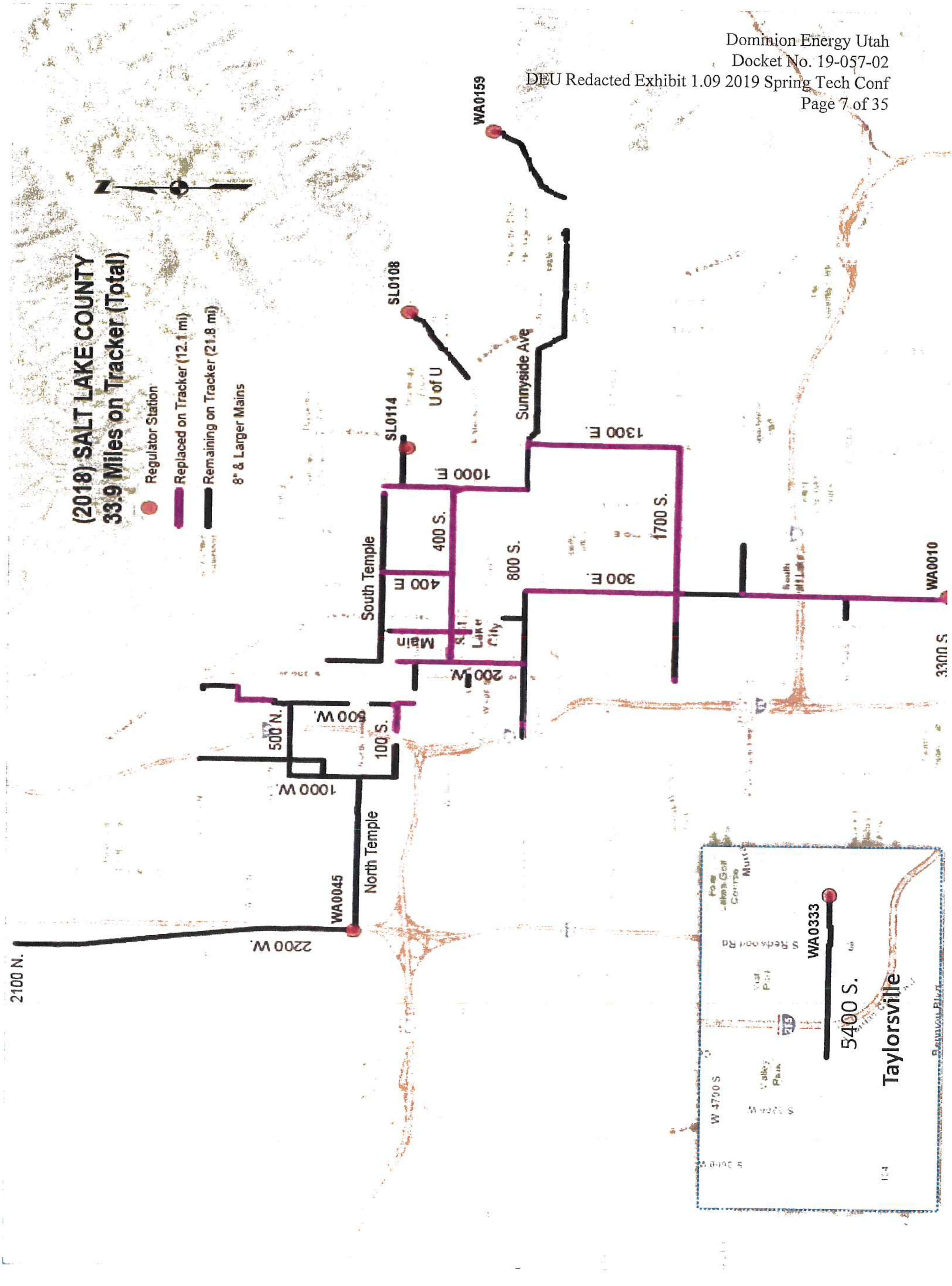
Belt Line:	400 W between 500 N and 800 N in Salt Lake City
Construction:	April-December
Challenges Include:	Concrete road panels, bore under Union Pacific Railroad
Footage:	Approx. 3,790 ft.

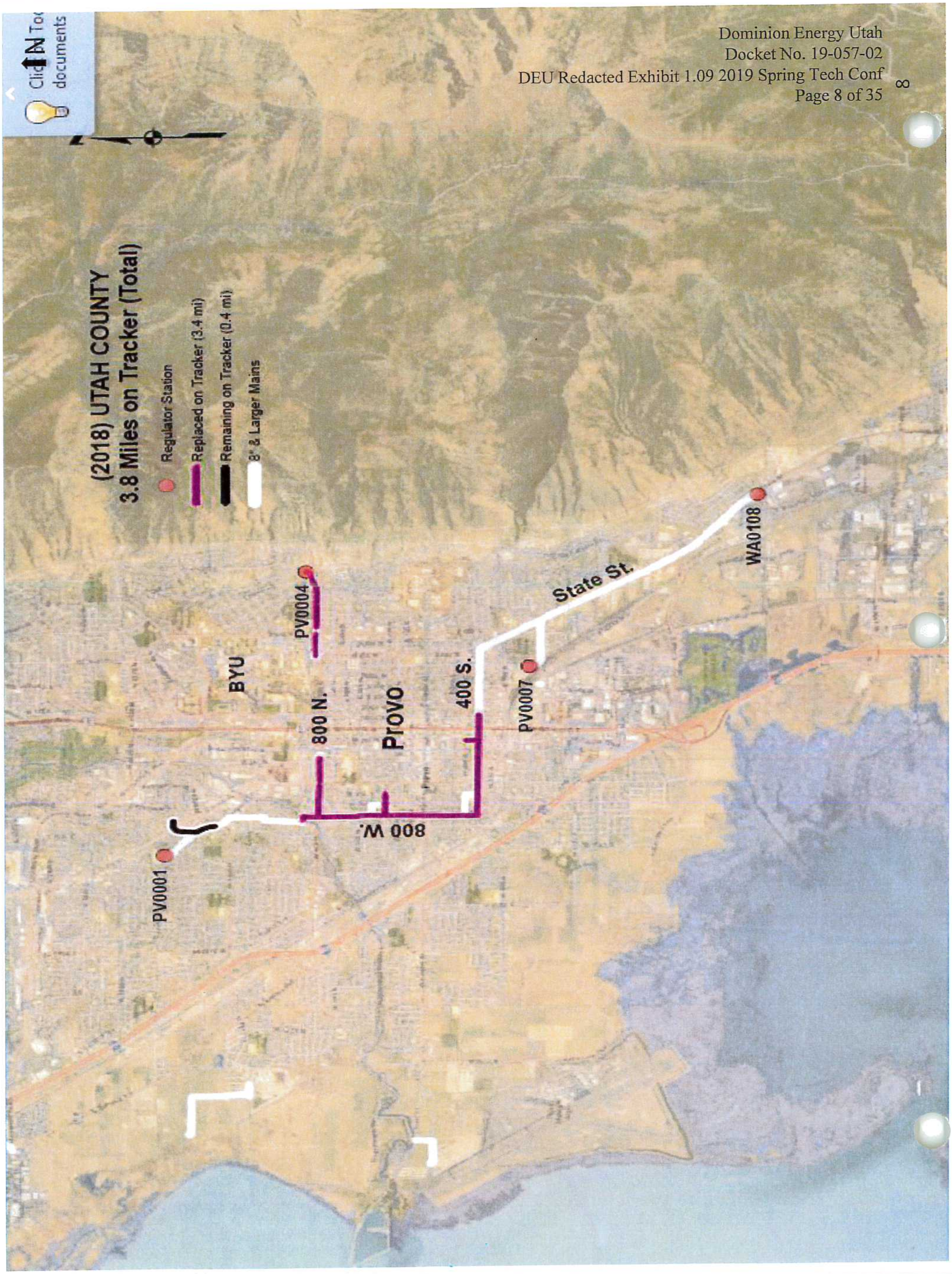
Belt Line Work 2019

Belt Line:	Davis County Beltline Replacement in conjunction with FL21-50 replacement
Construction:	January – December
Challenges Include:	Water table, working over existing lines, permits
Footage:	Approx. 30,000 ft.

Belt Line Work 2019

Belt Line:	300 E between 800 S and 2100 Salt Lake City
Construction:	April-December
Challenges Include:	Limited workspace, running line, vehicular and pedestrian traffic, SLC summer events
Footage:	Approx. 9,800 ft.


(2018) SALT LAKE COUNTY
33.9 Miles on Tracker (Total)
Regulator Station
Replaced on Tracker (12.1 mi)
Remaining on Tracker (21.8 mi)
8" & Larger Mains
N
WA0159
SL0108
SL0114
U of U
Sunnyside Ave
1300 E
1000 E
400 S.
1700 S.
South Temple
400 E
800 S.
300 E
WA0010
3300 S.
Main
200 W.
600 W.
500 N.
100 S.
1000 W.
North Temple
WA0045
2200 W.
2100 N.
WA0333
S Redwood Rd
5400 S.
Taylorsville
W 4700 S


Click N To documents
(2018) UTAH COUNTY
3.8 Miles on Tracker (Total)
Regulator Station
Replaced on Tracker (3.4 mi)
Remaining on Tracker (0.4 mi)
8" & Larger Mains
PV0004
BYU
800 N.
Provo
400 S.
PV0007
State St.
WA0108
800 W.
PV0001

REPORT NUMBER 1157877

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE

THIS FILING IS	
Item 1: [X] An Initial (Original) Submission	OR [ ] Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)
Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Natural Gas Act, Sections 10(a), and 16 and 18 CFR Parts 260.1 and 260.300. Failure to report may result in criminal fines, civil penalties, and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of a confidential nature.

Exact Legal Name of Respondent (Company)	Year/Period of Report
Dominion Energy Questar Pipeline, LLC	End of 2018/Q4

May 10, 2019

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 2018.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending December 31, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 4th quarter 2018 results are attached as Exhibit 46. The company is deficient in the same areas addressed in the prior 2018 quarterly reports. The transponder issues were explained in the January 6th technical conference and the transponder replacement program is still expected to be complete in 2019. The other deficiencies are related to the current staffing situation in the Company's customer care department. In 2018 the average rate of attrition in the department was 23.2% compared to 12.9% in 2017. Because of the tight labor market it is more challenging to hire and retain employees. The department is currently understaffed by ten employees but has offered jobs to 6 canidates and is planning on having the four remaining slots filled by the 2nd quarter of 2019. Once the department is fully staffed and the faulty transponders have all been replaced the customer service metrics will improve

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.2	6.1	6.2	6.3	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.7	5.7	5.8	5.9	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.1	5.3	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.6	6.6	6.7	6.6
5	Is honest and open in its dealings	5.5	CSS	5.8	5.7	5.8	5.9	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.5	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.5	5.4	5.5	5.6	5.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	86.9%	75.8%	78.4%	83.1%	81.1%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.5%	99.5%	99.3%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	60	150	124	88	106
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.4%	3.7%	3.3%	2.2%	2.7%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.1	5.0	5.2	5.1	5.1
6	The phone staff was courteous	6.0	CSS	6.6	6.5	6.5	6.7	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.3	6.3	6.4	6.6	6.4
8	My call was answered quickly	5.5	CSS	6.2	5.8	6.0	6.2	6.0
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.1	6.2	6.2	6.4	6.2
10	The automated menu was easy to use	5.7	CSS	6.0	5.8	5.9	5.9	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.0	5.9	6.0	6.3	6.0

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.7	6.5	6.7	6.6
2	The technician was knowledgeable	6.2	CSS	6.6	6.6	6.2	6.6	6.5
3	The technician was able to help me quickly	5.9	CSS	6.6	6.4	6.4	6.6	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.3	6.8	6.3	6.7	6.5
5	The automated menu was easy to use	5.7	CSS	6.2	6.4	6.1	6.1	6.2
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.3	6.7	6.1	6.5	6.4

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.9	6.7	6.8	6.9	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.8	6.7	6.8	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.8	6.5	6.5	6.6	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.6	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.8	6.6	6.8	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	97.8%	98.1%	97.2%	98.1%	97.8%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	99.9%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	97.9%	96.4%	100.0%	98.6%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.4%	97.8%	96.7%	94.1%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.52%	0.52%	0.61%	0.52%	0.5%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.52 days	3.13 days	2.55 days	3.27 days	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	98.3%	96.0%	99.0%	93.0%	96.6%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	73%	83%	90%	95%	85%

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	1	0	0	0	0
Service Calls						
1	The service technician was courteous	6.9	7.0	6.8	6.8	6.9
2	The service technician was knowledgeable	6.8	6.9	6.7	6.9	6.9
3	The service technician was able to help me quickly	6.7	7.0	6.6	6.6	6.4
4	The service technician was able to resolve my issue	6.4	6.9	6.5	6.7	6.4
5	How satisfied are you with the service technician's overall performance	6.8	7.0	6.7	6.8	6.9
6	Emergency calls - company representative is onsite within 1 hour of call	98.9%	97.1%	97.4%	97.4%	96.7%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.1	6.2	6.3	6.1	6.2
2	Delivers natural gas to my home/good value for price pa	5.5	CSS	5.7	5.8	5.9	5.8	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.1	5.3	5.3	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.6	6.6	6.7	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	5.7	5.8	5.9	5.8	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.5	6.6	6.6	6.8	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.4	5.5	5.6	5.7	5.6

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	75.8%	78.4%	83.1%	92.4%	82.4%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.5%	99.3%	99.7%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	150	124	88	30	98
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	3.7%	3.3%	2.2%	0.8%	2.5%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.0	5.2	5.1	4.9	5.1
6	The phone staff was courteous	6.0	CSS	6.5	6.5	6.7	6.5	6.5
7	The phone staff was knowledgeable	6.0	CSS	6.3	6.4	6.6	6.3	6.4
8	My call was answered quickly	5.5	CSS	5.8	6.0	6.2	6.0	6.0
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.2	6.2	6.4	6.0	6.2
10	The automated menu was easy to use	5.7	CSS	5.8	5.9	5.9	5.9	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	5.9	6.0	6.3	5.9	6.0

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.5	6.7	6.8	6.7
2	The technician was knowledgeable	6.2	CSS	6.6	6.2	6.6	6.5	6.5
3	The technician was able to help me quickly	5.9	CSS	6.4	6.4	6.6	6.6	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.8	6.3	6.7	6.4	6.6
5	The automated menu was easy to use	5.7	CSS	6.4	6.1	6.1	6.3	6.2
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.7	6.1	6.5	6.5	6.4

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

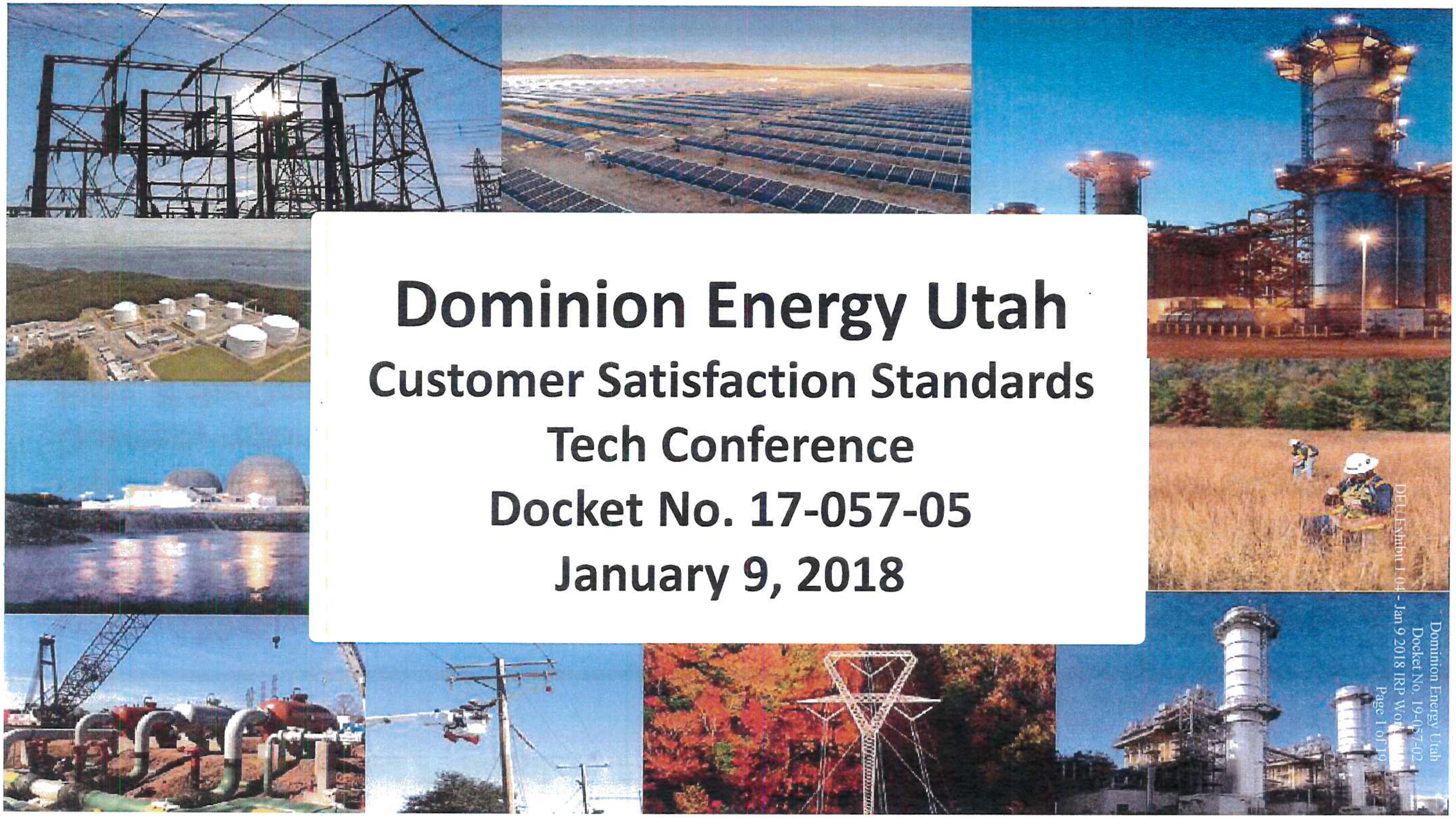
CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Service Calls								
1	The service technician was courteous	6.4	CSS	6.7	6.8	6.9	6.7	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.7	6.8	6.8	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.5	6.5	6.6	6.6	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.6	6.6	6.6
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.8	6.6	6.8	6.6	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.1%	97.2%	98.1%	98.2%	97.9%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	99.9%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	97.9%	96.4%	100.0%	100.0%	98.6%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2019 Annual Goal	Measurement Source	Q2 2018	Q3 2018	Q4 2018	Q1 2019	12 Mo. Ended 12/31/19
Billing								
1	Read each meter monthly	99%	Billing Statistics	97.8%	96.7%	94.1%	94.6%	95.8%
2	Percent of adjustments	3% Annual	Billing Statistics	0.52%	0.61%	0.52%	0.48%	0.5%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.13 days	2.55 days	3.27 days	3.5 days	3.11 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	96.0%	99.0%	93.0%	96.2%	96.1%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	83%	90%	95%	82%	88%



Dominion Energy Utah

Customer Satisfaction Standards

Tech Conference

Docket No. 17-057-05

January 9, 2018

Merger Settlement Provision #47 (Customer Satisfaction Standards)

Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. ***If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.***

Customer Care

	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	86.3%	84.4%	88.1%	92.0%	87.7%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.2%	99.5%	99.4%	99.5%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	57	70	51	33	53
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.8%	1.9%	1.5%	1.0%	1.6%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	5.1	5.0	4.8	5.0

Billing Metrics

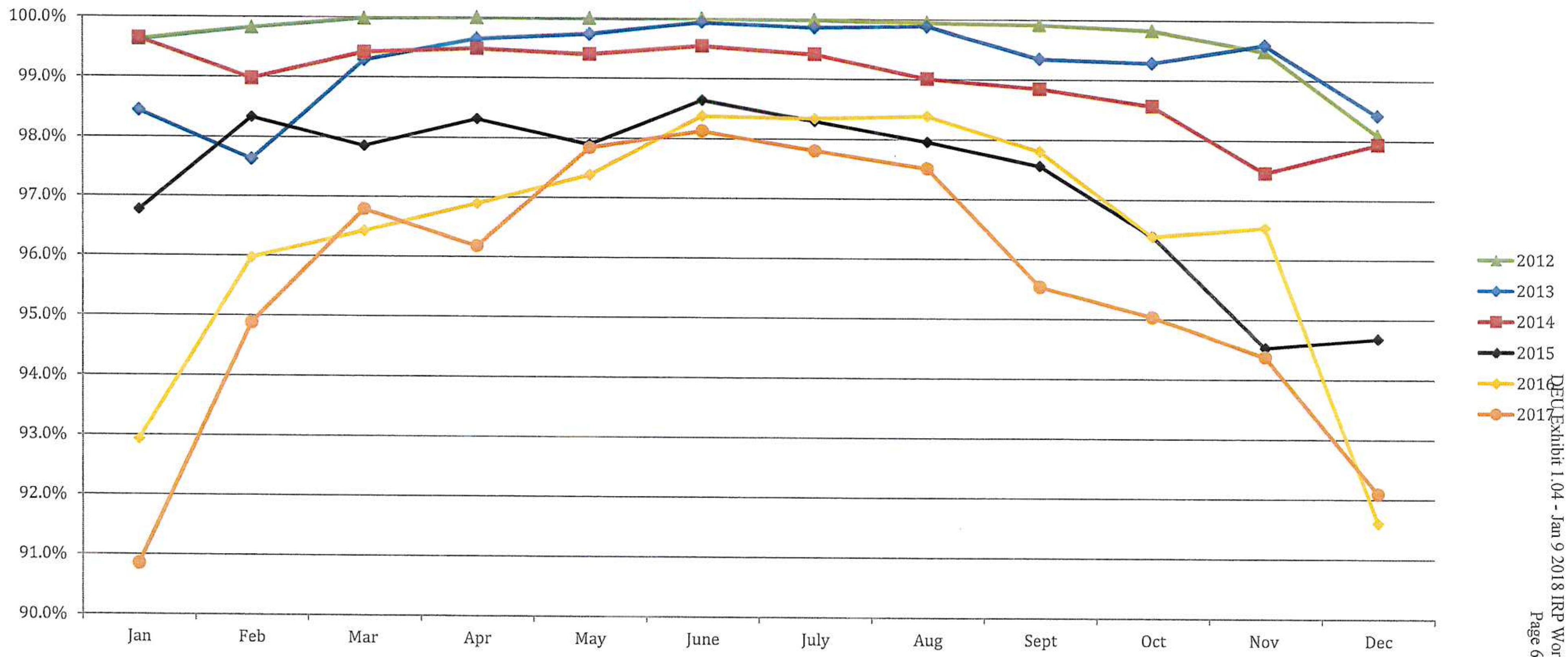
	Service	2017 Annual Goal	Measurement Source	Q4 2016	Q1 2017	Q2 2017	Q3 2017	12 Mo. Ended 9/30/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.8%	94.2%	97.4%	97.0%	95.9%
2	Percent of adjustments	3% Annual	Billing Statistics	0.56%	0.53%	0.53%	0.73%	2.35%
3	Send corrected statement to customer	5 Business Days	Internal Report	.78 days	1.75 days	2.21 days	1.75 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.9%	99.7%	99.8%	99.8%	99.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	100%	97%	94%	90%	95%

Transition from Manual to Automated Meter Reading

- Installed 1M transponders between 1999 and 2006
- Elster
  - 3.4, VRT

Elster 3.4 | Elster VRT | Itron ERT

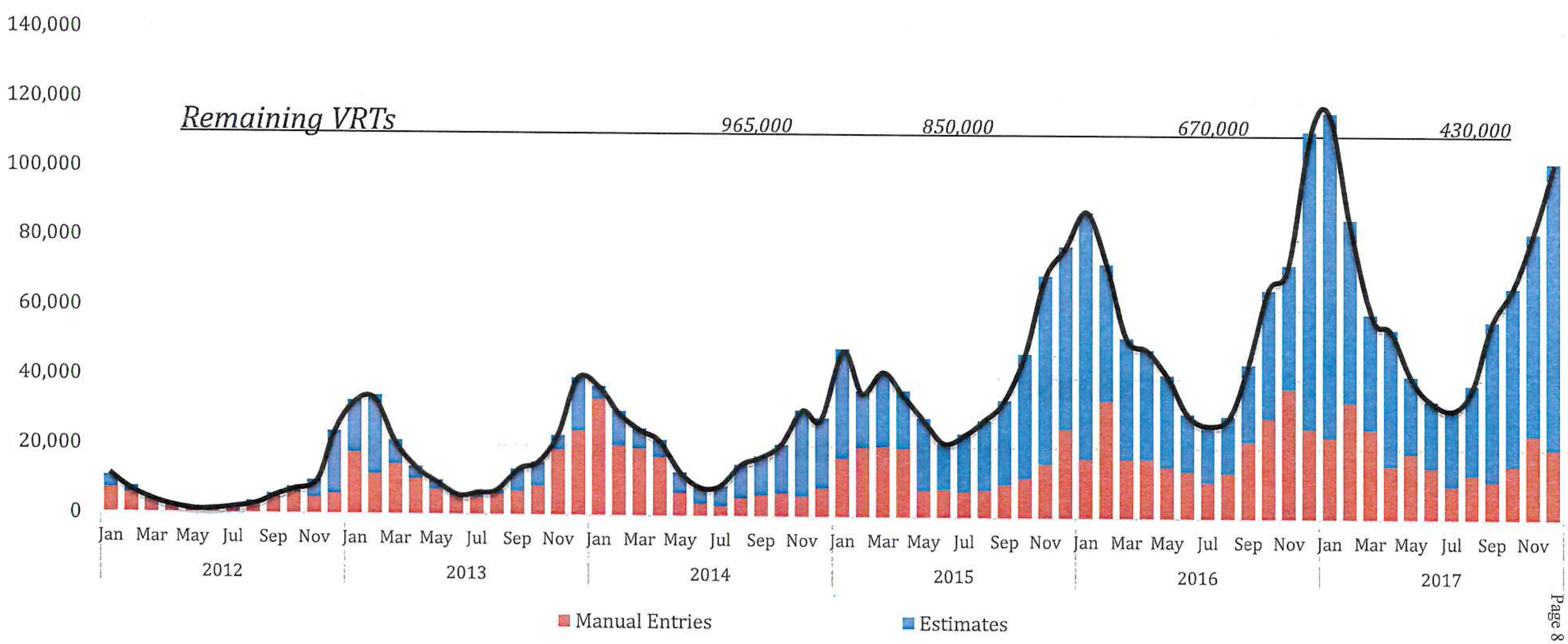
Total Read Rate



Current Reading Process

- **On the first day we make two passes; one for Elster and one for Itron**
- **On the second day we make another pass for Elster**
- **On the third and fourth day we send out manual meter readers**
  - We developed an iPhone app to send out unread meters
  - The app attaches pictures of the meter for billers' reference
  - The app populates dots on a map for each meter to be read

Manual Entries and Estimates



Estimation Process

- **Three Step Progression**
  1. Compares to last year's usage for same time period
  2. Compares to last month's if estimated last year
  3. If last month estimated, reverts to trend estimate
- **Trend**
  - Estimate is based off of average usage in trend area
- **We have determined that Three Step is better for our current situation**

Estimation Process

- **Most estimates are reasonable and no further action is needed**
- **Actions resulting from a bad estimate**
  - Customer Care receives a call (approximately 5% of estimates)
    - They can usually resolve the problem, but if not....
  - A field activity is usually issued and dispatched, to either Meter Reading or Operations
  - Field activity is completed as soon as possible and transponder is replaced
  - Billing department completes the follow-up work
  - Someone will call customer back if requested

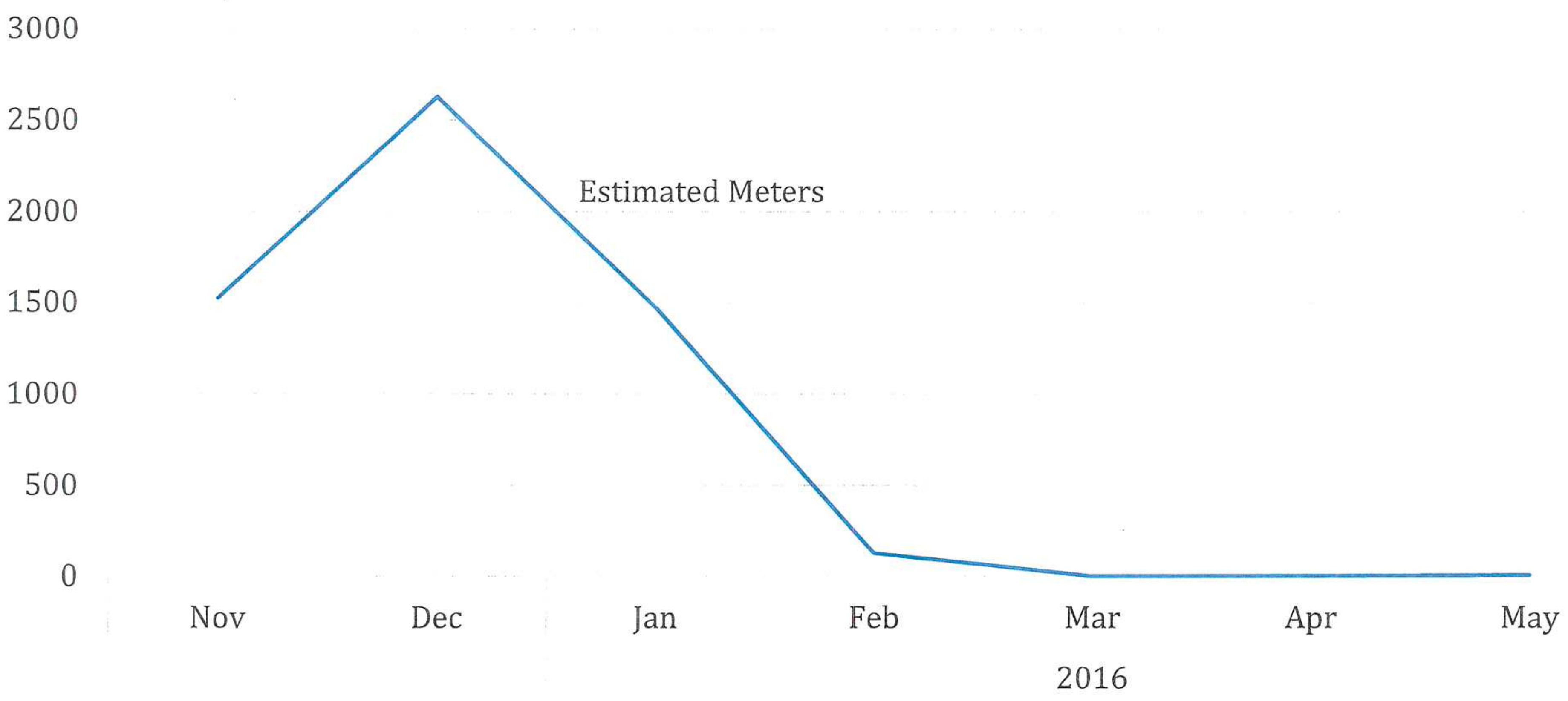
AMR Evalution

- 2015 March
  - Performed a pilot program comparing Elster to Itron
- May
  - Evaluated
    - Southwest Gas, MDU Utilities, Wasecha, References, Tests
- September
  - Recommendation, Decision, Installation Strategy
- November
  - Began installing

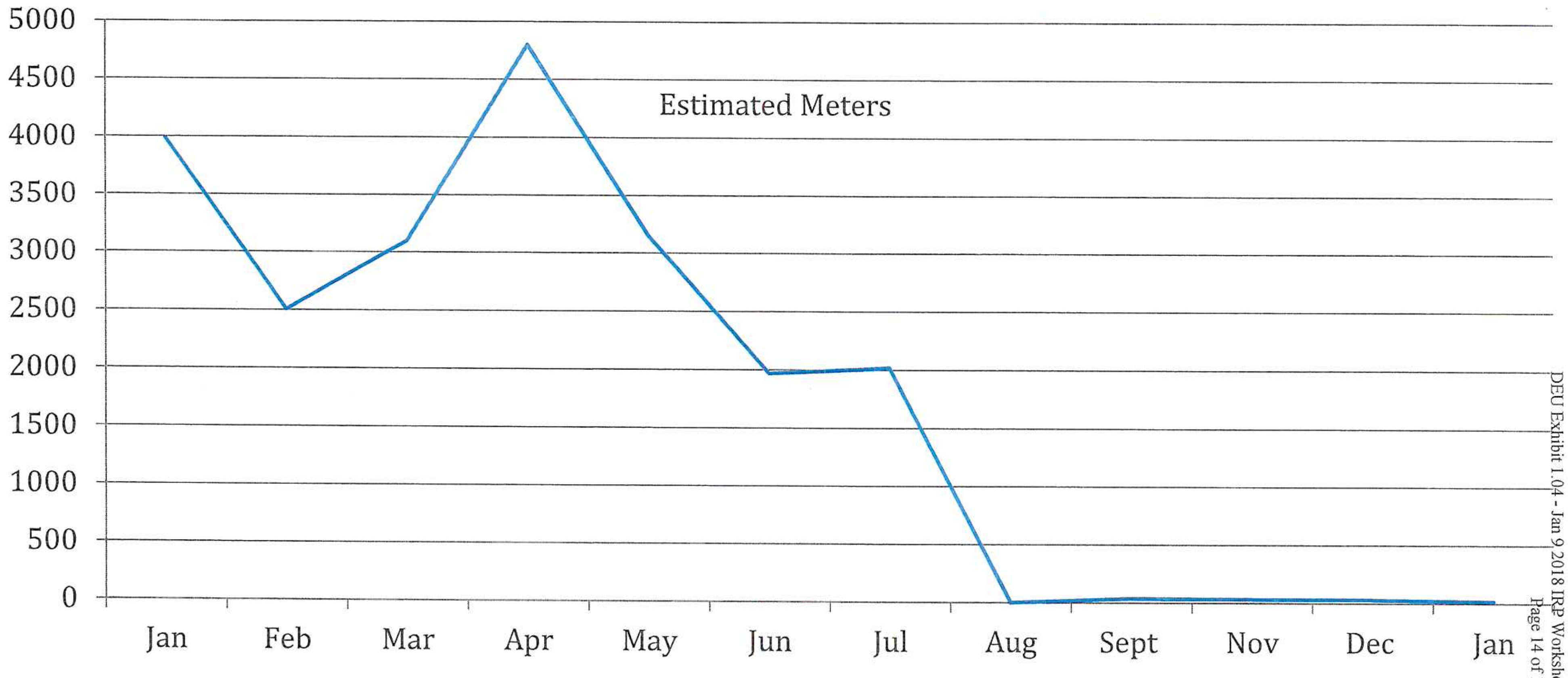
Why Itron

- Technology: Bubble up vs Wake up
- Power Usage: Circuit design and Battery Consumption
- Reading Equipment: Portability, Networking, Stability, Power, and Reliability
- Transponder Construction: Cover, Bolts, Insulation, Antenna, Seal
- Features: Consistency, Speed, Distance, Drive Rate, Power Settings, History, Tamper Reporting

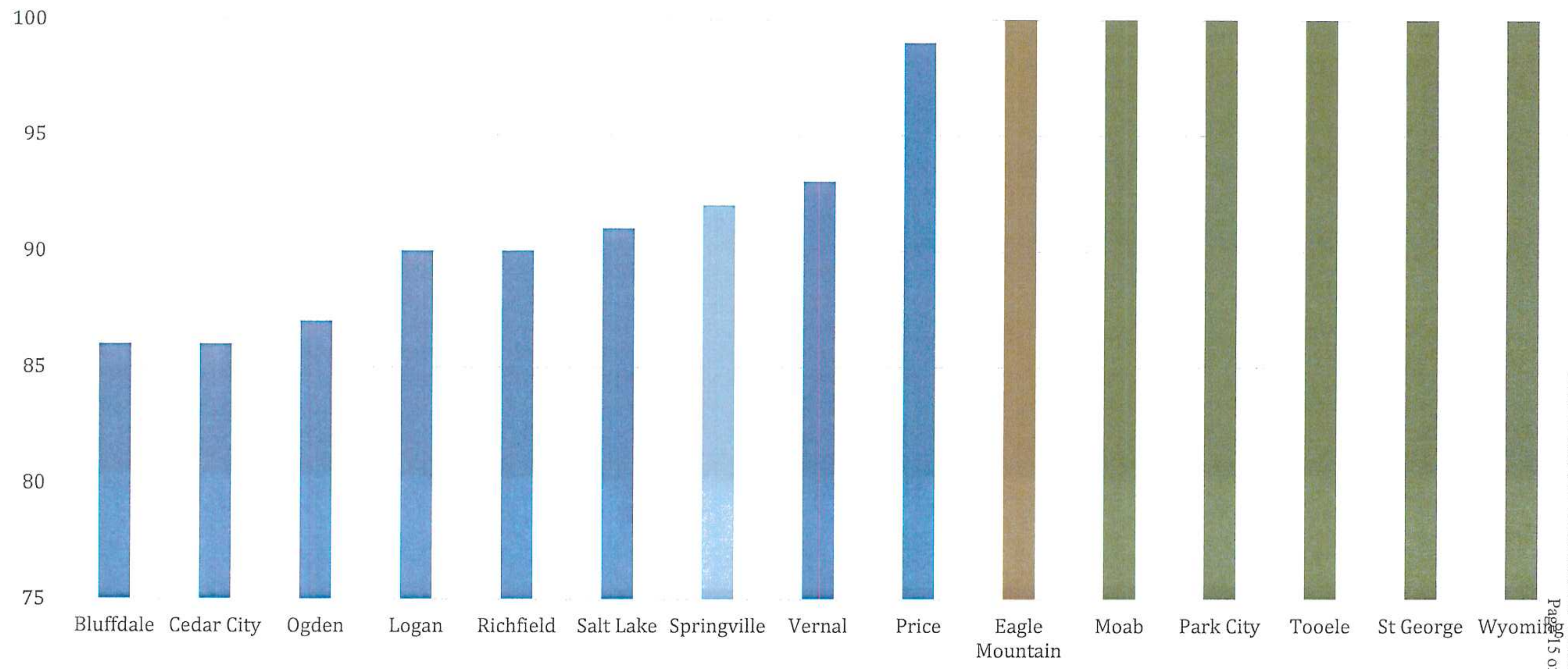
2016 Tooele Results



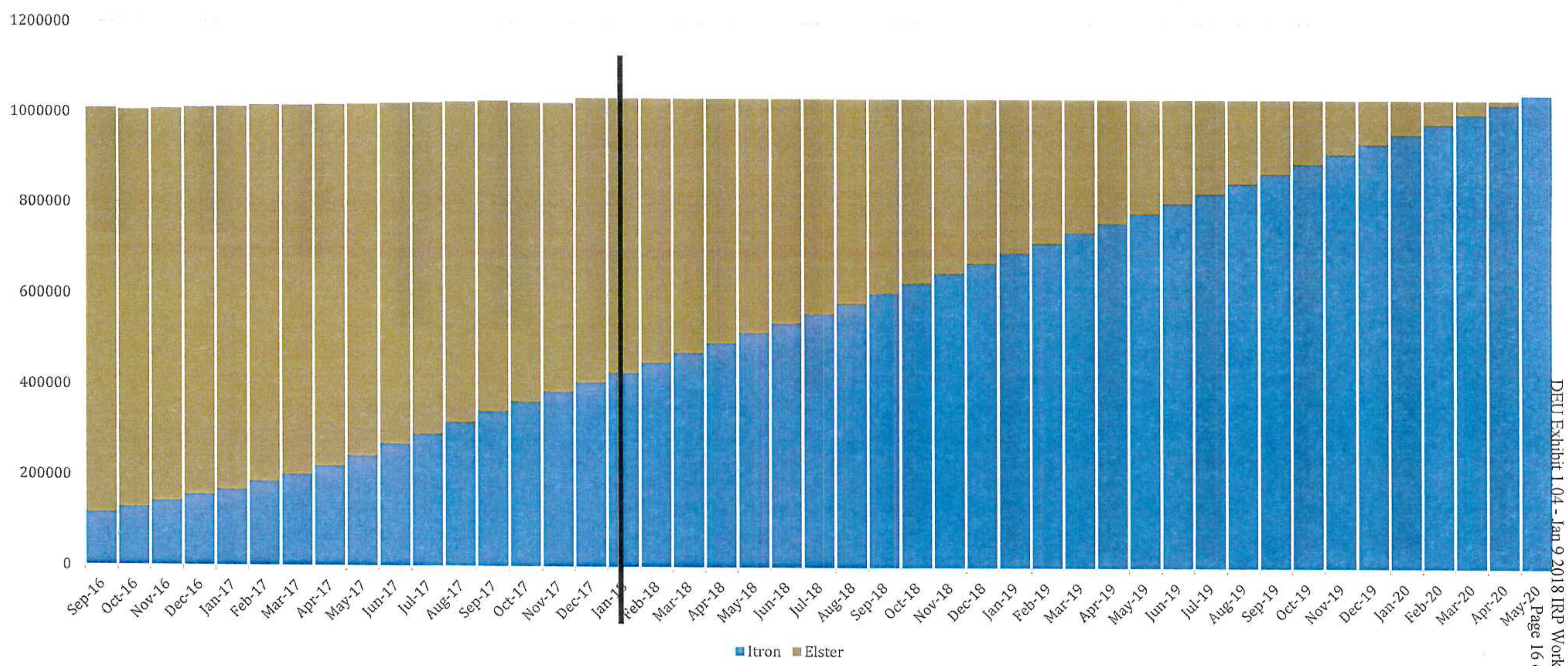
2016 St George Results



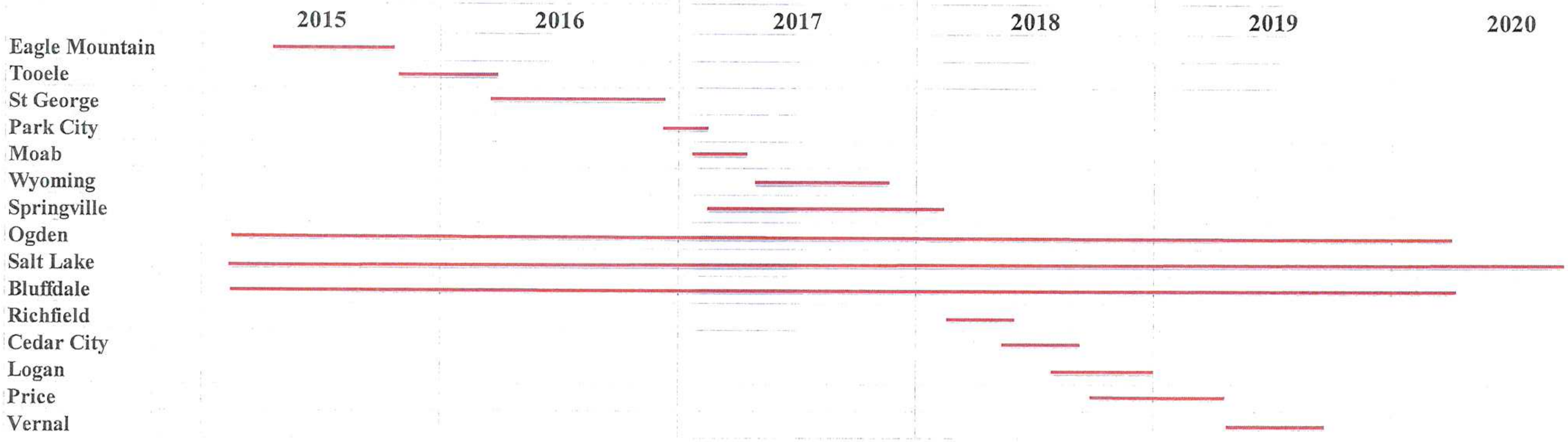
Reply Rate by Area



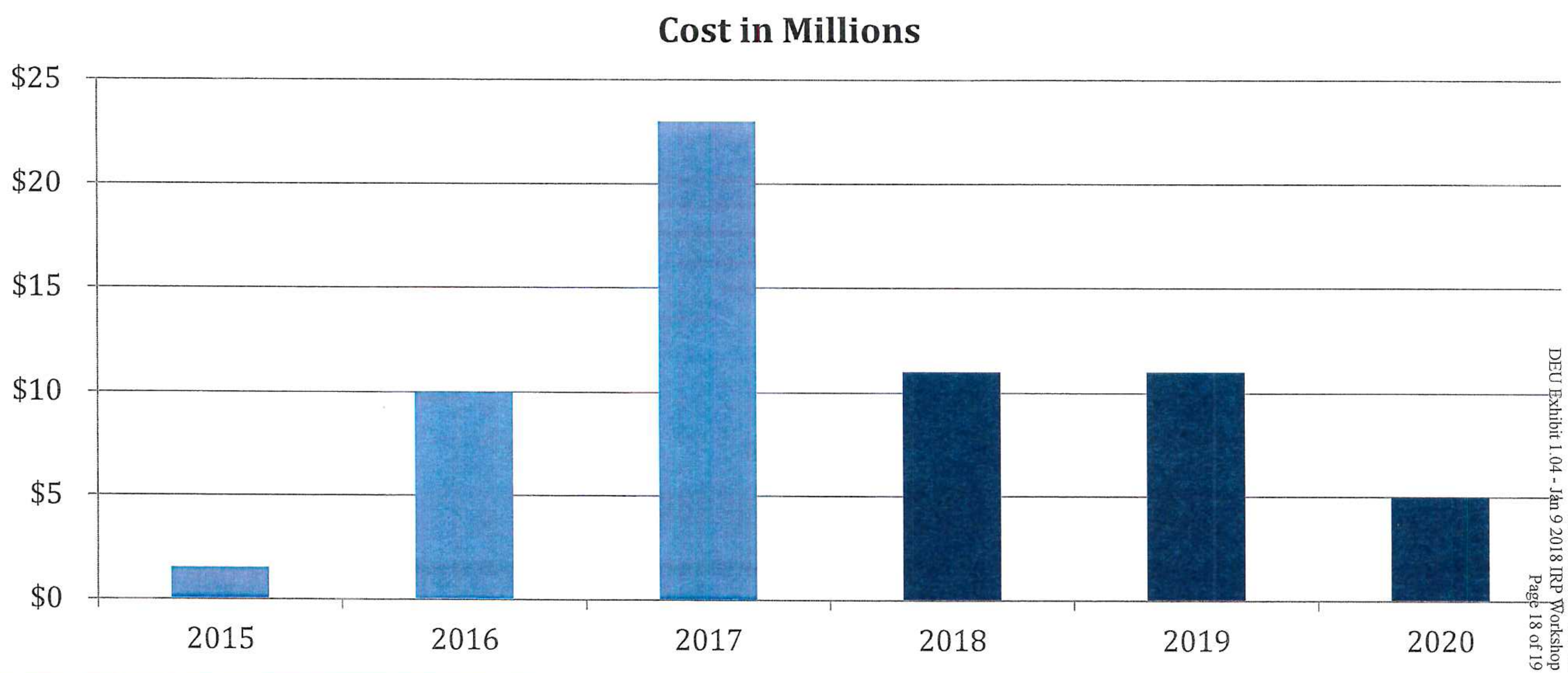
2017 Itron vs Elster Ratio



Installation Schedule



Transponder Replacement Project Costs



Remediation Plan

– 2nd Quarter Merger Integration Report (DEU Exhibit 14, Page 1)

The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. This should result in reduced battery failures, higher meter reads and lower call volume.

– 3rd Quarter Report Merger Integration Report (DEU Exhibit 20, Page 1)

The Company is currently undergoing a transponder replacement program that is schedule to be complete in 2019. Approximately 55% of the failing transponders have been replaced but the remaining transponders that are still in service continue to experience declining performance. As these failing transponders are replaced it should result in higher meter reads.

Dominion Energy Utah
Docket No. 19-057-02
DEU Exhibit 1.05
Page 1 of 10

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
30 January 2019

Update

Rate this Research

RATINGS

Questar Gas Company

Domicile	Salt Lake City, Utah, United States
Long Term Rating	A2
Type	Senior Unsecured - Dom Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Questar Gas Company

Update to credit analysis

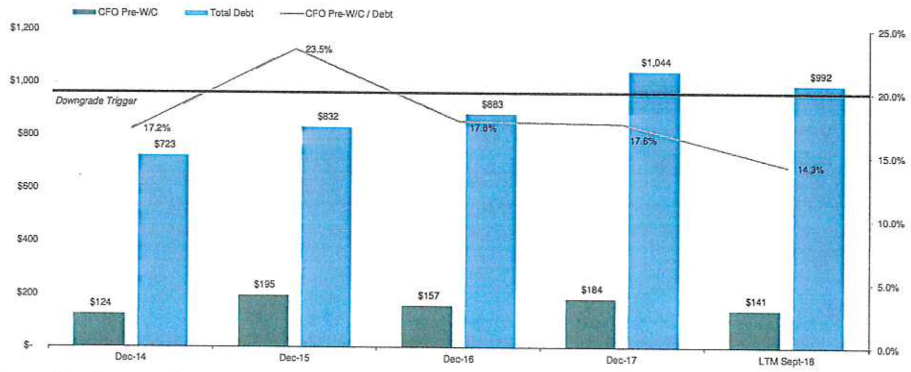
Summary

Questar Gas Company's (A2 negative) credit profile reflects 1) low-risk operations as a local gas distribution company (LDC), 2) supportive regulators in Utah and Wyoming, 3) stable cash flow production through its suite of cost recovery mechanisms and 4) an expectation for more conservative financial policies with regard to capital structure over the next 12-18 months.

The Questar Gas credit profile is constrained by 1) very weak financial metrics versus peers, 2) a base rate freeze and tax reform impacts that will reduce cash flow metrics through 2020 and 3) a highly levered parent company (i.e., Dominion Energy Inc. (DEI, Baa2 stable).

Exhibit 1

Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt
($MM)



Source: Moody's Financial Metrics

Credit strengths

» Stable and predictable cash flow derived from cost recovery mechanisms on around $1 billion of rate base

» Cooperative relationships with regulators in Utah and Wyoming

» Management financial policies are improving the capital structure

» Ring-fencing like provisions helps offset some risk of its highly levered parent

Credit challenges

» Base rate freeze through 2020 and tax reform impacts will weaken financial metrics

» Elevated capital spend over the next three years

» Highly levered parent that carries higher credit risk

» Carbon transition exposure

Rating outlook

The negative outlook for Questar Gas reflects the company's financial profile, which has been weak for the rating since Dominion acquired the company in 2016. Moody's expects Questar Gas to generate a ratio of cash flow to debt in the high teens range over the next few years, primarily reflecting a decline in cash flow triggered by a general rate freeze, tax reform and increasing debt.

Factors that could lead to an upgrade

» Cash flow to debt metrics above 25% on a sustainable basis, while maintaining the same degree of regulatory support that it currently has.

Factors that could lead to a downgrade

» Cash flow to debt metrics below 20%, on a sustainable basis.

» If regulatory provisions in either Utah or Wyoming were to become less supportive.

Key indicators

Exhibit 2

Questar Gas Company [1]

	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
CFO Pre-W/C + Interest / Interest	5.2x	7.4x	6.1x	6.2x	4.6x
CFO Pre-W/C / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
CFO Pre-W/C – Dividends / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
Debt / Capitalization	42.4%	44.0%	43.9%	51.2%	48.8%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

Profile

Questar Gas is a local gas distribution company that serves over 1 million customers primarily in Utah but also in Wyoming and Idaho. Questar Gas is primarily regulated by the PSCU and the PSCW and generates around $950 million of revenue and about $220 million of EBITDA through its LDC operations.

Questar Gas' ultimate parent company is Dominion Energy Inc. (Baa2 stable), one of the nation's largest producers and transporters of energy, headquartered in Richmond, VA.

Detailed credit considerations

Supportive regulatory environments with key cost recovery features

Questar Gas' credit profile is underpinned by its low-risk gas distribution operations in very supportive regulatory environments. The PSCU and PSCW provide Questar Gas with cost recovery provisions that allow the company to recover prudently incurred costs on a timely basis.

Some of the key regulatory provisions include the company's revenue decoupling mechanism and weather normalization adjustment, which help to provide revenue and cash flow certainty despite fluctuations in customer use patterns. Importantly, the decoupling mechanism also helps Questar Gas to recover its fixed charges in a flat to declining demand environment, which mitigates volume risk. We note that while the company is experiencing declining use on a per-customer basis, the overall service territory demand is experiencing growth of around 2.0% per year - a credit positive.

The company's infrastructure rider accelerates the recovery of certain distribution system investments, once the projects are complete. This will be particularly helpful as the company makes capital expenditures associated with a multi-year high-pressure natural gas feeder-line replacement program. We expect this replacement program to continue to keep Questar Gas' capital expenditures elevated for several years, therefore the rider will accelerate the recovery of this investment and help to maintain a stronger financial profile than would otherwise be possible.

While timely cost recovery has been the norm in Utah and Wyoming, we note that a condition of the Dominion acquisition approval included a base rate freeze for Questar Gas, in both jurisdictions, through 2020. This is credit negative which we expect to result in declining financial metrics over the next two years, but assume that rates and cash flow would increase thereafter.

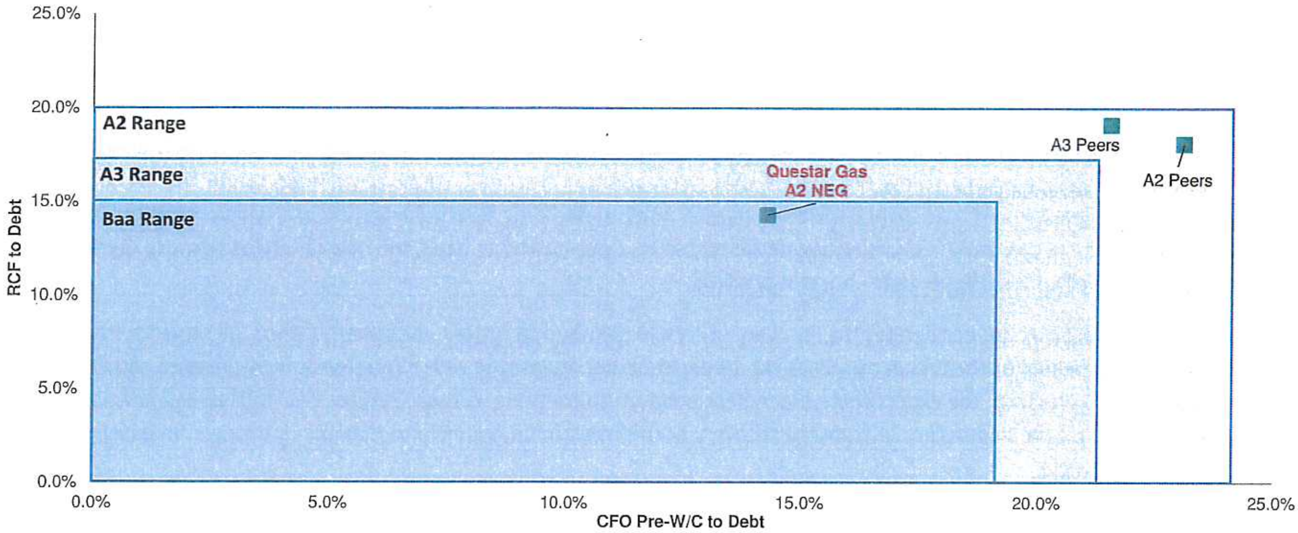
Weakened cash flow will persist over the next 18 months, but managing financial policies should help improve metrics

At about 14%, Questar Gas' ratio of CFO pre-WC to debt through LTM 3Q18, is much lower than A2 LDC peers that have averaged around 23% over the same period. We expect that Questar Gas' financial profile will remain relatively weak through 2020 as a result of the Utah and Wyoming base rate freezes, a robust capital plan and cash flow headwinds due to December 2017 tax reform. For example, we expect cash flow from operations to stagnate around $180 million.

However, management has taken steps to stabilize and improve the company's financial profile until new rates can begin in mid-2020. For example, Questar Gas has made no dividend payments since 4Q16 and has received approval from the UPSC to temporarily increase the equity component of the LDC's capital structure, as a means to improve financial credit metrics. In January 2019, Questar Gas received commission approval to exceed the 55% equity layer of capitalization that was ordered in the 2016 merger approval. This should help stave off the pace of increasing debt during the cash flow stagnation and keep CFO pre-WC to debt - and CFO pre-WC less dividends to debt - between 16-18%.

Despite the greater retained cash flow, the company's financial profile remains weak compared to peer LDCs that have similar cost recovery mechanisms and operate in very supportive regulatory jurisdictions. Exhibit 3 shows a comparison of CFO pre-WC to debt and CFO pre-WC less dividends to debt for Questar Gas and its peers.

Exhibit 3



Source: Moody's Financial Metrics

Parent contagion risk reduced by utility ring-fencing type provisions and de-risking events in 2018

The ring-fencing like provisions put in-place by the PSCU and PSCW help to support Questar Gas' standalone credit profile and provide some downside protections from its highly levered parent. For example, by instituting measures focused on minimum equity levels, rating levels, intercompany lending restrictions, liquidity facility requirements and a "Special Bankruptcy Director" for Questar Gas, we see added regulatory focus on maintaining Questar Gas' individual credit quality. Some of these features also govern the degree to which Dominion can increase Questar Gas' leverage ratios - a credit positive.

Moreover, Dominion made significant progress toward lowering its business and financial risk in 2018. Some of the key features include the reduction of holding company debt by around $8.0 billion ($5.0 billion on a consolidated basis) by way of selling three merchant power generation plants and its 50% interest in Blue Racer (Ba1 stable) midstream gas business with higher risk operations. Furthermore, the acquisition of SCANA Corp. (Ba1 positive) added over $800 million of rate regulated utility cash flow to the consolidated operations and provides more geographic and regulatory diversity going forward.

Low carbon transition risk

Questar Gas has low carbon transition risk within the utility sector because it is a gas LDC and natural gas commodity purchase costs are fully passed through to customers with an effective cost recovery mechanism. Moreover, the company's decoupling mechanism helps to insulate its financial profile from the potential negative impacts of lower sales volume, should usage decline.

Liquidity analysis

Questar Gas' internal liquidity consists of cash flow from operations around $180 million, versus capital expenditures above $230 million. We expect that Questar Gas will maintain a lower dividend payout through 2019, in-line with the past 12 months, but will still require external liquidity sources to maintain an adequate liquidity profile.

To supplement the company's negative free cash flow, Questar Gas has direct access to Dominion's $6.0 billion master credit facility, by way of a $250 million sub-limit. On 30 September, Questar Gas had $110 million of commercial paper (CP) outstanding, leaving around $140 million of available borrowing capacity per the sub-limit. The sub-limit can be increased or decreased multiple times per year and if Questar Gas has liquidity needs in excess of its sub-limit, its needs can be satisfied through short-term intercompany borrowings from Dominion.

The master credit facility is a joint facility that also names affiliates Virginia Electric and Power Company (A2 stable) and Dominion Energy Gas Holdings, LLC (A3 stable) as co-borrowers. The facility matures in March 2023. The joint facilities contain no material adverse change clause for borrowings but do contain a maximum 67.5% debt to capitalization covenant (Questar Gas' specifi covenant is 65%), and all four borrowers have reported that they remain comfortably in compliance with this covenant restriction.

Questar's P-1 CP rating is currently derived from Questar Gas' A2 long-term rating and recognizes that sub-limits for Dominion subsidiaries can be changed at the option of Dominion multiple times per year.

We also note that while it is common practice for Dominion and its subsidiaries to limit CP issuances to amounts available under the revolver backstop, the program documentation has no overt language that restricts CP issuance in this manner. We expect Dominion to continue its practice of maintaining 100% backup, at all times, for funded commercial paper in the form of cash balances and its $6.0 billion of committed bank credit facility. Should there be a deviation of this practice, the P-1 of Questar Gas would be downgraded and could result in negative ratings implications for its long-term debt as well.

Questar Gas also has $40 million and $110 million in notes maturing in December 2024 and December 2027, respectively.

Exhibit 4

Dominion's credit facility profile as of 30 September 2018 [1]

Company	Current Sub-Limit	CP Outstanding	Letters of Credit	Total Use as % of Sub-Limit	Sub-Limit Available
Total	**$ 6,000**	**$ 2,928**	**$ 132**	**51%**	**$ 2,940**
DEI	$ 3,500	$ 1,743	$ 71	52%	$ 1,686
VEPCO	$ 1,500	$ 934	$ 61	66%	$ 505
DEGH	$ 750	$ 141	$ -	19%	$ 609
Questar Gas	$ 250	$ 110	$ -	44%	$ 140

Dominion represents Dominion Energy Inc.'s parent and unregulated operations

[1] This does not incorporate any of the cash receipts from the sale of Blue Racer, merchant assets, and settlement of forward equity sale.

Source: Company reports

Rating methodology and scorecard factors

Exhibit 5
Rating Factors
Questar Gas Company

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2018		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.3x	Aa	5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	20.6%	A	16% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	19.1%	A	16% - 18%	A
d) Debt / Capitalization (3 Year Avg)	44.2%	A	40% - 44%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A2		A3
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2018(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

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Appendix

Exhibit 6

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
As Adjusted					
FFO	**162**	**179**	**157**	**184**	**141**
+/- Other	(37)	16	-	-	-
CFO Pre-WC	**124**	**195**	**157**	**184**	**141**
+/- ΔWC	5	(63)	44	(43)	63
CFO	**129**	**132**	**201**	**141**	**205**
- Div	27	47	30	-	-
- Capex	175	217	240	215	252
FCF	**(72)**	**(132)**	**(69)**	**(74)**	**(47)**
(CFO Pre-W/C) / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
(CFO Pre-W/C - Dividends) / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
FFO / Debt	22.3%	21.5%	17.8%	17.6%	14.3%
RCF / Debt	18.6%	15.9%	14.4%	17.6%	14.3%
Revenue	961	918	921	947	948
Cost of Good Sold	603	553	528	550	561
Interest Expense	30	30	31	35	39
Net Income	56	60	65	70	70
Total Assets	1,969	2,193	2,507	2,698	2,695
Total Liabilities	1,372	1,571	1,853	1,977	1,929
Total Equity	597	621	654	721	766

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 7

Peer Comparison Table [1]

	Questar Gas Company			South Jersey Gas Company			UGI Utilities, Inc.			ONE Gas, Inc			Public Service Co. of North Carolina, Inc.		
	A2 Negative			A2 Negative			A2 Stable			A2 Stable			A3 Negative		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
(in US millions)	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18	Sep-16	Sep-17	Sept-18	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18
Revenue	921	947	948	461	517	538	768	888	1,092	1,427	1,540	1,632	423	470	498
CFO Pre-W/C	157	184	141	118	172	200	215	298	344	296	376	462	128	157	123
Total Debt	883	1,044	992	837	984	1,060	1,000	1,095	1,138	1,608	1,702	1,621	572	747	886
CFO Pre-W/C / Debt	17.8%	17.6%	14.3%	14.1%	17.5%	18.9%	21.4%	27.2%	30.2%	18.4%	22.1%	28.5%	22.4%	21.0%	13.8%
CFO Pre-W/C – Dividends / Debt	14.4%	17.6%	14.3%	14.1%	15.4%	17.0%	16.7%	22.0%	25.8%	13.9%	16.9%	22.6%	16.5%	16.2%	9.0%
Debt / Capitalization	43.9%	51.2%	48.8%	39.3%	45.4%	45.2%	40.5%	40.3%	43.3%	35.6%	40.0%	38.0%	34.9%	43.3%	47.1%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
QUESTAR GAS COMPANY	
Outlook	Negative
Senior Unsecured	A2
Commercial Paper	P-1
ULT PARENT: DOMINION ENERGY, INC.	
Outlook	Stable
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Commercial Paper	P-2

Source: Moody's Investors Service

REPORT NUMBER 1157877

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S
INVESTORS SERVICE

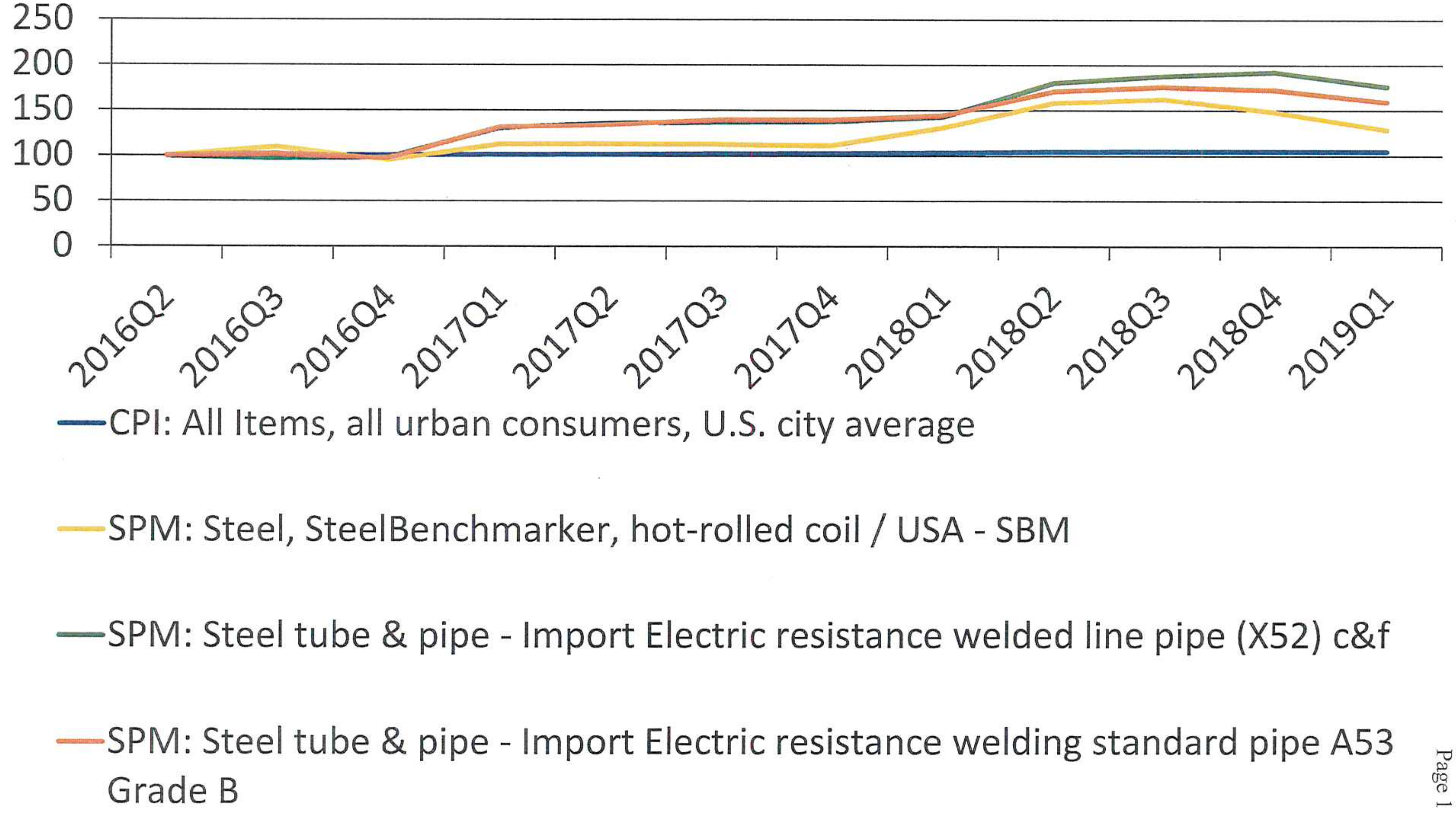
Infrastructure Tracker Annual Inflation Amount

Forecasted Inflation based on Global Insight GDP Deflator - March 2019

	A	B	C	D	E	F
	Year	Real GDP	Nominal GDP	Deflator (Col. C / Col. B)	Inflation Rate (Using GI GDP Deflator)*	Adjusted Amount (Previous yr bal X Col E)
1	2014	16,899.8	17,521.7	1.04		65,000,000
2	2015	17,386.7	18,219.3	1.05	1.07	65,695,135
3	2016	17,659.2	18,707.2	1.06	1.09	66,413,512
4	2017	18,050.7	19,485.4	1.08	1.90	67,675,887
5	2018	18,574.0	20,508.5	1.10	2.29	69,222,477
6	2019	19,084.8	21,594.3	1.13	2.48	70,936,572
7	2020	19,413.8	22,365.4	1.15	1.82	72,224,543

*Previous year deflator divided by current year deflator

Electric Resistance Welded Line Pipe vs. CPI



My Commodities

Commodity	% Change 2016Q2 - 2019Q1
CPI: All Items, all urban consumers, U.S. city average	4.9%
SPM: Steel, SteelBenchmarker, hot-rolled coil / USA - SBM	28.64%
SPM: Steel tube & pipe - Import Electric resistance welded line pipe (X52) c&f	76.4%
SPM: Steel tube & pipe - Import Electric resistance welded standard pipe A53 Grade B	59.35%

Redacted

Dominion Energy Utah
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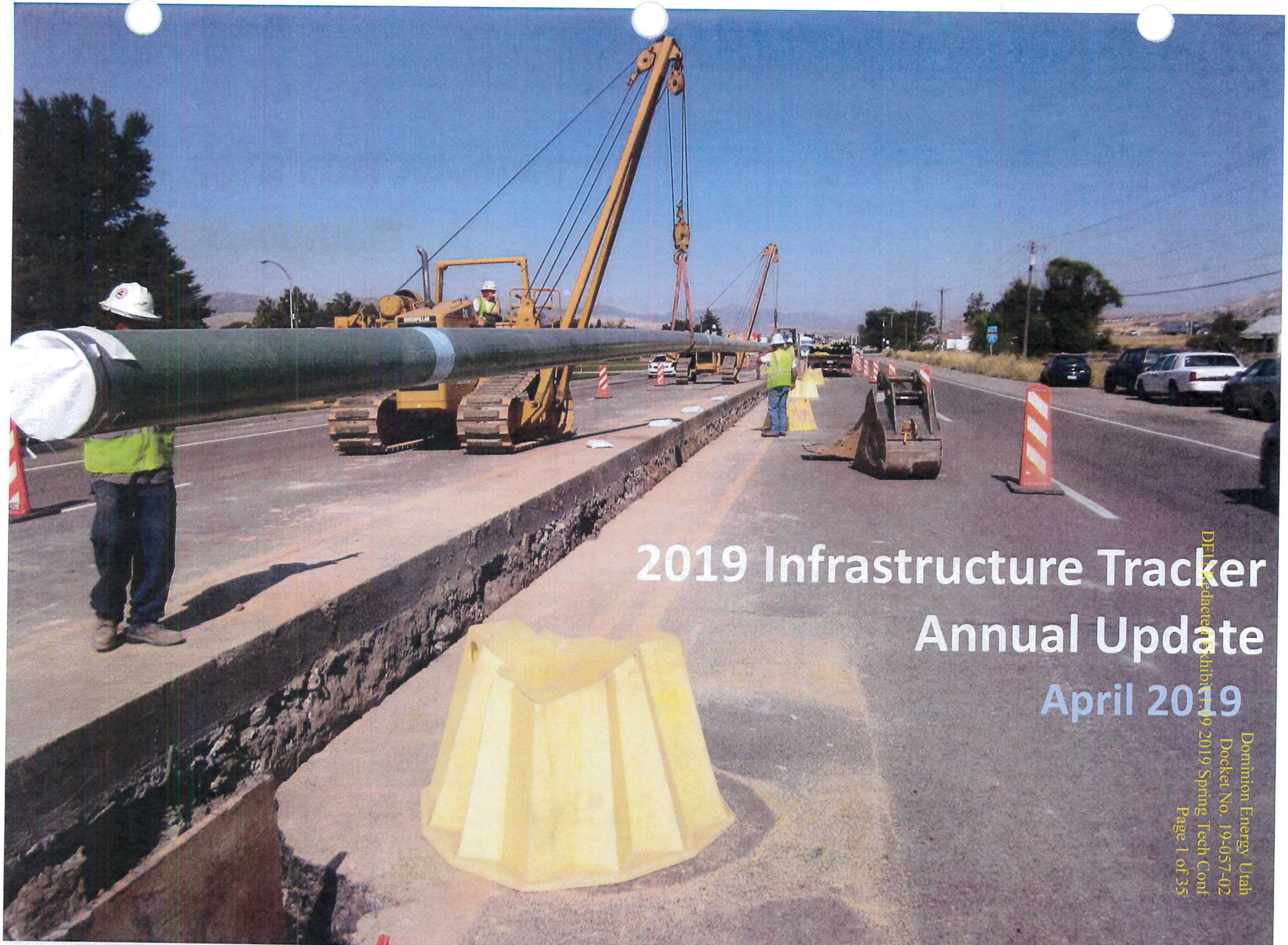
DEU Redacted Exhibit 1.08

Bid Year	**Size**	**Grade**	**Bare 1/**
2014	8	x52	[redacted]
2014	8	x52	
2014	12	x52	
2015	8	x52	[redacted]
2015	16	x52	
2016	6	x52	[redacted]
2016	24	x65	
2017	8	x52	[redacted]
2017	24	x65	
2018	8	x52	[redacted]
2018	12	x52	
2018	12	x65	
2018	24	x52	
2018/2014 Change	**Size**	Grade	Variance Percentage Increase
	8	x52	[redacted]
	12	x52	

1/ The Company purchases the steel bare and then has it coated as an extra step.



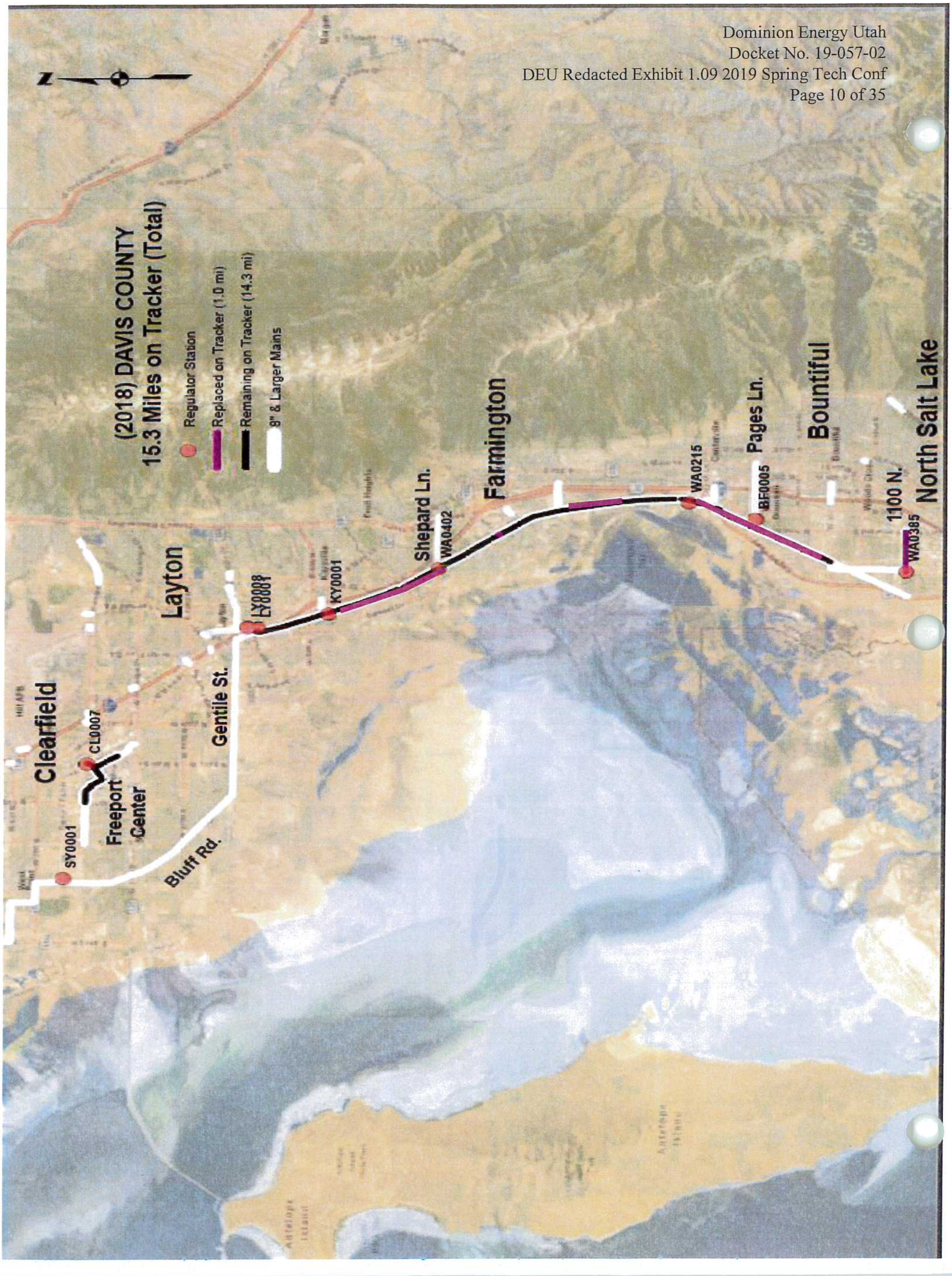
2019 Infrastructure Tracker Annual Update

April 2019

Agenda

- Belt Line Replacement
  - 2019 Projects Update
  - Scheduling
  - 2018 Cost Variance
- High Pressure Replacement
  - 2019 Projects Update
  - Scheduling
  - 2018 Cost Variance


(2018) WEBER COUNTY
17.1 Miles on Tracker (Total)
Regulator Station
Replaced on Tracker (3.1 mi)
Remaining on Tracker (14.0 mi)
8" & Larger Mains
Harrison Blvd.
Weber State
6200 S.
WA0134
2nd St.
GD0041
23rd St.
30th St.
Washington
Wall Ave.
GD0040
San Jose St.
WA0048


(2018) DAVIS COUNTY
15.3 Miles on Tracker (Total)
Regulator Station
Replaced on Tracker (1.0 mi)
Remaining on Tracker (14.3 mi)
8" & Larger Mains
Clearfield
CL0007
SY0001
Freeport Center
Bluff Rd.
Gentile St.
Layton
LY0008
LY0001
KY0001
Shepard Ln.
WA0402
Farmington
WA0215
Pages Ln.
BF0005
Bountiful
1100 N.
WA0385
North Salt Lake

Belt Line Pipe

Original Tracker Pipe	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Belt Line Pipe

Original Tracker Pipe

	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Retired Tracker Pipe

	Footage	Miles
Salt Lake County	64,099	12.1
Utah County	18,309	3.5
Weber County	16,198	3.1
Davis County	22,328	4.2 *
Total	**120,934**	**22.9**

* Davis County footages are estimated pending mapping update

Belt Line Pipe

Original Tracker Pipe

	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Retired Tracker Pipe

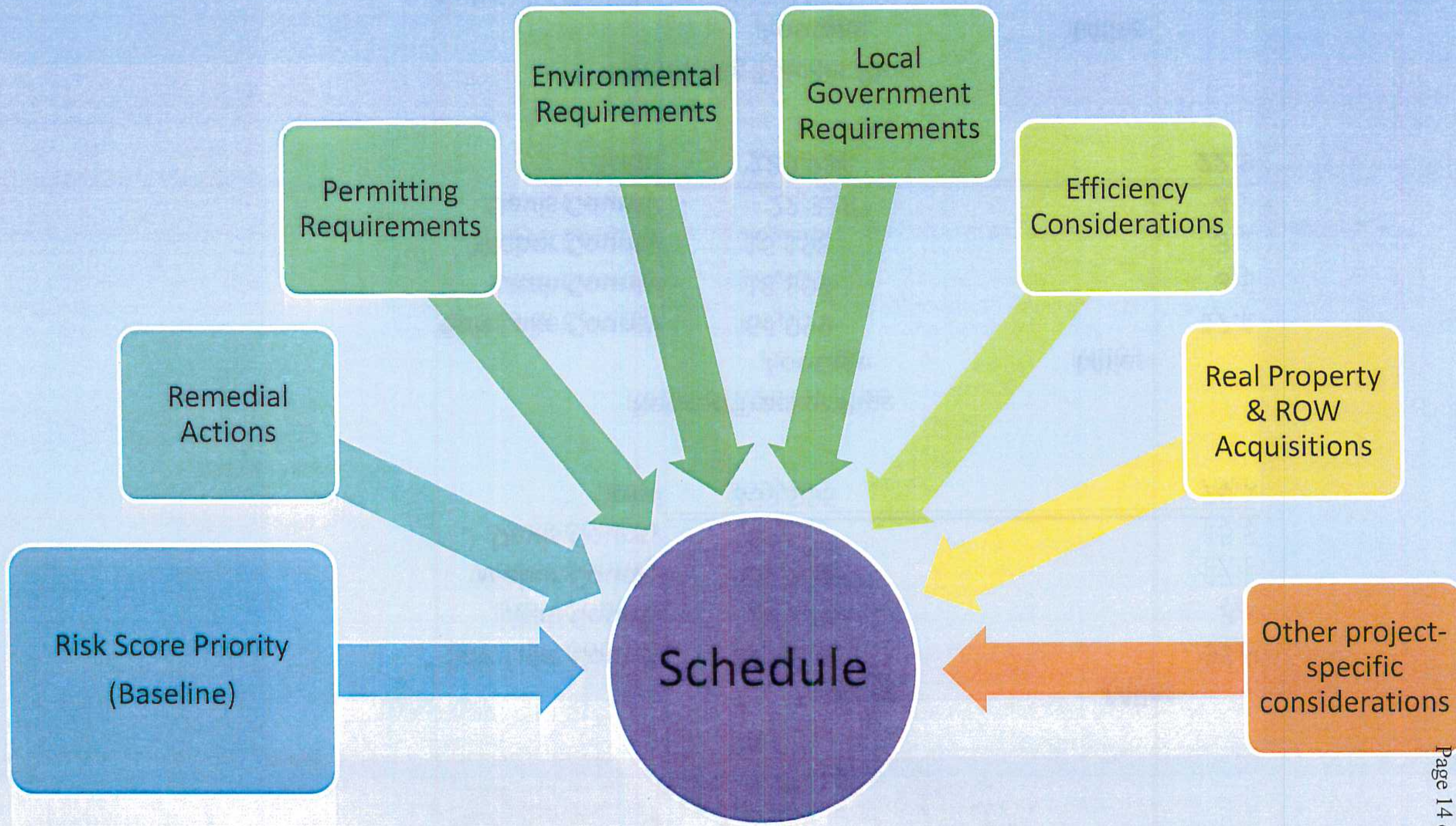
	Footage	Miles
Salt Lake County	64,099	12.1
Utah County	18,309	3.5
Weber County	16,198	3.1
Davis County	22,328	4.2 *
Total	**120,934**	**22.9**

Remaining Tracker Pipe

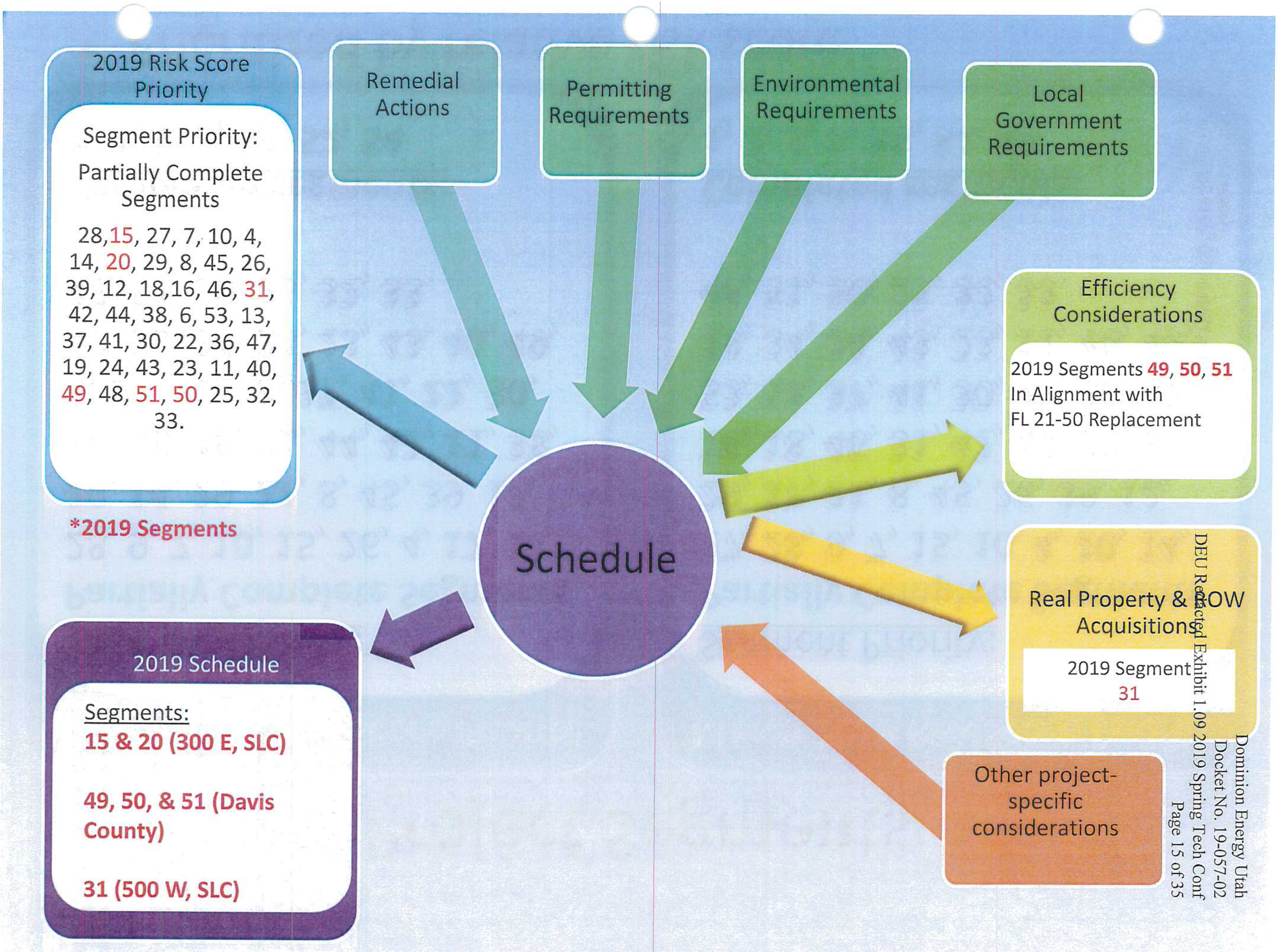
	Footage	Miles
Salt Lake County	137,346	21.8
Utah County	5,104	0.3
Weber County	74,090	14.0
Davis County	58,278	11.1
Total	**274,818**	**47.2**

* Davis County footages are estimated pending mapping update

Scheduling Criteria
Belt Line Replacements



Scheduling per Section III of the Settlement Stipulation, Docket 13-057-05, Exhibit 5


2019 Risk Score Priority
Segment Priority:
Partially Complete Segments
28,15, 27, 7, 10, 4, 14, 20, 29, 8, 45, 26, 39, 12, 18,16, 46, 31, 42, 44, 38, 6, 53, 13, 37, 41, 30, 22, 36, 47, 19, 24, 43, 23, 11, 40, 49, 48, 51, 50, 25, 32, 33.
*2019 Segments
Remedial Actions
Permitting Requirements
Environmental Requirements
Local Government Requirements
Efficiency Considerations
2019 Segments 49, 50, 51
In Alignment with
FL 21-50 Replacement
Schedule
Real Property & ROW Acquisitions
2019 Segment
31
Other project-specific considerations
2019 Schedule
Segments:
15 & 20 (300 E, SLC)
49, 50, & 51 (Davis County)
31 (500 W, SLC)

Project Segments

March 2018 Risk Score Priority

Segment Priority:

Partially Complete Segments

28, 9, 7, **10**, 15, 26, **4**, **17**, 27, **20**, 14, 29, **21**, 8, 45, 39, 12, **16**, 18, 46, 31, 44, 42, 11, 38, 6, 53, 36, **13**, **37**, **41**, **22**, 30, 47, 19, 34, 24, 23, 43, **40**, 49, 48, 51, 50, 25, 32, 33.

Completed segments:

1, 2, 3, 5, 35, 52, 54

March 2019 Risk Score Priority

Segment Priority:

Partially Complete Segments

27, 28, 9, 7, 15, **10**, **4**, **20**, 14, 29, **17**, **21**, 8, 45, 26, 39, 12, **16**, 18, 46, 31, 42, 44, 38, 6, 53, **13**, **37**, **41**, 30, **22**, 36, 47, 19, 34, 24, 43, 23, 11, **40**, 49, 48, 51, 50, 25, 32, 33.

Completed segments:

1, 2, 3, 5, 35, 52, 54

- Prioritized by relative risk score

Belt Line 2018 Cost Variances

Project	Budget	Actual	Variance	Explanation
Salt Lake County	$7,500,000	$3,987,229	$3,512,771	Due to a ROW issue and contamination, this work could not be completed in 2018.
Utah County	$750,000	$1,247,673	($497,673)	Permit fees were far beyond the budget amount and caused a significant shift in total project costs.
Davis County	$4,100,000	$5,425,355	($1,325,355)	This Belt Line work is associated with the FL21 work in Davis County. During installation it is preferable to have the 24" HP put in place prior to the 8" IHP line. Due to the complications experienced with FL21, Belt line experienced similar delays and cost escalations.
Total	**$12,350,000**	**10,660,257**	**$1,689,743**	

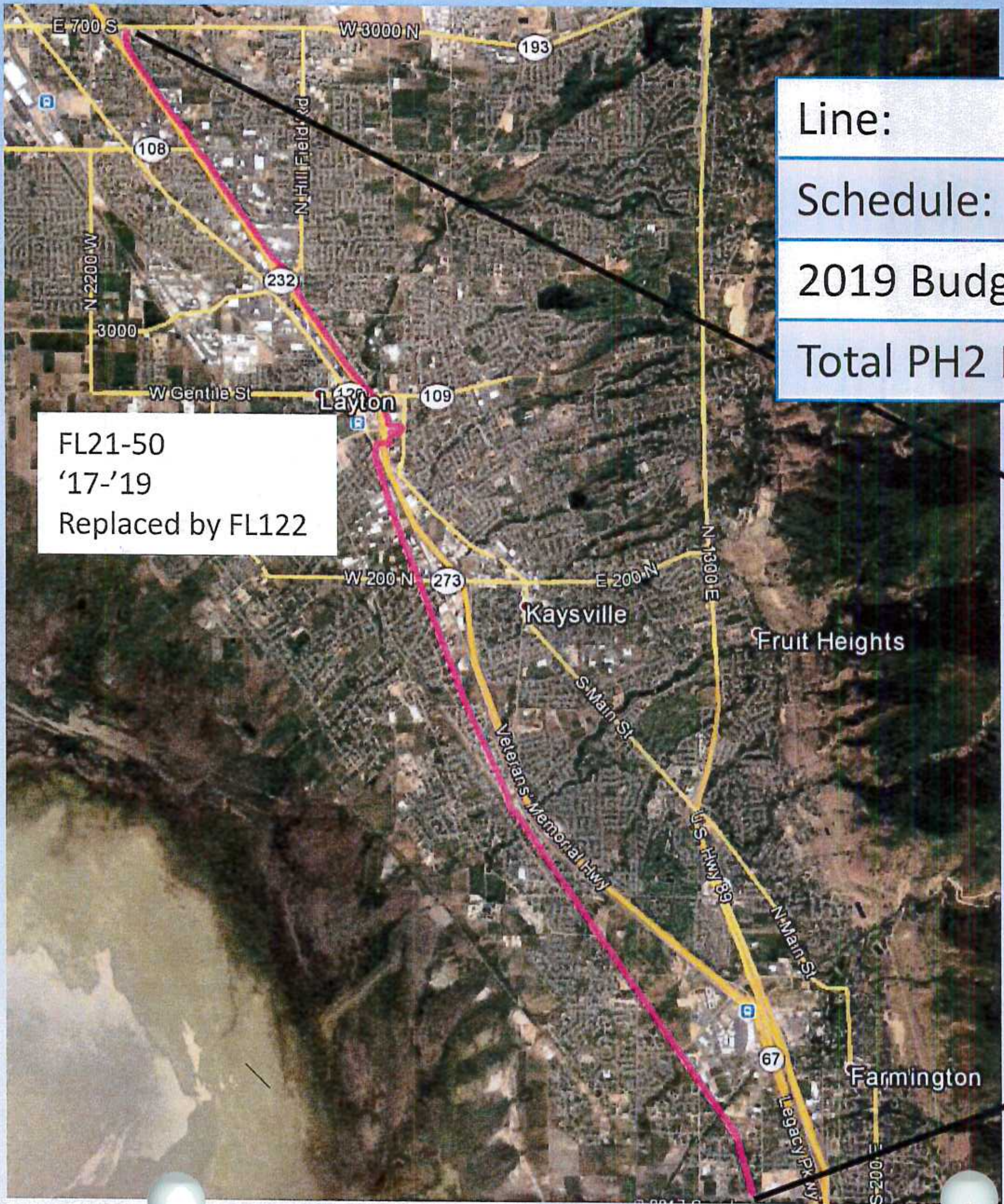
Questions?

High Pressure Replacement

- HP Replacement Program
  - 2019 Projects Update
  - Scheduling
  - 2018 Cost Variance

Feeder Line Replacement Update

Line:	21-50 (FL122)
Schedule:	2017-2019
2019 Budget:	$16,535,000 (shared)
Total PH2 Footage:	Approx. 59,664 ft.

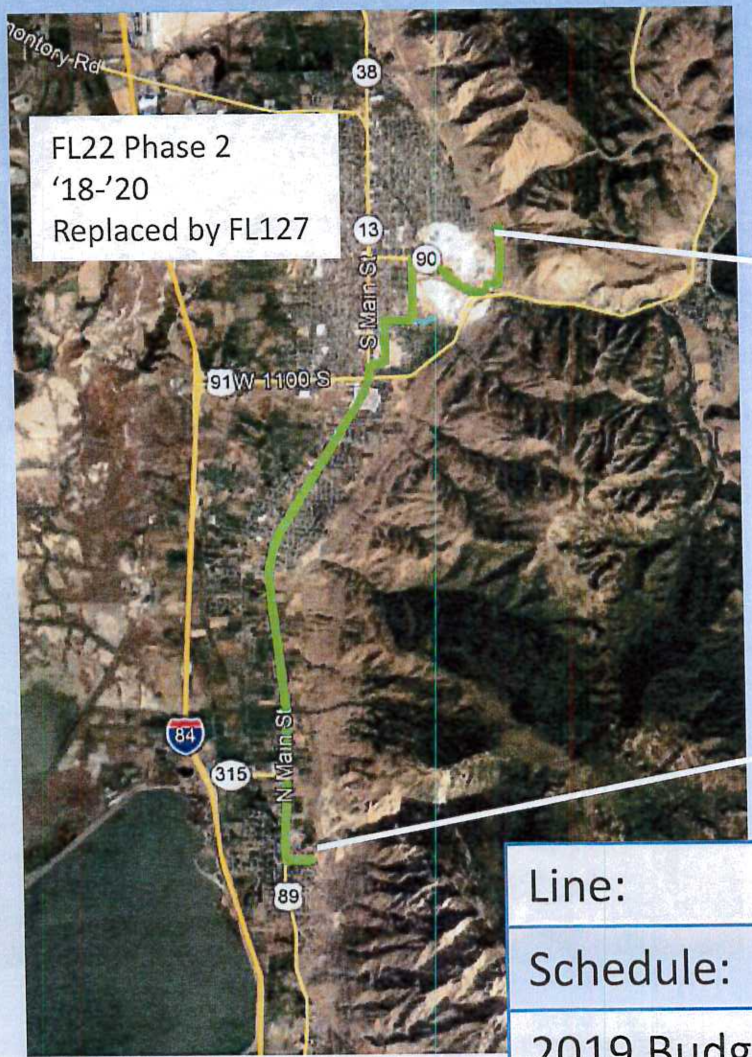


FL21-50
'17-'19
Replaced by FL122

Feeder Line Replacement Update

Line:	FL22/23 (FL127) PH1
Schedule:	2018-2020
2019 Budget:	$34,351,572 (Shared)
Total PH1 Footage:	Approx. 40,000 ft.

Feeder Line Replacement Update



Line:	FL22 (FL127) PH2
Schedule:	2019-2020
2019 Budget:	$34,351,572 (Shared)
Total PH2 Footage:	Approx. 55,000 ft.

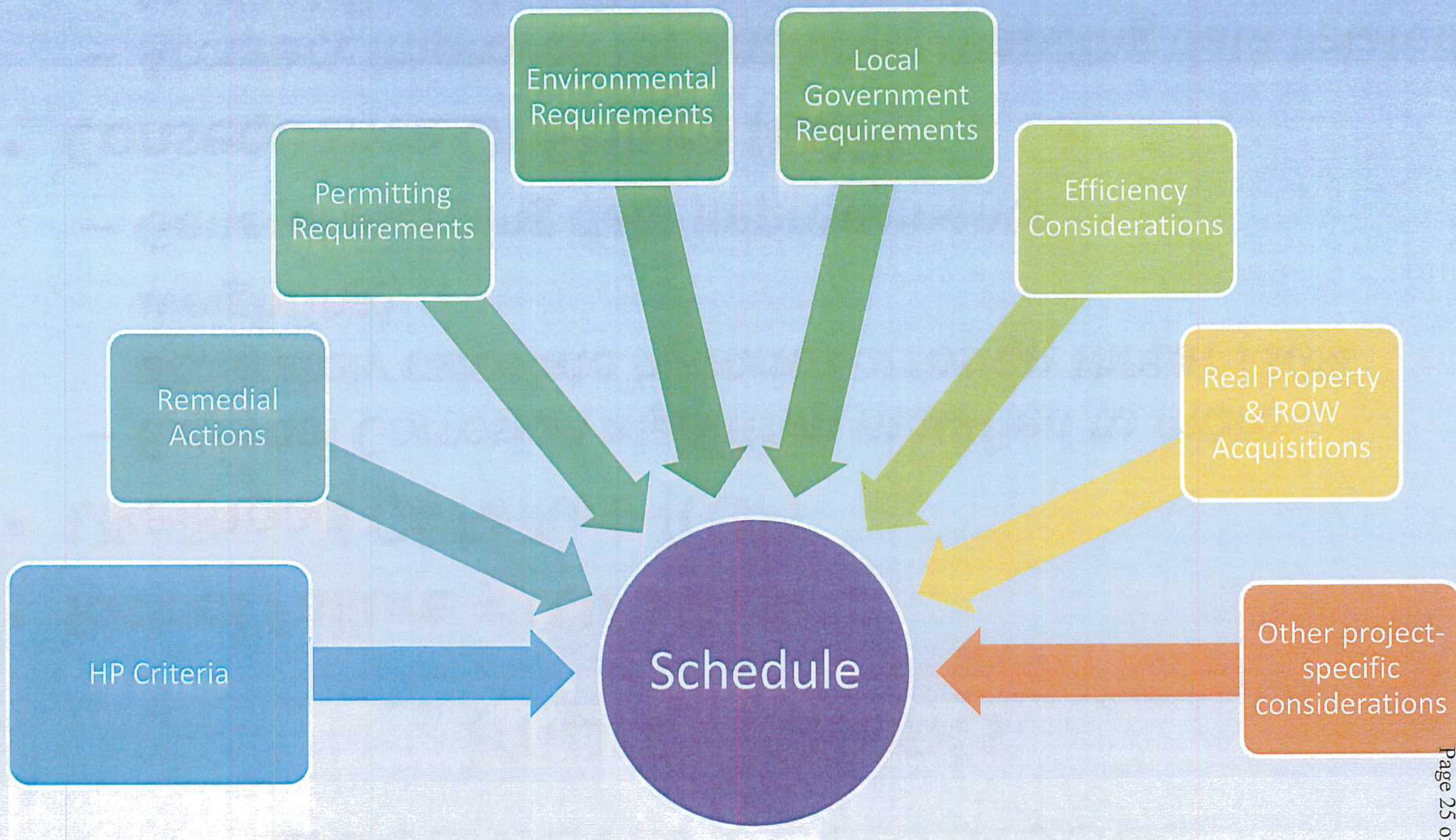
Feeder Line Update

Line:	FL47
Schedule:	2019
2019 Budget:	$3,000,000
Total Footage:	5,174'

2019 Schedule

Line	Location
FL21-50	Davis County
FL47	Davis County
FL22	Box Elder
FL23	Cache County

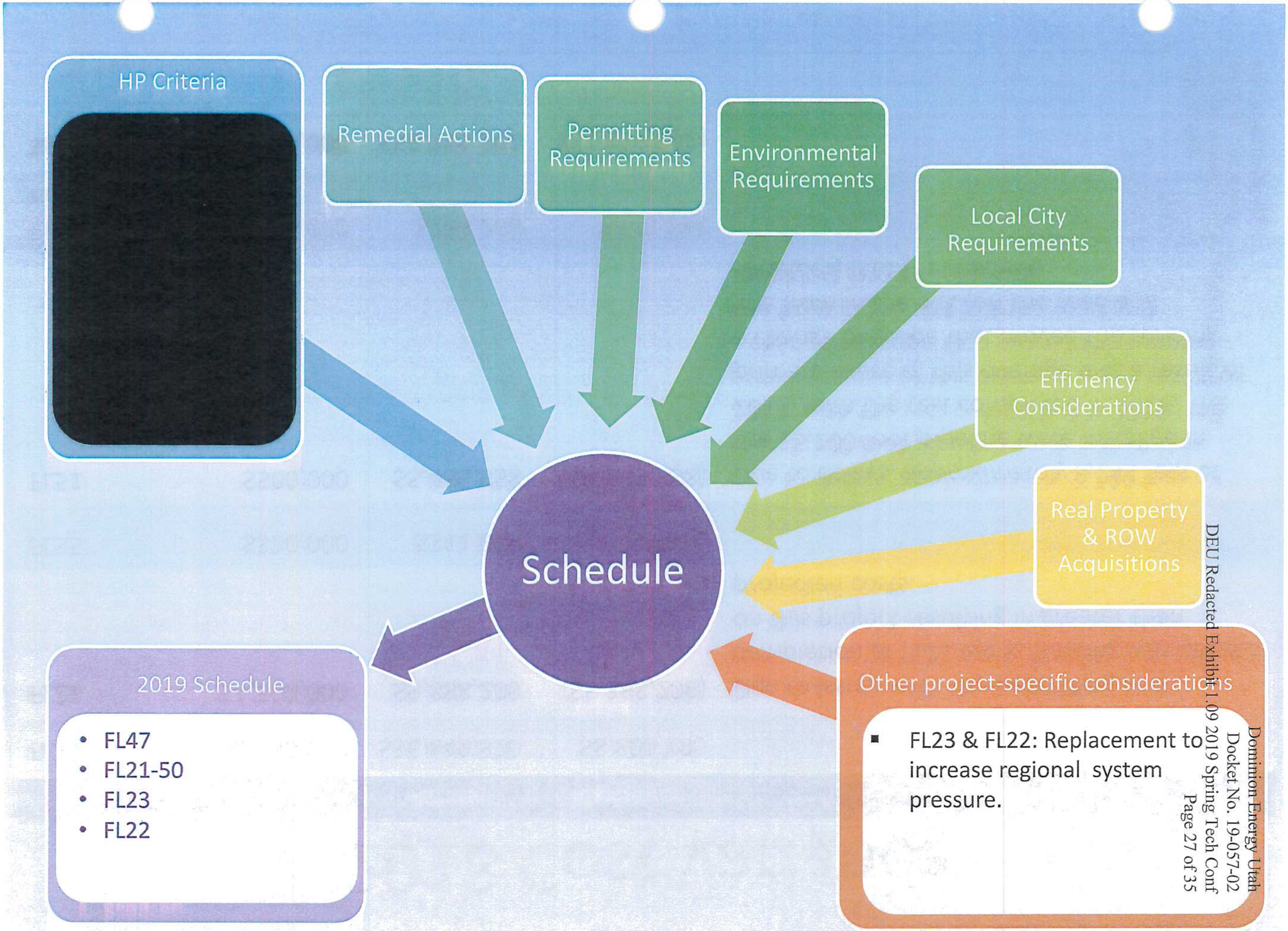
Scheduling Feeder Line Replacements



Scheduling per Section III of the Settlement Stipulation, Docket 13-057-05, Exhibit 4

2018 FL Risk Continuous Improvements

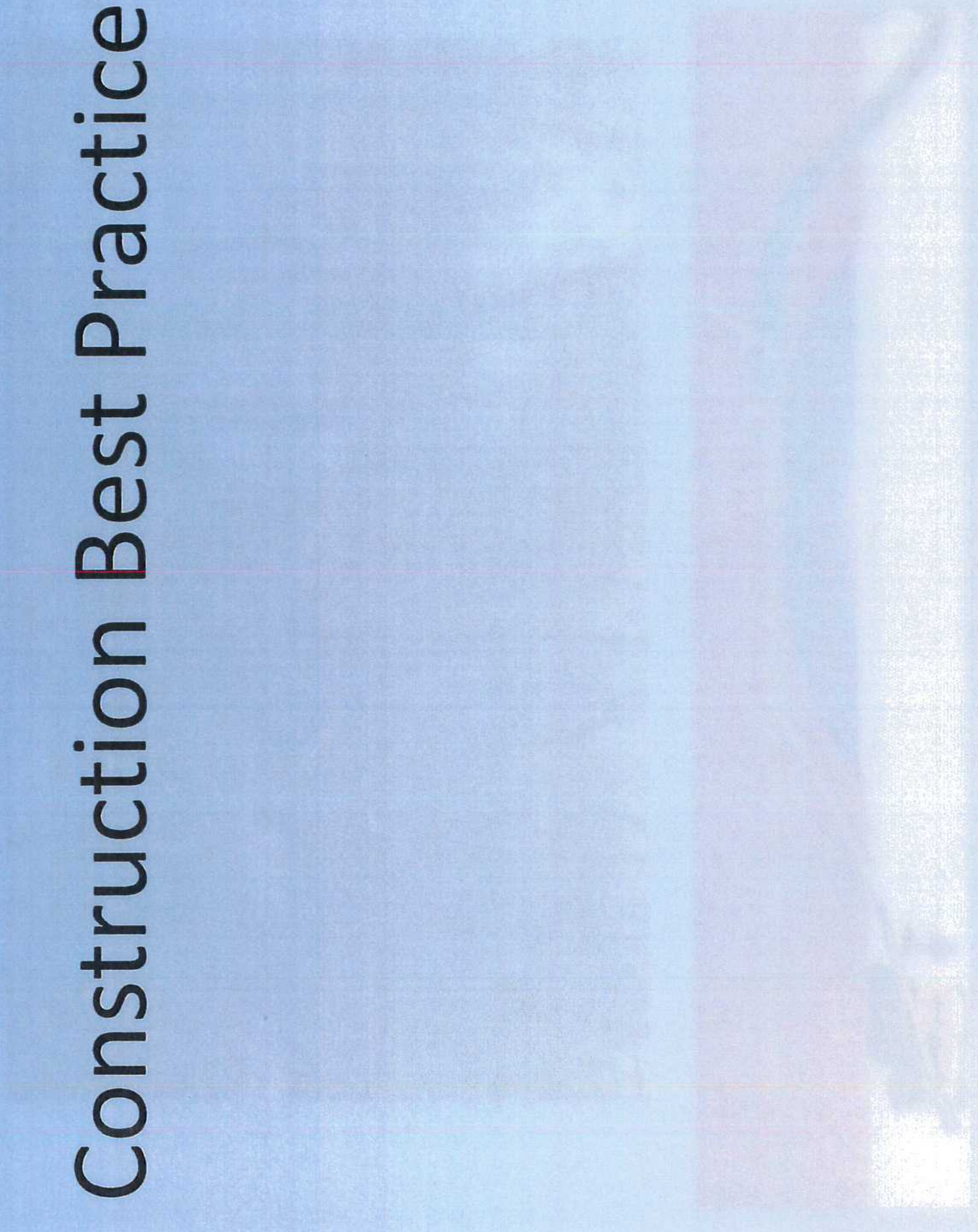
- Risk of Failure = LOF x COF
- Likelihood Of Failure (LOF)
  - External Corrosion algorithm modified to more accurately calculate historic corrosion threat (30% weighting)
  - General mapping data improvements
- Consequence Of Failure (COF)
  - Accuracy improved for analyzing mapping data related to identified sites (80% weighting)
  - General mapping data improvements


HP Criteria
[redacted]
Remedial Actions
Permitting Requirements
Environmental Requirements
Local City Requirements
Efficiency Considerations
Real Property & ROW Acquisitions
Other project-specific considerations
FL23 & FL22: Replacement to increase regional system pressure.
Schedule
2019 Schedule
FL47
FL21-50
FL23
FL22

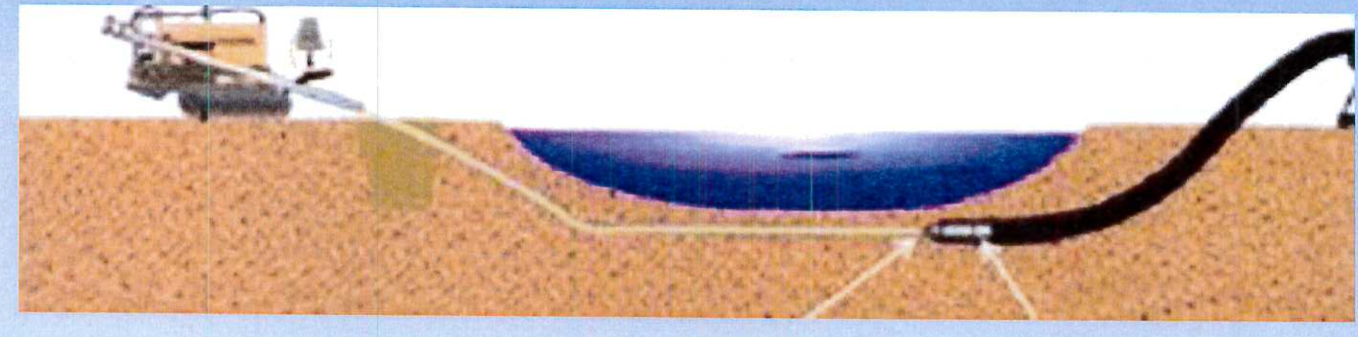
2018 Cost Variance

Project	Budget	Actual	Variance	Explanation
FL21	$45,650,000	$36,849,820	$8,800,180	
FL23	$4,500,000	$9,888,209	($5,388,209)	Due to issues with the permitting and completion of FL21 work, funding was utilized on this project resulting in greater than projected costs.
FL35	$320,000	$311,049	$8,951	
FL51	$500,000	$5,465,958	($4,965,958)	Due to delays, approximately 9,744 feet of the 15,100 foot pipeline were installed in 2017, with the rest completed in 2018. The primary cause of this overage was a result of a change of scope that moved the running line from in the dirt (off the road and shoulder) into the roadway.
Pre-engineering	$550,000	$204,266	$345,734	
Total	**$51,520,000**	**$52,719,302**	**($1,199,302)**	

Construction Best Practices



Inadvertent Returns



*Not Dominion Energy

Horizontal Directional Drill Practice

- A drilling plan must be in place and approved by the Project Engineer with input from DE Environment & Sustainability (DEES) and DE Environmental Compliance (EC) the site specific plan of how to execute the HDD, including maximum and minimum pressures, depths, and lengths, done by a string by string analysis

- For sensitive crossing this plan must include:
- A geotechnical study on the potential for an Inadvertent Return
- Specific list of equipment to be used during the drilling operation for the specific project
- Map or redlined Company drawing showing expected Bore Pit locations. Any sensitive crossings must be highlighted
- Site specific list identifying risks and how to mitigate those risks
- Abandonment of a drill string, if needed
- Site Specific Inadvertent Return monitoring (how & at what frequency), prevention and response
- This must include all equipment & materials that will be on-site in the event of an IR

Dominion Energy

Methane Reduction

- Isolate system
- Utilize customer demand to draw pressure down
- Use ZeVac to pump remaining gas from isolated section into the system
- Commence Tie in

Pickling

- As a distribution company we are required to odorize our Natural Gas
- Typically done at Gate Stations
- New long line pipe can remove odorant
- Previous process wasn't standardized
- Dominion creating a standardized process
  - Inject additional odorant
  - Monitor odorant levels

AC Mitigation

- Greater AC presence= Greater interference
- Induced current presents risk to
  - Natural Gas Facilities
  - People
- Mitigation includes installation of zinc ribbon and zinc matting

QUESTIONS?

	(A) Year	(B) Capital Spend	(C) Tracker Spend	(D) Non Tracker Spend	
1	2010	110,869,624	36,739,342	74,130,282	*Tracker Pilot Program went into effect June 2010
2	2011	127,596,959	58,767,529	68,829,430	
3	2012	161,188,420	58,773,693	102,414,727	
4	2013	177,262,763	54,890,577	122,372,186	
5	2014	161,542,087	68,233,344	93,308,743	
6	2015	237,710,295	66,425,036	171,285,259	
7	2016	237,903,958	70,556,816	167,347,142	
8	2017	211,143,679	68,991,700	142,151,979	
9	2018	212,196,346	63,132,081	149,064,265	
10	2019	233,300,000	70,936,572	162,363,428	
11		1,870,714,132	617,446,690	1,253,267,442	

	A	B	
		Revised Revenue Requirement	
1	Total Net Investment	$130,000,000	
2	Less: Amount currently in rates	($92,000,000)	
3	Budget Overspend for 2020	($2,000,000)	1/
4	Budget Underspend for 2021	$1,000,000	2/
5	Replacement Infrastructure in Tracker	$37,000,000	
6	Less: Accumulated Depreciation	$127,382	
7	Accumulated Deferred Income Tax	(1,776,674)	
8	Net Rate Base	$35,350,708	
9	Current Commission-Allowed Pre-Tax Rate of Return	10.69%	
10	Allowed Pre-Tax Return (Line 8 x Line 9)	$3,777,347	
11	Plus: Net Depreciation Expense	$777,000	
12	Net Taxes Other Than Income (1.2% x Line 6)	$424,208	
13	Total Revenue Requirement	$4,978,555	

1/ Adjustment for the budget overspend in 2020.
2/ Adjustment for the budget underspend in 2021.

REDACTED

Change in HP Master List Footage

	A	B	C	D	E	F	G	H	I	J	K	L
	Line (Segment)	[redacted]										
1	FL04											
2	FL06											
3	FL08 (2013 project, not scheduled after 13)											
4	FL011											
5	FL011-1(a)											
6	FL012											
7	FL012-1											
8	FL012-2											
9	**Total FL012**											
10	FL013											
11	FL014											
12	FL015											
13	FL015-1											
14	FL015-2											
15	**Total FL015**											
16	FL016											
17	FL016-10											
18	FL018											
19	FL018-3											
20	FL019											
21	FL020 (2013 project, not scheduled after 13)											
22	FL021											
23	FL021-10											
24	FL021-13											
25	FL021-19											
26	FL021-20											
27	FL021-4											
28	FL021-5											
29	FL021-50(a)											
30	FL021-50(b)											
31	**Total FL021**											
32	FL022											
33	FL023											
34	FL023-2											
35	FL024											
36	FL026											
37	FL026											
38	**Total FL0 26**											
39	FL028(a)											
40	FL029											
41	FL029-10											
42	FL032											
43	FL033											
44	FL034											
45	FL035(b)											
46	FL036(b)											
47	FL038											
48	FL041(b)											
49	FL041(c)											
50	**Total FL0 41**											
51	FL042											
52	FL042-3											
53	FL043											
54	FL043-3											
55	**Total FL0 43**											
56	FL045											
57	FL046											
58	FL047											
59	FL048											
60	FL050 (2013 project, not scheduled after 13)											
61	FL051											
62	**Total FL0 51**											
63	FL086-1											
64	FL089											
65	FL097											
66	FL098											
67	FL0 11-2A											
68	FL011-2											
69	**Total FL0120 Footage 3/**											
70	**Total Footage**											
71	**Total Miles (Line 71 / 5280)**											

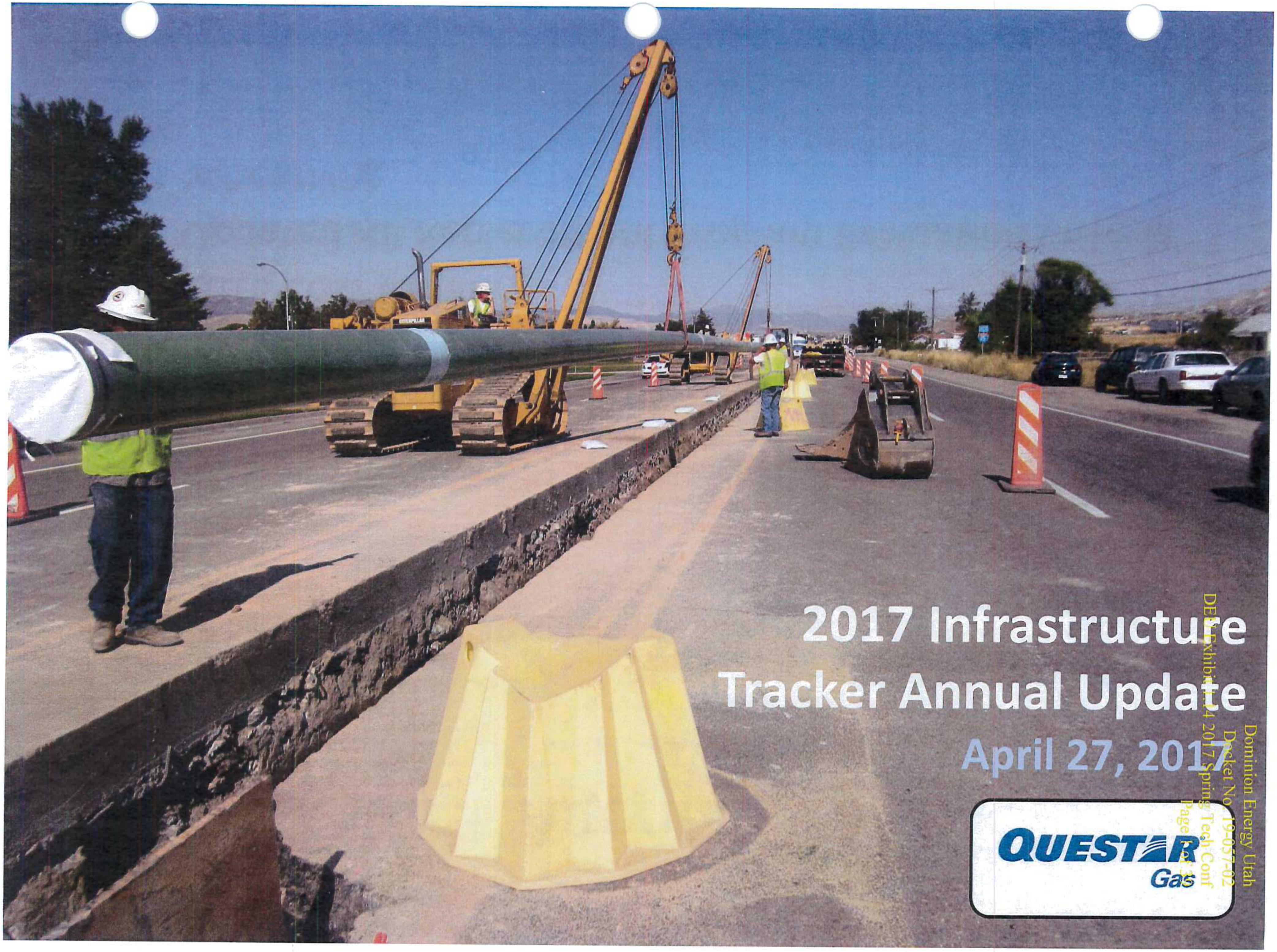
1/ 21,513 feet were excluded from the original master list for the following reasons. First, 15,913 feet were not properly queried on Feeder Line 38 and were

2/ The retirement of 24,657 feet on FL022 was not included in the infrastructure tracker program because the project was for retirement only, not replacement under the

3/ FL0-11-2 and FL011-2A have been combined and renamed to FL0120

Summary of Intermediate High Pressure Replacement

	A	B	C	D	E
	2013 Master List	Total Replacement	2016 Master List	Total Replacement	2019 Master List
1 Salt Lake County	178,848	(29,156)	149,692	(34,943)	114,749
2 Utah County	20,242	(15,138)	5,104	(3,171)	1,933
3 Weber County	90,259	(16,311)	73,948	113	74,061
4 Davis County	80,606	(5,398)	75,208	(46,177)	29,031
5 Total	369,955	**(66,003)**	**303,952**	**(84,178)**	**219,774**
6 Miles (Line 5 / 5280)	**70.1**	**-12.5**	**57.6**	**-15.9**	**41.6**


2017 Infrastructure
Tracker Annual Update
April 27, 2017
QUESTAR
Gas

Agenda

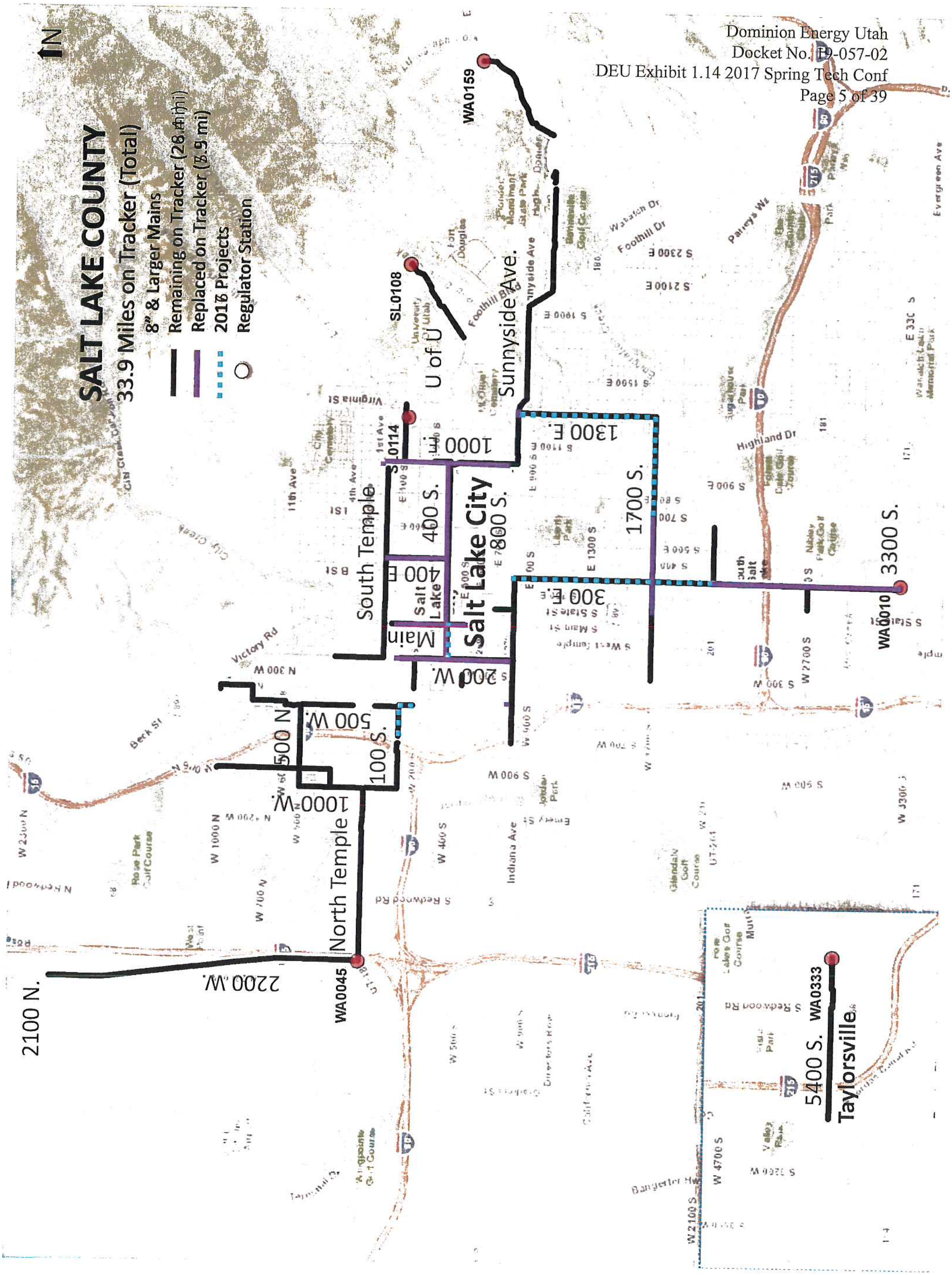
- PHMSA Mega Rule
- Belt Line Replacement
  - 2017 Projects
  - Scheduling
  - 2016 Cost Variance
- High Pressure Replacement
  - 2017 Projects Update
  - 2016 Cost Variance
  - Updated HP Replacement Program Evaluation Criteria
  - Scheduling

Pipeline Safety "Mega Rule" (not final)

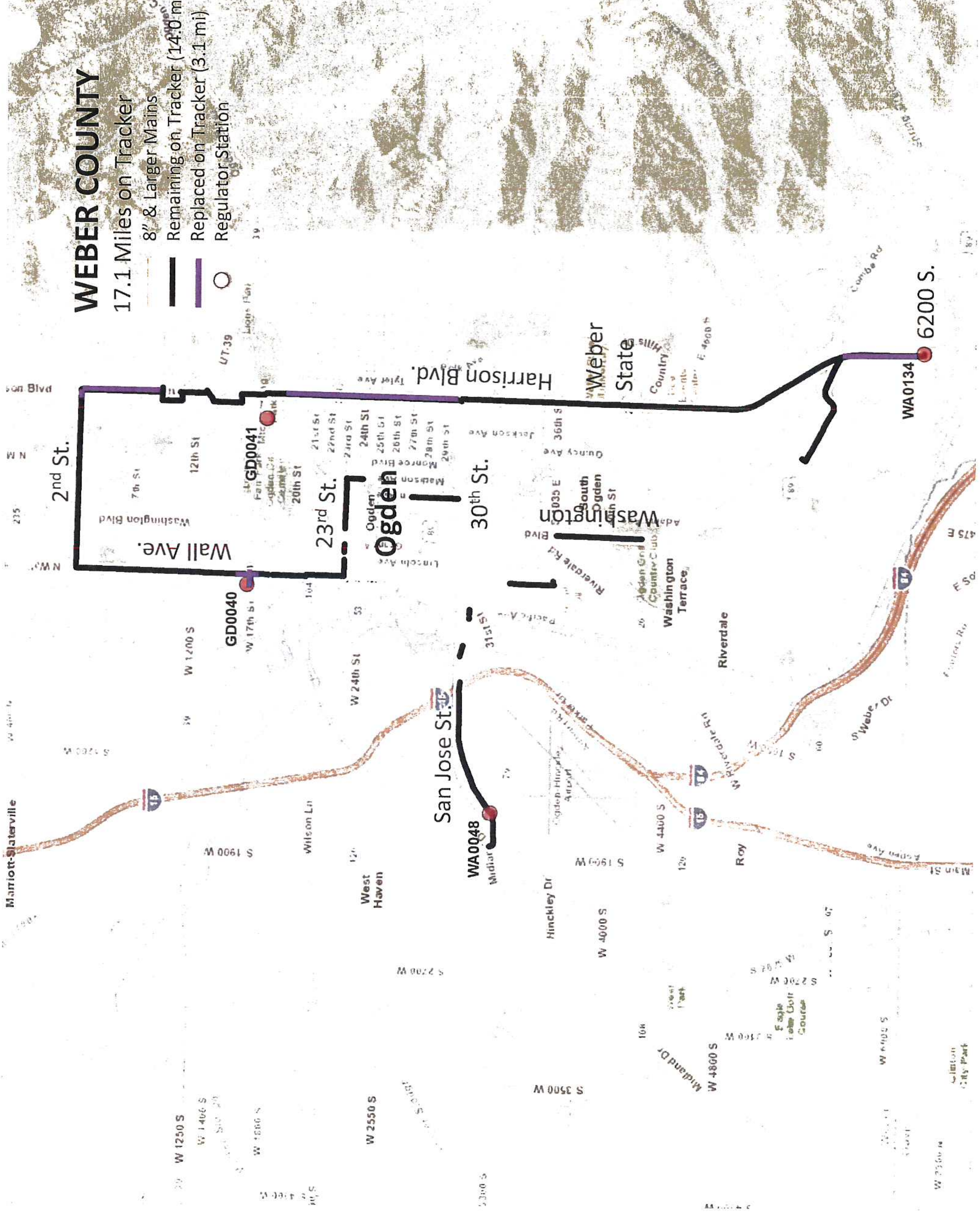
- New Administration Impacts
  - Delay of final rule
  - Speculation that non-statutory parts may be removed or reduced in scope (NTSB items)
    - Example: "the proposed rule's guidance for verifying the maximum allowable operating pressures and materials of pipelines goes beyond what is covered under Congress' mandate to the agency"
  - No clarifying information to date has been provided by PHMSA

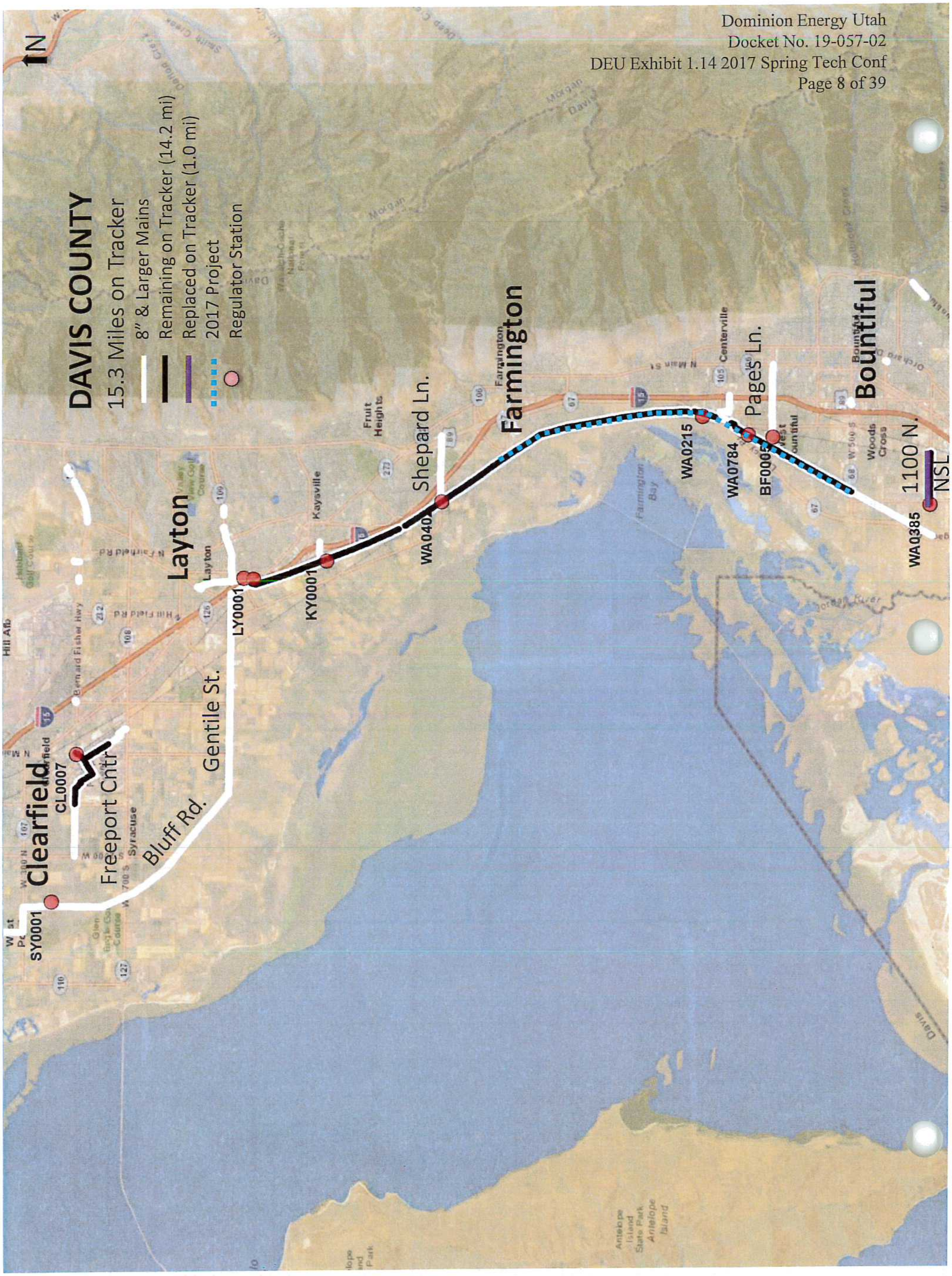
Belt Line Replacement

- Belt Line Maps
- Pipe Retired
- Pipe Remaining
- Work Prioritization
- Belt Line 2017
  - Schedule
  - Progress Update


N
SALT LAKE COUNTY
33.9 Miles on Tracker (Total)
8" & Larger Mains
Remaining on Tracker
Replaced on Tracker
Projects
Regulator Station
WA0159
SL0108
U of U
Sunnyside Ave.
1300 E.
1000 E.
1700 S.
3300 S.
WA0010
300 E.
Salt Lake City
800 S.
400 S.
400 E.
South Temple
Main
200 W.
500 W.
500 N
100 S.
1000 W.
North Temple
WA0045
2200 W.
2100 N.
WA0333
5400 S.
Taylorsville


N
UTAH COUNTY
3.8 Miles on Tracker
8" & Larger Mains
Remaining on Tracker (1.0 mi)
Replaced on Tracker (2.8 mi)
2017 Project
Regulator Station
PV0001
PV0004
PV0007
WA0108
800 N.
800 W
400 S.
State St.
BYU
Provo
N University Ave
Provo Bay
Utah Lake
Provo Municipal Airport
S Geneva Rd
N Geneva Rd
State Canyon Dr
N 2000 W


WEBER COUNTY
17.1 Miles on Tracker
8” & Larger Mains
Remaining on Tracker (14.0 mi)
Replaced on Tracker (3.1 mi)
Regulator Station
N
2nd St.
Wall Ave.
23rd St.
Ogden
30th St.
Harrison Blvd.
Weber State
Washington
San Jose St.
6200 S.
GD0040
GD0041
WA0048
WA0134


N
DAVIS COUNTY
15.3 Miles on Tracker
8" & Larger Mains
Remaining on Tracker (14.2 mi)
Replaced on Tracker (1.0 mi)
2017 Project
Regulator Station
Clearfield
CL0007
Freeport Cntr
Bluff Rd.
Gentile St.
SY0001
Layton
LY0001
KY0001
Shepard Ln.
WA0407
Farmington
WA0215
WA0784
Pages Ln.
BF0005
Bountiful
1100 N.
NSL
WA0385

Belt Line 2016 Cost Variances

Project	Budget	Actual	Variance	Explanation
Salt Lake County	8,215,000	8,458,628	(243,628)	Re-route of 16" pipe on 300 East resulted in an additional approximate 1,600' of pipe installation.
Davis County	75,000	241,209	$(166,209)	Installation costs higher than anticipated
Total	**$8,290,000**	**$8,699,837**	**$(373,422)**	

Belt Line Pipe

Original Tracker Pipe	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Belt Line Pipe

Original Tracker Pipe

	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Retired Tracker Pipe

	Footage	Miles
Salt Lake County	41,502	7.9
Utah County	15,138	2.9
Weber County	16,169	3.1
Davis County	5,398	1.0
Total	**78,207**	**14.8**

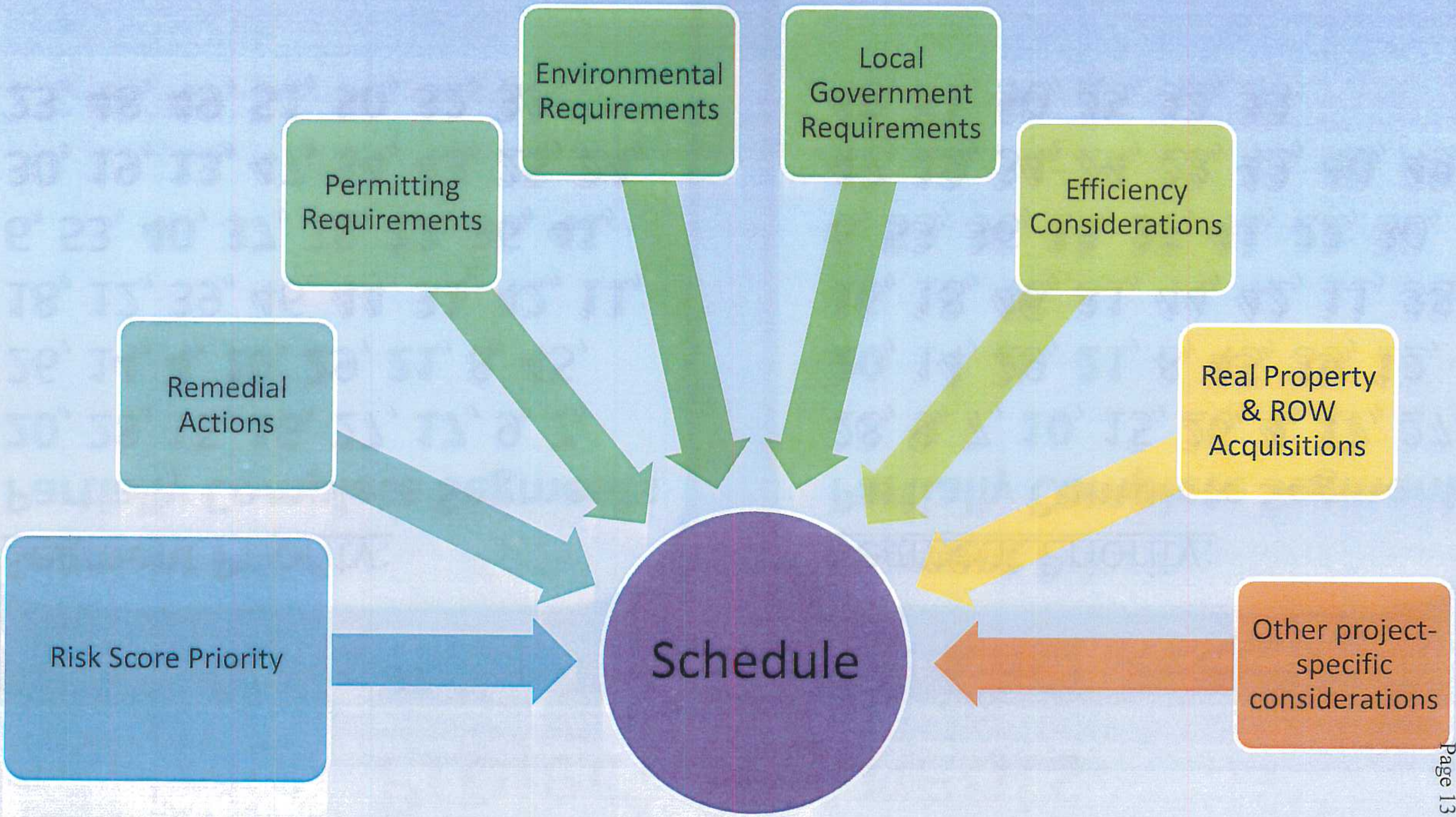
Belt Line Pipe

Original Tracker Pipe	Footage	Miles
Salt Lake County	178,848	33.9
Utah County	20,242	3.8
Weber County	90,259	17.1
Davis County	80,606	15.3
Total	**369,955**	**70.1**

Retired Tracker Pipe	Footage	Miles
Salt Lake County	41,502	7.9
Utah County	15,138	2.9
Weber County	16,169	3.1
Davis County	5,398	1.0
Total	**78,207**	**14.8**

Remaining Tracker Pipe	Footage	Miles
Salt Lake County	137,346	26.0
Utah County	5,104	1.0
Weber County	74,090	14.0
Davis County	75,208	14.2
Total	**291,748**	**55.3**

Scheduling Belt Line Replacements



Scheduling per Section III of the Settlement Stipulation, Docket 13-057-05, Exhibit 5

Project Segments

March 2016 Risk Score Priority

Segment Priority:

Partially Complete Segments

20, 28, 15, **16**, 27, **17**, 9, 7, 26, 14, **4**, **10**, 29, **21**, 8, 45, 18, 12, 39, 46, 44, 31, 42, 11, 6, 53, **40**, **37**, 38, **22**, 36, **41**, 30, 19, **13**, 47, 34, 43, 25, 24, 23, 48, 49, 51, 50, 32, 33.

Completed segments:

1, 2, 3, 5, 35, 52, 54

March 2017 Risk Score Priority

Segment Priority:

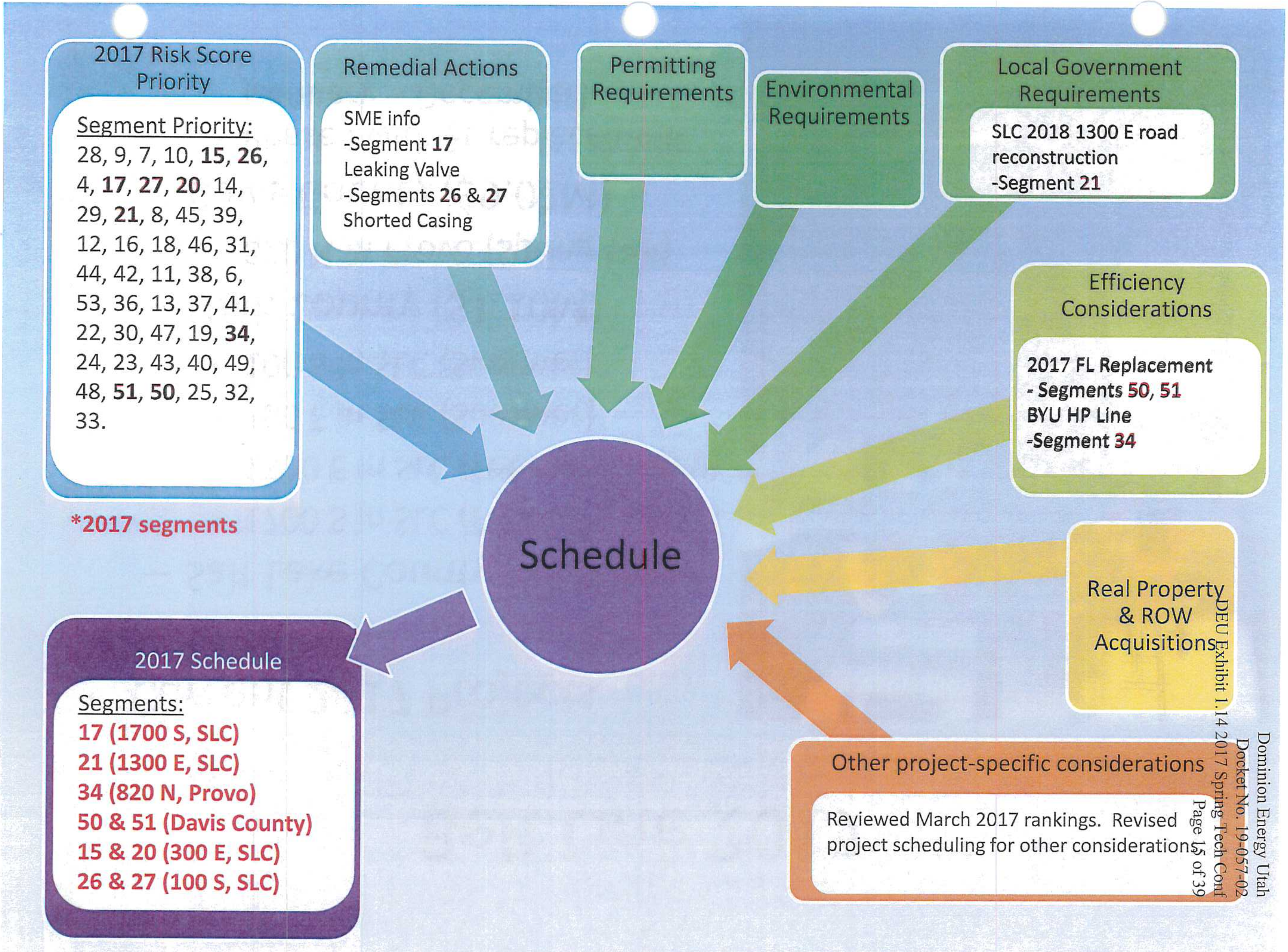
Partially Complete Segments

28, 9, 7, **10**, 15, 26, **4**, **17**, 27, **20**, 14, 29, **21**, 8, 45, 39, 12, **16**, 18, 46, 31, 44, 42, 11, 38, 6, 53, 36, **13**, **37**, **41**, **22**, 30, 47, 19, 34, 24, 23, 43, **40**, 49, 48, 51, 50, 25, 32, 33.

Completed segments:

1, 2, 3, 5, 35, 52, 54

- Prioritized by relative risk score


2017 Risk Score Priority
Segment Priority:
28, 9, 7, 10, 15, 26, 4, 17, 27, 20, 14, 29, 21, 8, 45, 39, 12, 16, 18, 46, 31, 44, 42, 11, 38, 6, 53, 36, 13, 37, 41, 22, 30, 47, 19, 34, 24, 23, 43, 40, 49, 48, 51, 50, 25, 32, 33.
*2017 segments
Remedial Actions
SME info
-Segment 17
Leaking Valve
-Segments 26 & 27
Shorted Casing
Permitting Requirements
Environmental Requirements
Local Government Requirements
SLC 2018 1300 E road reconstruction
-Segment 21
Efficiency Considerations
2017 FL Replacement
- Segments 50, 51
BYU HP Line
-Segment 34
Schedule
Real Property & ROW Acquisitions
Other project-specific considerations
Reviewed March 2017 rankings. Revised project scheduling for other considerations
2017 Schedule
Segments:
17 (1700 S, SLC)
21 (1300 E, SLC)
34 (820 N, Provo)
50 & 51 (Davis County)
15 & 20 (300 E, SLC)
26 & 27 (100 S, SLC)

Belt Line 2017

- Current 2017 Projects Schedule:
  - Salt Lake County ($6.97M)
    - 1700 S in SLC (February - May)
    - 1300 E in SLC (February – July)
    - 300 E in SLC (Summer)
    - 100 S in SLC (Summer)
  - Utah County ($1.10M)
    - 820 N in Provo (Spring-Fall)
  - Davis County ($9.02M)
    - Phase I with FL replacement (January – December)

Belt Line Work 2017

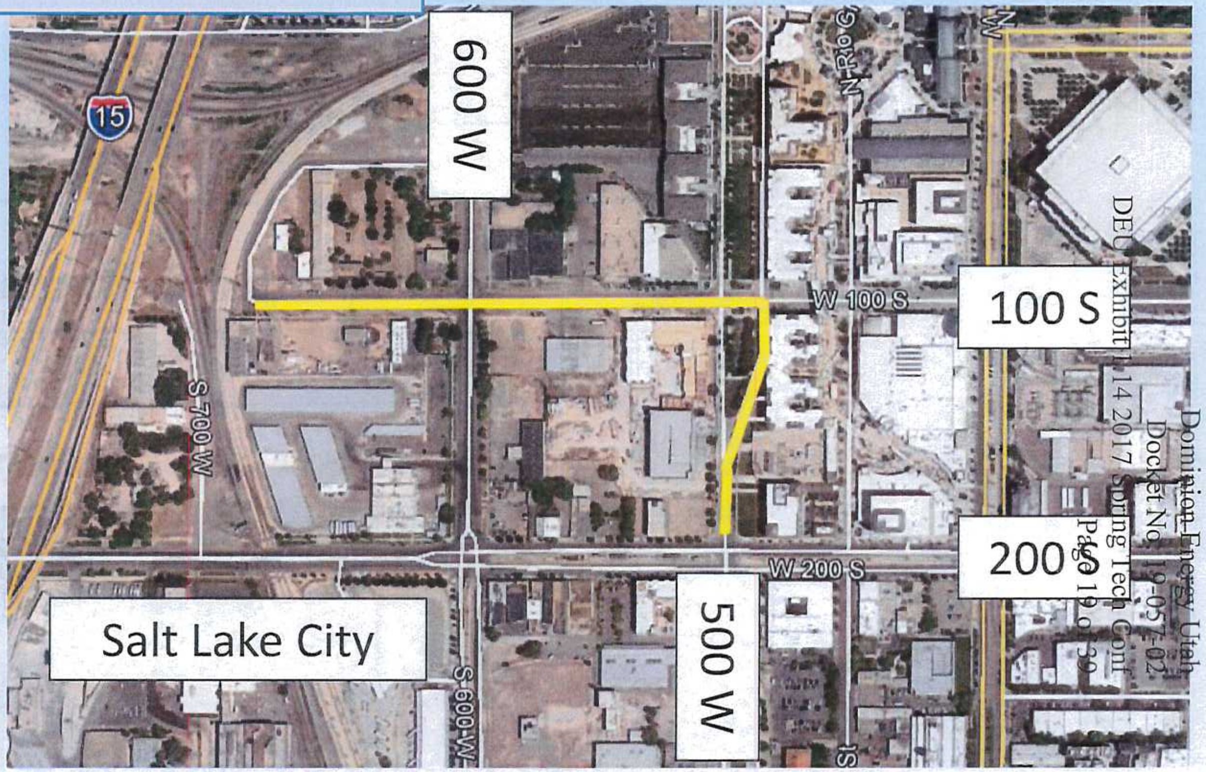
Belt Line:	1700 S between 700 E & 1300 E in Salt Lake City, Salt Lake Co.
Construction:	February – May 2017
Challenges Include:	Limited closures and workspace
Footage:	4,600 ft.

Belt Line Work 2017

Belt Line:	1300 E between 800 S and 1700 S in Salt Lake City, Salt Lake Co.
Construction:	February – July 2017
Challenges Include:	Limited closures and workspace. Heavy traffic.
Footage:	7,000 ft.

Belt Line Work 2017

Belt Line:	100 S between 700 W and 500 W and 500 W between 100 S and 200 S in Salt Lake City, Salt Lake Co.
Construction:	Summer 2017
Challenges Include:	Running line, limited workspace, pedestrian traffic
Footage:	2,200 ft.



Belt Line Work 2017

Belt Line:	820 N from 700 E to Oakmont Lane in Provo, Utah Co.
Construction:	June-November
Challenges Include:	Limited workspace, running line, vehicular and pedestrian traffic
Footage:	4,000 ft.

Belt Line Work 2017

Belt Line:	Davis County Beltline Replacement in conjunction with FL21-50 replacement
Construction:	January – December
Challenges Include:	Water table, working over existing lines, permits
Footage:	29,000 ft.

Belt Line Work 2017

Belt Line:	300 E between 800 S and 2100 Salt Lake City
Construction:	Summer 2017
Challenges Include:	Limited workspace, pick and relay due to congested utility corridor
Footage:	Approx. 3,300 ft.

High Pressure Replacement

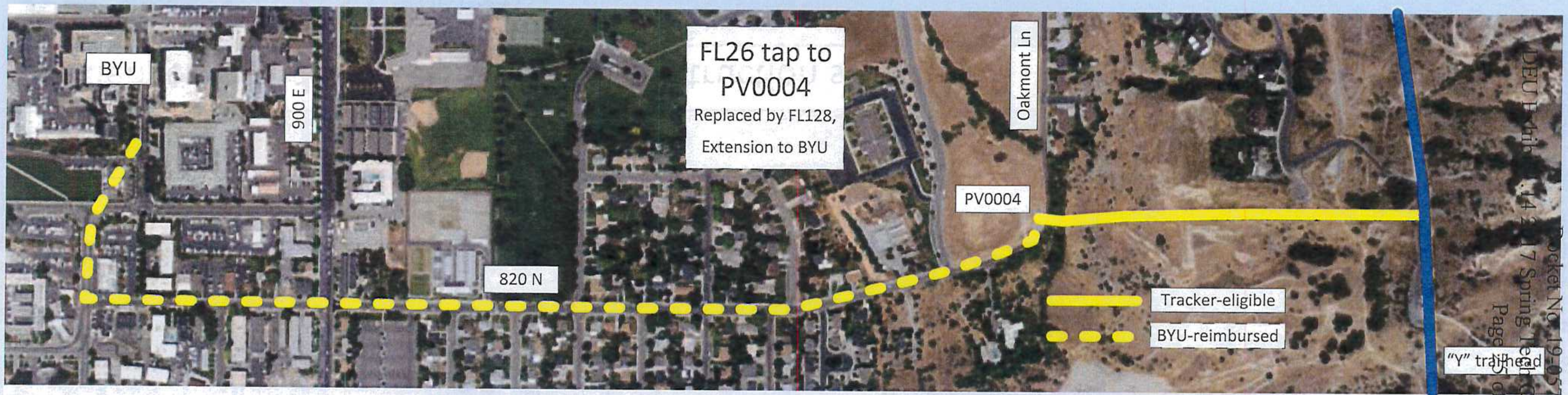
- HP Replacement Program
  - 2017 Projects Update
  - 2016 Cost Variance
  - Updated HP Replacement Program Evaluation Criteria
  - Scheduling

Feeder Line Update

Line:	21-50
Schedule:	2017-2020
Challenges Include:	Water table, working over existing lines, UDOT permits
2017 Budget	$45,500,950
2017 Footage:	54,280 ft.

Feeder Line Update

Line:	PV0004 (tap on FL26)
Schedule:	2017 pending BYU approval
Challenges Include:	Coordination with BYU construction project
2017 Budget	$400,000
2017 Footage:	1,400 ft. (to retire)



Feeder Line Update

Line:	FL51
Schedule:	Unknown
Challenges Include:	Coordinating construction schedules
2017 Budget	Unknown
2017 Footage:	Road construction by Weber County west of 2016 replacement work.

2016 Cost Variance

Project	Budget	Actual	Variance	Explanation
FL6	$8,500,000	$7,372,767	$1,127,233	Retirement and Restoration efforts will be complete in spring 2017.
FL24	$27,300,000	$29,039,092	$(1,739,092)	Multiple reroutes through Orem and Provo added extra time and footage. UDOT required bore be attempted. Failed bore crossing of a UDOT road.
FL21 (FL117)	$17,000,000	$16,594,897	$405,103	Retirement and Restoration efforts will be complete in spring 2017
FL11-FL13	$1,250,000	$1,774,319	$(524,319)	Expanded wetland and difficulty handling and disposing of ground water.
FL89	$4,000,000	$3,350,141	$649,859	Retirement and Restoration efforts will be complete in spring 2017
FL51	$4,000,000	$3,698,440	$301,560	Mild winter conditions and minimal restoration requirements contributed to this project being under planned spend.
Pre-engineering	$550,000	$500,045	$49,955	
Total	**$62,600,000**	**$62,329,702**	**$270,299**	

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

Likelihood of Failure (LOF)

Previous	New
Construction Year (14%[a])	Construction (15%[b])
Pipe/Equipment Condition (24%[a])	Manufacturing (55%[b])
Manufacturing – Pipe (14%[a])	External Corrosion (30%[b])
Pressure Test Records (24%[a])	
Reconditioned (24%[a])	

[a] SME-ba weighting

Weighting based on Incident Counts from PHMSA Data. e

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

Likelihood of Failure (LOF)

Previous	New
✓ **Construction Year (14%[a])** • Pre-1955 – High Risk • 1955 - 11/1970 – Medium Risk • Post 11/1970[a] – Low Risk ✓ **Pipe/Equipment Condition (24%[a])** • SME	**Construction (15%[b])** ○ Construction Year • Pre-1948 or unknown • Post 1948 through pre-1955 • Post 1955 through November 1970 • Post November 1970 and pre-1985 • 1985 or later ○ Construction SME Factor ○ Leak History from Construction Threats
Manufacturing – Pipe (14%[a]) **Pressure Test Records (24%[a])** **Reconditioned (24%[a])**	**Manufacturing (55%[b])** **External Corrosion (30%[b])**
[a] SME-based weighting	[b] Weighting based on Incident Counts from PHMSA Database

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

Likelihood of Failure (LOF)

Previous

- **Construction Year (14%[a])**
- **Pipe/Equipment Condition (24%[a])**
- **Manufacturing – Pipe (14%[a])**
  - Low Freq Electric Resistance Weld – High
  - Electric Flash Weld – High
  - Longitudinal Seam Weld Factor< 1.0 – High
  - Pre-1960 – Medium Risk
    - Double Submerged Arc Weld
    - Submerged Arc Weld
  - Post 1960 – Low
- **Pressure Test Records (24%[a])**
  - Record not found – High
  - Record found - Low
- **Reconditioned (24%[a])**
  - Yes – High
  - No – Low

New

Construction (15%[b])

Manufacturing (55%[b])

- Longitudinal Seam Weld Type
  - (Low Freq) Electric Resistance Weld
  - Submerged Arc Welded
  - Electric Flash Weld
  - Seamless
  - Continuous Seam Weld
  - Double Submerged Arc Weld
  - High Frequency Electric Resistance Weld
- Post-Construction Pressure Test
  - No test history or test less than 1.1 x MAOP
  - Test pressure of at least 1.10x MAOP
  - Test pressure to at least 1.25x MAOP
  - Test pressure to at least 1.50x MAOP
  - Test pressure to 2.00x MAOP or greater
- Reconditioned Pipe Factor
  - Yes
  - No

External Corrosion (30%[b])

[a] SME-ba[illegible] weighting

[b] Weighting based on Incident Counts from PHMSA Data[illegible]e

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

Likelihood of Failure (LOF)

Previous

- ✓ **Construction Year (14%[a])**
- ✓ **Pipe/Equipment Condition (24%[a])**
- ✓ **Manufacturing – Pipe (14%[a])**
- ✓ **Pressure Test Records (24%[a])**
- ✓ **Reconditioned (24%[a])**

New

Construction (15%[b])

Manufacturing (55%[b])

- Manufacturing SME Factor
- Leak History from Manufacturing Threats
- Operating Stress Level (%SMYS)
  - Below 10%
  - 10% to <20%
  - 20% to <30%
  - 30% to <40%
  - 40% or greater

External Corrosion (30%[b])

- TIMP Evaluation (Coating, Age, History, etc.)

[a] SME-based weighting

[b] Weighting based on Incident Counts from PHMSA Database

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

Consequence of Failure (COF)

Previous	New
HCAs (67%) **Census Data (33%)**	**Population (Safety) (80%)** **Throughput (Volume) (20%)**

HP Replacement Risk Evaluation Criteria

Risk = Likelihood of Failure (Threat) x Consequence of Failure (Consequence)

- Summary of Improvements
  - Industry expert, Dynamic Risk, developed algorithms for Questar Gas utilizing current industry data and research
  - PHMSA incident based threat weightings
  - Data-driven
    - Geographical-information-system (GIS) based
    - More parameters
    - Improved utilization of system data
  - Increased granularity

Feeder Lines

- Prioritized by HP criteria

Prev. HP Criteria

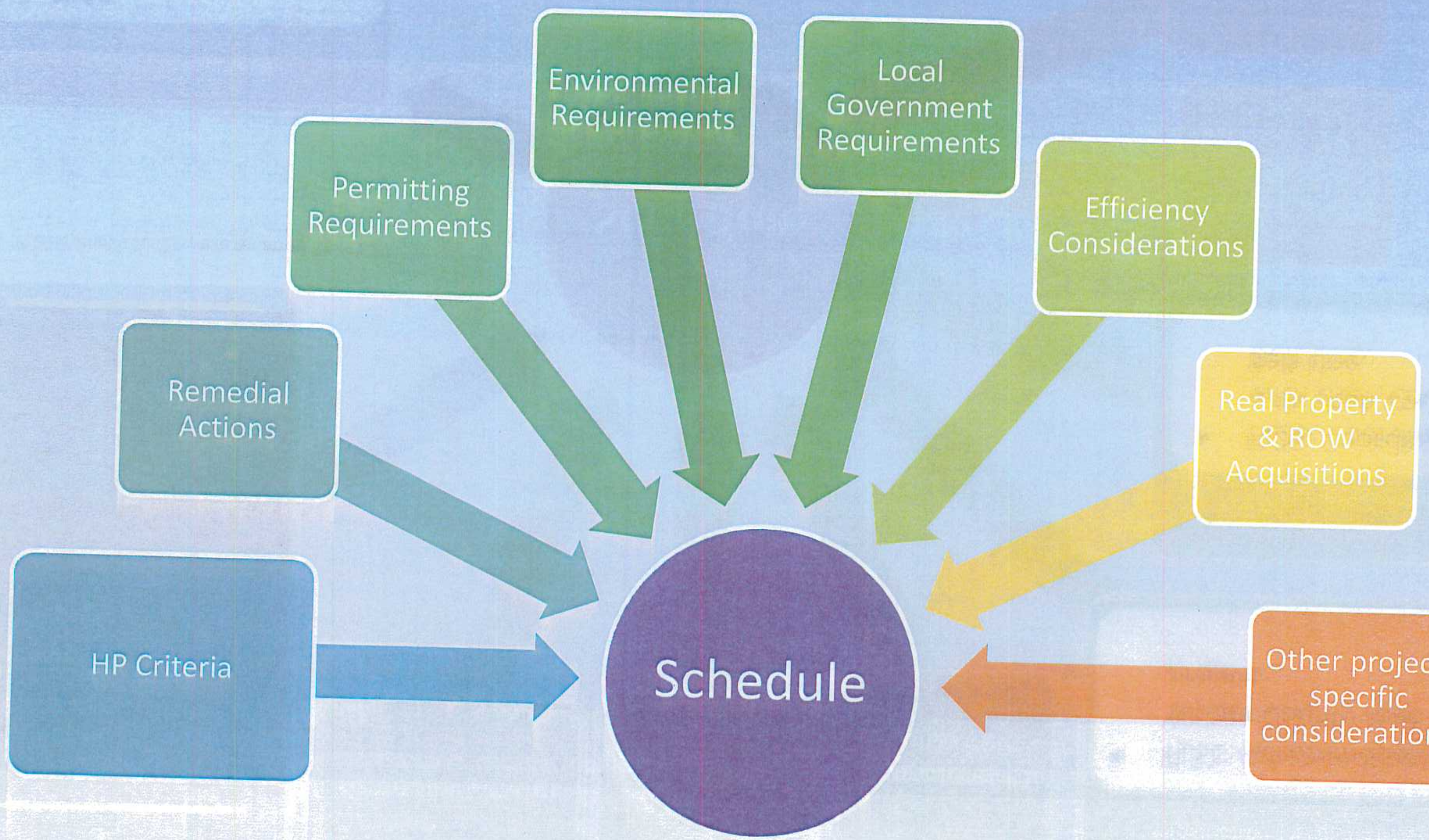
[redacted]

New HP Criteria

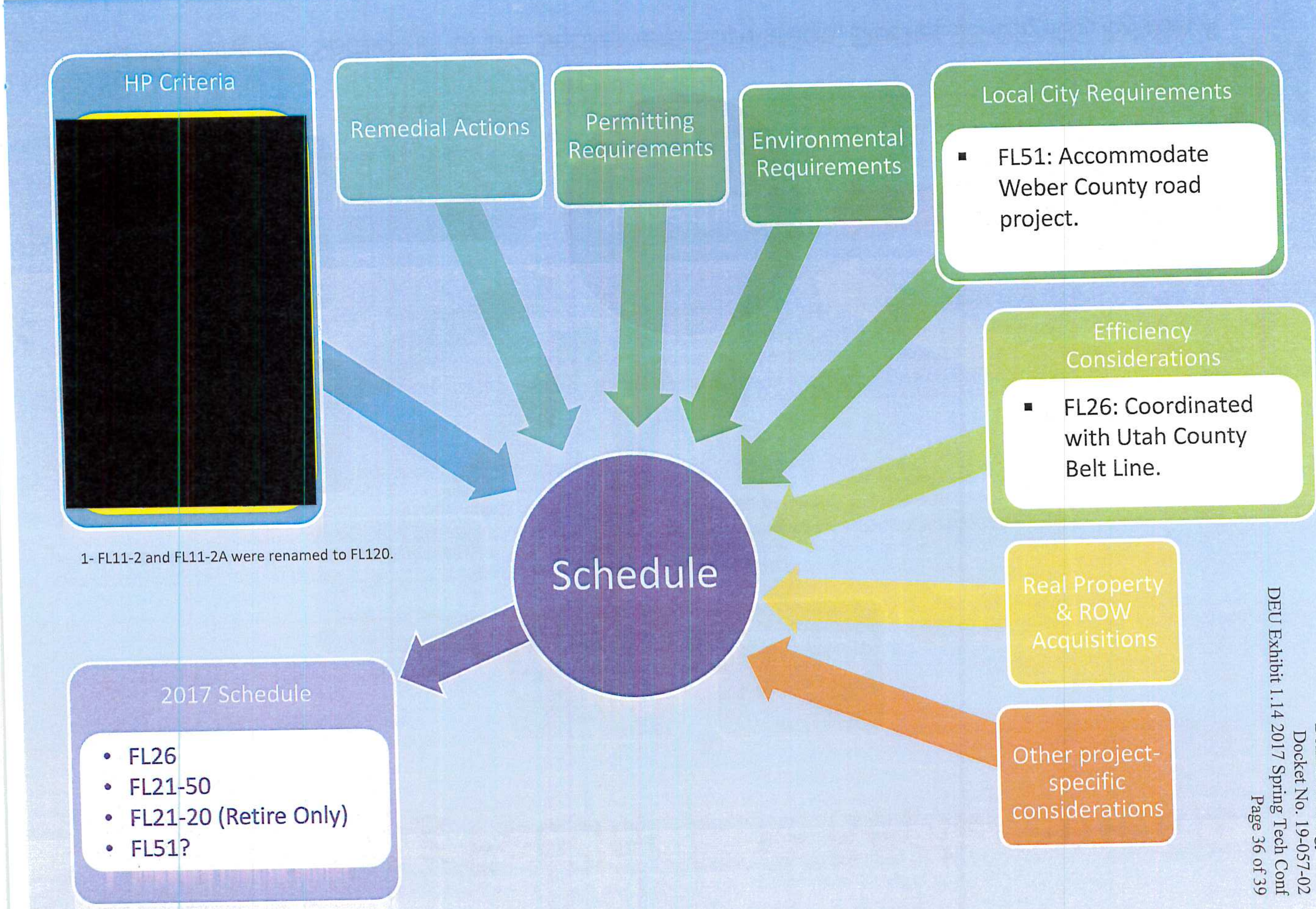
[redacted]

1- FL11-2 and FL11-2A were renamed to FL120.

Scheduling Feeder Line Replacements



Scheduling per Section III of the Settlement Stipulation, Docket 13-057-05, Exhibit 4


HP Criteria
[redacted]
Remedial Actions
Permitting Requirements
Environmental Requirements
Local City Requirements
▪ FL51: Accommodate Weber County road project.
Efficiency Considerations
▪ FL26: Coordinated with Utah County Belt Line.
Real Property & ROW Acquisitions
Other project-specific considerations
Schedule
2017 Schedule
• FL26
• FL21-50
• FL21-20 (Retire Only)
• FL51?
1- FL11-2 and FL11-2A were renamed to FL120.

2017 Schedule

Line	Location
FL26	Utah County
FL21	Davis County
FL51??	Weber County

Updated Schedule

- Original plan had a 2028 completion date.
- Updated plan has completion date as of 2035.
- Improved granularity of estimates.
- Costs higher than anticipated.
- Company anticipates seeking increase in annual budget in its next general rate case.

QUESTIONS?

2019 Tracker Investment

	A	B	C	D
1	Total Capital Budget	$70,698,187 1/		
2	LESS Amount Remaining in 107 at Year End	-$20,608,522		
3	Included 2019 Tracker Investment	$50,089,665		

		Feederline	Intermediate High Pressure	Cumulative Balance	
4	January	$0	$0	$0	0.00%
2	February	$2,683,774	$487,959	$3,171,733	6.33%
3	March	$6,378,728	$1,159,769	$10,710,229	15.05%
4	April	$1,282,347	$233,154	$12,225,730	3.03%
5	May	$3,030,823	$551,059	$15,807,612	7.15%
6	June	-$1,389,733	-$252,679	$14,165,201	-3.28%
7	July	$4,848,227	$881,496	$19,894,924	11.44%
8	August	$1,809,689	$329,034	$22,033,647	4.27%
9	September	$8,335,383	$1,515,524	$31,884,554	19.67%
10	October	$3,711,515	$674,821	$36,270,889	8.76%
11	November	$7,431,652	$1,351,209	$45,053,751	17.53%
12	December	$4,261,128	$774,751	$50,089,630	10.05%
13	TOTAL	$42,383,533	$7,706,097	$50,089,630	100%

2020 Tracker Investment

14	Total Capital Budget	$80,000,000 2/
15	ADD 2019 Investment Closed in 2020	$20,608,522
16	LESS Amount Remaining in 107 at Year End	-$23,320,000
17	Included 2020 Tracker Investment	$77,288,522

		Feederline	Intermediate High Pressure	Cumulative Balance	
18	January	$0	$0	$0	0.00%
19	February	$4,141,075	$752,923	$4,893,998	6.33%
20	March	$9,842,405	$1,789,528	$16,525,931	15.05%
21	April	$1,978,667	$359,758	$18,864,356	3.03%
22	May	$4,676,574	$850,286	$24,391,216	7.15%
23	June	-$2,144,363	-$389,884	$21,856,968	-3.28%
24	July	$7,480,836	$1,360,152	$30,697,956	11.44%
25	August	$2,792,358	$507,701	$33,998,015	4.27%

26 September	$12,861,533	$2,338,460	$49,198,008	19.67%
27 October	$5,726,883	$1,041,251	$55,966,143	8.76%
28 November	$11,467,073	$2,084,922	$69,518,138	17.53%
29 December	$6,574,940	$1,195,444	$77,288,522	10.05%
30 TOTAL	$65,397,980	$11,890,541	$77,288,522	100%

27 13-Month Average included in Rate Base	**$32,466,650**
28 Total Tracker Investment included in Rate Base (Line 13 + Line 27)	**$82,556,280**

1/ Based on QGC Exhibit 4.16 Utah Rate Case Model.xlsx tab 101_106 PROJECTION cell I168 and I177.

2/ Based on 2020 tracker budget less amount remaining in CWIP at year end.