

Dominion Energy Utah
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October 30, 2020

Dr. William Powell
Utah Division of Public Utilities
Heber M. Wells Building, 4th Floor
P. O. Box 146751
Salt Lake City, UT 84114-6751

Dear Artie:

In response to the Division's request for semi-annual results of operations, Questar Gas is providing twelve months ending June 2020 Results of Operations. This Results of Operations is in the same format and uses the same model as previous Results of Operations submitted to the Commission, Division and Committee in the 09-057-16 case. It shows both unadjusted and adjusted results on a system average and a Utah average jurisdictional basis.

The analysis shows the unadjusted results, as measured by return on equity, for Utah in June 2020 was 9.91%, compared to 7.35% in June 2019. Fully adjusted results, as measured by return on equity, for Utah show June 2020 to be 10.72% compared to the 7.37% reported for June 2019. The fully adjusted scenario includes the normalization and annualization adjustments that are consistent with previous Results of Operations and General Rate Cases, as well as other appropriate adjustments such as those necessary to correct accounting entries or remove one time non-recurring events. Detailed descriptions of each adjustment are included in the attached book.

The Company notes that the surplus shown in this report is driven by two main factors that are both temporary. First, although the Company's capital spending has occurred as planned, the amount of capital in the construction work in progress (CWIP) account 107 has significantly increased as well. The CWIP balance has increased by about \$98 million since December 2018 to a total balance of \$167,069,705 as of June 2020. Some of this increase is related to multi-year investment spending and will remain in the 107 account during that time, but the majority will be closed and moved to new plant in service (101) by the end of the year.

Additionally, due to a freeze in hiring in 2020 related to COVID-19, combined with the voluntary retirement program conducted in 2019, the Company has incurred less labor expense related to prolonged job vacancies. Currently, the Company has 42 positions it needs to fill. The Company anticipates an increase in operating and maintenance expense as positions are backfilled and ongoing labor and overhead expenses normalize.

Dominion Energy Utah will continue to provide annual Results of Operations on an ongoing basis. If you or your staff have additional questions concerning these Results of Operations, please call me at 801-324-5929.

Sincerely,

/s/ Kelly B Mendenhall

Kelly B Mendenhall
Director - Pricing and Regulation

cc: Public Service Commission
Office of Consumer Services