

February 24, 2016
Questar Gas
IRP Workshop

2016 IRP Schedule

- February 24, 2016 - Workshop
- April 6, 2016 – Workshop
- May 4, 2016 – Workshop
- June 23, 2016 – Technical Conference

Agenda

- Dominion
- Review of the 2015 Commission IRP Order
- IRP Standards and Guidelines
- Ryckman Creek Storage Update
- Meeting Peak-Hour Demands

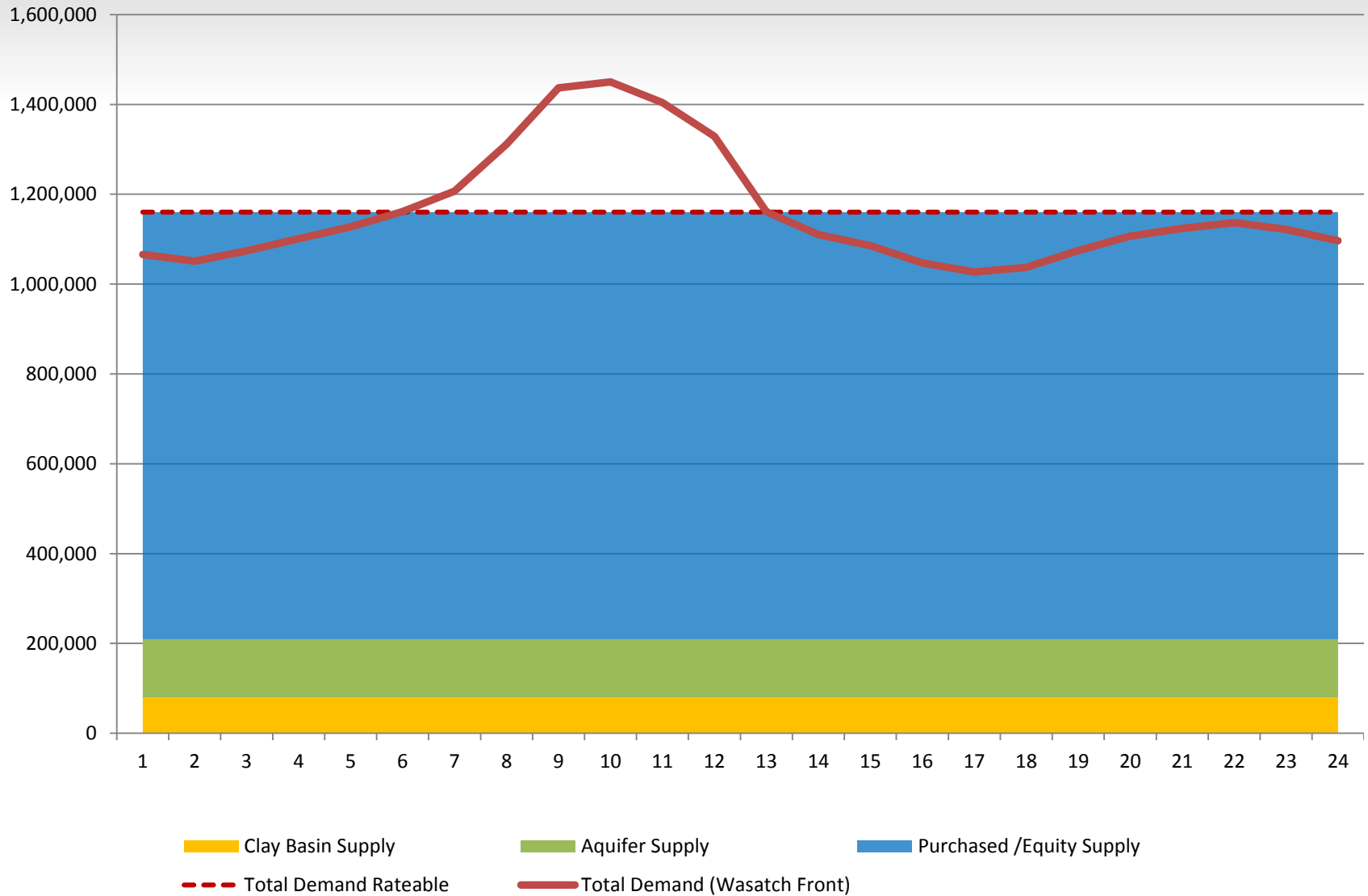
Review of the 2015 Commission IRP Order

- Heat Pumps and Impact of Energy Efficiency on Peak-Day Demand will be Included in the 2016-2017 IRP
- 2014 Variance Report Exhibit 10 (Exhibit B)

IRP Standards and Guidelines (2009)

| Guideline | Update |
|--|---|
| Review latest quarterly variance report | April meeting |
| Changes to customer growth models | No significant changes |
| Changes to linear programming optimization (LPO) model (SENDOUT) | <ol style="list-style-type: none"> 1. Added constraints for aquifer inj/wd 2. Included new rate-of-return for COS |
| Changes to DSM models | No significant changes |
| Supply/demand forecasts, SENDOUT and DSM results | IRP Report |
| Gas quality and gas storage issues | Monitor survey and Ryckman update |
| Changes to Gas Network Analysis (GNA) models | <ol style="list-style-type: none"> 1. HP models to be built from new HGIS 2. Demand calculation assumptions (HP) |
| GNA model results | May meeting |
| Integrity management issues | To be presented in April integrity meeting |
| Other issues | Scheduled as needed |

Meeting Peak-Hour Demands



Potential Solutions

- Questar Gas is Conducting Two Requests for Proposals (RFP)
 - RFP for an on-system LNG storage facility
 - RFP for upstream pipeline services to meet peak-hour demand requirements
 - Both RFPs to be issued in the next couple of weeks



On-system LNG

■ Benefits

- Reliable source of supply controlled by the LDC
- Operational flexibility to be used exclusively to meet peak-hour demand
- Owned and operated by Questar Gas
- No incremental upstream pipeline capacity
 - No ongoing upstream transportation costs
 - Not subject to nomination cycle limitations and constraints
- Baseload demand on the system during warmer months
- Diversity of storage in Questar Gas' portfolio

Upstream Pipeline Services

- Requirements
 - Services to meet as much as 300,000 Dth/day of instantaneous demand increases (“swings”) during peak hours outside of NAESB schedule

Questions??