

#12-057-18



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Barrie L. McKay
Vice President Regulatory Affairs

December 23, 2013

*7/31/2014: Received via
e-mail from K. Mendenhall
on 7/31/2014,
CR*

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

Dear Chris:

Questar Gas Company (Questar Gas or the Company) respectfully submits this report and its accompanying exhibit to the Utah Division of Public Utilities (Division) in accordance with the Report and Order approving the Settlement Stipulation issued June 3, 2010 in Docket No. 09-057-16. Paragraph 15 of the settlement stipulation states that, "The Company will file quarterly reports describing the progress of infrastructure replacement with the Division."

The attached Exhibit 1 is a status report for the first three quarters of 2013. Column A of Exhibit 1 shows the budget by project. On November 15, 2012, Questar Gas submitted a replacement plan to the Commission. This plan included anticipated budgets for 2013. Column B shows the costs incurred to date. Column C shows the remaining budget for 2013 for each of these projects. Column D shows the anticipated completion date or actual completion date if the project is already in service. Exhibit 2 provides reasoning for the variances found on Exhibit 1. Exhibit 2 will be updated for the 4th quarter report to reflect any additional changes that materially impact the forecasted amounts.

Questar Gas will continue to provide quarterly feederline progress updates on an ongoing basis. If you or your staff has additional questions concerning these reports, please call me.

Sincerely,

Barrie L. McKay
Vice President
Regulatory Affairs/Energy Efficiency

cc: Public Service Commission
Office of Consumer Services

Variance Explanations – 3rd Quarter

Project	Variance		Explanation
FL14	3,563,568.48	68.5% over	<ol style="list-style-type: none"> 1. Instead of trenching through the Travel Center of America Truck Stop parking lot as planned, it was determined to directionally bore to avoid the canal which had serious structural concerns. Because of the bore, it was necessary to relocate a bird cage near the truck stop. 2. There were considerable unplanned requirements for zinc mats and zinc ribbon. (The zinc components are used for cathodic protection) 3. Significant scope changes were introduced after the initial budget was determined. 4. Right of way costs were higher than expected.
FL41	1,772,652.74	19.7% under	<ol style="list-style-type: none"> 1. Environmental mitigation was not as severe as expected. 2. QGC employee expenses were lower than expected.
FL50	514,448.24	10.3% over	<ol style="list-style-type: none"> 1. Weather conditions slowed work. 2. Use of silt fence, clean-up and hydro-seeding costs were higher than expected.
FL8	509,335.55	3.1% under	<ol style="list-style-type: none"> 1. As close to budget as can be reasonably expected.
FL20	2,777,422.15	50.5% under	<ol style="list-style-type: none"> 1. Initial plans called for spanning the Weber River. Problem solving initiatives allowed for open trenching on the river. 2. Creative construction techniques reduced costs of work in tight spaces in the residential areas.
FL36	5,554,468.93	85.5% under	<ol style="list-style-type: none"> 1. Underspent because work began later than originally planned, being delayed in part by environmental challenges.
FL11	1,051,683.27	45.7% under	<ol style="list-style-type: none"> 1. Funds are for conceptual portion of project, which is on hold pending negotiations with Kennecott and UDOT. Expenses include design and materials costs.
FL18	1,991,817.85	99.6% under	<ol style="list-style-type: none"> 1. Other than initial design and planning, project is on hold pending negotiations with HAFB.

QGC Feeder Line Replacement Project Summary
 As of 9/30/2013

Project	A 2013 Budget	B Costs YTD 2013	C (A - B) Variance	D Completion Date
FL14				
1 01010104		8,756,391		
2 01040190		7,178		
3 FL14 Total	5,200,000	8,763,568	(3,563,568)	2,013
FL41				
4 01040158		7,049,412		
5 01041295		177,936		
6 FL41 Total	9,000,000	7,227,347	1,772,653	2,013
FL50				
7 01010105		5,514,448		
8 FL50 Total	5,000,000	5,514,448	(514,448)	2,013
FL8				
9 01041175		15,990,664		
10 FL8 Total	16,500,000	15,990,664	509,336	2,013
FL20				
11 01041176		2,722,578		
12 FL20 Total	5,500,000	2,722,578	2,777,422	2,013
FL36				
13 01041178		945,422		
14 01041294		110		
15 FL36 Total	6,500,000	945,531	5,554,469	
FL11				
16 01042118		759,688		
17 01042362		253,347		
18 01042363		235,282		
19 FL11 Total	2,300,000	1,248,317	1,051,683	
FL18				
20 01041777		8,182		
21 FL18 Total	2,000,000	8,182	1,991,818	

QGC Feeder Line Replacement Project Summary
 As of 9/30/2013

	A	B	C	D
		Costs YTD	(A - B)	
Project	2013 Budget	2013	Variance	Completion Date
Other				
22 01040493, FL110		498		
23 01008213, FL12		(3,310)		
24 01041507, FL13		12,054		
25 01009359, FL17		(137)		
26 01007067, FL19		(7,396)		
27 01009662, FL21		13		
28 01009663, FL21		1,229		
29 01041173, FL21		2,850		
30 01041177, FL22		1,671		
31 01010132, FL23		(21,865)		
32 01042134, FL23		13,849		
33 01040064, FL24		(5,517)		
34 01040177, FL24		8		
35 01042032, FL24		24,980		
36 01042249, FL24		15,788		
37 01009666, FL25		(113,497)		
38 01042135, FL29		38,713		
39 01041905, FL34		237,081		
40 01042308, FL34		35,243		
41 01040277, FL35		(294,521)		
42 01040209, FL38		(51,473)		
43 01041281, FL38		143,745		
44 01041528, FL42		85		
45 01041933, FL6		40,992		
46 01042033, FL6		266,700		
47 01042231, FL6		587,339		
48 01040864, FL64		244		
49 01042136, FL68		26,770		
50 01040330, FL71		5		
51 01042137, FL85		13,089		
52 01042126, FL26		34,267		
53 01040251, FL16		135		
54 01040420, FL22		2,128		
55 01040494, FL21		39,262		
56 01040499, FL89		(4)		
57 01040999, FL14		8,788		
58 01041081, FL66		30,517		
59 01041753, FL18		4,638		
60 01041904, FL6		146,519		
61 Other Total	7,000,000	1,231,480	5,768,520	
62 Grand Total	59,000,000	43,652,116	15,347,884	