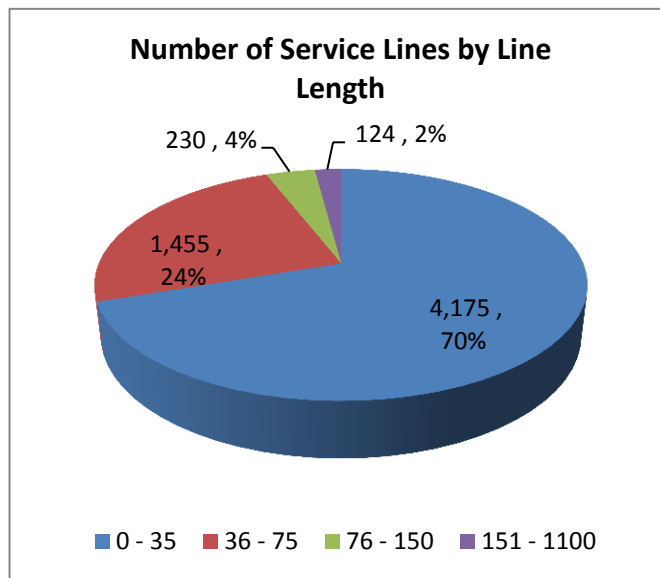
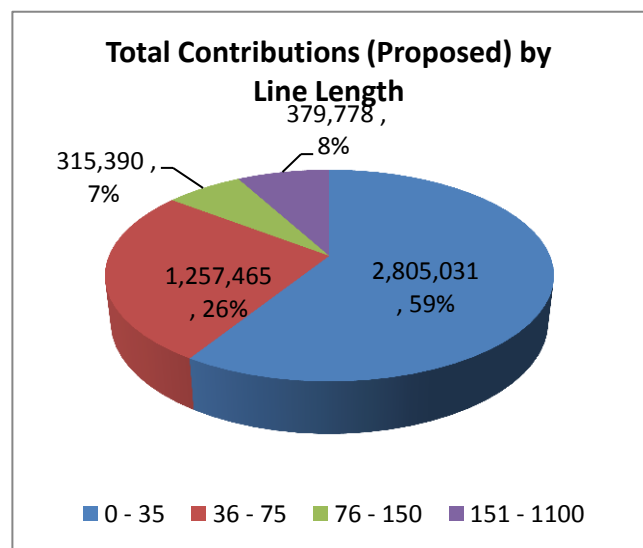
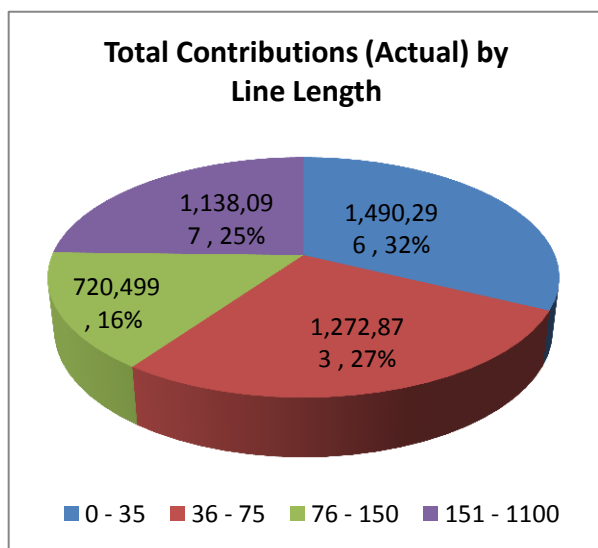


On October 9, 2013, representatives of Questar Gas Company (Questar Gas) met with representatives of the Utah Homebuilders' Association and the Utah Property Rights Coalition (builders and developers). During that meeting, questions arose related to tariff changes Questar Gas has proposed in its current General Rate Case. Specifically, builders and developers wanted to know how much more Questar Gas would be collecting through service line contributions in aid of construction (CIAC) under the proposed tariff changes, and which customers would be paying the CIACs. In order to answer the questions, Questar Gas conducted analysis using information related to service lines installed in 2012.

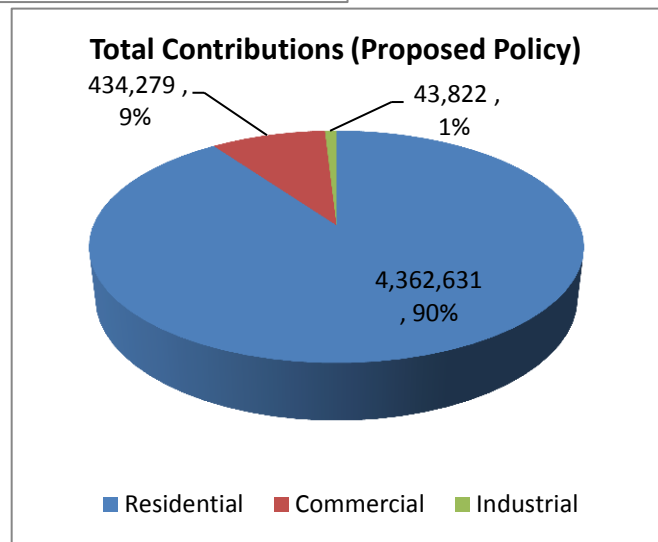
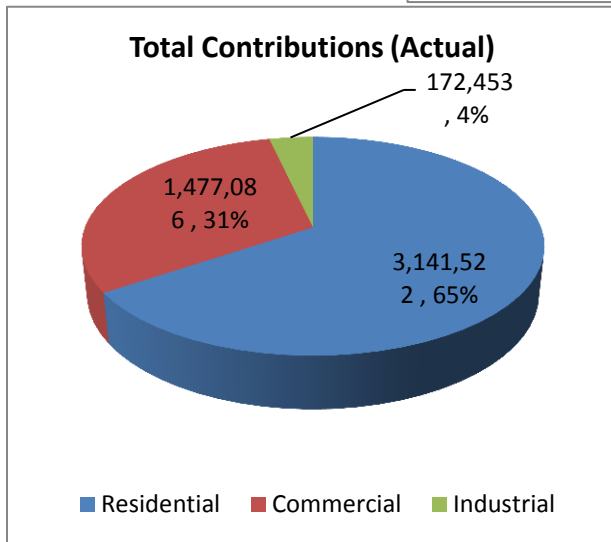
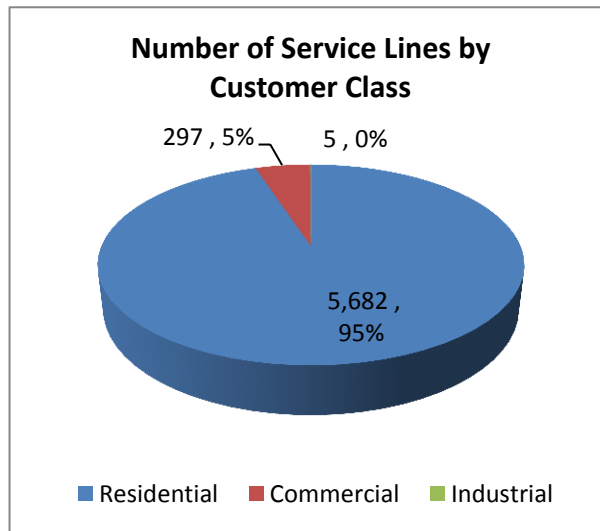
First, Questar Gas grouped the service lines by length. The chart below shows the frequency of service lines in the different groupings.



Once Questar Gas had grouped the service lines, it analyzed which of these groups contributed CIACs during 2012. The charts below show, using the same line-length groupings, where the contributions come from for both the current and the proposed policies. 2012 actual contributions were used for the "actual" slide. The "proposed policy" contributions were calculated using prices in effect during 2012.



The builders and developers also suggested that the Company look at customer classes (residential, commercial, and industrial), rather than line sizes. The charts below show the number of customers in each class and the comparison between the 2012 actual and 2012 proposed policy scenarios.



Questar Gas advanced the proposed tariff language based on the theory that customers (in this case, the builders and developers) should pay for the costs they cause. The charts above show that the proposed policy accomplishes this objective. The customers with short service lines make up 70% of the service lines installed. Under the current system that customer-grouping only paid 32% of the total CIACs. Under the proposed policy that customer-grouping would pay 59% of the total contributions. 95% of the service lines are for residential customers, while only 65% of the total CIACs had been coming from residential customers in the past. The proposed policy would collect 90% of the CIACs from residential customers.

The builders and developers also expressed concern that Questar Gas would be collecting more in total from new customers. Under the current policy, for the service lines studied, a total of approximately \$4,600,000 in CIACs. Under the proposed policy, Questar Gas would collect approximately \$4,700,000. When the calculations are done by customer class, the difference is even smaller. Questar Gas would not be collecting substantially more or less under either policy.