

Questar Gas Mains & Services Task Force

Division Update Meeting
July 7, 2014

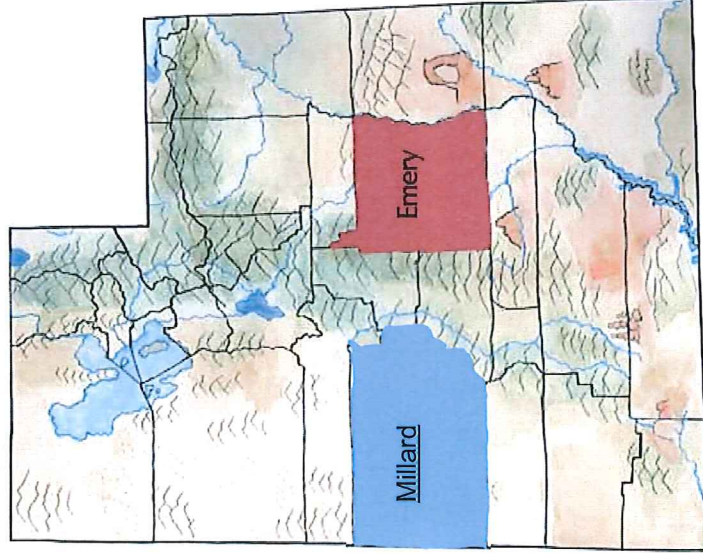
\$200k Bidding Threshold for Mains

Cost*	Number of Jobs in Year			
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$100-149k	2	1	5	1
\$150-199k	-	2	-	1
\$200-249k	-	-	-	1
\$250k +	-	-	-	-

* Contractor costs only. No internal labor or taxes.

As the economy recovers and new subdivisions are built and we extend service to new areas, it is anticipated that the number of jobs above \$200k will be higher.

Rural County Benefits



- Many jobs over \$200k and qualify for bid.
- Costs are significantly lower under new policy.

Rural County Benefits

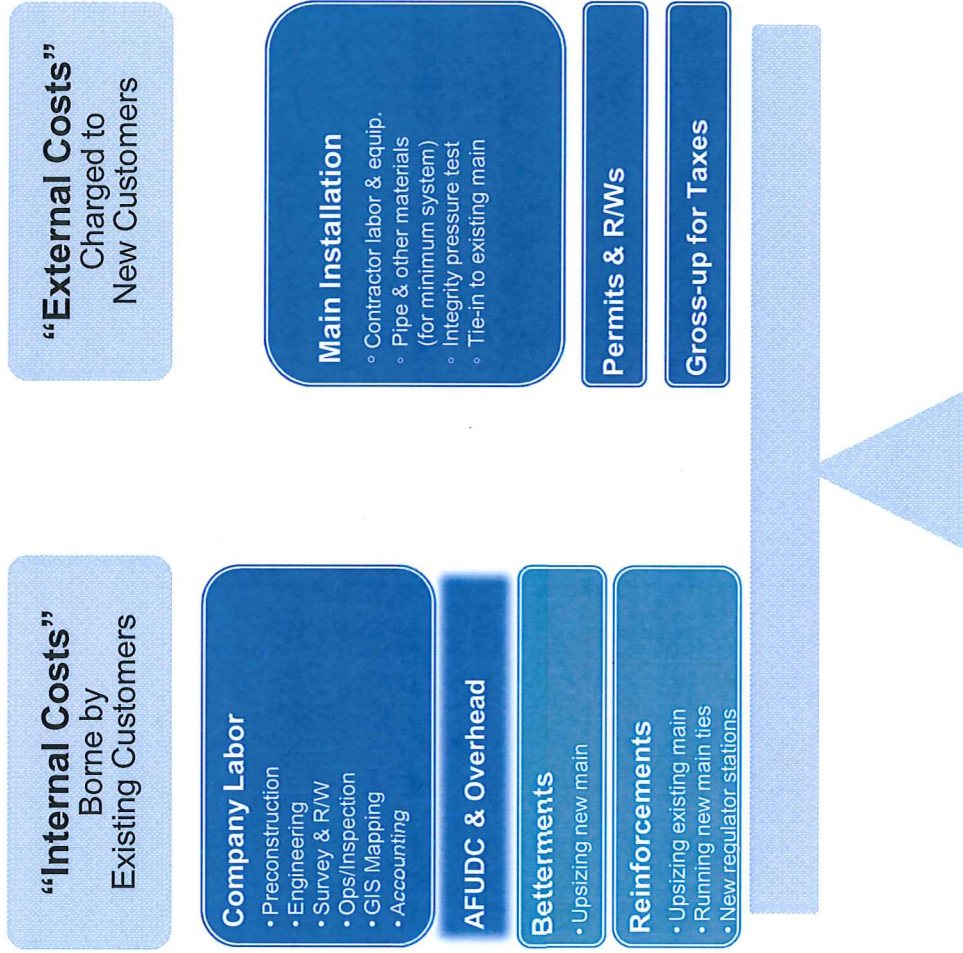
	<u>Estimated Savings under New Tariff*</u>
<u>Millard County #1</u> • 132,645 LF Main • 200 Services	25%
<u>Millard County #2</u> • 42,785 LF Main • 50 Services	32%
<u>Emery County</u> • 53,829 LF Main • 65 Services	30%

* Based on preliminary cost estimates. Not a 50% reduction because old tariff had allowances.

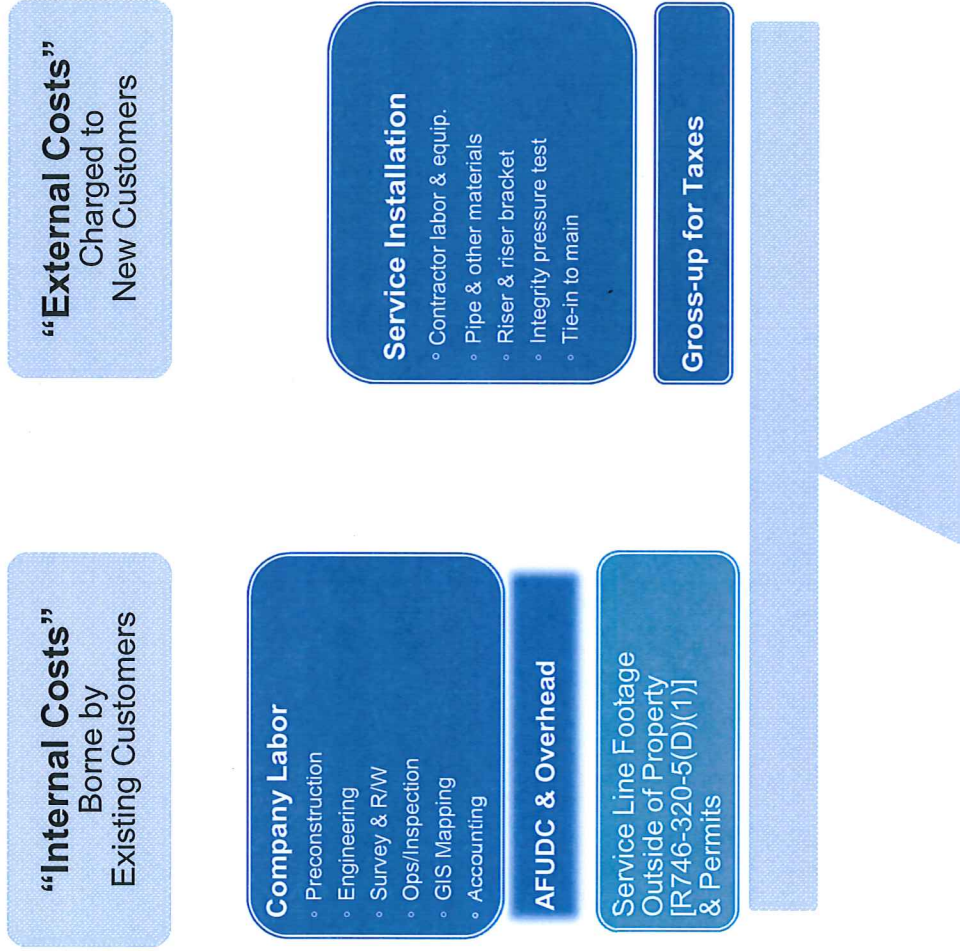
New Mains & Services Policy

- Objective is a 50/50 cost share (on average) between new and existing customers.

Mains Cost Balance



Services Cost Balance



Meter Cost Balance

