



UTAH PUBLIC
SERVICE COMMISSION
July 28, 2014
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Questar Gas Company
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Barrie L. McKay
Vice President Regulatory Affairs

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

RECEIVED

Re: Replacement Infrastructure Annual Plan and Budget, Second Quarter Variance Report
Docket No. 13-057-18

Dear Mr. Parker:

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 issued February 21, 2014 in Docket No. 13-057-05 (Order). In the Order, the Utah Public Service Commission (Commission) approved a Partial Settlement Stipulation (attached to the Order as Appendix A). Paragraph 22(C) of the Partial Settlement Stipulation indicates that the Company will file quarterly variance reports showing the actual expenditures in the infrastructure replacement program, as compared to the budget, and describing any material variances from the most current replacement schedule.

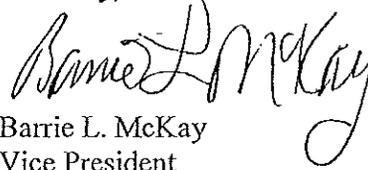
On November 15, 2013, Questar Gas submitted a Replacement Infrastructure Annual Plan and Budget in Docket No. 13-057-18 (2014 Budget) replacement plan to the Commission. The 2014 Budget included a budget for feeder line replacement projects during 2014. On April 23, 2014 a budget for Intermediate High Pressure (IHP) projects was submitted as part of the First Quarter Variance Report.

The attached Exhibit 1 provides budgeted amounts for IHP and high pressure (HP) projects to be replaced in 2014, as well as the status of each replacement project for the first half of 2014. Column A of Exhibit 1 shows the budget by project. Column B shows the costs incurred to date. Column C shows the remaining budget for 2014 for each of these projects.

The Company would also like to update the scope related to the Feeder Line 6 project. A portion of Feeder Line 6 will be delayed because of difficulties securing the necessary right-of-way and permits. Resources made available (\$9.7 million) as a result of this delay will be redirected to the Feeder Line 24 project. The Company had previously planned to begin work on Feeder Line 24 in 2015 (Docket 13-057-18, Exhibit 5), but will begin the project this year. The Company anticipates spending \$9.7 million on Feeder Line 24 during 2014, which is related to approximately 3 miles of 12" pipe. The remaining 15.6 miles identified to be replaced (13-057-18, Exhibit 5) will be replaced in future years.

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

Sincerely,

A handwritten signature in black ink that reads "Barrie L. McKay". The signature is written in a cursive style with a large, looped "K" at the end.

Barrie L. McKay
Vice President
Regulatory Affairs/Energy Efficiency

cc: Public Service Commission
Office of Consumer Services