

QUESTAR CORPORATION INCENTIVE PLANS

In accordance with previous Commission orders in Docket No. 93-057-01 and 99-057-20, QGC has removed, for ratemaking purposes, incentive compensation expenses related to financial goals that were either paid directly by QGC or allocated from Questar Corporation for incentive payouts. Because the incentive plan payouts vary from year to year, a three-year average of payouts related to operating goals has been used in the calculation of normalized incentive plan expenses.

Workpaper A shows that for the period 2011-2013 the total average payout by Questar Corporation for the Annual Management Incentive Plan (AMIP) was \$4,111,886 (Column C, line 4). The total amount of Questar Corporation PIPE incentive compensation paid to employees in 2013 was \$2,269,641 (Column C line 10). Goals related to QGC operating goals amounted to \$1,152,582 (Column C line 3) for AMIP and \$594,791 for PIPE (Column C line 9). The remaining \$2,959,303 (Column D line 2) and \$1,674,850 (Column D line 8) are removed. Line 20 shows that \$3,058,617 was allocated to QGC. This is the amount removed through this adjustment.

Workpaper B shows the calculation of the expense adjustment related to the Questar Gas incentive plan. Line 4 and Line 12 show that the amounts expensed (including overhead) in 2013 for the AMIP and PIPE incentive plans were respectively, \$1,152,775 (Line 4) and \$3,788,084 (Line 12). The \$698,585 (Line 6) amount of AMIP to be allowed is calculated by multiplying the \$1,152,775 (Line 4) by the three-year average Operating payout of 60.60% (Column D). The \$2,472,571 (Line 14) amount of PIPE to be allowed is calculated by multiplying the \$3,788,084 (Line 12) by the three-year average Operating payout of 65.27% (Column D). The total amount related to operating goals allowed is \$2,472,571 (Line 14). This allowed amount is subtracted from the total incentive accrual of \$3,171,156 (Line 17) for a reduction to expenses of \$2,085,215 (Line 21).

Incentive Compensation
 Questar Gas Company

282,148

HOT

Utah - JUN 2014 Adjusted Avg Results

QGC Incentives

QGC Incentives

12 Months Ended : Jun-2014

Incentive Compensation
 Removal of Financial Based Payouts

	A	B	
1 Questar Corporation	1/	(\$3,058,617)	(\$3,058,617)
2 Questar Gas	2/	(\$2,085,215)	(\$2,085,215)
3 Total		(\$5,143,832)	(\$5,143,832)
4 Utah		(4,964,550)	(4,964,550)
5 Wyoming		(179,282)	(179,282)
Total		(5,143,832)	(5,143,832)
1/ See Workpaper A			
2/ See Workpaper B			

Incentive Compensation

Questar Gas Company

Utah - JUN 2014 Adjusted Avg Results

12 Months Ended : Jun-2014

Questar Corporation Incentive Pay Adjustment
 12 Mos. Ending Dec, 2013.
 Workpaper A

A	B 3-YR Average Percentage	C Total Payout	D Disallow Adjustment
1 Questar Corp Management and Employee Incentive Plans			
2 Bonus related to QGC Financial Goals & Affiliates	71.97%	2,959,303	(2,959,303)
3 Bonus related to QGC O&M Goals	28.03%	1,152,582	
4 Total AMIP	100.00%	4,111,886	(2,959,303)
5 Long Term Incentive Plan (2013)			(2,119,250)
6			
7			
8 PIPE Bonus related to QGC Financial Goals & Affiliates	73.79%	1,674,850	(1,674,850)
9 PIPE Bonus related to QGC O&M Goals	26.21%	594,791	
10 TOTAL PIPE	100.00%	2,269,641	(1,674,850)
11			
12 Total Questar Corp AMIP and PIPE Plan Disallowed			(6,753,404)
13			
14			
15 Disallowed Allocation			
16 Allocated Through District Gas			
17			
18 Allocated to QGC			
19 Percent to QGC		45.29%	
20 Total to QGC		(\$3,058,617)	(\$3,058,617)

Incentive Compensation
 Questar Gas Company

Utah - JUN 2014 Adjusted Avg Results

12 Months Ended : Jun-2014

Questar Gas Incentive Pay Adjustment
 Actual Payout for 2013 (Paid in Feb 2014)
 Workpaper B

A	B	C	D	E	F
			3-YR Average		
			% Payout	\$ Payout	Allowed \$
QGC Management Incentive Plan (AMIP)					
Amount Expensed	\$1,152,775				
O&M Goals			60.60%	698,585	698,585
Total AMIP Dollar Payout			60.60%	698,585	
QGC Employee Incentive Plan (PIPE)					
Amount Expensed	\$3,788,084				
Operating Goals			65.27%	2,472,571	2,472,571
Total PIPE % Payout			65.27%	2,472,571	
Total AMIP and PIPE Allowed with Overheads (Line 6 + Line 14)					3,171,156
Total Incentives					4,940,859
Total Adjustment					(1,769,703)
Long Term Incentive Plan (2013)					(315,512)
Total Adjustment					<u>(2,085,215)</u>
Total AMIP Expense	1,152,775				
Total PIPE	3,788,084				
Total Incentive Expense	<u>4,940,859</u>				

UPDATED FOR 2013