



**Questar Gas Company**  
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**Barrie L. McKay**  
Vice President Regulatory Affairs

November 14, 2014

Chairman Ron Allen  
Utah Public Service Commission  
Heber M. Wells Building, 4th Floor  
P. O. Box 146751  
Salt Lake City, UT 84114-6751

*Re: Replacement Infrastructure 2015 Annual Plan and Budget –  
Docket No. 14-057-29*

Dear Commissioner Allen:

In accordance with Section 2.07 of Questar Gas Company's Tariff (Tariff), Questar Gas Company (Questar Gas or Company) hereby provides the annual plan and budget describing the estimated costs and schedule for the Replacement Infrastructure for 2015. Questar Gas has budgeted to replace three line segments during 2015 pertaining to the following Feeder Lines: Feeder Line 6, Feeder Line 24, and Feeder Line 34. In addition to 2015 replacement, the Company expects to spend about \$1.5 million on engineering studies and preparation related to replacement projects to begin after 2015. Exhibit 1, page 1, shows the anticipated cost in 2015 (Column B) for each of these projects. Page 2 is a summary taken from the High Pressure Master List. Page 3 is a summary taken from the Intermediate High Pressure Master List. The summaries show the existing footages by size and year of installation that will be replaced in 2015. Pages 4 through 13 of Exhibit 1 show the route of each of the respective projects.

As set forth in Section 2.07 of the Tariff, Questar Gas considers a number of elements in determining which pipelines to replace. The criteria the Company uses in scheduling high pressure (HP) and intermediate high pressure (IHP) pipeline replacements is set forth in Confidential Exhibits D and E to the Partial Settlement Stipulation in Docket 13-057-05. Where possible, Questar Gas has made an effort to group projects in proximate geographic areas to minimize Company and contractor travel and mobilization/demobilization costs.


Exhibit 2 shows the projected time line for each of the high pressure projects identified above. Feeder Lines 6 and 34 are scheduled to be completed in 2015. Feeder Line 24 will be partially completed in 2015. All of the IHP segments budgeted for 2015 will be completed in 2015.

Questar Gas notes that it expects to spend \$66.1 million on the projects identified above (Exhibit 1, Column B, Line 8), and has attached information as Exhibit 3 related to applicable budget limitations for your convenience and reference

Paragraph 24 of the Partial Settlement Stipulation in Docket No. 13-057-05 (approved by the February 21, 2014 Report and Order in the same docket) provides that the budget shall not exceed \$65 million (adjusted for inflation using the Global Insight "GDP Deflator" rate). Exhibit 3 is a copy of the GDP deflator provided in the October 2014 IHS US Economic Outlook publication. Adjusting the 2014 \$65 million budget cap by the 1.7% 2015 inflation rate results in a \$66.1 million cap for 2015. It is anticipated that the Company will continue to replace HP and IHP infrastructure at a rate of \$65 million per year adjusted for inflation.

Also, in accordance with the Settlement Stipulation and Report and Order in Docket No. 13-057-05 and with Section 2.07 of Questar Gas' Tariff, the Company will continue to submit quarterly reports with the Division of Public Utilities showing the progress and costs associated with these projects. As part of its first quarter report, the Company will also provide updated Master Lists and replacement schedules for HP and IHP infrastructure.

Sincerely,

A handwritten signature in black ink that reads "Barrie L. McKay". The signature is written in a cursive style with a large, stylized "M" and "K".

Barrie L. McKay  
Vice President  
State Regulatory Affairs

cc: Division of Public Utilities  
Office of Consumer Services

**2015 Feeder Line Replacement Budget**

(A)	(B)
Feeder Line	Projected 2015 Cost
<b>High Pressure</b>	
1 FL6 1/	5,000,000
2 FL24 2/	49,000,000
3 FL34 3/	1,000,000
4 <b>Total High Pressure</b>	<u>55,000,000</u>
<b>Intermediate High Pressure</b>	
5 Salt Lake County Total	6,960,000
6 Weber County Total	2,650,000
<b>Total Intermediate High Pressure</b>	<u>9,610,000</u>
7 Pre-engineering (Future Projects)	1,490,000
8 <b>Total Annual Budget</b>	<b>66,100,000</b>

1/ This is a continuation of the FL6 replacement project that began in 2014

2/ This is a continuation of the FL24 replacement project that began in 2014

3/ This is a continuation of the FL34 replacement project that began in 2014

## 2015 Feedline Replacement Footages

Specific vintages from which pipe will be retired and replaced in 2015 are shown in yellow.

Row Label	1943	1946	1948	1949	1951	1953	1954	1956	1957	1958	1959	1960	1961	1962	Retirement/Replacement Footages
FL6	0	0	69,206	0	0	0	205	42	0	0	42	72	121	0	0
1.05	0	0	0	0	0	0	8	0	0	0	0	0	0	0	0
1.315	0	0	0	0	0	0	0	0	0	0	0	5	2	0	0
2.375	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0
4.5	0	0	0	0	0	202	34	0	0	0	0	67	60	0	0
6.625	0	0	0	0	0	0	0	0	0	0	0	0	59	0	0
8.625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.75	0	0	69,206	0	0	0	0	0	0	42	0	0	0	0	24,000
12.75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FL24	0	0	97,517	189	112	70	0	62	7	0	12	0	0	0	0
1.05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.375	0	0	538	0	0	0	0	0	0	0	0	0	0	0	0
3.5	0	0	21	0	0	0	0	0	6	0	0	0	0	0	0
4.5	0	0	233	189	112	70	0	56	0	12	0	0	0	0	0
5.625	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.75	0	0	96,725	0	0	0	0	0	7	0	0	0	0	0	96,725
12.75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FL34	36	12	0	0	0	0	0	0	0	0	0	0	0	0	84,855
1.05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1.315	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2.375	0	0	0	0	0	0	0	0	0	0	0	0	0	14	0
3.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4.5	38	12	0	0	0	0	0	0	0	0	0	0	0	3	0
6.625	0	0	0	0	0	0	0	0	0	0	0	0	0	168	0
8.625	0	0	0	0	0	0	0	0	0	0	0	0	0	39	0
10.75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
12.75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45
20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	84,582
24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	650
<b>Total</b>															<b>121,375</b>

**2015 IHP Belt Line Replacement Footages**  
November 2014

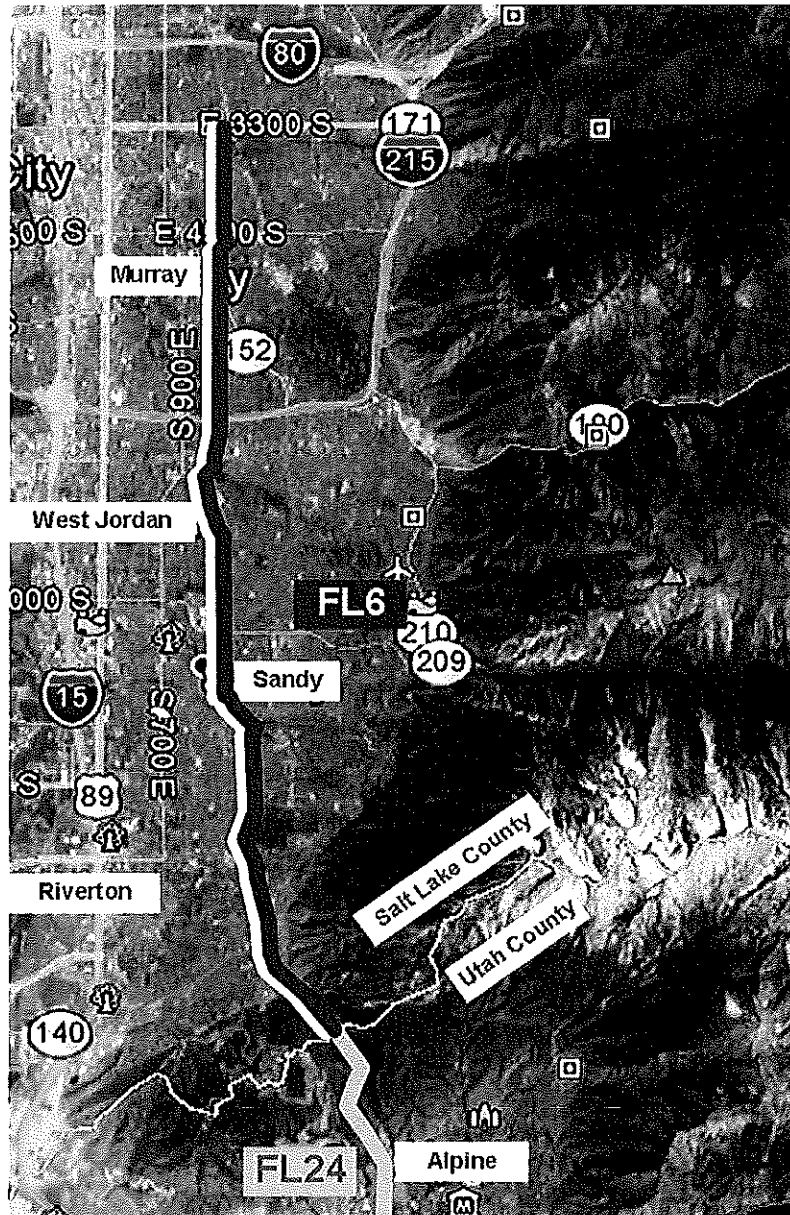
Specific vintages from which the pipe will be retired and replaced in 2015 are shown in yellow.

Salt Lake County		Footage							Estimated 2015 Retirement/ Replacement Footages	
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total		
24"	Steel	0	0	0	0	11,612	0	11,612		
20"	Steel	0	0	5,572	0	3,013	0	8,585		
16"	Steel	63,198	0	0	0	66	33	63,297	7,000	
12"	Steel	17,750	0	0	2,100	2,686	0	22,536	3,300	
10"	Steel	3,620	3,431	7,991	22,552	743	24	38,361	8,400	
8"	Steel	2,411	0	9	14,598	15,057	0	32,075	1,700	
								<b>Salt Lake County Footage</b>	<b>176,466</b>	<b>20,400</b>
								<b>Salt Lake County Miles</b>	<b>33.4</b>	<b>3.9</b>

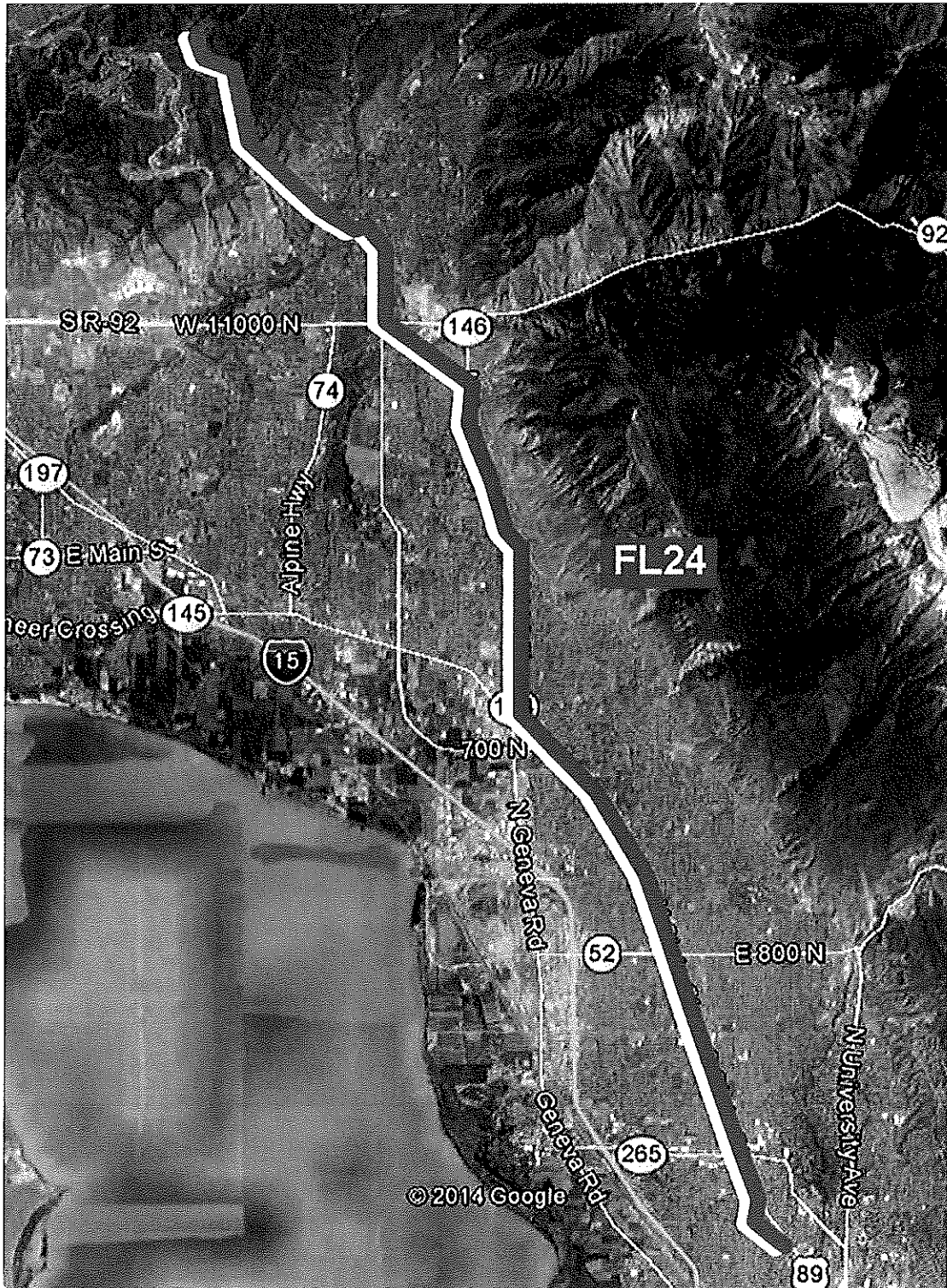
Weber County		Footage							Estimated 2015 Retirement/ Replacement Footages	
Size	Material	1929	1930-39	1940-49	1950-59	1960-69	1970	Total		
16"	Steel	0	0	0	0	17	0	17		
14"	Steel	0	0	0	22,227	36	0	22,263	4,100	
10"	Steel	1,230	5,838	0	17,257	2,439	0	26,764	4,400	
8"	Steel	2,093	0	4,024	19,620	15,478	0	41,215	4,300	
								<b>Weber County Footage</b>	<b>90,259</b>	<b>12,800</b>
								<b>Weber County Miles</b>	<b>17.1</b>	<b>2.4</b>

	Footage	Miles	Estimated 2015 Retirement/ Replacement Footages
Salt Lake County	176,466	33.4	Footage 33,200
Weber County	90,259	17.1	
			Mileage 6.3

FL6: 33 South to Utah County



FL24



FL34: Bingham Creek





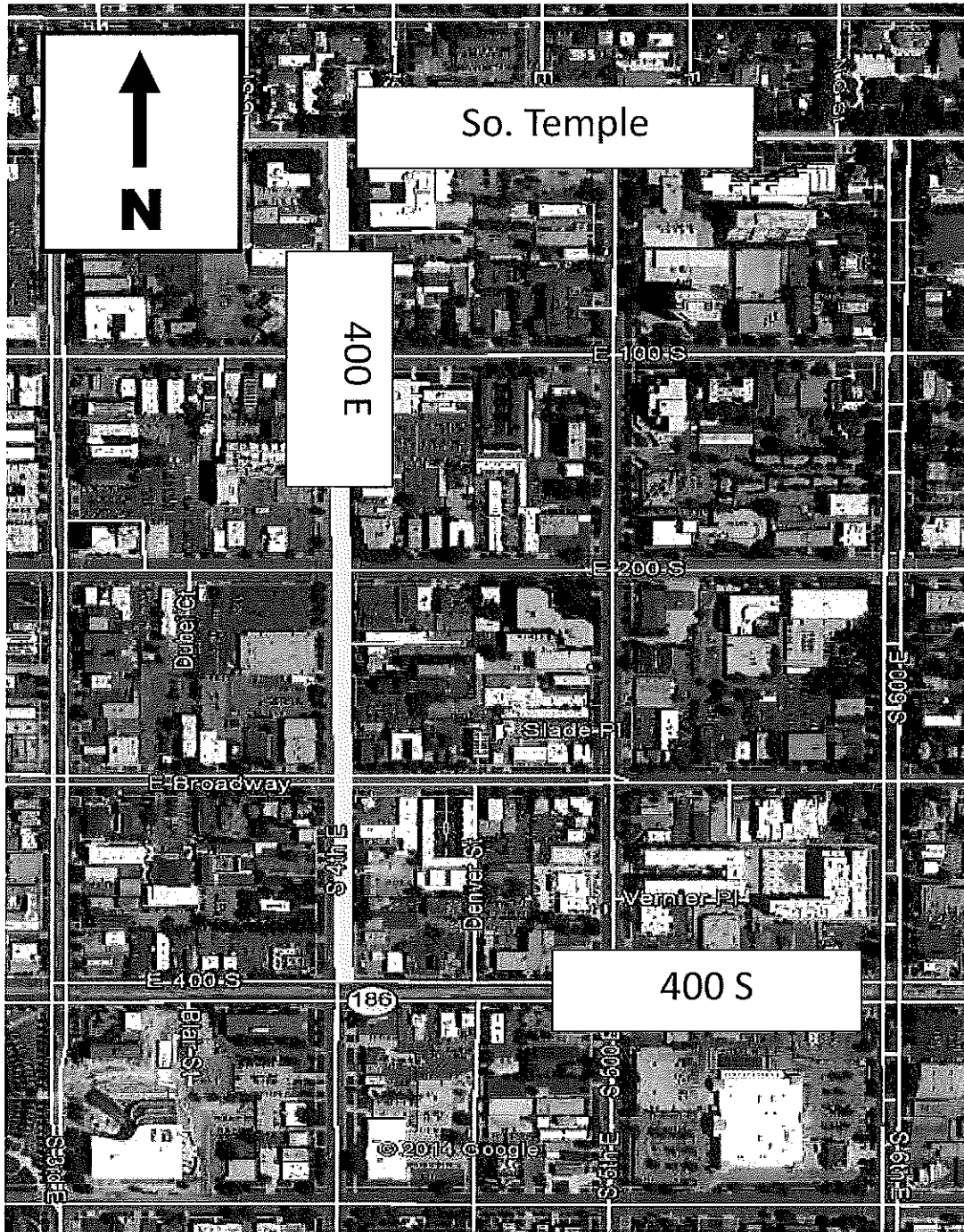
**Salt Lake County Belt Line Replacement - 5,000 ft.  
1700 S between State Street and 700 E in Salt Lake City**

- 1,700 ' of 10" steel installed in 1953
- 3,300 ' of 12" steel installed in 1929



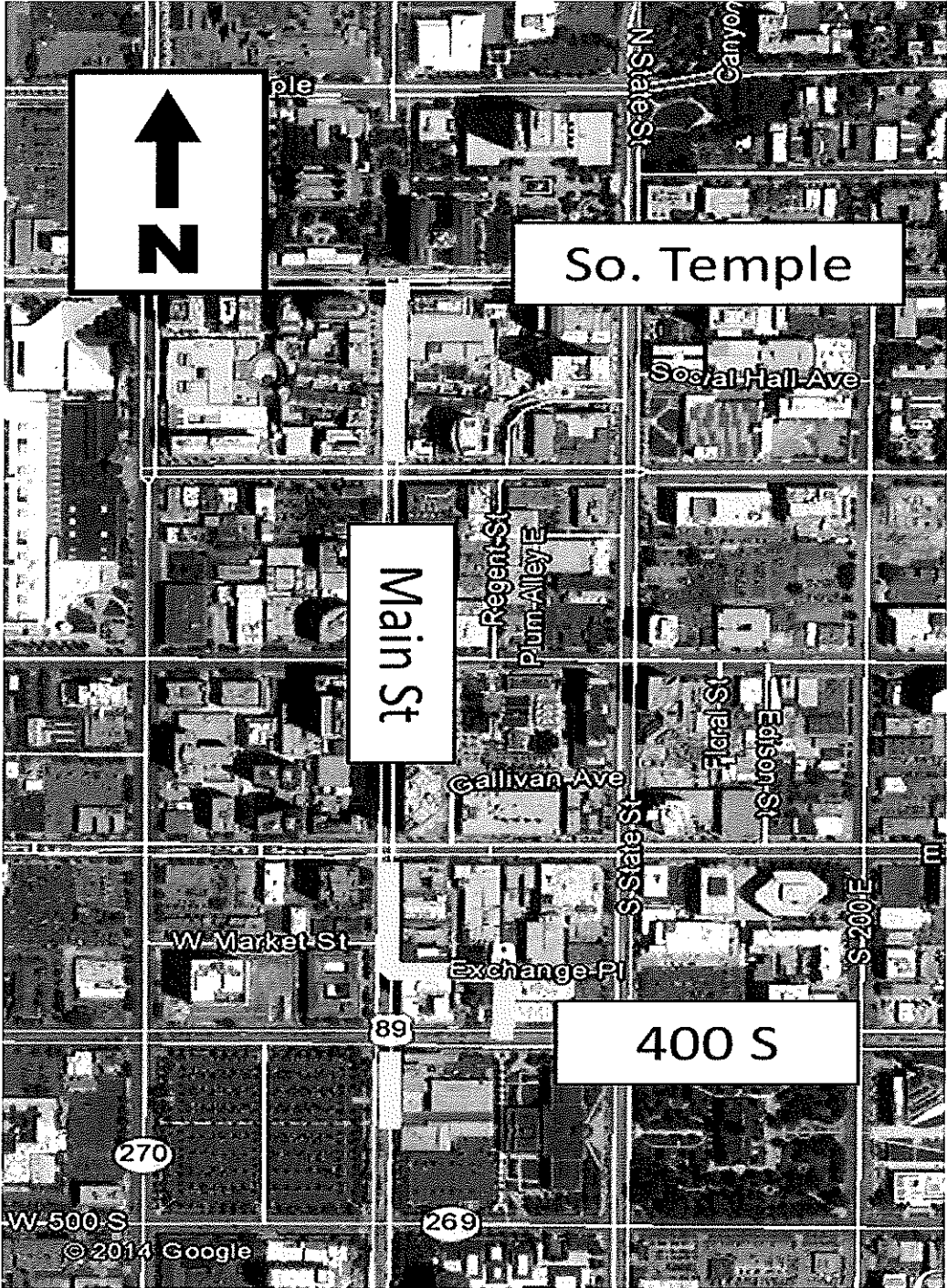
Salt Lake County Belt Line Replacement - 3,000 ft.  
400 E between South Temple and 400 S in Salt Lake City

- 3,000 ' of 10" steel installed in 1953



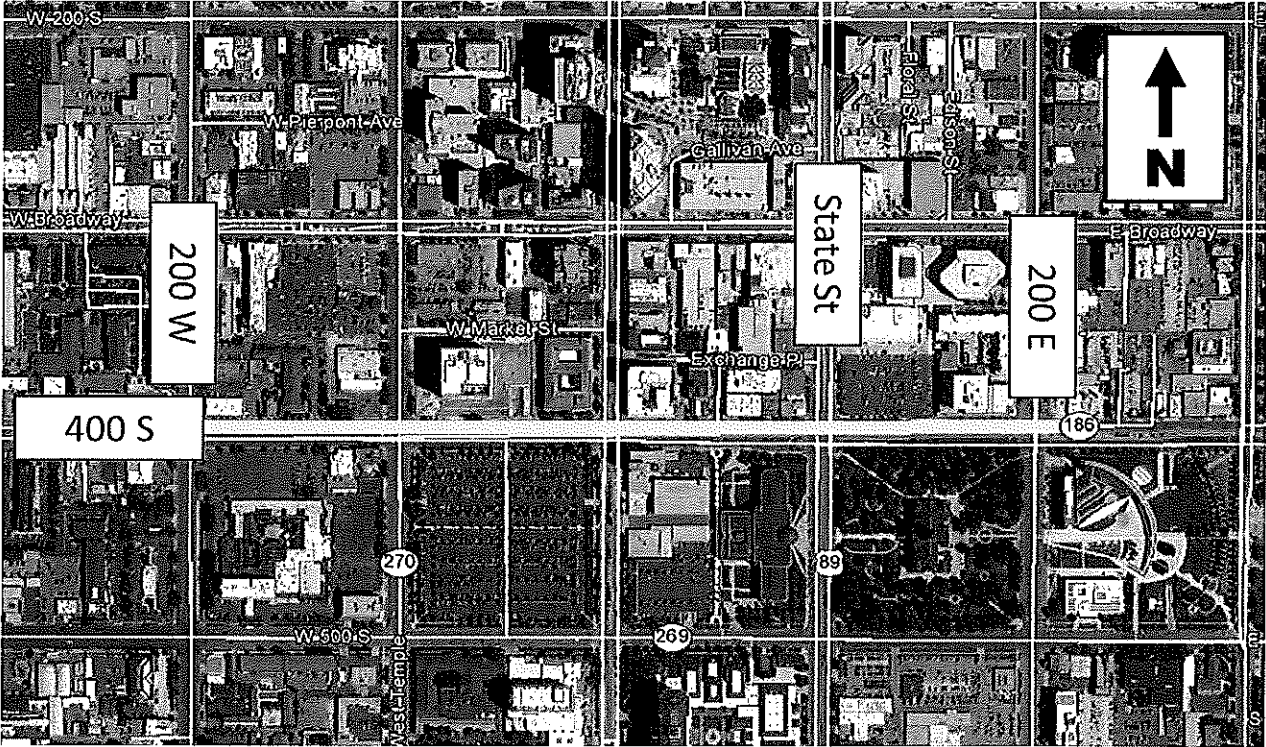
Salt Lake County Belt Line Replacement - 2,000 ft.  
 Main St. between South Temple and 100 S in Salt Lake City  
 Main St. between 300 S and 600 S in Salt Lake City

- 1,300 ' of 10" steel installed in 1929
- 700 ' of 10" steel installed in 1953



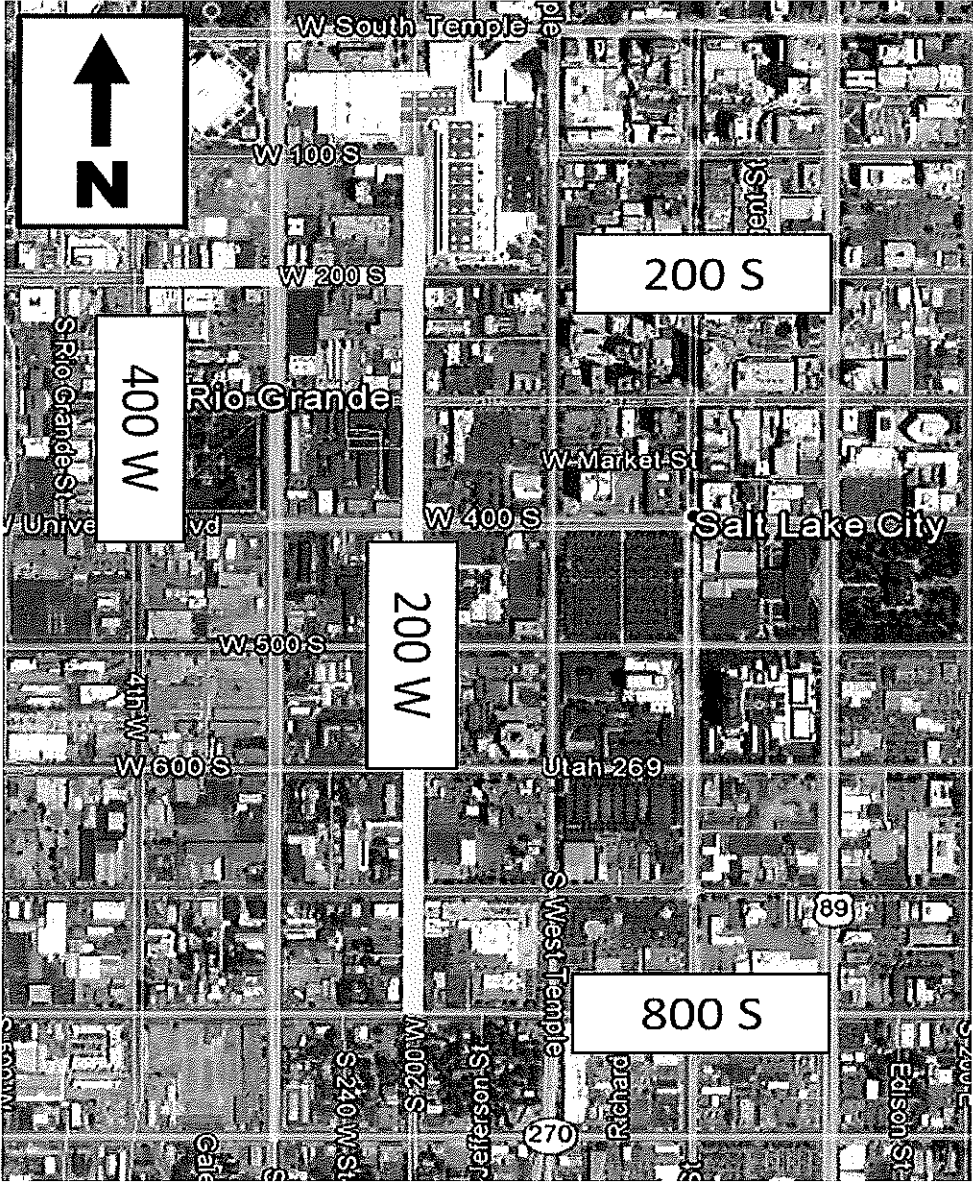
**Salt Lake County Belt Line Replacement - 3,400 ft.  
400 S between 200 W and 200 E in Salt Lake City**

- 1,700 ' of 10" steel installed in 1953
- 1,700 ' of 10" steel installed in 1954



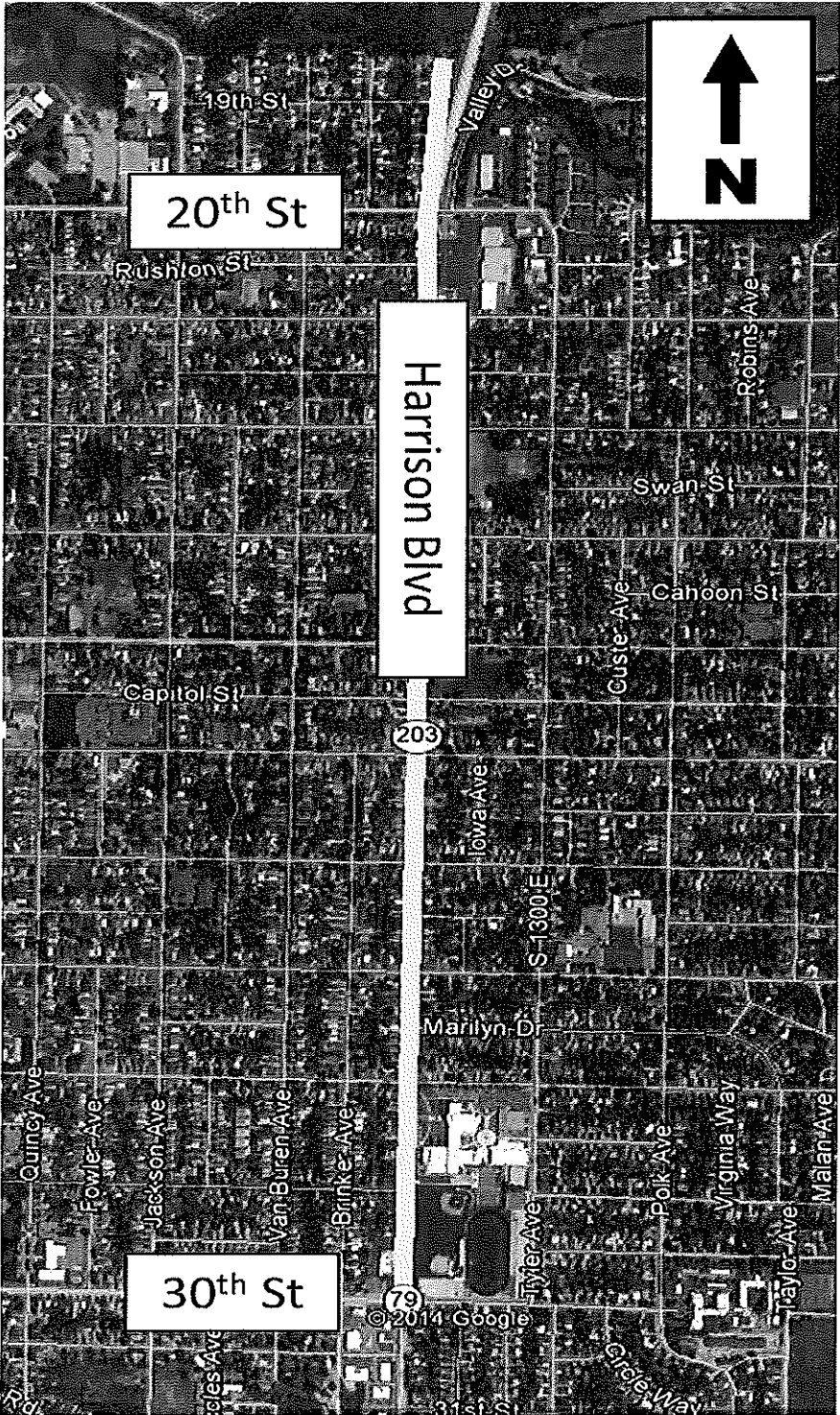
Salt Lake County Belt Line Replacement - 7,000 ft.  
200 W between 100 S and 800 S in Salt Lake City  
200 S between 200 W and 400 W in Salt Lake City

- 7,000' of 16" steel installed in 1929



**Weber County Belt Line Replacement - 8,700 ft.  
Harrison Blvd between 19th St and 30th St in Ogden**

- 3,100 ' of 8" steel installed in 1955
- 1,200 ' of 8" steel installed in 1956
- 4,400 ' of 10" steel installed in 1955



**Weber County Belt Line Replacement - 4,100 ft.  
Harrison Blvd between 5800 S and 6000 S in South Ogden**

- 4,100' of 14" steel installed in 1956

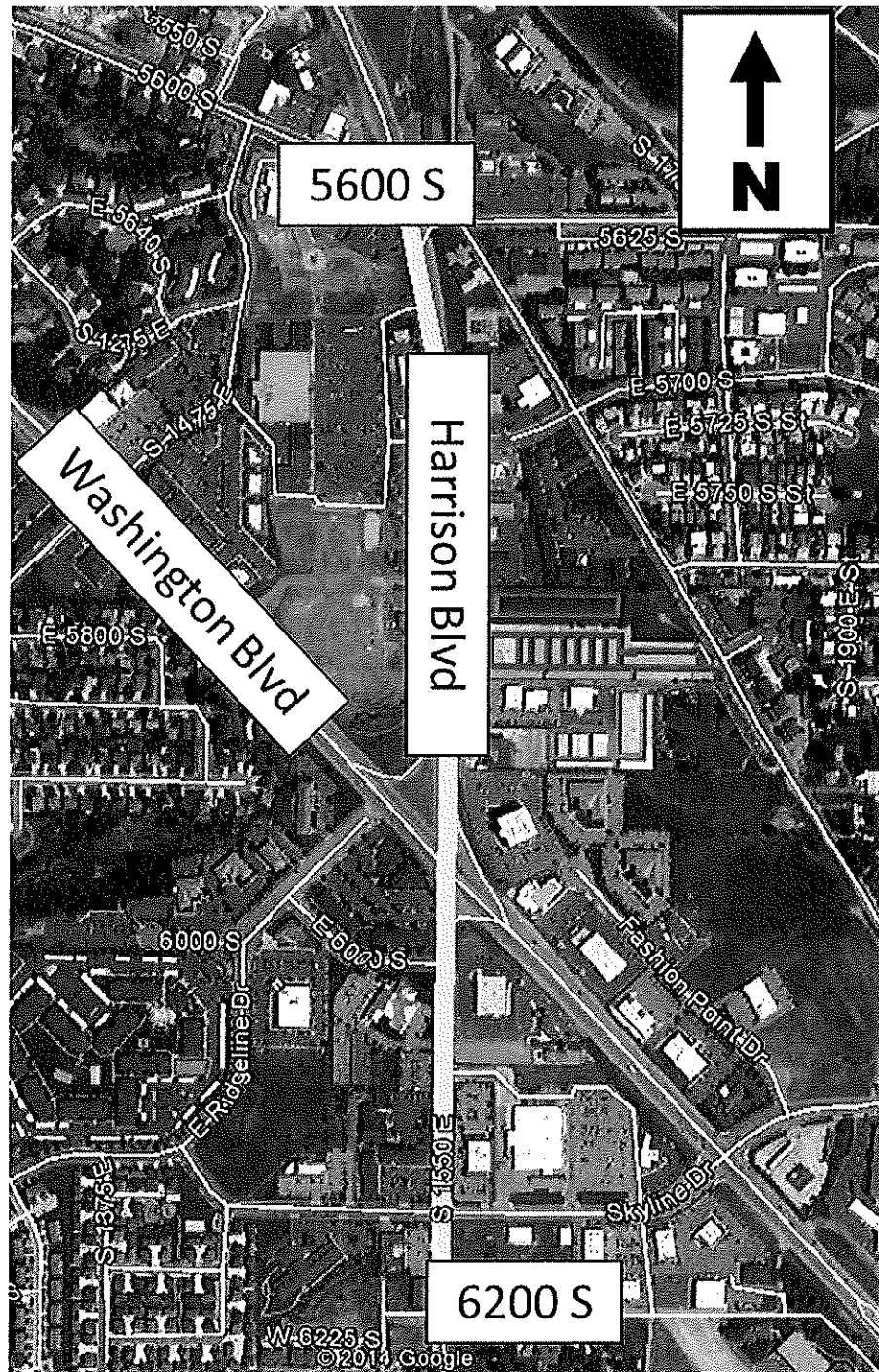






TABLE 2  
Summary of the US Economy

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Composition of Real GDP, Percent Change</b>													
Gross Domestic Product	1.8	-0.3	-2.8	2.5	1.6	2.3	2.2	2.3	2.7	2.9	3.1	2.8	2.7
Final Sales of Domestic Product	2.0	0.2	-2.0	1.1	1.7	2.2	2.2	2.2	2.9	2.9	3.2	2.8	2.7
Total Consumption	2.2	-0.3	-1.6	1.9	2.3	1.8	2.4	2.3	2.8	3.1	3.2	2.8	2.6
Durables	4.6	-5.1	-5.5	6.1	6.1	7.3	6.7	6.7	6.1	6.2	8.5	5.2	4.6
Nondurables	1.7	-1.1	-1.8	2.2	1.8	0.7	1.9	1.7	2.7	3.0	2.7	2.4	2.3
Services	2.0	0.8	-0.9	1.2	1.8	1.3	1.9	1.8	2.3	2.7	2.8	2.6	2.4
Nonresidential Fixed Investment	5.9	-0.7	-15.6	2.5	7.7	7.2	3.0	6.2	5.5	5.0	6.0	4.9	3.8
Equipment	3.2	-6.9	-22.9	15.0	13.6	6.8	4.6	6.7	7.1	6.2	6.0	4.6	3.9
Information Processing Equipment	11.5	0.4	-8.9	9.9	1.6	3.2	3.0	4.8	12.2	10.6	7.1	6.1	5.7
Computers & Peripherals	13.1	5.9	-0.4	10.3	-2.0	4.7	-0.2	-1.5	9.0	9.8	8.3	8.0	7.7
Communications Equipment	12.9	-4.9	-13.3	13.6	1.7	11.4	8.0	5.0	12.9	11.1	6.9	4.8	5.2
Industrial Equipment	3.1	-4.8	-22.2	-0.5	21.1	3.8	3.9	12.0	7.0	4.0	6.4	2.9	0.9
Transportation equipment	-4.2	-23.0	-55.0	94.0	33.7	18.9	6.2	9.8	-0.5	-1.4	1.0	3.4	3.5
Aircraft	28.3	-0.7	-41.0	24.7	26.5	11.0	-1.1	-0.9	2.3	5.9	6.1	4.6	4.5
Other Equipment	-1.2	-4.8	-19.8	8.5	10.9	4.0	5.6	1.3	9.0	10.1	8.7	5.4	4.9
Intellectual Property Products	4.8	3.0	-1.4	1.9	3.5	3.9	3.4	4.1	5.1	4.3	4.3	3.8	3.7
Structures	12.7	6.1	-18.9	-16.4	2.3	13.1	-0.5	7.8	3.0	3.6	8.1	7.0	3.7
Commercial & Health Care	10.0	-3.7	-30.7	-24.9	-0.5	8.5	3.4	5.8	11.0	18.9	13.2	8.0	5.2
Manufacturing	18.2	24.8	4.6	-27.5	-4.2	14.8	-1.3	11.2	5.5	-2.2	4.4	6.8	3.9
Power & Communication	39.3	9.9	1.4	-16.1	-7.8	21.0	-7.6	14.6	-3.1	-11.4	4.7	6.4	0.6
Mining & Petroleum	-1.6	7.3	-28.6	17.1	26.4	12.3	0.5	7.3	-1.3	-1.0	6.1	6.5	3.0
Other	15.1	12.7	-18.3	-26.7	-9.4	9.5	3.1	-0.2	6.7	12.5	9.1	6.7	5.3
Residential Fixed Investment	-18.8	-24.0	-21.2	-2.5	0.5	13.5	11.9	3.1	11.6	10.3	7.0	1.6	1.0
Exports	9.3	5.7	-8.8	11.9	6.9	3.3	3.0	3.1	3.6	4.2	5.5	6.0	6.2
Imports	2.5	-2.6	-13.7	12.7	5.5	2.3	1.1	3.4	4.2	5.6	5.4	5.0	3.7
Federal Government	1.7	8.8	5.7	4.3	-2.7	-1.8	-5.7	-2.5	-0.7	-0.9	-0.6	-0.5	-0.3
State & Local Government	1.5	0.3	1.6	-2.7	-3.3	-1.2	0.5	0.9	1.2	1.0	1.4	1.4	1.2
<b>Billions of Dollars</b>													
Real GDP	14873.8	14830.4	14418.8	14783.8	15020.6	15369.2	15710.3	16069.3	16509.3	16984.8	17519.1	18001.6	18482.7
Nominal GDP	14477.6	14718.6	14418.7	14964.4	15517.9	16163.2	16768.1	17422.5	18204.9	19055.6	20015.1	20953.5	21930.7
<b>Prices &amp; Wages, Percent Change</b>													
GDP Deflator	2.7	1.9	0.8	1.2	2.1	1.8	1.5	1.6	1.7	1.7	1.8	1.9	1.9
Consumer Prices	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.8	1.4	1.6	2.0	2.1	2.1
Producer Prices, Finished Goods	3.9	6.4	-2.6	4.2	6.0	1.9	1.2	2.1	0.5	0.8	1.7	2.1	2.1
Employment Cost Index - Total Comp.	3.1	2.9	1.4	1.9	2.1	2.0	1.9	2.0	2.6	3.0	3.2	3.3	3.4
<b>Other Key Measures</b>													
Brent Crude, Spot Price (\$/bbl)	72.68	97.94	61.57	79.84	110.95	111.78	108.75	105.35	103.75	101.50	103.30	108.78	111.45
Productivity (%ch.)	1.6	0.8	3.2	3.3	0.1	1.0	0.9	0.7	1.6	2.2	2.3	2.1	2.2
Total Industrial Production (%ch.)	2.5	-3.4	-11.3	5.7	3.3	3.8	2.9	3.9	2.8	3.6	3.4	2.5	2.3
Factory Operating Rate	78.7	74.6	65.6	71.1	73.9	75.5	76.1	77.1	77.2	77.4	77.4	76.7	76.2
Nonfarm Inven. Chg. (Bil. 2009 \$)	36.5	-35.0	-146.0	65.9	36.6	65.9	55.2	65.9	47.1	52.4	48.1	43.5	37.9
Consumer Sentiment Index	85.6	63.8	66.3	71.8	67.4	76.5	79.2	83.4	90.8	90.4	89.1	88.8	88.5
Light Vehicle Sales (Mil. units)	16.09	13.19	10.40	11.55	12.74	14.43	15.52	16.38	16.69	17.04	17.29	17.14	17.01
Housing Starts (Mil. units)	1.342	0.900	0.554	0.586	0.812	0.784	0.930	0.994	1.194	1.356	1.492	1.522	1.548
Exist. House Sales (Total, Mil. units)	5.041	4.106	4.329	4.183	4.277	4.659	5.073	4.960	5.502	5.705	5.439	5.378	5.502
Unemployment Rate (%)	4.6	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.7	5.5	5.3	5.2	5.1
Payroll Employment (%ch.)	1.1	-0.6	-4.3	-0.7	1.2	1.7	1.7	1.8	1.8	1.5	1.3	1.0	0.9
Federal Surplus (Unified, FY, bil. \$)	-161.5	-454.8	-1415.7	-1294.2	-1296.8	-1089.2	-680.2	-508.5	-475.1	-442.9	-487.3	-541.0	-570.6
Current Account Balance (Bil. \$)	-718.6	-686.6	-360.8	-443.9	-459.3	-460.8	-400.3	-388.9	-359.1	-380.6	-431.8	-450.0	-436.2
<b>Financial Markets, NSA, Quarter Average</b>													
Federal Funds Rate (%)	5.02	1.93	0.16	0.18	0.10	0.14	0.11	0.09	0.44	1.56	3.33	3.75	3.75
3-Month Treasury Bill Rate (%)	4.35	1.37	0.15	0.14	0.05	0.09	0.06	0.04	0.45	1.59	3.20	3.51	3.51
10-Year Treasury Note Yield (%)	4.63	3.67	3.26	3.21	2.79	1.80	2.35	2.63	3.18	3.64	4.21	4.36	4.36
30-Year Fixed Mortgage Rate (%)	6.34	6.04	5.04	4.69	4.46	3.66	3.98	4.25	4.86	5.48	6.10	6.23	6.23
S&P 500 Stock Index	1477	1221	947	1139	1269	1380	1643	1930	2043	2128	2195	2263	2340
(Percent change)	12.7	-17.3	-22.5	20.3	11.4	8.7	19.1	17.5	5.8	4.2	3.1	3.1	3.4
Exchange Rate, Major Trading Partners	1.004	0.959	1.000	0.970	0.912	0.946	0.979	0.999	1.033	1.024	1.019	1.016	1.013
(Percent change)	-5.6	-4.5	4.3	-3.0	-5.9	3.7	3.4	2.1	3.4	-0.8	-0.6	-0.2	-0.3
<b>Incomes</b>													
Personal Income (% ch.)	5.3	3.6	-2.8	2.8	6.2	5.2	2.0	4.2	4.6	5.1	5.7	5.2	5.0
Real Disposable Income (%ch.)	2.1	1.5	-0.4	1.0	2.5	3.0	-0.2	2.6	2.8	3.6	4.0	3.4	3.1
Saving Rate (%)	3.0	5.0	6.2	5.6	6.0	7.2	4.9	5.2	5.1	5.5	6.3	6.7	7.1
After-Tax Profits (Billions of \$)	1303	1073	1203	1470	1428	1681	1761	1859	1916	1916	1870	1856	1880
(Percent change)	-5.5	-17.6	12.1	22.2	-2.9	17.8	4.7	5.5	3.1	0.0	-2.4	-0.8	1.3