

## EXECUTIVE SUMMARY

Questar Gas Company (Questar Gas or Company) is a regulated natural gas utility company providing retail distribution service to approximately 975,000 customers in Utah, southwestern Wyoming and southeastern Idaho. The Company is regulated by the Utah Public Service Commission (Utah Commission) and the Public Service Commission of Wyoming (Wyoming Commission).

Technological innovations over the past decade have resulted in plentiful supplies of natural gas which are expected to last for at least a century. Natural gas is projected to be a moderately priced commodity for the foreseeable future. Increased use of this relatively clean-burning resource has been instrumental in reducing the amount of energy-related carbon dioxide released into the atmosphere since 2007.

J.D. Power recently recognized Questar Gas for having the highest ranking among utilities in the Western region in its 2015 Gas Utility Business Customer Satisfaction Study. J.D. Powers used six factors to determine customer satisfaction: billing and payment, corporate citizenship, price, communications, customer service, and field service.

Each year, Public Utilities Fortnightly publishes its list of the 40 best energy companies. The database from which the 40 best companies are selected consists of the largest U.S.-based investor-owned power and gas companies with assets in power generation or electricity and gas transmission and distribution. In its September 2014 issue, Public Utilities Fortnightly ranked Questar Corporation as the top company on its list of 40 best energy companies.

Since the early 1990s, Questar Gas has engaged in an annual integrated resource planning (IRP) process. This process results in a planning document that is used as a guide in meeting the natural gas requirements of the Company's customers for the ensuing year. As a fundamental part of the IRP process, Questar Gas conducts an assessment of available resources through the utilization of a cost-minimizing linear-programming computer model. Open dialogue with regulatory agencies and interested stakeholders is an overarching principle of the IRP process.

The IRP process this year has resulted in the following key findings:

1. A design-day firm sales demand of approximately 1.306 MMDth<sup>1</sup> at the city gates for the 2015-2016 heating season;

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<sup>1</sup> Throughout this report, "Dth" refers to decatherms, "Mcfh" refers to thousand cubic feet per hour, "MDth" refers to thousands of decatherms, "MMDth" refers to millions of decatherms, "Dth/D" refers to decatherms per day, "MDth/D" refers to thousands of decatherms per day, "Btu" refers to British thermal units, "MMBtu" refers to millions of British thermal units, "cf" refers to cubic feet, "Mcf" refers to thousands of cubic feet, "MMcf" refers to millions of cubic feet, "Bcf" refers to billions of cubic feet, "Bcf/D" refers to billions of cubic feet per day, "Tcf" refers to trillions of cubic feet, "Mcf/D" refers to thousands of cubic feet per day, "MMcf/D" refers to millions of cubic feet per day, "psi" refers to pounds per square inch, "psig" refers to pounds per square inch gauge, "lf" refers to linear feet, and "FL" refers to feeder line.

2. A 2015-2016 IRP-year cost-of-service gas production level of approximately 66.2 MMDth assuming the completion of new development drilling projects (58.5% of forecast demand);
3. A 2015-2016 IRP-year balanced portfolio of gas purchases of approximately 57.6 MMDth;
4. Questar Gas should maintain flexibility in purchase decisions pursuant to the planning guidelines listed herein, because actual weather and load conditions will vary from assumed conditions in the modeling simulation;
5. There is not a current need for any additional price stabilization, but the Company will review this on an annual basis to determine whether such measures are appropriate in the future;
6. Questar Gas should continue to monitor and manage producer imbalances; and
7. Questar Gas should continue to promote cost-effective energy-efficiency measures.

A cold spell during late December of 2014 in Questar Gas' service area resulted in a record daily total sendout of 1.28 MMDth occurring on gas-day December 30<sup>th</sup>. Questar Gas' distribution system successfully accommodated this record demand with no discernable issues.

As its customer base continues to grow, Questar Gas conducts an annual analysis to ensure that its system can continue to meet customer needs. Questar Gas' High Pressure (HP) feeder line system will be capable of meeting the demands of the 2015-2016 heating season with adequate supplies and pressures in the system. This system capacity assessment is based on the fact that the gate stations have adequate capacity, the supply contracts are adequate, and system models show that pressures are sufficient to meet demand.

This report is organized into the following sections: 1) Executive Summary; 2) Introduction and Background; 3) Customer and Gas Demand Forecast; 4) System Capabilities and Constraints; 5) Purchased Gas; 6) Cost-of-Service Gas; 7) Gathering, Transportation and Storage; 8) Energy-Efficiency Programs; 9) Final Modeling Results; 10) General IRP Guidelines/Goals; and 11) Appendix A, Scenario Analysis, (Cost-of-Service Production vs. Questar Gas Demand).

The preparation of this planning document is dependent on information from many sources. Questar Gas acknowledges the contributions of all who have participated in the IRP process this year. In the event there are questions, comments or requests for additional information, please direct them to:

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