

August 19, 2016

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

Re: Replacement Infrastructure Annual Plan and Budget, Second Quarter Variance Report
Docket No. 15-057-19

Dear Chris,

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 16, 2015, Questar Gas submitted a Replacement Infrastructure Annual Plan and Budget in Docket No. 15-057-19 (2016 Budget) replacement plan to the Commission. An updated budget was subsequently provided on February 22, 2016. The 2016 Budget included a budget for high pressure feeder line (HP) and intermediate high pressure belt main (IHP) replacement projects during 2016.

The attached Exhibit 1 provides budgeted amounts for both HP and IHP projects to be replaced in 2016, as well as the amount spent for each replacement project for the first half of 2016. Column B of Exhibit 1 shows the budget by project. Column C shows the costs incurred year-to-date. Column D shows the remaining budget for 2016 for each of these projects.

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

Sincerely,

Barrie L. McKay
Vice President
Regulatory Affairs/Energy Efficiency

cc: Public Service Commission
Office of Consumer Services