



**Questar Gas Company**

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**Barrie L. McKay**  
Director Customer Rates & Regulation

March 1, 2017

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, Fourth 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.

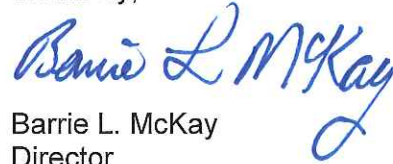
The attached Exhibit 1 provides budgeted amounts for both HP and IHP projects to be replaced in 2016, as well as the amount spent for each replacement project in 2016. Column B of Exhibit 1 shows the budget by project. Column C shows the costs incurred during the year. Column D shows the variance from the planned budget for 2016 for each of these projects. As shown, the Company's actual spend was \$333,184 below the allowed \$70.9 million budget, or approximately 0.5%.

On a project by project basis, the largest variances were on the Feeder Lines 6 and 24 projects. Feeder Line 6 was \$1.1 million under budget in 2016 because some restoration and retirement work was delayed until 2017 due to weather. Feeder Line 24 was \$1.7 million over budget because of multiple reroutes through Orem and Provo which added extra time and footage to the plan. In addition, the cost was increased by a failed bore under University Blvd in Orem. Feeder Line 21 had no material variance. The Feeder Line 11 and Feeder Line 13 project was \$0.5 million over budget due to unanticipated complications with the water table at the site and possible contaminants requiring the removal, storage and disposal of ground water. Feeder Line 89 was \$0.6 million under budget because some restoration work was delayed until 2017. Finally, Feeder Line 51 was \$0.3 million under budget because the weather was much milder than anticipated during the construction phase of January to March 2016, and the asphalt restoration was

minimized because Weber County placed permanent restoration rather than using the Questar Gas contractor.

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

Sincerely,



Barrie L. McKay  
Director  
Customer Rates and Regulation

cc: Public Service Commission  
Office of Consumer Services