

MDR_22 B.3 Revenue Requirement Information.

Labor Costs. A comparison of budgeted labor costs and number of full-time equivalents to the actual labor costs and full-time equivalents by year for the Base Year and the prior Historical Year on a total company basis. These shall show separately, to the degree available, the direct labor costs, premiums, incentives, benefits and overhead costs. These shall show contract labor costs separately from direct labor costs, and union labor costs separate from nonunion costs. The information shall provide available explanations for material variances.

Answer: Attached (MDR_22 B.03_Attach1.xlsx) are comparisons of budget and actual labor and labor overhead costs for the calendar year ended December 31, 2014 and the calendar year ended December 31, 2015, with accompanying explanations for material variances.

Budgets for labor are prepared on a total labor and labor charged to expense level. Budgets for labor overhead are prepared for Pension, Healthcare, Life Insurance, Payroll Taxes, Workman's Compensation, Allowed time and Other (which includes 401K and other miscellaneous amounts).

Also shown are labor and labor overhead costs from affiliated companies. There are no union costs.

Prepared by: Jeff Callor General Manager FP&A, Questar Corporation