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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE APPLICATION
OF QUESTAR GAS COMPANY TO
INCREASE DISTRIBUTION RATES AND
CHARGES AND MAKE TARIFF
MODIFICATIONS

Docket No. 16-057-03
**PETITION FOR APPROVAL OF
WITHDRAWAL OF VERIFIED
APPLICATION**

Questar Gas Company (“Questar Gas”) hereby petitions the Utah Public Service Commission (“Commission”) for an order approving Questar Gas’ withdrawal of its Verified Application filed in this docket on July 1, 2016 without prejudice. The basis for this Petition is as follows:

1. On January 31, 2016, Dominion Resources, Inc. (“Dominion”) and Questar Gas’ parent, Questar Corporation, entered into an Agreement and Plan of Merger (“Merger Agreement”), pursuant to which Questar Corporation will become a wholly-owned subsidiary of Dominion (“Merger”).

2. On March 3, 2016, Questar Gas and Dominion (“Joint Applicants”) filed a Joint Notice and Application before this Commission in Docket No. 16-057-01, providing notice and seeking approval of the Merger (“Utah Merger Docket”), and a Joint Application before the

Wyoming Public Service Commission (“Wyoming Commission”) in Docket Nos. 30010-150-GA-16 and 30025-1-GA-16, seeking approval of the Merger (“Wyoming Merger Docket”). On March 3, 2016, Questar Gas also provided a notice of the Merger to the Idaho Public Utilities Commission.

3. The Division of Public Utilities (“Division”) and Office of Consumer Services (“OCS”) have participated from the outset in the Utah Merger Docket. In addition, the Utah Association of Energy Users (“UAE”); Nucor Steel-Utah, a Division of Nucor Corporation (“Nucor”); the American Natural Gas Council, Inc. (“ANGC”); the State of Utah, Governor’s Office of Energy Development; and Rocky Mountain Power have intervened in the Utah Merger Docket.

4. On July 1, 2016, Questar Gas filed its Verified Application in this docket seeking to increase annual non-gas distribution revenue in Utah by approximately \$22 million. This filing also satisfied the Partial Settlement Stipulation of parties in Docket No. 13-057-05 which was adopted and approved by the Commission’s Report and Order issued February 21, 2014 in that docket.

5. After the filing of testimony, technical conferences, discovery and extensive settlement negotiations in the Utah and Wyoming Merger Dockets, parties to those dockets have entered into settlement stipulations proposing that this Commission and the Wyoming Commission approve the Merger subject to commitments and conditions specified in the settlement stipulations. The Wyoming Settlement Stipulation was filed in the Wyoming Merger Docket on August 1, 2016. The Utah Settlement Stipulation was filed in the Utah Merger Docket on August 15, 2016. No party in those dockets has indicated that it will oppose approval of the settlement stipulations.

6. Paragraph 33 of the Utah Settlement Stipulation provides in part that the parties' support approval of the Merger by this Commission conditional upon the following:

Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately \$22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission.

7. Upon approval and adoption by this Commission of the Utah Settlement Stipulation and approval and adoption by the Wyoming Commission of the Wyoming Settlement Stipulation, and barring other unforeseen changes in circumstance, Dominion and Questar Corporation will consummate the Merger in accordance with the terms of the Merger Agreement.

8. The Commission has provided notices to all parties that have requested notices of proceedings involving Questar Gas of this docket and the Utah Merger Docket. The only parties that have intervened in this docket are the Division and the OCS. Both of these parties are also parties to the Utah Settlement Stipulation. UAE and the interests represented by ANGC have also participated in prior Questar Gas general rate cases and are parties to the Utah Settlement Stipulation.

9. It is in the public interest for the Commission to approve the Utah Settlement Stipulation for the reasons set forth in that stipulation.

10. It is in the public interest for the Commission to grant this Petition for at least three reasons:

a. Granting this Petition will avoid a general rate increase to Questar Gas' Utah customers. In addition, the Utah Settlement Stipulation provides that, contingent upon consummation of the Merger, Dominion Questar Gas will not file a general rate case prior to July 1, 2019.

b. Notwithstanding the foregoing agreements and commitments regarding a rate freeze, in Paragraphs 8 and 47 of the Utah Settlement Stipulation Questar Gas and Dominion agree to continue Questar Gas' focus on maintaining facilities necessary for safe and reliable operations, continue Questar Gas' planned total capital expenditure plan and collaborate with the Division and OCS to update Customer Satisfaction Standards. Therefore, the withdrawal will not impair Questar Gas' ability and obligation to provide safe and reliable service.

c. Granting this Petition is a condition to the Utah Settlement Stipulation. It is in the public interest for the Commission to grant this Petition because withdrawing the rate case is an essential component of the net positive benefits package created in the stipulation in Docket No. 16-057-01.

11. Questar Gas has contacted all signatories to the Partial Settlement Stipulation in Docket No. 13-057-05, its previous general rate case, regarding this Petition. Most of those signing parties are also parties to the Utah Settlement Stipulation. Additionally, Nucor, and the Utah Asphalt and Paving Association indicated that they do not oppose this Petition. The Federal Executive Agencies did not respond to Questar Gas' communications.

BASED UPON THE FOREGOING, Questar Gas respectfully requests that the Commission issue an order approving its withdrawal of the Verified Application in this docket without prejudice.

DATED: August 16, 2016.

QUESTAR GAS COMPANY

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CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the **PETITION FOR APPROVAL OF WITHDRAWAL OF VERIFIED APPLICATION** was served upon the following persons by e-mail on August 16, 2016:

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