

Dominion Energy Utah  
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DominionEnergy.com



August 15, 2017

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
P.O. Box 146751  
Salt Lake City, UT 84114-6751

*Via E-mail*

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report.

Paragraph 36 of the above-referenced Settlement Stipulation provides that "Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case." The attached Integration Progress Report is the second report. Dominion Energy will submit future reports quarterly.

If you have any questions or concerns, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kelly B. Mendenhall", written over a blue circular stamp.

Kelly B. Mendenhall  
General Manager, Regulatory Affairs

Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated \$209 million investment in 2017, \$208 million investment in 2018, and \$233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment.



## Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.
10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They will receive three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company.
11	Dominion, as at shareholders' cost, will contribute, within six months of the Effective Time, a total of \$75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said \$75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.

## Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2017/2018 IRP on June 14th, 2017, in Docket 17-057-12.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6.



Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.
27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Since the merger, Dominion Energy Utah has not transferred assets to or assumed liabilities of Dominion or its affiliates. Dominion Energy continues to comply with this commitment.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by \$1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion is complying with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to \$25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed \$25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council's most recent meeting was on June 1, 2017.

Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
33	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. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.
34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of July 2017, the balance in the CET is a \$1.9 million over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the integration report on April 17, 2017. and will file similar quarterly reports in the future.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 are shown in Exhibit 12 of this report. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.



## Utah Integration Progress Report as of 8/15/2017

	Utah Stipulation	Status
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to	The transition costs are shown in Exhibit 12. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was \$138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. The attached Exhibit 13 shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is \$129.88 (in 2016 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of \$138.24.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy will comply with this commitment at the time designated. Dominion Energy is in the process of reviewing cost allocations and developing a proposed methodology.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy will comply with this commitment at the time designated.

Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results are attached as Exhibit 14.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less than \$750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy has not issued a dividend since the merger. The financial statements for Wexpro and Questar Pipeline are included in this report as exhibit 15 and 16.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.



Utah Integration Progress Report as of 8/15/2017		
	Utah Stipulation	Status
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPA 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPA 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.

## Utah Integration Progress Report as of 8/15/2017

Utah Stipulation		Status
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.



Dominion Energy  
Merger Costs  
YTD June 30, 2017

	A Dominion Energy Questar Pipeline	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar	F Total	
<u>Transaction Costs - GL Account 930205</u>							
1 Severance	\$0	\$0	\$0	\$0	\$0	\$0	1/
2 Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3 Restricted stock units settlement	0	0	0	0	0	0	1/
4 Performance share settlement	0	0	0	0	0	0	1/
5 Performance share - additional expense	0	0	0	0	0	0	1/
6 Wexpro software relicensing charges	0	0	0	0	0	0	
7 Legal	0	0	0	0	34,557	34,557	
8 Financial advisor	0	0	0	0	0	0	
9 Fees for special proxy statement	0	0	0	0	0	0	
10 Financing fees Questar Corporation \$250 million notes	0	0	0	0	0	0	
11 Unamortized debt costs	0	0	0	0	0	0	
12 Debt issuance revolver fees	0	0	0	0	0	0	
13 Curtailment of Supplemental Executive Retirement Plan	1,557,709	4,984,000	180,000	134,000	2,816,000	9,671,709	1/
14 Other transaction costs	0	0	(15,792)	0	11,604	(4,188)	
15 Total Transaction Costs	1,557,709	4,984,000	164,208	134,000	2,862,161	9,702,078	
<u>Transition Costs - GL Account 930205</u>							
16 Retention	38,092	72,650	74,251	4,295	4,198	193,486	1/
17 Voluntary severance program	2,562,703	4,941,204	135,344	14,531	0	7,653,782	1/
18 Total Transition Costs for 2016 and 2017	2,600,795	5,013,854	209,595	18,826	4,198	7,847,268	
19 Total	\$4,158,504	\$9,997,854	\$373,803	\$152,826	\$2,866,359	\$17,549,346	

1/ Costs include directly assignable costs and allocated corporate costs.

### Questar Gas Company

#### 12 Months Ended 2016 O&M and A&G per customer (Annual Results of Operations)

(A)	(B)
1 Production	\$ (950,343)
2 Distribution	58,448,083
3 Customer Accounts (Excl. Bad Debt)	21,276,019
4 Customer Service/Information (Excl. EE)	5,018,702
5 Administrative & General	47,078,875 1/
6 Bad Debt	2,121,551
7 Energy Efficiency	23,923,726
8 <b>Total O&amp;M and A&amp;G</b>	<b>\$ 156,916,614</b>
9 LESS Bad Debt	(2,121,551)
10 LESS Energy Efficiency	(23,923,726)
11 <b>Adjusted O&amp;M and A&amp;G</b>	<b>\$ 130,871,336</b>
12 Year End Customers	1,007,667
13 <b>O&amp;M and A&amp;G/Customer (Line 11 divided by 12)</b>	<b>\$ 129.88</b>

### Wexpro

#### 12 Months Ended 2016 O&M and A&G (Audited Financial Statements)

14 Operating & Maintenance Expense	23,410,413
15 Administrative & General Expense	25,927,681 1/
16 <b>Total O&amp;M and A&amp;G</b>	<b>\$ 49,338,094</b>

### Questar Pipeline Company

#### 12 Months Ended 2016 O&M and A&G (FERC Form 2 pages 320-325 )

17 Production Expenses	(9,549,590)
18 Natural Gas Storage, Terminating and Processing Expenses	12,578,992
19 Transmission Expenses	32,066,699
20 Customer Service and Informational Expenses	41,813
21 Administrative & General Expense	24,583,605
22 <b>Total O&amp;M and A&amp;G</b>	<b>\$ 59,721,519 2/</b>

1/ Does not include full allocation of costs from DRS

2/ QPC Ferc Form 2 numbers are not yet available. They will be provided as part of the next quarterly update.



August 15, 2017

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 2nd quarter ended June 2017.

In Docket No. 16-057-01, the Matter of Joint Notice and Application of Questar Gas Company and Dominion Resources, Inc., the parties agreed in paragraph 47 of the settlement stipulation that "Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards."

The parties met with the Division and Office of Consumer Services in the 4<sup>th</sup> quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending June 2017 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

Dominion Energy met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results are attached as Exhibit 14. There are three areas where the Company is deficient. Customer Care metric #3, average wait time after menu selection was 51 seconds on average instead of 45 seconds on average. Billing metric #1, read each meter monthly, was 97.4%, instead of 99% on average. These two metrics were deficient due to issues with battery failure on transponders. When the batteries fail, meter reads decrease and meter read estimates increase. This results in higher call volume and a lower number of reads. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. This should result in reduced battery failures, higher meter reads and lower call volume. The third deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 94% instead of 95% because the responsible department was down by three employees due to job changes and maternity leave. Going forward this department is fully staffed and response times should improve.

Cc: Doug Wheelwright, DPU  
Maria Martinez, DPU  
Cheryl Murray, OCS

**CUSTOMER SATISFACTION STANDARDS  
QUARTERLY REPORT**

Service		2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Overall Impression of QGC</b>								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.4	6.3	6.3	6.3	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	6.0	5.9	5.8	5.9	5.9
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.6	5.5	5.4	5.5	5.5
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.7	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	6.1	6.1	5.8	6.0	6.0
6	Safely delivers natural gas to my home	6.5	CSS	6.7	6.7	6.6	6.6	6.7
7	Demonstrates care and concern for people like me	5.0	CSS	5.8	5.9	5.7	5.8	5.8

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)

CSS - Customer Satisfaction Survey



Service		2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Customer Care</b>								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	89.5%	86.3%	84.4%	88.1%	87.1%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.3%	99.2%	99.5%	99.4%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	37	57	70	51	54
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.2%	1.8%	1.9%	1.5%	1.6%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	4.9	5.1	5.0	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.6	6.6	6.7	6.7
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.6	6.5	6.6	6.6
8	My call was answered quickly	5.5	CSS	6.2	6.3	6.1	6.4	6.3
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.3	6.4	6.4	6.4
10	The automated menu was easy to use	5.7	CSS	6.1	6.1	6.0	6.2	6.1
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	6.3	6.2	6.3	6.3

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)

CSS - Customer Satisfaction Survey

Service		2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Customer Affairs</b>								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

Service		2017 Annual Goal	Measurement Source	Q3 2016	Q3 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Service Calls - Ask-A-Tech</b>								
1	The technician was courteous	6.2	CSS	6.9	6.8	6.7	6.8	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.6	6.7	6.7	6.7
3	The technician was able to help me quickly	5.9	CSS	6.7	6.6	6.6	6.6	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.6	6.7	6.5	6.3	6.5
5	The automated menu was easy to use	5.7	CSS	6.4	6.3	6.4	6.1	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.6	6.5	6.7	6.5	6.6

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)

CSS - Customer Satisfaction Survey



Service		2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Service Calls</b>								
1	The service technician was courteous	6.4	CSS	6.7	6.8	7.0	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.8	6.9	6.8	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.5	6.6	6.8	6.7	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.6	6.6	6.8	6.4	6.6
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.6	6.7	6.8	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.6%	98.0%	98.1%	98.3%	98.3%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	98.8%	100.0%	100.0%	100.0%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)

CSS - Customer Satisfaction Survey

CUSTOMER CARE SATISFACTION

6.3	6.3	6.2	6.3
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Service		2017 Annual Goal	Measurement Source	Q3 2016	Q4 2016	Q1 2017	Q2 2017	12 Mo. Ended 6/30/17
<b>Billing</b>								
1	Read each meter monthly	99%	Billing Statistics	98.2%	94.8%	94.2%	97.4%	96.2%
2	Percent of adjustments	3% Annual	Billing Statistics	0.77%	0.56%	0.53%	0.53%	2.39%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.57 days	.78 days	1.75 days	2.21 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.7%	99.9%	99.7%	99.8%	99.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	100%	100%	97%	94%	98%