

Dominion Energy Utah
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DominionEnergy.com



May 1, 2018

Utah Public Service Commission
Heber M. Wells Building, 4th 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 for the 4th quarter 2017.

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 fourth 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 light blue circular background.

Kelly B. Mendenhall
Director, Pricing and Regulation

Utah Integration 4th Quarter 2017 Progress Report

	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	<p>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.</p>	<p>Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were \$211 million, as shown in DEU Exhibit 22.</p>
9	<p>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.</p>	<p>Dominion and its subsidiaries continue to comply with this commitment.</p>
10	<p>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.</p>	<p>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 received 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. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 23.</p>

11	Dominion, 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 was 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.
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. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports are included as attachments DEU 24 and 25.
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 continues to comply 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. See exhibit DEU 26 for total charitable contributions from 2014 to 2017.
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 held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.

33	<p>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 bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.</p>	<p>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.</p>
34	<p>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.</p>	<p>As of December 2017, the balance in the CET is a \$4,438,824.04 over collection. This is well within the existing amortization caps.</p>
35	<p>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.</p>	<p>Dominion Energy continues to comply with this commitment.</p>
36	<p>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.</p>	<p>Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.</p>

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 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27. 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.
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 customers.	The transition costs are shown in Exhibit 27. 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. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is \$129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of \$138.24. Exhibit 28 shows the O&M per customer for 2017 of \$111.37. Exhibit 29 is the Questar Pipeline 2017 FERC Form 2.
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 Dstrigas, 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 representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
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.
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 were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results are attached as Exhibit 30.

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 Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Wexpro and Questar Pipeline final financials are not ready as of this report but will be included in the 1st quarter 2018 merger report.
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.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAAct 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 (EPAAct 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.
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
Capital Expenditures
YTD December 31, 2017

Dominion Energy Utah
Docket No. 16-057-01
4th Qtr. Integration Progress Report
DEU Exhibit 22

Description	Utah	Wyoming	Total
Distribution Measure & Regulation	13,552,442	67,500	13,619,942
Feeder Lines	87,613,643	1,775	87,615,419
Distribution Compressor Plant	2,125		2,125
Distribution Mains	2,742,298	341,223	3,083,521
Distribution Services	7,968,450	292,682	8,261,132
Meters	12,252,039	187,406	12,439,445
Office Buildings & Residences	886,413	2,425,893	3,312,306
Furniture & Office Equipment	606,971		606,971
Transportation Equipment	2,843,450		2,843,450
Tools & Work Equipment	3,100,073	95,503	3,195,576
Communication & Telemetry	20,966		20,966
Filling Stations & Plants	665,316		665,316
Computer System Software	1,972,654		1,972,654
Computer Equipment	836,913		836,913
Mains - Other	32,032,512	2,638,603	34,671,115
Services - Other	7,945,499	1,290,536	9,236,034
Meters - Conversions	36,389,555	1,811,101	38,200,656
Telecom Non Construction	1,484,110		1,484,110
Retirement Projects	(2,016,996)	13,836	(2,003,160)
UDOT Accounts Receivable	2,426,448		2,426,448
Accounts Receivable Projects	(2,976,687)		(2,976,687)
Accounting Purposes	(8,370,572)		(8,370,572)
Total	201,977,621	9,166,058	211,143,679

2017 Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

Severance package includes a two month advance start date and three weeks of severance for each year of service up to 52 weeks.

Advance Notice Start Dates were scheduled as follows:

Month	Positions eliminated
September 2017	2
October 2017	3
November 2017	4
January 2018	4
February 2018	3
April 2018	31
July 2018	5
December 2018	4
Total	56

Of the 56 affected employees 15 have found other positions in the Company and several others are under consideration for other positions that have not yet been filled. This number will be updated in future integration progress reports.

RatingsDirect®

Summary: Questar Gas Co.

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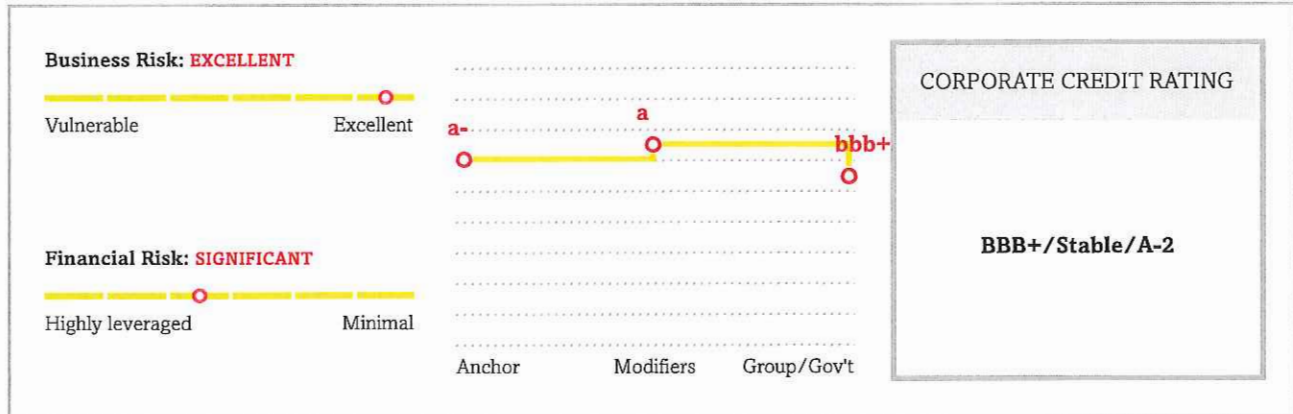
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Summary:

Questar Gas Co.



Rationale

Business Risk: Excellent

- Low-operating-risk gas distribution utility;
- Effective management of regulatory risk;
- Above average size utility;
- Lack of business or regulatory diversity; and
- Strong access to gas supply and storage.

Financial Risk: Significant

- We assess the company's financial measures using more moderate financial benchmarks compared to the typical corporate issuer, reflecting its lower-risk regulated utility business and its effective management of regulatory risk;
- Recovery mechanisms enhance cash flow predictability and mitigates regulatory lag; and
- Financial measures that consistently reflect the higher-end of the range for its financial risk profile category.

Outlook: Stable

S&P Global Ratings' stable outlook on Salt Lake City-based Questar Gas Co.(QGC), reflects the outlook on ultimate parent Dominion Energy, Inc. (Dominion) and the expectation that Dominion will continue consisting of mostly lower-risk regulated utilities. Additionally, we expect Dominion's consolidated financial measures will improve gradually, consistent with the middle of the range for the significant financial risk profile category, reflecting consolidated funds from operations (FFO) to debt of about 17%.

Downside scenario

We could lower the rating on QGC over the next 12-24 months if its ultimate parent, Dominion's business risk profile weakens either by less-effective management of regulatory risk or through disproportionate growth of its higher-risk businesses. We could also lower the rating if Dominion's consolidated financial measures consistently reflected the lower end of the range for the significant financial risk profile category, reflecting consolidated FFO to debt consistently below 15%.

Upside scenario

We could raise the ratings on QGC over the next 12-24 months if its ultimate parent, Dominion's consolidated financial measures consistently improved to the higher end of the range for the significant financial risk profile category, reflecting FFO to debt consistently greater than 20%.

Our Base-Case Scenario

Questar Gas Co.

Assumptions	Key Metrics			
<ul style="list-style-type: none">• Incrementally improving economic conditions in the company's service territory, resulting in higher cash flows;• Future rate case increases;• Continued use of riders;• Capital expenditures averaging about \$220 million annually;• Dividends at about \$40 million; and• Negative discretionary cash flow.		2016A	2017E	2018E
	FFO to debt (%)	17.5	18-22	18-22
	OCF to debt (%)	22.8	18-23	18-23
	Debt to EBITDA (x)	4.7	4.2-4.7	4.2-4.7
	S&P Global Ratings' adjusted measures. A—Actual.			
	E—Estimate. FFO-- Funds from operations. OCF—			
Operating cash flow.				

Business Risk: Excellent

Our stand-alone business risk assessment of QGC reflects the utility's low-risk regulated natural gas distribution business, above average size, and its effective management of regulatory risk.

QGC serves approximately one million customers in Utah (about 97%), southwestern Wyoming, and southeastern Idaho. Constructive regulation in Utah strengthens the company's management of regulatory risk including a credit supportive rate design and the use of multiple regulatory mechanisms including a fuel cost adjustment, a weather normalization adjustment, decoupling, and an infrastructure cost tracking adjustment. QGC cash flows are generally stable and largely insulated from fluctuations in gas prices, weather, and usage. Furthermore, most of the customer base is residential and commercial, providing an additional measure of cash flow stability. Marginally effecting the company's business risk profile is the general lack of business or regulatory diversity.

QGC has good access to gas supply (65% of the utility's supply) due to its relationship with Wexpro, a cost-of-service exploration and production operation company providing natural gas to QGC at cost plus a fixed return. In addition, Dominion Energy Questar Pipeline, LLC, another affiliate, provides QGC with long-term transportation contracts and storage. These relationships and contracts minimizes QGC's supply risk compared to peers.

Financial Risk: Significant

We assess the company's financial measures using more moderate financial benchmarks compared to the typical corporate issuer, reflecting its low-risk regulated utility business and its effective management of regulatory risk.

Under our base-case scenario, which includes improving economic conditions in the company's service territory, a rate case increase in 2020, capital spending of about \$220 million, and dividends of about \$40 million, we expect financial measures consistent with the higher end of the range for the company's financial risk category. Specifically, we expect FFO to debt of about 20%.

Liquidity: Adequate

QGC has adequate liquidity, in our view, and can more than cover its needs for the next 12 months even if EBITDA declines by 10%. We expect the company's liquidity sources will exceed uses by more than 1.1x over the next 12 months, which is the minimum threshold for an adequate liquidity assessment under our criteria. Under our stress scenario, we do not expect the company would require access to the capital markets during that period to meet liquidity needs. Our assessment also reflects the company's stable cash flow generation, generally prudent risk management, sound relationships with banks, and a generally satisfactory standing in the credit markets.

Principal Liquidity Sources	Principal Liquidity Uses
<ul style="list-style-type: none"> • Cash FFO of about \$175 million; • Credit facility availability of \$250 million; and • Minimal cash of about \$10 million. 	<ul style="list-style-type: none"> • Long-term debt maturities of about \$120 million in 2018; • Maintenance capital spending of about \$125 million; and • Dividends of about \$40 million.

Other Credit Considerations

We assess the comparable rating analysis modifier for QGC as positive, reflecting our view that QGC's financial measures will consistently reflect the higher end of the range for its financial risk profile.

Group Influence

Although QGC accounts for a relatively small portion of Dominion's overall business, representing less than 5% of Dominion's operating income, we assess QGC as a core subsidiary of Dominion, under our group rating methodology. This reflects our view that QGC is highly unlikely to be sold, has a strong long-term commitment from senior management, is successful at what it does, and contributes meaningfully to the group. As a result, we assess QGC's issuer credit rating as in line with Dominion's 'bbb+' group credit profile.

Ratings Score Snapshot

Corporate Credit Rating

BBB+/Stable/A-2

Business risk: Excellent

- **Country risk:** Very low
- **Industry risk:** Very low
- **Competitive position:** Strong

Financial risk: Significant

- **Cash flow/Leverage:** Significant

Anchor: a-

Modifiers

- **Diversification/Portfolio effect:** Neutral (no impact)
- **Capital structure:** Neutral (no impact)
- **Financial policy:** Neutral (no impact)
- **Liquidity:** Adequate (no impact)
- **Management and governance:** Satisfactory (no impact)
- **Comparable rating analysis:** Positive (+1 notch)

Stand-alone credit profile : a

- **Group credit profile:** bbb+
- **Entity status within group:** Core (-2 notches from SACP)

Issue Ratings

Questar Gas' unsecured debt is rated the same as the corporate credit rating because it is unsecured debt of a qualifying investment-grade regulated utility.

Related Criteria

- Criteria - Corporates - General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Midstream Energy Industry, Dec. 19, 2013
- Criteria - Corporates - General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Methodology For Linking Short-Term And Long-Term Ratings For Corporate, Insurance, And Sovereign Issuers, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008
- Reflecting Subordination Risk In Corporate Issue Ratings, Sept. 21, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017

Business And Financial Risk Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly leveraged
Excellent	aaa/aa+	aa	a+/a	a-	bbb	bbb-/bb+
Strong	aa/aa-	a+/a	a-/bbb+	bbb	bb+	bb
Satisfactory	a/a-	bbb+	bbb/bbb-	bbb-/bb+	bb	b+
Fair	bbb/bbb-	bbb-	bb+	bb	bb-	b
Weak	bb+	bb+	bb	bb-	b+	b/b-
Vulnerable	bb-	bb-	bb-/b+	b+	b	b-

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CREDIT OPINION

22 December 2017

Update

Rate this Research >>

RATINGS

Questar Gas Company

Domicile Salt Lake City, Utah,
United States
Long Term Rating A2
Type Senior Unsecured -
Dom Curr
Outlook Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Questar Gas Company

Update to credit analysis

Summary

Questar Gas Company's (A2 stable) credit reflects 1) low-risk operations as a local gas distribution company (LDC), 2) supportive regulators in Utah and Wyoming and 3) stable cash flow production through its suite of cost recovery mechanisms.

The Questar Gas credit profile is constrained by 1) low-20% cash flow to debt ratio that is weak versus peers, 2) a base rate freeze that will further reduce financial metrics through 2020 and a highly levered parent company (i.e., Dominion Energy Inc. (DEI, Baa2 stable).

Exhibit 1

Historical CFO Pre-W/C, Total Debt and CFO Pre-W/C to Debt (\$ MM)



Source: Moody's Financial Metrics

Credit strengths

- » Stable and predictable cash flow derived from cost recovery mechanisms
- » Cooperative relationships with regulators in Utah and Wyoming
- » Ring-fencing like provisions helps offset some risk of its highly levered parent

Credit challenges

- » Base rate freeze through 2020 will weaken financial metrics
- » Elevated capital spend over the next three years
- » Highly levered parent that carries higher credit risk

Rating outlook

The stable outlook reflects ongoing cash collection through tracking mechanisms that should keep cash flow to debt at 20% over the next 12-18 months. Typically, we would expect the company to produce cash flow to debt in the mid-20% range, but now expect a decline in this metric due to a base rate freeze in Utah and Wyoming.

Factors that could lead to an upgrade

- » Cash flow to debt metrics above 25% on a sustainable basis, while maintaining the same degree of regulatory support that it currently has.

Factors that could lead to a downgrade

- » Cash flow to debt metrics below 20%, on a sustainable basis.
- » If regulatory provisions in either Utah or Wyoming were to become less supportive.
- » If parent credit risk increases, which could include a higher dependence upon Questar Gas dividends, reducing Questar Gas retained cash flow to debt to 15%.

Key indicators

Exhibit 2

KEY INDICATORS [1]

Questar Gas Company

	12/31/2013	12/31/2014	12/31/2015	12/31/2016	9/30/2017(L)
CFO pre-WC + Interest / Interest	8.3x	5.2x	7.4x	6.1x	6.8x
CFO pre-WC / Debt	32.5%	17.2%	23.5%	17.8%	22.4%
CFO pre-WC – Dividends / Debt	26.5%	13.5%	17.8%	14.4%	22.4%
Debt / Capitalization	39.1%	42.4%	44.0%	43.9%	41.2%

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Profile

Questar Gas is a local gas distribution company that serves over 1 million customers primarily in Utah but also in Wyoming and Idaho. Questar Gas is primarily regulated by the PSCU and the PSCW and generates over \$900 million of revenue and about \$200 million of EBITDA through its LDC operations.

Questar Gas' ultimate parent company is Dominion Energy Inc. (Baa2 stable), one of the nation's largest producers and transporters of energy, headquartered in Richmond, VA.

Detailed credit considerations

Supportive regulatory environments with key cost recovery features

Questar Gas' credit profile is underpinned by its low-risk gas distribution operations in very supportive regulatory environments. The PSCU and PSCW provide Questar Gas with general rate case outcomes that allow the company to recover prudently incurred costs on a timely basis.

A key example of such recovery is the company's revenue decoupling mechanism and weather normalization adjustment, which help to provide revenue and cash flow certainty despite fluctuations in customer use patterns. Importantly, the decoupling mechanism also helps Questar Gas to recover its fixed charges in a flat to declining demand environment, which mitigates volume risk. We note that while the company is experiencing declining use on a per-customer basis, the overall service territory demand is experiencing growth of over 2.0% per year – a credit positive.

Another example is the company's infrastructure rider, which accelerates the recovery of certain distribution system investments, immediately upon project completion. This will be particularly helpful as the company makes capital expenditures associated with a multi-year high-pressure natural gas feeder-line replacement program. We expect this replacement program to continue to keep Questar Gas' capital expenditures elevated for several years, therefore the rider will accelerate the recovery of this investment and help to maintain a stronger financial profile than would otherwise be possible.

While timely cost recovery has been the norm in Utah and Wyoming, we note that a condition of the DEI acquisition approval included a base rate freeze for Questar Gas, in both jurisdictions, through 2020. This is credit negative which we expect to result in declining financial metrics over the next three years, but assume that rates and cash flow would increase thereafter.

Financial metrics will weaken, especially compared to peers

We expect that Questar Gas' financial profile will weaken through 2020 as a result of the Utah and Wyoming base rate freezes and a robust capital plan. Typically, we would expect the company to produce cash flow to debt in the mid-20% range, but now expect a decline in this metric toward 20% over the next twelve to eighteen months.

We maintain our stable view of the company's credit at this time, despite the rate freeze, since its decoupling mechanism and infrastructure replacement riders will continue to increase cash flow on an annual basis. We also expect that management will take steps to stabilize the company's financial profile in the meantime, such as the reduced dividend payout seen over the last twelve months (i.e., no dividends versus an average of about 60% over the last five years) and a capex financing strategy that balances debt and equity.

Cash flow to debt at 20% range is weak for the current credit profile – especially compared to the A2 LDC peer average, which produced over 26% through LTM 3Q17. Should the company's financial profile decline to levels consistently below 20% cash flow to debt, negative ratings pressure could ensue.

Risks of a highly-levered parent are mitigated by a track record of utility support and regulatory ring-fencing type provisions

While we analyze the credit of Questar Gas from a standalone perspective, the financial policies and credit of its parent company, DEI, do influence our view of all of DEI's subsidiaries to a degree.

DEI has a higher risk profile than many other utility holding companies due to very weak consolidated financial metrics (e.g., around 12% cash flow to debt through LTM 3Q17), a growing master limited partnership investment - which we view to be a form of financial engineering - and around 50% of its consolidated debt issued at the parent level.

Despite DEI having added risk and lower credit quality than Questar Gas, we also view DEI as having deep pockets, unfettered access to capital markets and a strong track record of managing utility credit quality. We believe that Questar Gas will continue to maintain strong regulatory relationships in Utah and Wyoming and will further benefit from the strong corporate resources of DEI.

The ring-fencing like provisions put in-place by the PSCU and PSCW also help to support Questar Gas' standalone credit profile. For example, by instituting measures focused on minimum equity levels, rating levels, intercompany lending restrictions, liquidity facility requirements and a "Special Bankruptcy Director" for Questar Gas, we see added regulatory focus on maintaining Questar Gas' individual credit quality. Some of these features also govern the degree to which DEI can increase Questar Gas' leverage ratios - a credit positive.

Liquidity Analysis

Questar Gas' standalone liquidity profile is relatively weak. Negative free cash flow is common in the sector, but the company had only \$25 million of credit facility availability to supplement cash needs as of 30 September. While DEI can also supply Questar Gas with intercompany loans or equity infusions, if Questar Gas' standalone liquidity profile continues to be constrained, it could jeopardize its P-1 commercial paper rating.

Questar Gas has direct access to the DEI master credit facilities. DEI currently has two shared credit facilities (with affiliates Virginia Electric and Power Company (A2 stable) and Dominion Energy Gas Holdings, LLC (A2 negative), and Questar Gas as co-borrowers) totaling \$5.5 billion, maturing in April 2020.

At 30 September, Questar Gas had an aggregate sub-limit of \$250 million under the shared facilities and \$225 million of commercial paper outstanding, leaving only \$25 million of capacity under the revolver. The sub-limit can be increased or decreased multiple times per year and if Questar Gas has liquidity needs in excess of its sub-limit, its needs can be satisfied through short-term intercompany borrowings from DEI.

The joint facilities contain no material adverse change clause for borrowings but do contain a maximum 65% debt to capitalization covenant (as defined in the credit agreements), and all four borrowers have reported that they remain comfortably in compliance with this covenant restriction.

The company's P-1 commercial paper (CP) rating is high for a company requiring external financing from a P-2 rated parent program and with only \$25 million available under its current sub-limit. The P-1 is currently derived from Questar Gas' A2 long-term rating and recognizes that sub-limits for DEI subsidiaries can be changed at the option of DEI multiple times per year.

We also note that while it is common practice for DEI and its subsidiaries to limit CP issuances to amounts available under the revolver backstop, the program documentation has no overt language that restricts CP issuance in this manner. We expect DEI to continue its practice of maintaining 100% backup, at all times, for funded commercial paper in the form of cash balances and its \$5.5 billion of committed bank credit facilities. Should there be a deviation of this practice, the P-1 of Questar Gas would be downgraded and could result in negative ratings implications for its long-term debt as well.

Questar Gas' internal liquidity consists of cash flow from operations of around \$140 million, versus capital expenditures of nearly \$200 million. With high capital expenditures over the next 12-18 months, we expect that Questar Gas will maintain a lower dividend payout over the next twelve to eighteen months. Through LTM 3Q17, the company has paid no dividends to DEI.

Questar Gas also has \$70 million and \$50 million in notes maturing in March 2018 and April 2018, respectively.

Rating Methodology and Scorecard Factors

Exhibit 3

Rating Factors			Moody's 12-18 Month Forward View As of Date Published [3]	
Questar Gas Company				
Regulated Electric and Gas Utilities Industry Grid [1][2]				
	Current LTM 9/30/2017			
Factor 1 : Regulatory Framework (25%)	Measure	Score	Measure	Score
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.8x	Aa	6x - 7x	Aa
b) CFO pre-WC / Debt (3 Year Avg)	22.2%	A	20% - 25%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	19.1%	A	16% - 20%	A
d) Debt / Capitalization (3 Year Avg)	42.6%	A	45% - 50%	Baa
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A2
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A2		A2
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 9/30/2017(L)

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics

Ratings

Exhibit 4

Category	Moody's Rating
QUESTAR GAS COMPANY	
Outlook	Stable
Senior Unsecured	A2
Commercial Paper	P-1
ULT PARENT: DOMINION ENERGY, INC.	
Outlook	Stable
Bkd LT IRB/PC	Baa2
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2

Source: Moody's Investors Service

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REPORT NUMBER

1098308

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Charitable Contribution - Dominion Energy Utah
As of December 31, 2017

2014	\$ 1,741,233.00
2015	\$ 1,819,168.00
2016	\$ 1,552,447.00
2017	\$ 2,788,234.00
	\$ 7,901,082.00

Dominion Energy
Merger Costs
YTD December 31, 2017

	A	B	C	D	E	F
	Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total
Transaction Costs - GL Account 930205						
1 Severance	\$3,885,386	\$0	\$0	\$0	\$0	\$3,885,386 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	140,566	140,566
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	2,308,760	5,451,368	980,092	123,885	2,712,940	11,577,045 1/
14 Curtailment of Pension/Medical/Life Plans					12,895,606	12,895,606
15 Insurance proceeds					(559,573)	(559,573)
16 Other transaction costs					78,016	62,224
17 Total Transaction Costs	6,194,146	5,451,368	964,300	123,885	15,267,555	28,001,254
Transition Costs - GL Account 930205						
18 Retention	152,538	0	231,724	0	386,195	770,457 1/
19 Voluntary severance program	0	4,941,204	135,344	14,531	4,667,262	9,758,341 1/
20 Involuntary severance program	0	0	1,125,277	0	335,109	1,460,386 1/
21 Total Transition Costs for 2016 and 2017	152,538	4,941,204	1,492,345	14,531	5,388,566	11,989,184
22 Total	\$6,346,684	\$10,392,572	\$2,456,645	\$138,416	\$20,656,121	\$39,990,438

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

Allocated Costs

Curtailment of Supplemental Executive Retirement Plan					(2,712,940)
Retention	660,601	1,426,897	654,090	(28,648)	(381,997)
Involuntary severance program	93,357	184,950	94,719	8,971	(5,002,371)
	1,218,077	2,475,173	1,206,072	103,049	

Dominion Energy
Merger Costs
LTD December 31, 2017

	A	B	C	D	E	F
	Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total
Transaction Costs - GL Account 930205						
1	Severance	\$5,644,730	\$3,699,626	\$80,769	\$0	\$19,481,610 1/
2	Mark-to-market of performance shares and deferred compensation	\$402,971	\$168,960	\$0	\$2,532,972	3,239,492
3	Restricted stock units settlement	\$2,561,901	\$1,741,908	\$20,707	\$0	6,559,860 1/
4	Performance share settlement	\$2,192,863	\$1,294,449	\$24,540	\$0	5,322,945 1/
5	Performance share - additional expense	\$674,976	\$387,948	\$7,468	\$0	1,733,797 1/
6	Wexpro software relicensing charges	\$0	\$393,700	\$0	\$0	393,700
7	Legal	\$0	\$0	\$0	\$6,234,519	6,234,519
8	Financial advisor	\$0	\$0	\$0	\$28,257,211	28,257,211
9	Fees for special proxy statement	\$0	\$0	\$0	\$658,124	658,124
10	Financing fees Questar Corporation \$250 million notes	\$0	\$0	\$0	\$367,773	367,773
11	Unamortized debt costs	\$0	\$0	\$0	\$336,078	336,078
12	Debt issuance revolver fees	\$0	\$0	\$0	\$2,016,466	2,016,466
13	Curtailment of Supplemental Executive Retirement Plan	\$5,451,368	\$980,092	\$123,885	\$4,285,164	13,149,269 1/
14	Curtailment of Pension/Medical/Life Plans	\$0	\$0	\$0	\$12,895,606	12,895,606
15	Insurance proceeds	\$0	\$0	\$0	(\$559,573)	(559,573)
16	Other transaction costs	\$49,877	\$50,355	\$1,014	\$140,460	508,726
17	Total Transaction Costs	16,978,687	8,717,038	258,383	57,164,799	100,595,602
Transition Costs - GL Account 930205						
18	Retention	541,973	828,906	5,928	386,195	2,148,802 1/
19	Voluntary severance program	8,814,100	2,375,757	74,870	4,667,262	18,306,197 1/
20	Involuntary severance program	0	1,125,277	0	335,109	1,460,386 1/
21	Total Transition Costs for 2016 and 2017	9,356,074	4,329,939	80,798	5,388,566	21,915,385
22	Total	\$26,334,761	\$13,046,977	\$339,181	\$62,553,365	\$122,510,987

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

Questar Gas Company

12 Months Ended 2017 O&M and A&G per customer (Annual Results of Operations)

(A)	(B)
1 Production	\$ (907,324.93)
2 Distribution	54,949,884
3 Customer Accounts (Excl. Bad Debt)	17,311,560
4 Customer Service/Information (Excl. EE)	3,832,331
5 Administrative & General	39,652,833 1/
6 Bad Debt	1,774,020
7 Energy Efficiency	20,820,794
8 Total O&M and A&G	<u>\$ 137,434,097</u>
	-
9 LESS Bad Debt	(1,774,020)
10 LESS Energy Efficiency	(20,820,794)
11 Adjusted O&M and A&G	<u><u>\$ 114,839,284</u></u>
12 Year End Customers	1,031,121
13 O&M and A&G/Customer (Line 11 divided by 12)	\$ 111.37

Wexpro

12 Months Ended 2017 O&M and A&G (Financial Statements)

14 Operating & Maintenance Expense	23,031,384
15 Administrative & General Expense	19,642,727 1/
16 Total O&M and A&G	<u><u>\$ 42,674,111</u></u>

Questar Pipeline Company

12 Months Ended 2017 O&M and A&G (FERC Form 2 pages 320-325)

17 Production Expenses	(12,556,338)
18 Natural Gas Storage, Terminating and Processing Expenses	14,963,977
19 Transmission Expenses	36,094,542
20 Customer Service and Informational Expenses	70,500
21 Administrative & General Expense	14,523,702
22 Total O&M and A&G	<u><u>\$ 53,096,383</u></u> 2/

1/ Does not include full allocation of costs from DRS

2/ Form 2 is included as attachment DEU Exhibit 29

May 1, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 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 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending December 2017 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The fourth quarter results are attached as Exhibit 29. There are two areas where the Company is deficient. Billing metric #1, read each meter monthly, was 93.8%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 84% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve.

**CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT**

Service		2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.3	6.2	6.3	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.8	5.9	5.9	5.8	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.4	5.5	5.2	5.2	5.3
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.6	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	5.8	6.0	5.9	5.8	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.7	5.8	5.6	5.6	5.7

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS QUARTERLY REPORT

	Service	2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	84.4%	88.1%	92.0%	92.2%	89.2%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.4%	99.5%	99.4%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	70	51	33	29	46
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.9%	1.5%	1.0%	0.9%	1.3%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.1	5.0	4.8	4.9	5.0
6	The phone staff was courteous	6.0	CSS	6.6	6.7	6.7	6.6	6.7
7	The phone staff was knowledgeable	6.0	CSS	6.5	6.6	6.6	6.3	6.5
8	My call was answered quickly	5.5	CSS	6.1	6.4	6.2	6.1	6.2
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.4	6.5	6.2	6.3
10	The automated menu was easy to use	5.7	CSS	6.0	6.2	5.9	6.0	6.0
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.2	6.3	6.4	6.1	6.2

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

**CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT**

Service		2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Customer Affairs								
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	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.8	6.8	6.8	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.7	6.8	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.6	6.7	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.5	6.3	6.5	6.6	6.5
5	The automated menu was easy to use	5.7	CSS	6.4	6.1	6.4	6.5	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.7	6.5	6.5	6.5	6.5

(1 to 7 scale: 1= do not agree at all; 7= strongly agree)
CSS - Customer Satisfaction Survey

**CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT**

Service		2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Service Calls								
1	The service technician was courteous	6.4	CSS	7.0	6.8	6.8	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.9	6.8	6.7	6.7	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.8	6.7	6.6	6.6	6.7
4	The service technician was able to help me resolve my issue	6.2	CSS	6.8	6.4	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.8	6.7	6.6	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.1%	98.3%	98.4%	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	100.0%	100.0%	98.9%	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 SATISFACTION STANDARDS
QUARTERLY REPORT**

Service		2017 Annual Goal	Measurement Source	Q1 2017	Q2 2017	Q3 2017	Q4 2017	12 Mo. Ended 12/31/17
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.2%	97.4%	97.0%	93.8%	95.6%
2	Percent of adjustments	3% Annual	Billing Statistics	0.53%	0.53%	0.73%	0.60%	2.39%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.75 days	2.21 days	1.75 days	3.24 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.7%	99.8%	99.8%	97.8%	99.3%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	97%	94%	90%	84%	91%

**CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT**

Service		Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	0	0	0	0	0
Service Calls						
1	The service technician was courteous	6.8	6.0	6.7	7.0	7.0
2	The service technician was knowledgeable	6.5	6.8	6.7	6.9	7.0
3	The service technician was able to help me quickly	6.6	6.2	6.6	6.6	7.0
4	The service technician was able to resolve my issue	6.5	6.5	6.4	6.6	7.0
5	How satisfied are you with the service technician's overall performance	6.5	6.8	6.6	7.0	7.0
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	97.7%	97.8%	97.3%	99.2%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	99.9%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%