

Dominion Energy Utah  
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June 30, 2017

Chris Parker  
Utah Division of Public Utilities  
Heber M. Wells Building, 4th Floor  
P. O. Box 146751  
Salt Lake City, UT 84114-675

Dear Chris:

In response to a stipulated agreement approved by the Utah Public Service Commission in 07-057-13, Dominion Energy Utah is providing a projection of the 2017 and 2018 Results of Operations. These Results of Operations are in the same format and use the same model as previous Results of Operations submitted to the Commission, Division, and Committee. The results use historical 2016 Results of Operations as a starting point. Subsequently, adjustments are made to these historical amounts to arrive at the forecasted results for both 2017 and 2018. The results are reported on a system average and a Utah average jurisdictional basis.

The analysis reveals that the fully-adjusted results for the Utah jurisdiction as measured by return on equity is anticipated to be 9.57% for average 2017 and 8.78% for average 2018. This scenario includes appropriate regulatory adjustments consistent with previous Results of Operations and General Rate Cases. Detailed descriptions of each adjustment are included in the attached book. As in the past, Dominion Energy Utah reserves the right to challenge adjustments previously ordered by the Commission, as well as propose new adjustments.

Dominion Energy Utah would appreciate comments on the usefulness of these projected Results of Operations. If you or your staff should have additional questions concerning these Results of Operations, please don't hesitate to contact me at 801-324-5929.

Sincerely,

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

Kelly Mendenhall  
General Manager  
Regulatory Affairs

cc: Public Service Commission  
Committee of Consumer Services

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## **EXECUTIVE SUMMARY**

This Forecasted Results of Operations Report provides forecasted information on Dominion Energy Utah's return on a Utah jurisdictional basis for the 12 months ending December 31, 2017 using a forecasted rate base, revenues, O&M expenses, forecasted customers, adjustments ordered or agreed to in previous rate cases, and other appropriate adjustments such as those necessary to correct accounting entries or remove one time non-recurring events. This forecast is deemed to be accurate, but as the future is often uncertain Dominion Energy Utah may in the future abandon this forecast as better and more reliable results become more readily available. Even though some of the adjustments included here were ordered or agreed to in previous cases, Dominion Energy Utah reserves the right to oppose these adjustments in future cases. On a Utah jurisdiction basis, Dominion Energy Utah's projected return on equity for 2017 is 9.57%.

To develop the 2017 forecast the Company began with the 2016 Results of Operations as a base. The 2017 Forecasted Rate Base was calculated by taking the historical FERC Account balances and adding projected net additions. The 2017 revenues were forecasted by taking estimated customers and allowed revenue for the GS class and forecasted usage for the other classes. Forecasted expenses were calculated by increasing labor related expenses to match budgeted levels and increasing non-labor related O&M expenses by Global Insight inflation factors. To the extent possible these and other known and measurable expenses were made.

## **INPUTS**

This section contains a summary and detail of DEU information for the 12 months ended December 31, 2017. This information is obtained from Dominion Energy Utah's monthly financial reports.

Following is a summary of other inputs that are used in preparing the Results of Operations.

### **Income Taxes**

The effective State and Federal income tax rate used for computing the Results of Operations for the 12 months ending December 31, 2017 projected to be 38.0895%

### **Lead-Lag Days**

The 1.015 lag days, used for computing Working Capital Cash resulted from the Lead Lag study performed by Dominion Energy Utah and used in Docket 13-057-05.

### **Bad Debt Ratio**

The actual ratio of uncollectable accounts, defined as net charge-offs as a percent of system total revenue for the three years ended is projected to be .20%. This ratio is used to calculate the uncollectible impact of every revenue adjustment.

		(A)	(B)	(C)	(D)	(E)	(F)
			Historical		Imputed	Adjusted	Utah
		Description	12 Months Dec-15	Adjustments Total	Tax Adjustment	System Total	Jurisdiction DNG Related
1	<b>NET INCOME SUMMARY</b>						
2	<b>Utility Operating Revenue</b>						
3		System Distribution Non-Gas Revenue	369,741,974	(24,188,578)	0	345,553,396	345,553,396
4		System Supplier Non-Gas Revenue	104,423,097	9,900,729	0	114,323,825	
5		System Commodity Revenue	422,298,016	20,029,649	0	442,327,665	
6		Pass-Through Related Other Revenue	16,159,886	0	0	16,159,886	
7		General Related Other Revenue	4,749,416	0	0	4,749,416	4,642,824
8		<b>Total Utility Operating Revenue</b>	<b>917,372,389</b>	<b>5,741,800</b>	<b>0</b>	<b>923,114,188</b>	<b>350,196,220</b>
9	<b>Utility Operating Expenses</b>						
10		Gas Purchase Expenses					
11		Utah	523,899,512	48,294,629	0	572,194,141	
12		Wyoming	18,981,487	(18,364,252)	0	617,235	
13		<b>Total</b>	<b>542,880,999</b>	<b>29,930,377</b>	<b>0</b>	<b>572,811,377</b>	<b>0</b>
14		O&M Expenses					
15		Production	(950,343)	(114,991)	0	(1,065,334)	(1,026,900)
16		Distribution	58,448,083	(2,072,135)	0	56,375,948	53,653,727
17		Customer Accounts	23,397,570	(2,553,003)	0	20,844,567	20,026,980
18		Customer Service & Information	28,942,428	(23,992,527)	0	4,949,901	4,797,846
19		Administrative & General	47,078,875	(3,864,244)	0	43,214,631	41,230,824
20		<b>Total O&amp;M Expense</b>	<b>156,916,614</b>	<b>(32,596,901)</b>	<b>0</b>	<b>124,319,712</b>	<b>118,682,476</b>
21		Other Operating Expenses					
22		Depreciation, Depletion, Amortization	60,986,811	5,774,669	0	66,761,480	64,467,075
23		Taxes Other Than Income Taxes	20,864,958	1,879,865	0	22,744,824	21,842,010
24		Income Taxes	36,051,967	287,114	3,035,204	39,374,286	43,103,877
25		<b>Total Other Operating Expenses</b>	<b>117,903,736</b>	<b>7,941,649</b>	<b>3,035,204</b>	<b>128,880,589</b>	<b>129,412,962</b>
26		<b>Total Utility Operating Expenses</b>	<b>817,701,349</b>	<b>5,275,125</b>	<b>3,035,204</b>	<b>826,011,678</b>	<b>248,095,438</b>
27		<b>NET OPERATING INCOME</b>	<b>99,671,040</b>	<b>466,675</b>	<b>(3,035,204)</b>	<b>97,102,511</b>	<b>102,100,782</b>
28	<b>RATE BASE SUMMARY</b>						
29	<b>Net Utility Plant</b>						
30	101	Gas Plant In Service	2,729,733,019	67,315,472	0	2,797,048,491	2,703,086,293
31	105	Gas Plant Held For Future Use	5,037	0	0	5,037	5,037
32	106	Completed Construction Not Classified	21,318,274	0	0	21,318,274	21,097,764
33	108	Accumulated Depreciation	(730,445,222)	(7,470,161)	0	(737,915,383)	(708,829,656)
34	111	Accumulated Amort & Depletion	(6,202,795)	386,390	0	(5,816,405)	(5,598,198)
35	254	Other Regulatory Liabilities ARC	(190,404,025)	(2,715,272)	0	(193,119,297)	(186,813,952)
36		<b>Total Net Utility Plant</b>	<b>1,824,004,288</b>	<b>57,516,429</b>	<b>0</b>	<b>1,881,520,717</b>	<b>1,822,947,288</b>
37	<b>Other Rate Base Accounts</b>						
38	154	Materials & Supplies	27,456,297	(7,748,167)	0	19,708,129	19,068,562
39	164-1	Gas Stored Underground	49,333,981	(49,333,981)	0	0	0
40	165	Prepayments	3,471,463	(267,070)	0	3,204,393	3,100,404
41	190008	Accum Deferred Income Tax Federal	-	0	0	0	0
42	190009	Accum Deferred Income Tax State	0	0	0	0	0
43	235-1	Customer Deposits	(6,723,459)	201,233	0	(6,522,227)	(6,279,999)
44	252	Contributions in Aid of Construction	(19,720,559)	1,577,786	0	(18,142,773)	(17,673,104)
45	253-1	Unclaimed Customer Deposits	(43,731)	(19,662)	0	(63,393)	(61,336)
46	255	Deferred Investment Tax Credits	(101,428)	56,311	0	(45,117)	(43,662)
47	282	Accum Deferred Income Taxes	(475,488,516)	(25,643,373)	0	(501,131,888)	(486,888,294)
48		Working Capital - Cash	2,104,288	(1,389)	8,440	2,111,340	2,101,808
49		<b>Total Other Rate Base Accounts</b>	<b>(419,711,664)</b>	<b>(81,178,312)</b>	<b>8,440</b>	<b>(500,881,536)</b>	<b>(486,675,621)</b>
50		<b>TOTAL RATE BASE</b>	<b>1,404,292,624</b>	<b>(23,661,883)</b>	<b>8,440</b>	<b>1,380,639,181</b>	<b>1,336,271,666</b>
51		<b>RETURN ON RATE BASE</b>	<b>7.10%</b>			<b>7.03%</b>	<b>7.64%</b>
52		<b>RETURN ON EQUITY</b>	<b>8.58%</b>			<b>8.46%</b>	<b>9.57%</b>

Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017  
Capital Structure : AVG CAP STR 2016

	Imputed Tax Adjustment		
	A	B	
	System	Utah	
	Total	Jurisdiction	
<b>ALGEBRAIC METHOD - SOLVING FOR TWO UNKNOWNNS</b>			
Federal Income Tax Rate	35%	35%	$t_f$
State Income Tax Rate	4.75%	4.75%	$t_s$
Weight of Debt in Capital Structure	45.24%	45.24%	$w_D$
Cost of Debt	5.30%	5.30%	$r_D$
Net Lead Lag Days	1.015	1.015	NLD
Revenues	923,114,188	922,390,361	R
Gas Expenses	572,811,377	572,194,141	GAS
O&M Expenses	124,319,712	118,682,476	O&M
Depreciation	66,761,480	64,467,075	DEPR
Amortization	0	0	AMORT
Non-Income Taxes	22,744,824	21,842,010	NIT
Rate Base excluding CWC	1,378,527,841	1,334,169,859	RB*
Deferred Income Taxes	0	0	DIT
Deferred Income Taxes - Credit	0	0	DITCr
CWC = CWC* + (NLD/365)·IT			CWC is a function of IT, and
$IT = IT^* - (t_s + t_f \cdot (1 - t_s)) \cdot r_D \cdot w_D \cdot CWC$			IT is a function of CWC
where $IT = SIT + FIT + DIT + DITCr$ , and			
CWC* =	2,001,847	1,981,944	
IT* =	39,393,568	43,123,072	
<b>Solution:</b>			
CWC =	2,111,340	2,101,808	
SIT =	4,913,338	5,378,737	
FIT =	34,460,948	37,725,140	
IT =	39,374,286	43,103,877	
Historically Adjusted Income Taxes	36,339,082		
Tax Adjustment	3,035,204		
<b>RATE BASE METHOD</b>			
System Average Rate Base	1,380,639,181	1,336,271,666	
Adj System Return On Rate Base	7.03%	7.64%	
Allowed Return	97,102,511	102,100,782	
System Average Rate Base	1,380,639,181	1,336,271,666	
System Weighted Cost Of Debt	2.40%	2.40%	
Imputed Interest Cost	33,103,608	32,039,808	
Taxable Return	63,998,903	70,060,975	
Tax Factor (Tax Rate/(1-Tax Rate))	0.6152338	0.6152338	
Income Tax on Return	39,374,286	43,103,877	
<b>OPERATING INCOME METHOD</b>			
Total Utility Operating Revenue	923,114,188	922,390,361	
Gas Purchase Expenses	572,811,377	572,194,141	
O&M Expenses	124,319,712	118,682,476	
Depreciation	66,761,480	64,467,075	
Amortization	0	0	
<u>Taxes Other Than Income</u>	22,744,824	21,842,010	
Net Utility Income Before Tax	136,476,796	145,204,659	
Rate Base	1,380,639,181	1,336,271,666	
<u>Proposed Weighted Cost of Debt</u>	2.40%	2.40%	
Imputed Interest	33,103,608	32,039,808	
State Taxable Income	103,373,188	113,164,852	
<u>State Income Tax Rate</u>	4.75301%	4.75301%	
State Income Tax	4,913,338	5,378,737	
Federal Taxable Income	98,459,850	107,786,115	
<u>Federal Income Tax Rate</u>	35.00000%	35.00000%	
Federal Income Tax	34,460,948	37,725,140	
Deferred Income Taxes	0	0	
<u>Deferred Income Taxes - Credit</u>	0	0	
Total Income Tax	39,374,286	43,103,877	

	1	2	3	4	5	6	7	8	9	10	11	12	
	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
	AVG RB DEC 2017	QOC Expense Dec 2017	AVG Projected Rev 2017 with CET	Underground Storage	Wexpro	Energy Efficiency 2017	Utah Bad Debt 2017	DEU Incentives 2017	Sporting Events DEC 2017	Advertising DEC 2017	QGC Don & Membership DEC 2017	Reserve Accrual Dec 2017	TOTAL QOC ADJUSTMENTS
1	NET INCOME SUMMARY												
2	Utility Operating Revenue												
3		0	0	(24,188,578)	0	0	0	0	0	0	0	0	(24,188,578)
4		0	0	9,900,729	0	0	0	0	0	0	0	0	9,900,729
5		0	0	20,029,649	0	0	0	0	0	0	0	0	20,029,649
6		0	0	0	0	0	0	0	0	0	0	0	0
7		0	0	0	0	0	0	0	0	0	0	0	0
8		0	0	5,741,800	0	0	0	0	0	0	0	0	5,741,800
9	Utility Operating Expenses												
10		0	0	48,294,629	0	0	0	0	0	0	0	0	48,294,629
11		0	0	(18,364,252)	0	0	0	0	0	0	0	0	(18,364,252)
12		0	0	29,930,377	0	0	0	0	0	0	0	0	29,930,377
13		0	0	0	0	0	0	0	0	0	0	0	0
14		0	0	0	0	0	0	0	0	0	0	0	0
15		0	0	0	0	0	0	0	0	0	0	0	0
16		0	0	0	0	0	0	0	0	0	0	0	0
17	O&M Expenses												
18		0	(114,991)	0	0	0	0	0	0	0	0	0	(114,991)
19		0	(2,072,135)	0	0	0	0	0	0	0	0	0	(2,072,135)
20		0	(1,198,232)	0	0	0	(1,354,772)	0	0	0	0	0	(2,553,003)
21		0	83,461	0	0	(24,074,520)	0	(1,969,738)	(15,345)	(1,468)	0	0	(23,992,527)
22		0	(2,491,470)	0	0	0	0	0	(1,345)	(1,468)	(215,180)	827,469	(3,684,244)
23		0	(5,793,367)	0	0	(24,074,520)	(1,354,772)	(1,969,738)	(15,345)	(1,468)	(215,180)	827,469	(32,596,901)
24	Other Operating Expenses												
25		0	5,774,669	0	0	0	0	0	0	0	0	0	5,774,669
26		0	1,879,865	0	0	0	0	0	0	0	0	0	1,879,865
27		0	(708,908)	(9,213,298)	0	0	9,169,854	516,025	5,845	559	81,961	(315,186)	287,114
28		0	6,945,626	(9,213,298)	0	0	9,169,854	516,025	5,845	559	81,961	(315,186)	7,941,649
29	Total Utility Operating Expenses												
30		0	1,152,259	20,717,080	0	0	(14,904,666)	(838,747)	(1,219,475)	(9,500)	(133,219)	512,303	5,275,125
31	NET OPERATING INCOME												
32		0	(1,152,259)	(14,975,280)	0	0	14,904,666	838,747	1,219,475	9,500	133,219	(512,303)	466,675
33	RATE BASE SUMMARY												
34	Net Utility Plant												
35		72,353,464	0	0	0	(5,037,993)	0	0	0	0	0	0	67,315,472
36		0	0	0	0	0	0	0	0	0	0	0	0
37		(11,883,223)	0	0	4,413,062	0	0	0	0	0	0	0	(7,470,161)
38		0	0	0	386,390	0	0	0	0	0	0	0	386,390
39		(2,715,272)	0	0	0	0	0	0	0	0	0	0	(2,715,272)
40	Total Net Utility Plant												
41		57,754,970	0	0	0	(238,541)	0	0	0	0	0	0	57,516,429
42	Other Rate Base Accounts												
43		(7,748,167)	0	0	0	0	0	0	0	0	0	0	(7,748,167)
44		0	0	(49,333,981)	0	0	0	0	0	0	0	0	(49,333,981)
45		(267,070)	0	0	0	0	0	0	0	0	0	0	(267,070)
46		201,233	0	0	0	0	0	0	0	0	0	0	201,233
47		1,577,786	0	0	0	0	0	0	0	0	0	0	1,577,786
48		(19,662)	0	0	0	0	0	0	0	0	0	0	(19,662)
49		56,311	0	0	0	0	0	0	0	0	0	0	56,311
50		(25,643,373)	0	0	0	0	0	0	0	0	0	0	(25,643,373)
51		0	(12,854)	57,611	0	0	(41,447)	(3,391)	(26)	(3)	(370)	1,425	(1,389)
52	Total Other Rate Base Accounts												
53		(31,842,943)	57,611	(49,333,981)	0	(41,447)	(2,332)	(3,391)	(26)	(3)	(370)	1,425	(61,178,312)
54	TOTAL RATE BASE												
55		25,912,027	(12,854)	57,611	(49,333,981)	(41,447)	(2,332)	(3,391)	(26)	(3)	(370)	1,425	(23,661,883)

### **AVERAGE RATE BASE ADJUSTMENT**

Forecasted rate base was calculated by taking historical balances by FERC Account and adding the projected net additions. Net additions include capital budget amounts, amounts closed from the CWIP (107) Account and Retirements.

After year-end amounts are calculated, rate base accounts are averaged using a 13-month calculation. The methodology uses  $\frac{1}{2}$  the first and last months of the period, along with the 11 other months divided by 12. This methodology synchronizes the rate base with the cycle billed revenues for the same period. The year-end rate base balances and the adjustments necessary to convert these to a 13-month average are shown on the attached schedule.



Rate Base Dominion Energy Utah - DEC 2017 Adjusted Avg Results 12 Months Ended : Dec-2017		A	B	(A - B)
		Balance	13 Month Average All Accounts	13 Month Average
FERC Acct	Description	Dec-16	AVG RB DEC 2017	Adjustment
<b>UTILITY RATE BASE</b>				
<b>NET UTILITY PLANT</b>				
Gas Plant In Service				
	Intangible Plant			
302	Franchises & Consents			
	Distribution - Wyoming	10,883	10,883	-
	Distribution - Utah	58,743	58,743	-
	Total Intangible Plant	69,626	69,626	-
	Production & Gathering Plant			
325	Land & Land Rights	6,266,901	6,266,901	-
326...9	Structures	1,437,568	1,437,568	-
330	Gas Wells - Construction	52,175,294	52,175,294	-
331	Gas Wells - Equipment	17,216,356	17,216,356	-
332...4	Field Lines & Comp, Meas & Reg St Eqpt	2,693,816	2,693,816	-
336	Purification Equipment	57,015	57,015	-
337	Other Equipment	121,187	121,187	-
	Total Production & Gathering Plant	79,968,136	79,968,136	-
	Distribution Plant			
374	Land & Land Rights			
	Wyoming	400,188	400,188	-
	Utah	18,477,461	18,477,461	-
	Total	18,877,649	18,428,166	(449,483)
375	Structures & Improvements			
	Wyoming	982,959	982,959	-
	Utah	15,717,299	15,717,299	-
	Total	16,700,259	16,339,518	(360,741)
376	Mains			
	Dist - Wy - Mains - SD			
	Dist - Wy - Mains - LD			
	Dist - Wy - Mains - Feeders			
	Total \ Wyoming	39,044,360	40,396,273	1,351,913
	Dist - Ut - Mains - SD			
	Dist - Ut - Mains - LD			
	Dist - Ut - Mains - Feeders			
	Total Utah	1,447,530,589	1,497,651,428	50,120,839
	Total	1,486,574,949	1,403,103,190	(83,471,759)
377	Compressor Station Equipment			
	Wyoming	0	-	-
	Utah	18,299,038	19,662,098	1,363,060
	Total	18,299,038	18,282,957	(16,080)
378	Measuring & Regulation Station Equip			
	Wyoming	7,415,822	7,604,433	188,611
	Utah	93,390,624	95,765,889	2,375,265
	Total	100,806,446	93,484,697	(7,321,749)
380	Services			
	Wyoming	18,560,614	19,046,606	485,992
	Utah	372,177,276	381,922,380	9,745,104
	Total	390,737,890	383,451,379	(7,286,511)
381...2	Meters & Meter Installation			
	Wyoming	9,680,437	9,750,822	70,385
	Utah	302,623,091	304,823,428	2,200,337
	Total	312,303,528	304,437,469	(7,866,059)
383...4	House Regulators & Reg Installations			
	Wyoming	777,059	768,479	(8,581)
	Utah	13,940,732	13,786,794	(153,938)
	Total	14,717,792	14,700,965	(16,827)
387	Other Equipment			
	Wyoming	68,977	68,410	(567)
	Utah	2,231,448	2,213,104	(18,344)
	Total	2,300,425	2,039,086	(261,339)

Rate Base Dominion Energy Utah - DEC 2017 Adjusted Avg Results 12 Months Ended : Dec-2017		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2017	13 Month Average Adjustment
<b>UTILITY RATE BASE</b>				
	Total Distribution Plant	2,361,317,975	2,254,267,426	(107,050,549)
389	Land & Land Rights			
	Distribution - Wyoming	11,584	11,584	-
	Distribution - Utah	3,775,954	3,775,954	-
	Total	3,787,538	3,797,850	10,313
390	Structures & Improvements			
	Distribution - Wyoming	1,607,117	1,623,490	16,373
	Distribution - Utah	41,645,291	42,069,566	424,275
	Total	94,179,368	77,200,192	(16,979,176)
391	Office Furniture & Equipment			
	Distribution - Wyoming	180,961	181,704	743
	Distribution - Utah	14,434,180	14,493,428	59,248
	General	61,972,564	62,226,943	254,379
	Total	76,587,705	69,844,853	
392	Transportation Equipment			
	Distribution - Wyoming	2,877,563	2,965,829	88,266
	Distribution - Utah	51,124,025	52,692,201	1,568,176
	General	0	-	-
	Total	54,001,588	51,386,157	(2,615,431)
393	Stores Equipment			
	Distribution - Wyoming	12,372	12,372	-
	Distribution - Utah	45,026	45,026	-
	Total	57,398	57,398	-
394	Tools, Shop & Garage Equipment			
	Distribution - Wyoming	2,614,219	2,716,311	102,092
	Distribution - Utah	28,776,820	29,900,635	1,123,815
	General	0	-	-
	Total	31,391,039	30,544,797	(846,241)
395	Laboratory Equipment			
	Distribution - Wyoming	0	-	-
	Distribution - Utah	61,118	61,118	-
	General	0	-	-
	Total	61,118	64,269	3,152
396	Power Operated Equipment			
	Distribution - Wyoming	974,545	974,545	-
	Distribution - Utah	11,282,614	11,282,614	-
	General	0	-	-
	Total	12,257,159	12,205,156	(52,003)
397	Communication Equipment			
	Distribution - Wyoming	49,809	51,323	1,514
	Distribution - Utah	15,675,305	16,151,710	476,405
	Total	15,725,114	9,356,282	(6,368,832)
398	Miscellaneous Equipment			
	Distribution - Wyoming	3,864	3,855	(9)
	Distribution - Utah	325,392	324,668	(724)
	General	0	-	-
	Total	329,256	278,257	(50,998)
	Total General Plant	288,377,283	254,735,213	(33,642,070)
101	Production	79,968,136	79,968,136	-
	Distribution - Wyoming	76,941,299	79,029,054	2,087,754
	Distribution - Utah	2,284,446,301	2,350,078,624	65,632,322
	General	288,377,283	293,010,670	4,633,388
	Gas Plant in Service	2,729,733,019	2,802,086,484	72,353,464
105	Gas Plant Held For Future Use			

Rate Base Dominion Energy Utah - DEC 2017 Adjusted Avg Results 12 Months Ended : Dec-2017		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2017	13 Month Average Adjustment
	<b>UTILITY RATE BASE</b>			
	Distribution - Utah	5,037	5,037	-
	Total	5,037	5,037	-
106	Complete Construction Not Yet Classified			
	Production	0	-	-
	Distribution - Wyoming	155,755	155,755	-
	Distribution - Utah	19,167,111	19,167,111	-
	General	1,995,407	1,995,407	-
	Total	21,318,274	21,318,274	-
108	Accum Proy For Deprec - Gas Plant In Svc			
	Production	(68,927,266)	(70,048,606)	(1,121,341)
	Distribution - Wyoming	(21,431,369)	(21,780,024)	(348,655)
	Distribution - Utah	(490,365,352)	(498,342,843)	(7,977,492)
	General	(149,721,236)	(152,156,971)	(2,435,735)
	Total	(730,445,222)	(742,328,445)	(11,883,223)
111	Accum Prov For Amort & Depl - Gas Plant In Svc			
	Production	(6,133,169)	(6,133,169)	-
	Distribution - Wyoming	(10,883)	(10,883)	-
	Distribution - Utah	(58,743)	(58,743)	-
	General	0	-	-
	Total	(6,202,795)	(6,202,795)	-
254	Accum Prov For Amort & Depl - Gas Plant In Svc			
	Production	0	-	-
	Distribution - Wyoming	(6,216,691)	(6,305,345)	(88,654)
	Distribution - Utah	(184,187,333)	(186,813,952)	(2,626,618)
	General	0	-	-
	Total	(190,404,025)	(193,119,297)	(2,715,272)
	<b>System Net Utility Plant</b>			
	Production	4,907,701	3,786,361	(1,121,341)
	Distribution - Wyoming	49,438,112	51,088,557	1,650,445
	Distribution - Utah	1,629,007,022	1,684,035,234	55,028,212
	General	140,651,453	142,849,106	2,197,653
	<b>System Net Utility Plant</b>	1,824,004,288	1,881,759,257	57,754,970
	<b>WORKING CAPITAL</b>			
154	Plant Materials & Operating Supplies			
	Distribution - Wyoming	891,011	639,568	(251,443)
	Distribution - Utah	26,565,286	19,068,562	(7,496,724)
	Total	27,456,297	19,708,129	(7,748,167)
1641	Gas Stored Underground			
	Production	49,333,981	49,333,981	-
	Total	49,333,981	49,333,981	-
165	Prepayments			
	General	3,471,463	3,204,393	(267,070)
	Total	3,471,463	3,204,393	(267,070)
190008	Accum Deferred Income Tax Federal			
	Production	0	-	-
	Distribution - Wyoming	0	-	-
	Distribution - Utah	0	-	-
	General	0	-	-
	Total	0	-	-
190009	Accum Deferred Income Tax State			
	Production	0	-	-
	Distribution - Wyoming	0	-	-
	Distribution - Utah	0	-	-
	General	0	-	-
	Total	0	-	-

Rate Base Dominion Energy Utah - DEC 2017 Adjusted Avg Results 12 Months Ended : Dec-2017		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2017	13 Month Average Adjustment
<b>UTILITY RATE BASE</b>				
2351	Customer Deposits			
	Distribution - Wyoming	(265,895)	(242,227)	23,667
	Distribution - Utah	(6,457,565)	(6,279,999)	177,565
	Total	(6,723,459)	(6,522,227)	201,233
252	Misc Customer Credits			
	Distribution - Wyoming	(510,514)	(469,669)	40,845
	Distribution - Utah	(19,210,045)	(17,673,104)	1,536,941
	Total	(19,720,559)	(18,142,773)	1,577,786
2531	Unclaimed Customer Deposits			
	General	(43,731)	(63,393)	(19,662)
	Total	(43,731)	(63,393)	(19,662)
255	Deferred Investment Tax Credits			
	Production	(1,125)	(500)	624
	Distribution - Wyoming	(3,207)	(1,427)	1,781
	Distribution - Utah	(96,383)	(42,873)	53,510
	General	(713)	(317)	396
	Total	(101,428)	(45,117)	56,311
2820	Accum Deferred Income Taxes - Federal			
	Production	(501,864)	(531,325)	(29,462)
	Distribution - Wyoming	(12,933,785)	(13,693,052)	(759,267)
	Distribution - Utah	(388,677,873)	(411,494,894)	(22,817,022)
	General	(13,636,285)	(14,436,792)	(800,507)
	Total	(415,749,806)	(440,156,064)	(24,406,258)
2821	Accum Deferred Income Taxes - State			
	Production	(700,755)	(715,267)	(14,512)
	Distribution - Wyoming	0	-	-
	Distribution - Utah	(57,918,912)	(59,118,342)	(1,199,429)
	General	(1,119,041)	(1,142,215)	(23,174)
	Total	(59,738,709)	(60,975,824)	(1,237,115)
282_108_008	Deferred Fed & State Taxes-QRS Transf			
	General	0	-	-
	Total	0	-	-
<b>System Working Capital (W/O WC Cash)</b>				
	Production	48,130,237	48,086,888	(43,349)
	Distribution - Wyoming	(12,822,389)	(13,766,808)	(944,418)
	Distribution - Utah	(445,795,492)	(475,540,650)	(29,745,158)
	General	(11,328,308)	(12,438,325)	(1,110,017)
<b>System Working Capital (W/O WC Cash)</b>				
		(421,815,953)	(453,658,895)	(31,842,943)
<b>RATE BASE (W/O Working Cap. Cash)</b>				
	Production	53,037,938	51,873,248	(1,164,690)
	Distribution - Wyoming	36,615,722	37,321,749	706,027
	Distribution - Utah	1,183,211,530	1,208,494,584	25,283,054
	General	129,323,146	130,410,781	1,087,636
<b>RATE BASE (W/O Working Cap. Cash)</b>				
		1,402,188,335	1,428,100,362	25,912,027

## **FORECASTED EXPENSES**

The forecasted expenses are based on a combination of factors derived from Global Insight and Dominion Energy Utah. These adjustments reflect the changes from historical to forecasted amounts.

Forecasted expenses were calculated by taking the historical O&M expenses related to labor and non-labor. The labor related O&M expenses were increased based on budgeted changes to labor. The non-labor related O&M expenses were increased based on Global Insight Inflation Factors. Additional adjustments to non-labor O&M based on known and measurable changes will be made in later adjustments. Depreciation expense was calculated using forecasted rate base amounts.

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2017	Adjustment
FERC Acct	Description			
810	Gas Used for Compressor Station Fuel	(32,486)	(36,417)	(3,931)
812	Gas Used for Other Utility Operations	(917,857)	(1,028,917)	(111,061)
	<b>Total Production Expenses</b>	<b>(950,343)</b>	<b>(1,065,334)</b>	<b>(114,991)</b>
<b>Distribution Operations &amp; Maintenance Expenses</b>				
870	Operation Supervision & Engineering			
	Utah	10,802,179	10,288,742	(513,437)
	Wyoming	590,841	579,972	(10,870)
	<b>Total</b>	<b>11,393,020</b>	<b>10,868,713</b>	<b>(524,307)</b>
871	Distribution Load Dispatching			
	Utah	2,043,246	1,879,090	(164,156)
	Wyoming	37,126	37,869	743
	<b>Total</b>	<b>2,080,372</b>	<b>1,916,959</b>	<b>(163,413)</b>
872	Compressor Station Labor & Expenses			
	Utah	0	0	0
	Wyoming	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
873	Compressor Station Fuel & Power			
	Utah	32,659	36,611	3,952
	Wyoming	0	0	0
	<b>Total</b>	<b>32,659</b>	<b>36,611</b>	<b>3,952</b>
874	Mains & Service Expenses			
	Utah	11,089,697	11,014,238	(75,460)
	Wyoming	403,808	402,382	(1,426)
	<b>Total</b>	<b>11,493,505</b>	<b>11,416,619</b>	<b>(76,886)</b>
875	Measuring & Regulating Station Expenses			
	Utah	2,594,133	2,488,076	(106,057)
	Wyoming	163,442	160,048	(3,393)
	<b>Total</b>	<b>2,757,575</b>	<b>2,648,124</b>	<b>(109,451)</b>
878	Meter & House Regulator Expenses			
	Utah	3,496,322	3,278,365	(217,957)
	Wyoming	168,324	158,564	(9,760)
	<b>Total</b>	<b>3,664,646</b>	<b>3,436,929</b>	<b>(227,716)</b>
879	Customer Installations Expenses			
	Utah	3,341,397	3,128,124	(213,272)
	Wyoming	161,195	152,325	(8,870)
	<b>Total</b>	<b>3,502,592</b>	<b>3,280,449</b>	<b>(222,143)</b>
880	Other Expenses			
	Utah	9,746,861	9,217,492	(529,370)
	Wyoming	825,500	780,443	(45,057)
	<b>Total</b>	<b>10,572,361</b>	<b>9,997,935</b>	<b>(574,426)</b>
881	Rents			
	Utah	140,987	143,383	2,397
	Wyoming	4,712	4,792	80
	<b>Total</b>	<b>145,698</b>	<b>148,175</b>	<b>2,477</b>
885	Maintenance Supervision & Engineering			
	Utah	610,335	626,814	16,479
	Wyoming	19,332	19,854	522
	<b>Total</b>	<b>629,666</b>	<b>646,667</b>	<b>17,001</b>
886	Maintenance of Structures & Improvements			
	Utah	80,910	83,904	2,994
	Wyoming	2,431	2,521	90
	<b>Total</b>	<b>83,341</b>	<b>86,425</b>	<b>3,084</b>
887	Maintenance of Mains			
	Utah	8,988,883	8,928,083	(60,800)
	Wyoming	143,984	135,114	(8,870)
	<b>Total</b>	<b>9,132,866</b>	<b>9,063,197</b>	<b>(69,670)</b>
888	Maint of Compressor Station Equipment			
	Utah	1,068,413	1,075,046	6,633
	Wyoming	129,937	134,955	5,018
	<b>Total</b>	<b>1,198,350</b>	<b>1,210,002</b>	<b>11,651</b>
889	Maint of Meas. & Reg. Station Equipment			
	Utah	94,475	94,101	(375)
	Wyoming	110,310	101,969	(8,342)
	<b>Total</b>	<b>204,786</b>	<b>196,069</b>	<b>(8,716)</b>
892	Maintenance of Services			
	Utah	742,611	665,805	(76,805)
	Wyoming	51,488	47,354	(4,134)
	<b>Total</b>	<b>794,099</b>	<b>713,160</b>	<b>(80,939)</b>
893	Maintenance of Meters & House Regulators			
	Utah	758,542	705,853	(52,689)
	Wyoming	4,004	4,060	56
	<b>Total</b>	<b>762,546</b>	<b>709,914</b>	<b>(52,633)</b>
8941	Maintenance of Communication Equipment			
	Utah	0	0	0
	Wyoming	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
8942	Maintenance of Other Equipment			

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2017	Adjustment
FERC Acct	Description			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Distribution O&amp;M Expenses</b>				
	Utah Distribution O&M Expenses	55,631,650	53,653,727	(1,977,923)
	Wyoming Distribution O&M Expenses	2,816,433	2,722,221	(94,212)
	<b>System Total Distribution O&amp;M Expenses</b>	<b>58,448,083</b>	<b>56,375,948</b>	<b>(2,072,135)</b>
<b>Customer Accounts Expense</b>				
901	Supervision			
	Utah	1,248,381	1,193,590	(54,790)
	Wyoming	28,652	29,426	774
	Total	1,277,033	1,223,016	(54,017)
902	Meter Reading Expense			
	Utah	3,501,218	3,243,063	(258,155)
	Wyoming	116,144	117,312	1,167
	Total	3,617,362	3,360,375	(256,987)
9031	Customer Records Expense			
	Utah	15,118,718	14,277,037	(841,681)
	Wyoming	622,783	621,234	(1,549)
	Total	15,741,502	14,898,272	(843,230)
9032	Collection Expense			
	Utah	323,156	275,492	(47,664)
	Wyoming	47,138	45,407	(1,730)
	Total	370,293	320,899	(49,394)
9033	Interest Exp - Customer Security Deposits			
	Utah	265,704	271,018	5,314
	Wyoming	4,126	4,208	83
	Total	269,829	275,226	5,397
904.0	Uncollectible Accounts - DNG			
	Utah	774,073	774,073	0
	Wyoming	77,522	77,522	0
	Total	851,594	851,594	0
904.1	Uncollectible Accounts - SNG			
	Utah	260,123	260,123	0
	Wyoming	0	0	0
	Total	260,123	260,123	0
904.2	Uncollectible Accounts - Commodity			
	Utah	1,009,833	1,009,833	0
	Wyoming	0	0	0
	Total	1,009,833	1,009,833	0
905	Miscellaneous Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Customer Accounts Exp</b>				
	Utah Customer Accounts Expenses	22,501,206	21,304,230	(1,196,976)
	Wyoming Customer Accounts Expenses	896,365	895,109	(1,256)
	<b>System Total Customer Accounts Exp</b>	<b>23,397,570</b>	<b>22,199,339</b>	<b>(1,198,232)</b>
<b>Customer Service &amp; Information Expense</b>				
907	Supervision			
	Utah	513,241	482,396	(30,845)
	Wyoming	14,194	14,577	383
	Total	527,435	496,973	(30,462)
908	Customer Assistance Expense			
	Utah	27,339,594	27,443,877	104,283
	Wyoming	211,186	214,776	3,590
	Total	27,550,780	27,658,653	107,873
909	Info & Instructional Advertising Expense			
	Utah	841,310	847,199	5,889
	Wyoming	22,903	23,063	160
	Total	864,213	870,263	6,049
910	Misc Customer Service & Info Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Cust Service &amp; Info Exp</b>				
	Utah Total Cust Service & Info Exp	28,694,145	28,773,473	79,327
	Wyoming Total Cust Service & Info Exp	248,283	252,417	4,134
	<b>System Total Cust Service &amp; Info Exp</b>	<b>28,942,428</b>	<b>29,025,889</b>	<b>83,461</b>
<b>Administrative &amp; General Expense</b>				
920	Administrative & General Salaries			
	Utah	5,069,699	4,639,823	(429,876)
	Wyoming	344,862	315,448	(29,414)
	Total	5,414,561	4,955,271	(459,290)

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2017	Adjustment
FERC Acct	Description			
921	Office Supplies & Expenses			
	Utah	36,970,587	34,977,272	(1,993,316)
	Wyoming	1,489,132	1,506,859	17,727
	Total	38,459,719	36,484,130	(1,975,589)
922	Administrative Expenses Transferred			0
	Utah	(3,310,303)	(3,310,303)	0
	Wyoming	(112,706)	(112,706)	0
	Total	(3,423,008)	(3,423,008)	0
923	Outside Services Employed			
	Utah	1,638,926	1,673,343	34,417
	Wyoming	82,701	84,437	1,737
	Total	1,721,627	1,757,781	36,154
924	Property Insurance			
	Utah	607,172	616,887	9,715
	Wyoming	20,926	21,261	335
	Total	628,098	638,148	10,050
925	Injuries & Damages			
	Utah	59,092	54,091	(5,000)
	Wyoming	8,782	8,024	(757)
	Total	67,873	62,116	(5,757)
926	Employee Pensions & Benefits			
	Utah	1,001,347	916,523	(84,824)
	Wyoming	139,475	127,528	(11,946)
	Total	1,140,822	1,044,051	(96,770)
928	Regulatory Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
9301	General Advertising Expenses			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
9302	Miscellaneous General Expenses			
	Utah	2,034,609	2,028,090	(6,519)
	Wyoming	44,574	44,886	312
	Total	2,079,183	2,072,976	(6,207)
931	Rents			
	Utah	957,577	963,323	5,745
	Wyoming	32,423	32,618	195
	Total	990,000	995,940	5,940
935	Maintenance of General Plant			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>Total Administrative &amp; General Expense</b>				0
	Utah Total Cust Service & Info Exp	45,028,706	42,559,049	(2,469,657)
	Wyoming Total Cust Service & Info Exp	2,050,169	2,028,356	(21,813)
	<b>Total Administrative &amp; General Expense</b>	<b>47,078,875</b>	<b>44,587,405</b>	<b>(2,491,470)</b>
	<b>TOTAL O &amp; M</b>	<b>156,916,614</b>	<b>151,123,246</b>	<b>(5,793,367)</b>
<b>Other Operating Expenses</b>				
403	Depreciation Expense			
	Production	823,989	845,466	21,477
	Distribution - Wyoming	1,705,486	1,989,607	284,122
	Distribution - Utah	51,700,166	55,474,041	3,773,876
	General	6,735,693	8,452,365	1,716,672
	Total Depreciation Expense	60,965,334	66,761,480	5,796,146
404	Amortization and Depletion			
	Production	21,477	0	(21,477)
	Distribution - Wyoming	0	0	0
	Distribution - Utah	0	0	0
	General	0	0	0
	Total Amortization Expense	21,477	0	(21,477)
	<b>Total Depreciation, Deplec &amp; Amort</b>	<b>60,986,811</b>	<b>66,761,480</b>	<b>5,774,669</b>
<b>Tax Expenses</b>				
408	Taxes Other Than Income Taxes			
	Production	0	0	0
	Distribution - Wyoming	773,142	842,800	69,658
	Distribution - Utah	18,395,341	20,052,702	1,657,361
	General	1,696,475	1,849,321	152,847
	Total Other Taxes	20,864,958	22,744,824	1,879,865
4090	Income Taxes - Federal	30,034,357	30,034,357	0
4091	Income Taxes - State	140,749	140,749	0
4101	Deferred Income Taxes	5,876,862	5,876,862	0
4111	Deferred Income Tax Credit	0	0	0
4114	Investment Tax Credit Adjustment	0	0	0
	South Georgia Amortization	0	0	0
	Section 29 Tax Credits	0	0	0
	<b>Total Tax Expenses</b>	<b>56,916,926</b>	<b>58,796,791</b>	<b>1,879,865</b>
<b>Total Utility Other Operating Expenses</b>		<b>117,903,736</b>	<b>125,558,271</b>	<b>7,654,534</b>
<b>TOTAL</b>		<b>81,851,769</b>	<b>89,506,303</b>	<b>7,654,534</b>



## **REVENUE**

Revenues for the GS class have been estimated by taking estimated customers by month multiplied by the allowed revenue per customer. For the other classes revenue has been forecasted using current volumetric rates and estimated usage.

Revenue  
Dominion Energy  
Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

Rate Class		Description		Booked Rev 2016	AVG Projected Rev 2017 with CET	REVENUE CHANGE	
UTILITY OPERATING REVENUE							1
TARIFF DTH SALES AND REVENUE				526,721,113	556,651,490	(24,136,890)	2
Utah							3
FIRM	GS-1	Distribution Non-Gas Rev	sales	301,921,505	314,097,116	12,175,611	4
FIRM			sales				5
FIRM		Supplier Non-Gas Revenue	sales	99,387,972	109,589,122	10,201,150	6
FIRM			sales				7
FIRM		Commodity Revenue	sales	380,242,660	419,138,940	38,896,280	8
FIRM		Total Revenue	sales	970,417	991,861	21,444	9
FIRM		# of Customers	sales				10
FIRM		Total Dth	sales	94,250,304	102,122,155	7,871,851	11
FIRM							12
FIRM	GS-C	Distribution Non-Gas Rev	sales	0	0	0	13
FIRM			sales				14
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	15
FIRM			sales				16
FIRM		Commodity Revenue	sales	0	0	0	17
FIRM		Total Revenue	sales	0	0	0	18
FIRM		# of Customers	sales				19
FIRM		Total Dth	sales	0	0	0	20
FIRM							21
FIRM	GSS	Distribution Non-Gas Rev	sales	0	0	0	22
FIRM			sales				23
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	24
FIRM			sales				25
FIRM		Commodity Revenue	sales	0	0	0	26
FIRM		Total Revenue	sales	0	0	0	27
FIRM		# of Customers	sales				28
FIRM		Total Dth	sales	0	0	0	29
FIRM							30
FIRM	F1_FS_F1A_F1B	Distribution Non-Gas Rev	sales	3,849,675	3,760,170	(89,505)	31
FIRM			sales				32
FIRM		Supplier Non-Gas Revenue	sales	4,185,482	4,157,268	(28,214)	33
FIRM			sales				34
FIRM		Commodity Revenue	sales	18,666,562	18,666,204	(358)	35
FIRM		Total Revenue	sales	26,701,719	26,583,642	(118,077)	36
FIRM		# of Customers	sales				37
FIRM		Total Dth	sales	4,645,726	4,547,974	(97,752)	38
FIRM							39
FIRM	F-3	Distribution Non-Gas Rev	sales	0	0	0	40
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	41
FIRM		Supplier Non-Gas Demand Revenue	sales	0	0	0	42
FIRM		Commodity Tariff Revenue	sales	0	0	0	43
FIRM		Commodity Demand Revenue	sales	0	0	0	44
FIRM		Total Revenue	sales	0	0	0	45
FIRM		# of Customers	sales				46
FIRM		Total Sales Dth	sales	0	0	0	47
FIRM							48
FIRM	NGV	Distribution Non-Gas Rev	sales	3,411,686	3,029,291	(382,395)	49
FIRM			sales				50
FIRM		Supplier Non-Gas Revenue	sales	314,862	470,878	156,017	51
FIRM			sales				52
FIRM		Commodity Revenue	sales	1,432,933	2,127,923	694,990	53
FIRM		Total Revenue	sales	5,159,481	5,628,092	468,612	54
FIRM		# of Customers	sales				55
FIRM		Total Dth	sales	358,777	518,463	159,686	56
FIRM							57
FIRM	F-4	Distribution Non-Gas Rev	sales	0	0	0	58
FIRM			sales				59
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	60
FIRM			sales				61
FIRM		Commodity Revenue	sales	0	0	0	62
FIRM		Total Revenue	sales	0	0	0	63
FIRM		# of Customers	sales				64
FIRM		Total Dth	sales	0	0	0	65
FIRM							66
INTERRUPTIBLE	I-2	Distribution Non-Gas Rev	sales	0	0	0	67
INTERRUPTIBLE			sales				68
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	0	0	0	69
INTERRUPTIBLE			sales				70
INTERRUPTIBLE		Commodity Revenue	sales	0	0	0	71
INTERRUPTIBLE		Total Revenue	sales	0	0	0	72
INTERRUPTIBLE		# of Customers	sales				73
INTERRUPTIBLE		Total Dth	sales	0	0	0	74
INTERRUPTIBLE							75
INTERRUPTIBLE	I-4_I4A_I4B	Distribution Non-Gas Rev	sales	0	0	0	76
INTERRUPTIBLE			sales				77
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	0	0	0	78
INTERRUPTIBLE			sales				79
INTERRUPTIBLE		Commodity Revenue	sales	0	0	0	80
INTERRUPTIBLE		Total Revenue	sales	0	0	0	81
INTERRUPTIBLE		# of Customers	sales				82
INTERRUPTIBLE		Total Dth	sales	0	0	0	83
INTERRUPTIBLE							84
INTERRUPTIBLE	IS_IS-2	Distribution Non-Gas Rev	sales	446,805	329,302	(117,503)	85
INTERRUPTIBLE			sales				86
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	160,468	104,610	(55,858)	87
INTERRUPTIBLE			sales				88
INTERRUPTIBLE		Commodity Revenue	sales	3,591,210	2,394,599	(1,196,611)	89
INTERRUPTIBLE		Total Revenue	sales	4,198,483	2,828,511	(1,369,972)	90
INTERRUPTIBLE							91
INTERRUPTIBLE							92
INTERRUPTIBLE							93
INTERRUPTIBLE							94

Revenue  
Dominion Energy  
Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

Rate Class	Description		Booked Rev 2016	AVG Projected Rev 2017 with CET	REVENUE CHANGE	
INTERRUPTIBLE	# of Customers	sales				1
INTERRUPTIBLE	Total Dth	sales	895,129	583,438	(311,691)	2
INTERRUPTIBLE						95
IS-4	Distribution Non-Gas Rev	sales	0	0	0	97
INTERRUPTIBLE		sales				98
INTERRUPTIBLE	Supplier Non-Gas Revenue	sales	0	0	0	99
INTERRUPTIBLE		sales				100
INTERRUPTIBLE	Commodity Revenue	sales	0	0	0	101
INTERRUPTIBLE	Total Revenue	sales	0	0	0	102
INTERRUPTIBLE	# of Customers	sales				103
INTERRUPTIBLE	Total Dth	sales	0	0	0	104
						105
P1	Distribution Non-Gas Rev	sales	0	0	0	106
		sales				107
	Supplier Non-Gas Revenue	sales	0	0	0	108
		sales				109
	Commodity Revenue	sales	0	0	0	110
	Total Revenue	sales	0	0	0	111
	# of Customers	sales				112
	Total Dth	sales	0	0	0	113
						114
TRANSPORTATION	Distribution Non-Gas Rev	trans	6,420,575	2,251,638	(4,168,937)	115
TRANSPORTATION		trans				116
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	117
TRANSPORTATION		trans				118
TRANSPORTATION	Commodity Revenue	trans	0	0	0	119
TRANSPORTATION	Total Revenue	trans	6,420,575	2,251,638	(4,168,937)	120
TRANSPORTATION	# of Customers	trans				121
TRANSPORTATION	Total Dth	trans	46,580,498	5,850,772	(40,729,726)	122
						123
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	124
TRANSPORTATION		trans				125
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	126
TRANSPORTATION		trans				127
TRANSPORTATION	Commodity Revenue	trans	0	0	0	128
TRANSPORTATION	Total Revenue	trans	0	0	0	129
TRANSPORTATION	# of Customers	trans				130
TRANSPORTATION	Total Dth	trans	0	0	0	131
						132
TRANSPORTATION	Distribution Non-Gas Rev	trans	55,013	32,791	(22,222)	133
TRANSPORTATION		trans				134
TRANSPORTATION	Supplier Non-Gas Revenue	trans	2,184	1,947	(237)	135
TRANSPORTATION		trans				136
TRANSPORTATION	Commodity Revenue	trans	0	0	0	137
TRANSPORTATION	Total Revenue	trans	57,197	34,738	(22,459)	138
TRANSPORTATION	# of Customers	trans				139
TRANSPORTATION	Total Dth	trans	29,132	32,451	3,319	140
						141
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	2,624,472	2,624,472	142
TRANSPORTATION		trans				143
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	144
TRANSPORTATION		trans				145
TRANSPORTATION	Commodity Revenue	trans	0	0	0	146
TRANSPORTATION	Total Revenue	trans	0	2,624,472	2,624,472	147
TRANSPORTATION	# of Customers	trans				148
TRANSPORTATION	Total Dth	trans	0	32,698,029	32,698,029	149
						150
TRANSPORTATION	Distribution Non-Gas Rev	trans	17,631,262	19,428,616	1,797,354	151
TRANSPORTATION		trans				152
TRANSPORTATION	Supplier Non-Gas Revenue	trans	372,529	0	(372,529)	153
TRANSPORTATION		trans				154
TRANSPORTATION	Commodity Revenue	trans	0	0	0	155
TRANSPORTATION	Total Revenue	trans	18,003,791	19,428,616	1,424,825	156
TRANSPORTATION	# of Customers	trans				157
TRANSPORTATION	Total Dth	trans	42,241,523	41,127,326	(1,114,197)	158
						159
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	160
TRANSPORTATION		trans				161
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	162
TRANSPORTATION		trans				163
TRANSPORTATION	Commodity Revenue	trans	0	0	0	164
TRANSPORTATION	Total Revenue	trans	0	0	0	165
TRANSPORTATION	# of Customers	trans				166
TRANSPORTATION	Total Dth	trans	0	0	0	167
						168
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	169
TRANSPORTATION		trans				170
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	171
TRANSPORTATION		trans				172
TRANSPORTATION	Commodity Revenue	trans	0	0	0	173
TRANSPORTATION	Total Revenue	trans	0	0	0	174
TRANSPORTATION	# of Customers	trans				175
TRANSPORTATION	Total Dth	trans	0	0	0	176
						177
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	178
TRANSPORTATION		trans				179
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	180
TRANSPORTATION		trans				181
TRANSPORTATION	Commodity Revenue	trans	0	0	0	182
TRANSPORTATION	Total Revenue	trans	0	0	0	183
TRANSPORTATION	# of Customers	trans				184
TRANSPORTATION	Total Dth	trans	0	0	0	185
						186

Revenue  
Dominion Energy  
Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

		AVG Projected		
		Rev 2017 with		
		CET		
				REVENUE
				CHANGE
Rate Class	Description	Booked Rev 2016		
				1
				2
				187
	CET	(936,414)	0	936,414
	DSM	23,824,333	0	(23,824,333)
				188
				189
				190
	Utah Totals			191
				192
	Distribution Non-Gas Rev	356,624,440	345,553,396	(11,071,044)
	Supplier Non-Gas Revenue	104,423,497	114,323,825	9,900,329
	Commodity Revenue	403,933,365	442,327,665	38,394,300
	Total Utah Revenue	84,399,581	60,371,570	(24,028,011)
	# of Customers			195
	Sales Dth	100,149,936	107,772,030	7,622,094
	Transportation Dth	88,851,153	79,708,578	(9,142,575)
	Total Utah Dth	189,001,089	187,480,608	(1,520,481)
				198
				199
				200
Idaho	GS-1	0	0	0
				201
	Distribution Non-Gas Rev	0	0	0
	Supplier Non-Gas Revenue	0	0	0
	Commodity Revenue	0	0	0
	Total Revenue	0	0	0
	# of Customers			206
	Total Dth	0	0	0
				207
	I-2	0	0	0
				208
	Distribution Non-Gas Rev	0	0	0
	Supplier Non-Gas Revenue	0	0	0
	Commodity Revenue	0	0	0
	Total Revenue	0	0	0
	# of Customers			215
	Total Dth	0	0	0
				216
	Idaho Totals			217
				218
				219
		0	0	0
	Distribution Non-Gas Rev	0	0	0
	Supplier Non-Gas Revenue	0	0	0
	Commodity Revenue	0	0	0
	Total Idaho Revenue	0	0	0
	# of Customers			224
	Sales Dth	0	0	0
	Transportation Dth	0	0	0
	Total Idaho Dth	0	0	0
				227
Wyoming				228
				229
	GS-1	12,289,396	0	(12,289,396)
				230
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue			
	Commodity Revenue	16,671,740	0	(16,671,740)
	Total Revenue	28,961,136	0	(28,961,136)
	# of Customers			236
	Total Dth	3,405,179	0	(3,405,179)
				237
	F1_FS_F1A_F1B_F1C	182,927	0	(182,927)
				238
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue			
	Commodity Revenue	923,387	0	(923,387)
	Total Revenue	1,106,314	0	(1,106,314)
	# of Customers			244
	Total Dth	190,410	0	(190,410)
				246
	NGV	120,413	0	(120,413)
				247
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue			
	Commodity Revenue	43,135	0	(43,135)
	Total Revenue	163,548	0	(163,548)
	# of Customers			254
	Total Dth	8,967	0	(8,967)
				255
	GSW	0	0	0
				256
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue			
	Commodity Revenue	0	0	0
	Total Revenue	0	0	0
	# of Customers			263
	Total Dth	0	0	0
				264
	I-S_I-2	51,688	0	(51,688)
				265
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue	(400)	0	400
	Commodity Revenue	726,390	0	(726,390)
	Total Revenue	777,678	0	(777,678)
	# of Customers			272
	Total Dth	143,741	0	(143,741)
				273
	I-4	0	0	0
				274
	Distribution Non-Gas Rev			
	Supplier Non-Gas Revenue			
		0	0	0
				276
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		0	0	0
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Revenue  
Dominion Energy  
Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

		AVG Projected Rev 2017 with CET		REVENUE CHANGE	1 2		
Rate Class	Description		Booked Rev 2016				
		sales		0	279		
	Commodity Revenue	sales	0	0	280		
	Total Revenue	sales	0	0	281		
	# of Customers	sales		0	282		
	Total Dth	sales	0	0	283		
				0	284		
IC	Distribution Non-Gas Rev	sales	0	0	285		
Sales	(To Commodity Costs)	sales			286		
		sales			287		
		sales			288		
	Commodity Revenue	sales	0	0	289		
	Total Revenue	sales	0	0	290		
	# of Customers	sales			291		
	Total Dth	sales			292		
				0	293		
TRANSPORTATION	I-T_TS_ITA_ITB	Distribution Non-Gas Rev	trans	85,827	0	(85,827)	294
TRANSPORTATION		Supplier Non-Gas Revenue	trans			0	295
TRANSPORTATION			trans			0	296
TRANSPORTATION		Commodity Revenue	trans	0	0	0	297
TRANSPORTATION		Total Revenue	trans	85,827	0	(85,827)	298
TRANSPORTATION		# of Customers	trans			0	299
TRANSPORTATION		Total Dth	trans	149,062	0	(149,062)	300
TRANSPORTATION						0	301
TRANSPORTATION	IC-IC1-IC2	Distribution Non-Gas Rev	trans	33,597	0	(33,597)	302
TRANSPORTATION	Trans					0	303
TRANSPORTATION		Supplier Non-Gas Revenue	trans			0	304
TRANSPORTATION			trans			0	305
TRANSPORTATION		Commodity Revenue	trans	0	0	0	306
TRANSPORTATION		Total Revenue	trans	33,597	0	(33,597)	307
TRANSPORTATION		# of Customers	trans			0	308
TRANSPORTATION		Total Dth	trans	461,632	0	(461,632)	309
TRANSPORTATION						0	310
	CET	Distribution Non-Gas Rev	sales	254,292	0	(254,292)	311
	DSM	Distribution Non-Gas Rev	sales	99,393	0	(99,393)	312
	Wyoming Totals					0	313
		Distribution Non-Gas Rev		12,946,421	0	(12,946,421)	314
		Supplier Non-Gas Revenue		(400)	0	400	315
		Non-Core DNG Revenue Credits		119,424	0	(119,424)	316
		Commodity Revenue		18,364,652	0	(18,364,652)	317
		Total Wyoming Revenue		31,128,100	0	(31,128,100)	318
		# of Customers				0	319
		Sales Dth		3,748,297	0	(3,748,297)	320
		Transportation Dth		610,694	0	(610,694)	321
		Total Wyoming Dth		4,358,991	0	(4,358,991)	322
						0	323
						0	324
Colorado	I-4	Distribution Non-Gas Rev	sales	0	0	0	325
		Supplier Non-Gas Revenue	sales			0	326
			sales			0	327
		Commodity Revenue	sales	0	0	0	328
		Total Revenue	sales	0	0	0	329
		# of Customers	sales			0	330
		Total Dth	sales	0	0	0	331
						0	332
	IC	Distribution Non-Gas Rev	trans	0	0	0	333
		Supplier Non-Gas Revenue	trans			0	334
			trans			0	335
		Commodity Revenue	trans	0	0	0	336
		Total Revenue	trans	0	0	0	337
		# of Customers	trans			0	338
		Total Dth	trans	0	0	0	339
						0	340
						0	341
						0	342
						0	343
Colorado Totals						0	344
		Distribution Non-Gas Rev		0	0	0	345
		Commodity Revenue		0	0	0	346
		Total Colorado Revenue		0	0	0	347
		# of Customers				0	348
		Sales Dth		0	0	0	349
		Transportation Dth		0	0	0	350
		Total Colorado Dth		0	0	0	351
						0	352
						0	353
						0	354
SystemTotal	Tariff Revenue	Distribution Non-Gas Rev		369,570,862	345,553,396	(24,017,466)	355
		Supplier Non-Gas Revenue		104,423,097	114,323,825	9,900,729	356
		Non-Core DNG Revenue Credits		119,424	0	(119,424)	357
		Commodity Revenue		422,298,016	442,327,665	20,029,649	358
							359
		SystemTotal Tariff Revenue		896,411,399	902,204,887	5,793,488	360
		# of Customers				0	361
		Sales Dth		103,898,233	107,772,030	3,873,797	362
		Transportation Dth		89,461,847	79,708,578	(9,753,269)	363
		SystemTotal Dth		193,360,080	187,480,608	(5,879,472)	364

## **UNDERGROUND WORKING STORAGE GAS**

Pursuant to the final order in Docket No. 93-057-01, Account 164, Gas Stored Underground - Current, is to be accounted for in the Company's pass-through cases and excluded from test-year rate base. This is accomplished by allowing a return on the actual average balance in this account to be entered as a gas cost in the 191 Account. This adjustment removes the total balance of Account 164 from the rate-base calculation.

**Underground Storage**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

**Account 164 - Underground Storage**

<b>A</b>		<b>B</b>
	<b>Month</b>	<b>Monthly Balance</b>
1	Dec-15	43,864,861
2	Jan-16	31,528,329
3	Feb-16	21,185,729
4	Mar-16	7,159,515
5	Apr-16	3,455,713
6	May-16	11,147,739
7	Jun-16	23,044,903
8	Jul-16	39,135,538
9	Aug-16	52,516,755
10	Sep-16	67,227,540
11	Oct-16	70,093,976
12	Nov-16	72,768,413
13	Dec-16	49,333,981
15	Adjustment	(49,333,981)

### **WEXPRO ADJUSTMENT TO PRODUCTION PLANT**

This adjustment, rising from the Wexpro Agreement, provides that the production plant component in each Dominion Energy rate base plant account be reduced by 6.3%. According to the agreement, Wexpro adds 6.3% of Dominion Energy Utah's production plant to the Wexpro investment when calculating the Wexpro service fee charged to DEU.



**Wexpro Plant Adjustment**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

Wexpro Plant Adjustment

		B Production Amount \1	F Allocation Factor \2	G Adjustment Amount \3
<b>1</b>	<b>ADDITIONS TO RATE BASE</b>			
10	<b>101 Total Gas Plant In Service</b>	79,968,136	6.30%	(5,037,993)
11	<b>105 Gas Plant Held For Future Use</b>	0	6.30%	0
12	<b>106 Completed Construction Not Classified</b>	0	6.30%	0
13	<b>154 Materials &amp; Supplies</b>	0	6.30%	0
14	<b>164.1 Gas Stored Underground</b>	0	6.30%	0
15	<b>165 Prepayments</b>	0	6.30%	0
16	<b>Working Capital - Cash</b>	0	6.30%	0
17	<b>Total Additions To Rate Base</b>	<u>79,968,136</u>		<u>(5,037,993)</u>
<b>18</b>	<b>DEDUCTIONS FROM RATE BASE</b>			
19	<b>108 Accumulated Depreciation</b>	(70,048,606)	6.30%	4,413,062
20	<b>111 Accumulated Amort &amp; Depletion</b>	(6,133,169)	6.30%	386,390
21	<b>235.1 Customer Deposits</b>	0	6.30%	0
22	<b>252 Misc Customer Credits</b>	0	6.30%	0
23	<b>253.1 Unclaimed Customer Deposits</b>	0	6.30%	0
24	<b>255 Deferred Investment Tax Credits</b>	0	6.30%	0
25	<b>282.0 Accum Deferred Income Taxes - Federal</b>	0	6.30%	0
26	<b>282.1 Accum Deferred Income Taxes - State</b>	0	6.30%	0
27	<b>Total Deductions From Rate Base</b>	<u>(76,181,775)</u>		<u>4,799,452</u>
<b>28</b>	<b>TOTAL WEXPRO PLANT ADJUSTMENT</b>			<u>(238,541)</u>

\1 Test Period Production Rate Base

\2 See Wexpro Stipulation and Agreement, Exhibit E, Section 5(b).

\3 Column B x Column C.

## **ENERGY EFFICIENCY ADJUSTMENT**

The revenues and costs are accounted for in separate DSM/EE amortization filings and are not included as a component of the revenue requirement. The energy efficiency revenues were not included in the revenue forecast and the forecasted expenses have been removed from the results.

**Energy Efficiency Accounting Adjustment**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

		Energy Efficiency 2016	Energy Efficiency 2017	Energy Efficiency 2018
Revenue				
	Utah	(\$23,824,333)		
	Wyoming	(\$99,393)		
	Total	<u>(23,923,726)</u>		
908	Customer Assistance Expense			
	Utah	(\$23,824,333)	(23,974,206)	(24,381,768)
	Wyoming	(\$99,393)	(100,314)	(102,019)
	Total	<u>(23,923,726)</u>	<u>(24,074,520)</u>	<u>(24,483,787)</u>
	Inflation Factors			
	Utah		1.70%	1.70%
	Wyoming		1.70%	1.70%

## **BAD DEBT EXPENSE REMOVAL**

In Docket No. 01-057-14, the Company proposed to account for bad-debt expense related to SNG and Commodity revenues in the 191 Account. This was adopted by the Commission in the final order in that docket; therefore, only the DNG portion of bad debt has been included in the calculations of the Results of Operations. The bad debt expense recorded in Account 904 includes all components of bad debt. This adjustment annualizes the DNG portion of bad debt experienced during 2016 to the 3-year average rate of bad debt. This methodology was agreed to and used in Docket No. 02-057-02, Docket No. 07-057-13, Docket No. 09-057-16, and Docket No. 13-057-05. Bad debt is properly recognized as a reduction to revenues. A bad debt ratio of 0.20% (net write-offs to total revenue) is used in this Results of Operations.

Average Bad Debt Removal  
Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

Capital Structure : AVG CAP STR 2016

	Utah Bad Debt 2016	Utah Bad Debt 2017	Utah Bad Debt 2018
Utah	(55,304)	(7,293)	(28,477)
Wyoming	(51,428)	(77,522)	(77,522)
Total	(106,733)	(84,815)	(105,998)

Bad Debt %

**SNG and Commodity of acc 904 Removal**

	SNG	SNG	SNG
904.1 Uncollectible Accounts			
Utah	(260,123)	(260,123)	(260,123)
Wyoming	0	0	0
Total	(260,123)	(260,123)	(260,123)
904.2 Uncollectible Accounts			
Utah	(1,009,833)	(1,009,833)	(1,009,833)
Wyoming	0	0	0
Total	(1,009,833)	(1,009,833)	(1,009,833)
Total 904	(1,376,690)	(1,354,772)	(1,375,955)

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**Average Bad Debt Removal**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**  
**Capital Structure : AVG CAP STR 2016**

	A	B	C	D
	Dec-16	Dec-17	Dec-18	
	3 Year Average	3 Year Average	3 Year Average	
	Bad Debt	Bad Debt	Bad Debt	
	Ratio	Ratio	Ratio	
	Adjustment	Adjustment	Adjustment	
904	Uncollectible Accounts			
	Utah	(7,293)	(28,477)	
	Wyoming	(77,522)	(77,522)	
	Total	(84,815)	(105,998)	

	12 MONTHS	12 MONTHS	12 MONTHS	3 YR AVERAGE
	2014	2015	2016	
Revenues are lagging the Charge Offs by 6 Months.				
6 Months at aging is required from time of billing to Charge Off.				
1 CHARGE OFFS (ACC 144004) Dec of Each Year	3,909,824	3,638,318.49	3,798,537.99	3,782,227
2 COLLECTED (ACC 144005) Dec of Each Year	(2,253,448)	(1,856,811)	(1,689,278)	(1,933,179)
3 NET CHARGE OFFS	1,656,376	1,781,507	2,109,260	1,849,048
4				
5 HISTORICAL BOOKED SYSTEM REVENUES (GREY BACK)	933,876,526	903,873,494	914,522,581	917,424,200
6 NET CHARGE OFFS	1,656,376	1,781,507	2,109,260	1,849,048
7				
8 % of Uncollectible Accounts to Total Revenues	0.18%	0.20%	0.23%	0.20%
9 Adjustment to Reflect change in Security Deposits				
10 Adjusted % of Uncollectible Accounts to Total Revenues				0.20%
11				
12		Booked	Projected	Projected
13		2016	2017	2018
14	UT Distribution Non Gas Rev (Includes Energy Eff.)	356,624,440	380,445,594	369,935,164
15	WY Distribution Non Gas Rev	12,946,421	0	0
16	3 YR BAD DEBT AVG FACTOR	0.20%	0.20%	0.20%
17	3YR Average UT DNG Bad Debt	718,769	766,780	745,596
18	3 YR Average WY DNG Bad Debt	26,093	0	0
19	Less Expensed UT DNG Bad Debt	774,073	774,073	774,073
20	Less Expensed WY DNG Bad Debt	77,522	77,522	77,522
21	SYSTEM ADJUSTMENT	851,594	851,594	851,594
22				
23	Utah	(55,304)	(7,293)	(28,477)
24	Wyoming	(51,428)	(77,522)	(77,522)
25	System Adjustment	(106,733)	(84,815)	(105,998)
26				

## **INCENTIVE PLANS**

In accordance with previous Commission orders, DEU has removed, for ratemaking purposes, incentive compensation expenses related to financial goals that were either paid directly by DEU or allocated from Questar Corporation for incentive payouts. Because the incentive plan payouts vary from year to year, a 3-year average of payouts related to operating goals has been used in the calculation of normalized incentive plan expenses. This adjustment was calculated using the 2016 expense removal and adjusting it for inflation.

## Incentive Compensation

### Dominion Energy

Utah - DEC 2017 Adjusted Avg Results		DEU Incentives	DEU Incentives	DEU Incentives	
12 Months Ended : Dec-2017		2016	2017	2018	
Incentive Compensation					
Removal of Financial Based Payouts					
A					
Incentive Inflation Rate			3.0%	3.0%	
1	Corporation	1/	(\$1,256,532)	(\$1,294,228)	(\$1,333,055)
2	Dominion Energy Utah	2/	(\$655,835)	(\$675,510)	(\$695,775)
3	Total		(\$1,912,367)	(\$1,969,738)	(\$2,028,830)
4	Utah		(1,850,307)	(1,905,816)	(1,962,990)
5	Wyoming		(62,060)	(63,922)	(65,840)
			(1,912,367)	(1,969,738)	(2,028,830)
1/	See Workpaper A				
2/	See Workpaper B				



**Incentive Compensation**

**Dominion Energy**

**Utah - DEC 2017 Adjusted Avg Results**

**12 Months Ended : Dec-2017**

Corporation Incentive Pay Adjustment  
12 Mos. Ending Dec. 2016.  
Workpaper A

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
		3-YR Average Percentage	Total Payout	Disallow Adjustment
1	<b>Corp Management and Employee Incentive Plans</b>			
2	Bonus related to Financial Goals & Affiliates	44.38%	1,115,791	(1,115,791)
3	Bonus related to O&M Goals	55.62%	1,398,611	
4	<b>Total AMIP</b>	100.00%	2,514,402	(1,115,791)
5	Long Term Incentive Plan (2016)			(1,584,106)
6				
7				
8	PIPE Bonus related to DEU Financial Goals & Affiliates	0.00%	0	0
9	PIPE Bonus related to DEU O&M Goals	1/ 100.00%	1,506,342	
10	<b>TOTAL PIPE</b>	100.00%	1,506,342	0
11				
12	Total Corp AMIP and PIPE Plan Disallowed			<b>(2,699,896)</b>
13				
14				
15	<b>Disallowed Allocation</b>			
16	<b>Allocated Through Distrigas</b>			
17				
18	<b>Allocated to Dominion Energy</b>			
19	Percent to Dominion Energy		46.54%	
20	Total to Dominion Energy		<b>(\$1,256,532)</b>	<b>(\$1,256,532)</b>

1/ 100% of PIPE is based on operating goals.

**Incentive Compensation**

**Dominion Energy**

**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

Dominion Energy Utah Incentive Pay Adjustment  
Actual Payout for 2016 (Paid in Feb 2017)  
Workpaper B

	A	B	C	D	E	F
				% Payout	\$ Payout	Allowed \$
1 <b>DEU Management Incentive Plan (AMIP)</b>						
2						
3						
4 Amount Expensed to 921 Account		\$895,088				
5						
6 O&M Goals				54.31%	486,165	486,165
7 <b>Total AMIP Dollar Payout</b>				54.31%	486,165	
8						
9 <b>DEU Employee Incentive Plan (PIPE)</b>						
10						
11						
12 Amount Expensed to 921 Account		\$2,928,233				
13						
14 Operating Goals			1/	100.00%	2,928,233	2,928,233
15 <b>Total PIPE % Payout</b>				100.00%	2,928,233	
16						
17 Total AMIP and PIPE Allowed with Overheads (Line 6 + Line 14)						3,414,398
18 Total Incentives						3,823,321
19 Total Adjustment						(408,923)
20 Long Term Incentive Plan (2016)						(246,912)
21 Total Adjustment						(655,835)

1/ 100% of PIPE is based on operating goals.

## **EVENT TICKETS**

During 2016, Dominion Energy Utah received allocated expenses from Questar Corporation for tickets to sporting events at the Energy Solutions Arena. During this period, 91.86% of the tickets were used in a QGC employee-recognition plan. That is, those employees who had performed in an exemplary manner were awarded tickets to the games. The remaining tickets were used for marketing or other purposes. Pursuant to the stipulations in Docket Nos. 99-057-20, 02-057-02, 07-057-13, 09-057-16, and 13-057-05 the portion of these expenses related to employee recognition is allowed in rates.

This adjustment, removes 8.14% of these costs used for other purposes. The adjustment includes costs that were charged directly to DEU from Questar Corporation.

**Event Tickets**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

	<b>Sporting Events DEC 2016</b>	<b>Sporting Events DEC 2017</b>	<b>Sporting Events DEC 2018</b>
Acc 921 Inflation Factor		1.20%	1.50%
Total Expenses	(15,163)	(15,345)	(15,576)
Utah Adjustment	(14,671)	(14,847)	(15,070)
Wyoming Adjustment	(492)	(498)	(505)

**Event Tickets**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

1				
2		<b>Event Tickets</b>		
3				
4				
5	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
6				
7				
8	<b>Total Disallowed QC Sporting Events Expense</b>		<b>6,210</b>	
9				
10				
11		<b>Allocation</b>	<b>Allocated</b>	<b>Adjustment</b>
12	Company and Allocation Amounts	<b>Calculations</b>	<b>Amount</b>	<b>Amount</b>
13				
14	Allocated to QGC			
15	Percent to QGC	46.54%		
16	Total to QGC	2,890	2,890	2,890
17				
18				
19	<b>Total Disallowed QGC Sporting Events Expense</b>			\$12,273
20				
21	<b>Total Expenses</b>			\$15,163
22	<b>Escalation Factor</b>			
23	<b>Total Adjustment</b>			(\$15,163)
24				
25	Utah Adjustment			(\$14,671)
26	Wyoming Adjustment			(\$492.08)
27	Total			(\$15,163)

Vendor	QGC Direct	Allocated from Corp	Based on 2016 Data	QGC Direct Employee Recognition	Mkting PR	Allocated from Corp Employee Recognition	Mkting PR
1 Energy Solutions Arena	55,980	0	89.86%	50,300	5,679	0	0
2 Utah Jazz	65,000	61,212	89.86%	58,406	6,594	55,002	6,210
3 Real Salt Lake	1,805	1,725	100.00%	1,805	0	1,725	0
4						56,727	6,210
5 Total	122,785	62,937		110,511	12,273		
6							
7							
8							
9 Tickets Used for Employee Recognition - % Calculation 2016							
10							
11 Employee							
12 Recognition Pub. Relations Total							
13 Jazz Tickets	248	28	276				
14 Real Salt Lake	68	0	68				
15 Total Tickets	316	28	344				
16 Total Percentage:	91.86%	8.14%	100.00%				

## **ADVERTISING**

Consistent with the Commission order in Docket No. 93-057-01, an adjustment has been made to decrease expenses for the 12 months ending December 31, 2016 by removing all of the advertising expenses related to promotional and institutional advertising expenses. These expenses were adjusted for inflation to arrive at the 2017 adjustment.

**Advertising**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

**Advertising DEC 2016   Advertising DEC 2017   Advertising DEC 2018**

<b>Account</b>	<b>Type</b>			
909003	Promotional Advertising-Dealer	\$0	\$0	\$0
909005	Adv Exp - Parade of Homes	\$0	\$0	\$0
930100	General Advertising Expenses	\$0	\$0	\$0
930101	Institutional Advertising	\$1,458	\$1,468	\$1,487
930102	Financial Advertising	\$0	\$0	\$0
<hr/>				
<b>Total</b>		<b>1,458</b>	<b>1,468</b>	<b>1,487</b>
<hr/>				
<b>Adjustment</b>		<b>(1,458)</b>	<b>(1,468)</b>	<b>(1,487)</b>
930	<b>Utah Adjustment</b>	<b>(1,411)</b>	<b>(1,420)</b>	<b>(1,439)</b>
930	<b>Wyoming Adjustment</b>	<b>(47)</b>	<b>(48)</b>	<b>(48)</b>
		<hr/> (1,458)	<hr/> (1,468)	<hr/> (1,487)
Inflation Factor			0.70%	1.30%



Advertising  
Questar Gas Company  
Utah - DEC 2016 Adjusted Avg Results  
12 Months Ended : Dec-2016

**Advertising Adjustment**

	A	B	C	D	E	F
	Type	Direct Charges To QGC	Direct Charges To QC	Allocated From Corp To QGC	Total (B+D)	Removed Amount
1	909003 Promotional Advertising-Dealer	\$0	\$0	\$0	\$0	\$0
2	909005 Adv Exp - Parade of Homes	\$0	\$0	\$0	\$0	\$0
3	930100 General Advertising Expenses	\$0	\$0	\$0	\$0	\$0
4	930101 Institutional Advertising	\$0	\$3,133	\$1,458	\$1,458	\$1,458 \1
5	930102 Financial Advertising	\$0	\$0	\$0	\$0	\$0
7						
8	Total	\$0	\$3,133	\$1,458	\$1,458	\$1,458
9						
10						
11	Adjustment					(1,458)
12						
13	Utah Adjustment					(1,410)
14	Wyoming Adjustment					(48)
15	Total Adjustment					(1,458)

\1 Workpaper 1

**Advertising**  
**Questar Gas Company**  
**Utah - DEC 2016 Adjusted Avg Results**

**Workpaper 1**

**Institutional Advertising**

	A	B	C	D
1	<b>Total QC Institutional Advertising</b>		<b>3,133</b>	
2				
3				
4		<b>Allocation</b>	<b>Allocated</b>	<b>Adjustment</b>
5	Company and Allocation Amounts	<b>Calculations</b>	<b>Amount</b>	<b>Amount</b>
7				
8	Allocated to QGC			
9	Percent to QGC	46.54%		
10	Total to QGC	1,458	\$1,458	\$1,458

## **DONATIONS AND MEMBERSHIPS**

In the final order for Docket 93-057-01, the Commission prescribed which types of donations and memberships are recoverable in rates. This adjustment identifies and removes similar entries which were booked during the 12 months ending December 31, 2016 and those expenses which were allocated from Questar Corporation. The amounts removed represent 2016 amounts adjusted for inflation.

## Donations and Memberships Adjustment

### Dominion Energy

Utah - DEC 2017 Adjusted Avg Results  
12 Months Ended : Dec-2017

	QGC Don & Membership DEC 2016	QGC Don & Membership DEC 2017	QGC Don & Membership DEC 2018
Acc 921 Inflation Factor		1.20%	1.50%
Questar Corporation Allocated	(\$202,809)	(\$205,243)	(\$208,322)
Questar Gas	(\$9,819)	(\$9,937)	(\$10,086)
Total	(\$212,629)	(\$215,180)	(\$218,408)
Utah Adjustment	(\$205,728)	(\$208,197)	(\$211,320)
Wyoming Adjustment	(\$6,900)	(\$6,983)	(\$7,088)
Total	(\$212,629)	(\$215,180)	(\$218,408)

**Donations and Memberships Adjustment**

**Dominion Energy**

**Utah - DEC 2017 Adjusted Avg Results 12**

**Months Ended : Dec-2017**

Donations and Memberships Adjustment Questar Corporation Allocated			B
A			Dec-16
	Description		Amount
1	<b>Industry Associations</b>		
2	921000 Tax Executives Institute		-
3	921000 Utah Taxpayers Association		19,360
4	921000 Wyoming Taxpayers Association		10,360
5	921000 Government Relations Dept - Labor & Overhead		288,693
6	921000 Government Relations Dept - A&G		94,538
7	930200 AGA Expenses relating to Lobbying		22,823
8	Total		435,774
9			
10	<b>ADJUSTMENT CALCULATION</b>		
11			<b>Allocated</b>
12	<b>Company and Allocation Amounts</b>		<b>Amount</b>
13			
14	Allocated to QGC		
15	Percent to QGC		46.54%
16	Total to QGC		\$202,809
17			
18	Total Adjustment		(\$202,809)

**Donations and Memberships Adjustment**

**Dominion Energy**

**Utah - DEC 2016 Adjusted Avg Results**  
**12 Months Ended : Dec-2016**

Donations and Memberships Adjustment			
Questar Gas			
A	B	C	D
Account	Description	Amount	% Applicable to QGC
		2016	
1 923000	Holland and Hart	0	100.00%
2 923000	NES Inc	0	100.00%
3 921000	Junior Achievement	250	100.00%
4 908	Golf Tournament	9,569	100.00%
5 921000	Utah Foundation	0	100.00%
6			
7			
8			
9			
10			
11	Total	9,819	
12	<b>Adjustment</b>	<b>(\$9,819)</b>	
13			
14	<b>Utah Adjustment</b>	<b>(\$9,495)</b>	
15	<b>Wyoming Adjustment</b>	<b>(\$325)</b>	
16	<b>Total</b>	<b>(\$9,819)</b>	

## **RESERVE ACCRUAL**

The reserve accrual includes legal liabilities associated with the Company's self insurance program as per the stipulation in Docket 07-057-13. The reserve accrual amount is calculated based on a five year average of actual payments made.

**Reserve Accrual Adjustment**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

	Reserve Accrual Dec 2016	Reserve Accrual Dec 2017	Reserve Accrual Dec 2018
<b>Reserve Accrual</b>			
1 2012 Legal Payment	\$225,475	\$879,185	\$879,185
2 2013 Legal Payment	\$337,092	\$225,475	\$225,475
3 2014 Legal Payment	\$0	\$337,092	\$337,092
4 2015 Legal Payment	\$34,800	\$0	\$0
5 2016 Legal Payment	215,113	\$34,800	\$34,800
8 Total	<u>\$812,480</u>	<u>\$1,476,552</u>	<u>\$1,476,552</u>
9 5 Year Average	<u>\$162,496</u>	<u>295,310</u>	<u>295,310</u>
10 Legal Accruals for 12 Months Ended Dec 2016	(\$525,868)	(\$532,178)	(\$540,161)
11 Adjustment (Accrual Less 5 Yr Average Actual Payments)	\$688,364	\$827,488.74	\$835,471
12 Utah Allocation	\$665,614	\$800,635	\$808,359
13 Wyoming Allocation	\$22,750	\$26,854	\$27,113



## **CAPITAL STRUCTURE**

The capital structure used in this model is based on the actual average 2016 capital structure.

**Capital Structure**  
**Dominion Energy**  
**Utah - DEC 2017 Adjusted Avg Results**  
**12 Months Ended : Dec-2017**

<b>CAPITAL COMPONENT</b>	<b>Actual Weight</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long Term Debt	45.24%	5.30%	2.40%
Common Equity	54.76%	9.85%	5.39%
Weighted Cost of Capital	100.00%		7.79%

**PRE TAX RATE OF RETURN**

<b>CAPITAL COMPONENT</b>	<b>Weighted Cost</b>
Common Equity	5.39%
Effective Tax Rate	38.09%
Pre-Tax Equity Return (Line 4/(1-Line 5))	8.71%
Long Term Debt	2.40%
Total Pre-tax Rate of Return (Line 6+Line 7)	11.11%

**AVG CAP STR 2016**

<b>LONG-TERM DEBT</b>	
Bonds - Long Term	531,479,167
Unamort Loss on Reacq Debt	(3,480,687)
Unamortized Debt Expense	(3,166,724)
<b>TOTAL LONG-TERM DEBT</b>	532,019,256

<b>LONG TERM DEBT COSTS</b>	
Interest - Long term Debt	27,358,155
Amortization of Debt Discount & Expense	841,475
<b>TOTAL LONG TERM DEBT COSTS</b>	28,199,630

<b>LONG-TERM DEBIT COST %</b>	5.30%
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<b>COMMON EQUITY</b>	
Common Stock Issued	22,974,065
Premium on Common Stock	268,472,597
Unappropriated Ret. Earnings	352,644,980
<b>TOTAL COMMON EQUITY</b>	644,091,643

<b>TOTAL CAPITAL</b>	1,176,110,898
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## **EXECUTIVE SUMMARY**

This Forecasted Results of Operations Report provides forecasted information on Dominion Energy Utah's return on a Utah jurisdictional basis for the 12 months ending December 31, 2018 using a forecasted rate base, revenues, O&M expenses, forecasted customers, adjustments ordered or agreed to in previous rate cases, and other appropriate adjustments such as those necessary to correct accounting entries or remove one time non-recurring events. This forecast is deemed to be accurate, but as the future is often uncertain Dominion Energy Utah may in the future abandon this forecast as better and more reliable results become more readily available. Even though some of the adjustments included here were ordered or agreed to in previous cases, Dominion Energy Utah reserves the right to oppose these adjustments in future cases. On a Utah jurisdiction basis, Dominion Energy Utah's projected return on equity for 2018 will be 8.78%.

To develop the 2018 forecast the Company began with the 2016 Results of Operations as a base. The 2018 Forecasted Rate Base was calculated by taking the historical FERC Account balances and adding projected net additions. The 2018 revenues were forecasted by taking estimated customers and allowed revenue for the GS class and forecasted usage for the other classes. Forecasted expenses were calculated by increasing labor related expenses to match budgeted levels and increasing non-labor related O&M expenses by Global Insight inflation factors. To the extent possible these and other known and measurable expenses were made.

## INPUTS

This section contains a summary and detail of DEU information for the 12 months that will be ending December 31, 2018. This information is obtained from Dominion Energy Utah's monthly financial reports.

Following is a summary of other inputs that are used in preparing the Results of Operations.

### **Income Taxes**

The effective State and Federal income tax rate used for computing the Results of Operations for the 12 months ending December 31, 2018 is projected to be 38.0755%

### **Lead-Lag Days**

The 1.015 lag days, used for computing Working Capital Cash resulted from the Lead Lag study performed by Questar Gas and used in Docket 13-057-05.

### **Bad Debt Ratio**

The actual ratio of uncollectable accounts, defined as net charge-offs as a percent of system total revenue for the three years ended is projected to be .20%. This ratio is used to calculate the uncollectible impact of every revenue adjustment.

	(A)	(B)	(C)	(D)	(E)	(F)
		Historical		Imputed	Adjusted	Utah
Description		12 Months Dec-15	Adjustments Total	Tax Adjustment	System Total	Jurisdiction DNG Related
<b>1 NET INCOME SUMMARY</b>						
<b>2 Utility Operating Revenue</b>						
3 System Distribution Non-Gas Revenue		369,741,974	(253,304)	0	369,488,670	356,471,388
4 System Supplier Non-Gas Revenue		104,423,097	6,533,832	0	110,956,929	
5 System Commodity Revenue		422,298,016	38,541,869	0	460,839,885	
6 Pass-Through Related Other Revenue		16,159,886	0	0	16,159,886	
7 General Related Other Revenue		4,749,416	0	0	4,749,416	4,642,824
<b>8 Total Utility Operating Revenue</b>		<b>917,372,389</b>	<b>44,822,397</b>	<b>0</b>	<b>962,194,785</b>	<b>361,114,212</b>
<b>9 Utility Operating Expenses</b>						
10 Gas Purchase Expenses						
11 Utah		523,899,512	42,360,006	0	566,259,518	
12 Wyoming		18,981,487	2,715,695	0	21,697,182	
13 Total		<b>542,880,999</b>	<b>45,075,701</b>	<b>0</b>	<b>587,956,700</b>	<b>0</b>
14 O&M Expenses						
15 Production		(950,343)	(99,011)	0	(1,049,354)	(1,011,497)
16 Distribution		58,448,083	(702,416)	0	57,745,668	54,954,482
17 Customer Accounts		23,397,570	(2,008,753)	0	21,388,818	20,551,204
18 Customer Service & Information		28,942,428	(23,862,928)	0	5,079,500	4,924,798
19 Administrative & General		47,078,875	(2,748,102)	0	44,330,773	42,309,133
20 Total O&M Expense		<b>156,916,614</b>	<b>(29,421,209)</b>	<b>0</b>	<b>127,495,404</b>	<b>121,728,121</b>
21 Other Operating Expenses						
22 Depreciation, Depletion, Amortization		60,986,811	10,436,569	0	71,423,379	68,976,964
23 Taxes Other Than Income Taxes		20,864,958	3,735,584	0	24,600,542	23,624,275
24 Income Taxes		36,051,967	5,711,801	2,021,130	43,784,898	42,722,629
25 Total Other Operating Expenses		<b>117,903,736</b>	<b>19,883,953</b>	<b>2,021,130</b>	<b>139,808,819</b>	<b>135,323,868</b>
<b>26 Total Utility Operating Expenses</b>		<b>817,701,349</b>	<b>35,538,445</b>	<b>2,021,130</b>	<b>855,260,924</b>	<b>257,051,989</b>
<b>27 NET OPERATING INCOME</b>		<b>99,671,040</b>	<b>9,283,952</b>	<b>(2,021,130)</b>	<b>106,933,862</b>	<b>104,062,223</b>
<b>28 RATE BASE SUMMARY</b>						
<b>29 Net Utility Plant</b>						
30 101 Gas Plant In Service		2,729,733,019	256,559,633	0	2,986,292,652	2,886,305,927
31 105 Gas Plant Held For Future Use		5,037	0	0	5,037	5,037
32 106 Completed Construction Not Classified		21,318,274	0	0	21,318,274	21,097,969
33 108 Accumulated Depreciation		(730,445,222)	(44,393,949)	0	(774,839,171)	(744,314,509)
34 111 Accumulated Amort & Depletion		(6,202,795)	386,390	0	(5,816,405)	(5,598,198)
35 254 Other Regulatory Liabilities ARC		(190,404,025)	(9,269,550)	0	(199,673,575)	(193,154,233)
<b>36 Total Net Utility Plant</b>		<b>1,824,004,288</b>	<b>203,282,523</b>	<b>0</b>	<b>2,027,286,811</b>	<b>1,964,341,992</b>
<b>37 Other Rate Base Accounts</b>						
38 154 Materials & Supplies		27,456,297	(7,748,167)	0	19,708,129	19,070,591
39 164-1 Gas Stored Underground		49,333,981	(49,333,981)	0	0	0
40 165 Prepayments		3,471,463	(267,070)	0	3,204,393	3,100,734
41 190008 Accum Deferred Income Tax Federal		-	0	0	0	0
42 190009 Accum Deferred Income Tax State		0	0	0	0	0
43 235-1 Customer Deposits		(6,723,459)	201,233	0	(6,522,227)	(6,279,999)
44 252 Contributions in Aid of Construction		(19,720,559)	7,125,410	0	(12,595,149)	(12,269,093)
45 253-1 Unclaimed Customer Deposits		(43,731)	(19,662)	0	(63,393)	(61,342)
46 255 Deferred Investment Tax Credits		(101,428)	149,022	0	47,593	46,058
47 282 Accum Deferred Income Taxes		(475,488,516)	(66,080,675)	0	(541,569,191)	(526,125,202)
48 Working Capital - Cash		2,104,288	69,804	5,620	2,179,713	2,097,670
<b>49 Total Other Rate Base Accounts</b>		<b>(419,711,664)</b>	<b>(115,904,087)</b>	<b>5,620</b>	<b>(535,610,131)</b>	<b>(520,420,582)</b>
<b>50 TOTAL RATE BASE</b>		<b>1,404,292,624</b>	<b>87,378,436</b>	<b>5,620</b>	<b>1,491,676,680</b>	<b>1,443,921,410</b>
<b>51 RETURN ON RATE BASE</b>		<b>7.10%</b>			<b>7.17%</b>	<b>7.21%</b>
<b>52 RETURN ON EQUITY</b>		<b>8.58%</b>			<b>8.71%</b>	<b>8.78%</b>

**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**  
**Capital Structure : AVG CAP STR 2016**

Imputed Tax Adjustment			
	A	B	
	System	Utah	
	Total	Jurisdiction	
<b>ALGEBRAIC METHOD - SOLVING FOR TWO UNKNOWNNS</b>			
Federal Income Tax Rate	35%	35%	$t_f$
State Income Tax Rate	4.75%	4.75%	$t_s$
Weight of Debt in Capital Structure	45.24%	45.24%	$w_D$
Cost of Debt	5.30%	5.30%	$r_D$
Net Lead Lag Days	1.015	1.015	NLD
Revenues	962,194,785	927,373,730	R
Gas Expenses	587,956,700	566,259,518	GAS
O&M Expenses	127,495,404	121,728,121	O&M
Depreciation	71,423,379	68,976,964	DEPR
Amortization	0	0	AMORT
Non-Income Taxes	24,600,542	23,624,275	NIT
Rate Base excluding CWC	1,489,496,967	1,441,823,740	RB*
Deferred Income Taxes	0	0	DIT
Deferred Income Taxes - Credit	0	0	DITCr
CWC = CWC* + (NLD/365)·IT      CWC is a function of IT, and			
IT = IT* - $(t_s + t_f \cdot (1 - t_s)) \cdot r_D \cdot w_D \cdot \text{CWC}$ IT is a function of CWC			
where IT = SIT + FIT + DIT + DITCr, and			
CWC* =	2,057,955	1,978,866	
IT* =	43,804,805	42,741,787	
<b>Solution:</b>			
CWC =	2,179,713	2,097,670	
SIT =	5,463,718	5,331,163	
FIT =	38,321,180	37,391,467	
IT =	43,784,898	42,722,629	
<hr/>			
Historically Adjusted Income Taxes	41,763,768		
Tax Adjustment	2,021,130		
<b>RATE BASE METHOD</b>			
System Average Rate Base	1,491,676,680	1,443,921,410	
Adj System Return On Rate Base	7.17%	7.21%	
Allowed Return	106,933,862	104,062,223	
System Average Rate Base	1,491,676,680	1,443,921,410	
System Weighted Cost Of Debt	2.40%	2.40%	
Imputed Interest Cost	35,765,956	34,620,927	
Taxable Return	71,167,905	69,441,296	
Tax Factor (Tax Rate/(1-Tax Rate))	0.6152338	0.6152338	
Income Tax on Return	43,784,898	42,722,629	
<b>OPERATING INCOME METHOD</b>			
Total Utility Operating Revenue	962,194,785	927,373,730	
Gas Purchase Expenses	587,956,700	566,259,518	
O&M Expenses	127,495,404	121,728,121	
Depreciation	71,423,379	68,976,964	
Amortization	0	0	
<u>Taxes Other Than Income</u>	24,600,542	23,624,275	
Net Utility Income Before Tax	150,718,760	146,784,852	
Rate Base	1,491,676,680	1,443,921,410	
<u>Proposed Weighted Cost of Debt</u>	2.40%	2.40%	
Imputed Interest	35,765,956	34,620,927	
State Taxable Income	114,952,803	112,163,925	
<u>State Income Tax Rate</u>	4.75301%	4.75301%	
State Income Tax	5,463,718	5,331,163	
Federal Taxable Income	109,489,085	106,832,762	
<u>Federal Income Tax Rate</u>	35.00000%	35.00000%	
Federal Income Tax	38,321,180	37,391,467	
Deferred Income Taxes	0	0	
<u>Deferred Income Taxes - Credit</u>	0	0	
Total Income Tax	43,784,898	42,722,629	

[illegible]

### **AVERAGE RATE BASE ADJUSTMENT**

Forecasted rate base was calculated by taking historical balances by FERC Account and adding the projected net additions. Net additions include capital budget amounts, amounts closed from the CWIP (107) Account and Retirements.

After year-end amounts are calculated, rate base accounts are averaged using a 13-month calculation. The methodology uses  $\frac{1}{2}$  the first and last months of the period, along with the 11 other months divided by 12. This methodology synchronizes the rate base with the cycle billed revenues for the same period. The year-end rate base balances and the adjustments necessary to convert these to a 13-month average are shown on the attached schedule.



Rate Base Dominion Energy Utah - DEC 2018 Adjusted Avg Results 12 Months Ended : Dec-2018		A	B	(A - B)
		Balance	13 Month Average All Accounts	13 Month Average
FERC Acct	Description	Dec-16	AVG RB DEC 2018	Adjustment
<b>UTILITY RATE BASE</b>				
<b>NET UTILITY PLANT</b>				
Gas Plant In Service				
	Intangible Plant			
302	Franchises & Consents			
	Distribution - Wyoming	10,883	10,883	-
	Distribution - Utah	58,743	58,743	-
	Total Intangible Plant	69,626	69,626	-
	Production & Gathering Plant			
325	Land & Land Rights	6,266,901	6,266,901	-
326...9	Structures	1,437,568	1,437,568	-
330	Gas Wells - Construction	52,175,294	52,175,294	-
331	Gas Wells - Equipment	17,216,356	17,216,356	-
332...4	Field Lines & Comp, Meas & Reg St Eqpt	2,693,816	2,693,816	-
336	Purification Equipment	57,015	57,015	-
337	Other Equipment	121,187	121,187	-
	Total Production & Gathering Plant	79,968,136	79,968,136	-
	Distribution Plant			
374	Land & Land Rights			
	Wyoming	400,188	400,188	-
	Utah	18,477,461	18,477,461	-
	Total	18,877,649	18,428,166	(449,483)
375	Structures & Improvements			
	Wyoming	982,959	982,959	-
	Utah	15,717,299	15,717,299	-
	Total	16,700,259	16,339,518	(360,741)
376	Mains			
	Dist - Wy - Mains - SD			
	Dist - Wy - Mains - LD			
	Dist - Wy - Mains - Feeders			
	Total \ Wyoming	39,044,360	44,063,823	5,019,463
	Dist - Ut - Mains - SD			
	Dist - Ut - Mains - LD			
	Dist - Ut - Mains - Feeders			
	Total Utah	1,447,530,589	1,633,622,149	186,091,560
	Total	1,486,574,949	1,403,103,190	(83,471,759)
377	Compressor Station Equipment			
	Wyoming	0	-	-
	Utah	18,299,038	20,524,736	2,225,698
	Total	18,299,038	18,282,957	(16,080)
378	Measuring & Regulation Station Equip			
	Wyoming	7,415,822	8,157,336	741,515
	Utah	93,390,624	102,728,839	9,338,215
	Total	100,806,446	93,484,697	(7,321,749)
380	Services			
	Wyoming	18,560,614	20,054,970	1,494,356
	Utah	372,177,276	402,142,095	29,964,819
	Total	390,737,890	383,451,379	(7,286,511)
381...2	Meters & Meter Installation			
	Wyoming	9,680,437	10,016,694	336,257
	Utah	302,623,091	313,134,938	10,511,846
	Total	312,303,528	304,437,469	(7,866,059)
383...4	House Regulators & Reg Installations			
	Wyoming	777,059	762,560	(14,500)
	Utah	13,940,732	13,680,605	(260,127)
	Total	14,717,792	14,700,965	(16,827)
387	Other Equipment			
	Wyoming	68,977	67,424	(1,554)
	Utah	2,231,448	2,181,179	(50,269)
	Total	2,300,425	2,039,086	(261,339)

Rate Base Dominion Energy Utah - DEC 2018 Adjusted Avg Results 12 Months Ended : Dec-2018		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2018	13 Month Average Adjustment
<b>UTILITY RATE BASE</b>				
	Total Distribution Plant	2,361,317,975	2,254,267,426	(107,050,549)
389	Land & Land Rights			
	Distribution - Wyoming	11,584	11,584	-
	Distribution - Utah	3,775,954	3,775,954	-
	Total	3,787,538	3,797,850	10,313
390	Structures & Improvements			
	Distribution - Wyoming	1,607,117	1,686,556	79,439
	Distribution - Utah	41,645,291	43,703,802	2,058,511
	Total	94,179,368	77,200,192	(16,979,176)
391	Office Furniture & Equipment			
	Distribution - Wyoming	180,961	183,042	2,081
	Distribution - Utah	14,434,180	14,600,154	165,974
	General	61,972,564	62,685,167	712,604
	Total	76,587,705	69,844,853	
392	Transportation Equipment			
	Distribution - Wyoming	2,877,563	3,171,690	294,127
	Distribution - Utah	51,124,025	56,349,617	5,225,592
	General	0	-	-
	Total	54,001,588	51,386,157	(2,615,431)
393	Stores Equipment			
	Distribution - Wyoming	12,372	12,372	-
	Distribution - Utah	45,026	45,026	-
	Total	57,398	57,398	-
394	Tools, Shop & Garage Equipment			
	Distribution - Wyoming	2,614,219	2,911,606	297,388
	Distribution - Utah	28,776,820	32,050,406	3,273,586
	General	0	-	-
	Total	31,391,039	30,544,797	(846,241)
395	Laboratory Equipment			
	Distribution - Wyoming	0	-	-
	Distribution - Utah	61,118	61,118	-
	General	0	-	-
	Total	61,118	64,269	3,152
396	Power Operated Equipment			
	Distribution - Wyoming	974,545	974,545	-
	Distribution - Utah	11,282,614	11,282,614	-
	General	0	-	-
	Total	12,257,159	12,205,156	(52,003)
397	Communication Equipment			
	Distribution - Wyoming	49,809	54,816	5,007
	Distribution - Utah	15,675,305	17,251,019	1,575,714
	Total	15,725,114	9,356,282	(6,368,832)
398	Miscellaneous Equipment			
	Distribution - Wyoming	3,864	3,782	(82)
	Distribution - Utah	325,392	318,495	(6,897)
	General	0	-	-
	Total	329,256	278,257	(50,998)
	Total General Plant	288,377,283	254,735,213	(33,642,070)
101	Production	79,968,136	79,968,136	-
	Distribution - Wyoming	76,941,299	84,516,837	7,575,538
	Distribution - Utah	2,284,446,301	2,522,268,043	237,821,742
	General	288,377,283	304,577,628	16,200,346
	Gas Plant in Service	2,729,733,019	2,991,330,645	261,597,625
105	Gas Plant Held For Future Use			

Rate Base Dominion Energy Utah - DEC 2018 Adjusted Avg Results 12 Months Ended : Dec-2018		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2018	13 Month Average Adjustment
	<b>UTILITY RATE BASE</b>			
	Distribution - Utah	5,037	5,037	-
	Total	5,037	5,037	-
106	Complete Construction Not Yet Classified			
	Production	0	-	-
	Distribution - Wyoming	155,755	155,755	-
	Distribution - Utah	19,167,111	19,167,111	-
	General	1,995,407	1,995,407	-
	Total	21,318,274	21,318,274	-
108	Accum Proy For Deprec - Gas Plant In Svc			
	Production	(68,927,266)	(73,553,697)	(4,626,431)
	Distribution - Wyoming	(21,431,369)	(22,869,852)	(1,438,484)
	Distribution - Utah	(490,365,352)	(523,278,908)	(32,913,557)
	General	(149,721,236)	(159,770,597)	(10,049,361)
	Total	(730,445,222)	(779,473,054)	(49,027,832)
111	Accum Prov For Amort & Depl - Gas Plant In Svc			
	Production	(6,133,169)	(6,133,169)	-
	Distribution - Wyoming	(10,883)	(10,883)	-
	Distribution - Utah	(58,743)	(58,743)	-
	General	0	-	-
	Total	(6,202,795)	(6,202,795)	-
254	Accum Prov For Amort & Depl - Gas Plant In Svc			
	Production	0	-	-
	Distribution - Wyoming	(6,216,691)	(6,519,342)	(302,651)
	Distribution - Utah	(184,187,333)	(193,154,233)	(8,966,899)
	General	0	-	-
	Total	(190,404,025)	(199,673,575)	(9,269,550)
	<b>System Net Utility Plant</b>			
	Production	4,907,701	281,270	(4,626,431)
	Distribution - Wyoming	49,438,112	55,272,515	5,834,403
	Distribution - Utah	1,629,007,022	1,824,948,307	195,941,286
	General	140,651,453	146,802,438	6,150,985
	<b>System Net Utility Plant</b>	1,824,004,288	2,027,304,531	203,300,243
	<b>WORKING CAPITAL</b>			
154	Plant Materials & Operating Supplies			
	Distribution - Wyoming	888,183	637,538	(250,645)
	Distribution - Utah	26,568,114	19,070,591	(7,497,522)
	Total	27,456,297	19,708,129	(7,748,167)
1641	Gas Stored Underground			
	Production	49,333,981	49,333,981	-
	Total	49,333,981	49,333,981	-
165	Prepayments			
	General	3,471,463	3,204,393	(267,070)
	Total	3,471,463	3,204,393	(267,070)
190008	Accum Deferred Income Tax Federal			
	Production	0	-	-
	Distribution - Wyoming	0	-	-
	Distribution - Utah	0	-	-
	General	0	-	-
	Total	0	-	-
190009	Accum Deferred Income Tax State			
	Production	0	-	-
	Distribution - Wyoming	0	-	-
	Distribution - Utah	0	-	-
	General	0	-	-
	Total	0	-	-

Rate Base Dominion Energy Utah - DEC 2018 Adjusted Avg Results 12 Months Ended : Dec-2018		A	B	(A - B)
FERC Acct	Description	Balance Dec-16	13 Month Average All Accounts AVG RB DEC 2018	13 Month Average Adjustment
<b>UTILITY RATE BASE</b>				
2351	Customer Deposits			
	Distribution - Wyoming	(265,895)	(242,227)	23,667
	Distribution - Utah	(6,457,565)	(6,279,999)	177,565
	Total	(6,723,459)	(6,522,227)	201,233
252	Misc Customer Credits			
	Distribution - Wyoming	(510,514)	(326,056)	184,458
	Distribution - Utah	(19,210,045)	(12,269,093)	6,940,952
	Total	(19,720,559)	(12,595,149)	7,125,410
2531	Unclaimed Customer Deposits			
	General	(43,731)	(63,393)	(19,662)
	Total	(43,731)	(63,393)	(19,662)
255	Deferred Investment Tax Credits			
	Production	(1,125)	528	1,653
	Distribution - Wyoming	(3,207)	1,505	4,712
	Distribution - Utah	(96,383)	45,226	141,609
	General	(713)	335	1,048
	Total	(101,428)	47,593	149,022
2820	Accum Deferred Income Taxes - Federal			
	Production	(501,864)	(576,242)	(74,378)
	Distribution - Wyoming	(12,933,785)	(14,850,629)	(1,916,844)
	Distribution - Utah	(388,677,873)	(446,281,660)	(57,603,787)
	General	(13,636,285)	(15,657,243)	(2,020,958)
	Total	(415,749,806)	(477,365,774)	(61,615,968)
2821	Accum Deferred Income Taxes - State			
	Production	(700,755)	(753,128)	(52,373)
	Distribution - Wyoming	0	-	-
	Distribution - Utah	(57,918,912)	(62,247,614)	(4,328,701)
	General	(1,119,041)	(1,202,675)	(83,634)
	Total	(59,738,709)	(64,203,417)	(4,464,708)
282_108_008	Deferred Fed & State Taxes-QRS Transf			
	General	0	-	-
	Total	0	-	-
<b>System Working Capital (W/O WC Cash)</b>				
	Production	48,130,237	48,005,138	(125,098)
	Distribution - Wyoming	(12,825,217)	(14,779,869)	(1,954,652)
	Distribution - Utah	(445,792,664)	(507,962,548)	(62,169,884)
	General	(11,328,308)	(13,718,584)	(2,390,276)
<b>System Working Capital (W/O WC Cash)</b>				
		(421,815,953)	(488,455,863)	(66,639,911)
<b>RATE BASE (W/O Working Cap. Cash)</b>				
	Production	53,037,938	48,286,408	(4,751,529)
	Distribution - Wyoming	36,612,894	40,492,646	3,879,751
	Distribution - Utah	1,183,214,358	1,316,985,759	133,771,402
	General	129,323,146	133,083,854	3,760,709
<b>RATE BASE (W/O Working Cap. Cash)</b>				
		1,402,188,335	1,538,848,668	136,660,332

## **FORECASTED EXPENSES**

The forecasted expenses are based on a combination of factors derived from Global Insight and Dominion Energy Utah. These adjustments reflect the changes from historical to forecasted amounts.

Forecasted expenses were calculated by taking the historical O&M expenses related to labor and non-labor. The labor related O&M expenses were increased based on budgeted changes to labor. The non-labor related O&M expenses were increased based on Global Insight Inflation Factors. Additional adjustments to non-labor O&M based on known and measurable changes will be made in later adjustments. Depreciation expense was calculated using forecasted rate base amounts.

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2018	Adjustment
FERC Acct	Description			
810	Gas Used for Compressor Station Fuel	(32,486)	(35,871)	(3,385)
812	Gas Used for Other Utility Operations	(917,857)	(1,013,484)	(95,627)
	<b>Total Production Expenses</b>	<b>(950,343)</b>	<b>(1,049,354)</b>	<b>(99,011)</b>
<b>Distribution Operations &amp; Maintenance Expenses</b>				
870	Operation Supervision & Engineering			
	Utah	10,802,179	10,582,605	(219,574)
	Wyoming	590,841	595,929	5,088
	<b>Total</b>	<b>11,393,020</b>	<b>11,178,534</b>	<b>(214,487)</b>
871	Distribution Load Dispatching			
	Utah	2,043,246	1,935,017	(108,229)
	Wyoming	37,126	38,815	1,689
	<b>Total</b>	<b>2,080,372</b>	<b>1,973,832</b>	<b>(106,540)</b>
872	Compressor Station Labor & Expenses			
	Utah	0	0	0
	Wyoming	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
873	Compressor Station Fuel & Power			
	Utah	32,659	36,062	3,403
	Wyoming	0	0	0
	<b>Total</b>	<b>32,659</b>	<b>36,062</b>	<b>3,403</b>
874	Mains & Service Expenses			
	Utah	11,089,697	11,246,052	156,354
	Wyoming	403,808	410,712	6,904
	<b>Total</b>	<b>11,493,505</b>	<b>11,656,763</b>	<b>163,258</b>
875	Measuring & Regulating Station Expenses			
	Utah	2,594,133	2,558,563	(35,569)
	Wyoming	163,442	164,468	1,026
	<b>Total</b>	<b>2,757,575</b>	<b>2,723,032</b>	<b>(34,543)</b>
878	Meter & House Regulator Expenses			
	Utah	3,496,322	3,370,699	(125,623)
	Wyoming	168,324	162,975	(5,349)
	<b>Total</b>	<b>3,664,646</b>	<b>3,533,674</b>	<b>(130,971)</b>
879	Customer Installations Expenses			
	Utah	3,341,397	3,215,876	(125,521)
	Wyoming	161,195	156,477	(4,718)
	<b>Total</b>	<b>3,502,592</b>	<b>3,372,353</b>	<b>(130,239)</b>
880	Other Expenses			
	Utah	9,746,861	9,457,791	(289,070)
	Wyoming	825,500	800,804	(24,696)
	<b>Total</b>	<b>10,572,361</b>	<b>10,258,595</b>	<b>(313,766)</b>
881	Rents			
	Utah	140,987	145,247	4,261
	Wyoming	4,712	4,854	142
	<b>Total</b>	<b>145,698</b>	<b>150,101</b>	<b>4,403</b>
885	Maintenance Supervision & Engineering			
	Utah	610,335	643,111	32,776
	Wyoming	19,332	20,370	1,038
	<b>Total</b>	<b>629,666</b>	<b>663,481</b>	<b>33,814</b>
886	Maintenance of Structures & Improvements			
	Utah	80,910	86,086	5,175
	Wyoming	2,431	2,587	156
	<b>Total</b>	<b>83,341</b>	<b>88,672</b>	<b>5,331</b>
887	Maintenance of Mains			
	Utah	8,988,883	9,078,583	89,701
	Wyoming	143,984	138,608	(5,376)
	<b>Total</b>	<b>9,132,866</b>	<b>9,217,191</b>	<b>84,325</b>
888	Maint of Compressor Station Equipment			
	Utah	1,068,413	1,090,148	21,735
	Wyoming	129,937	136,845	6,908
	<b>Total</b>	<b>1,198,350</b>	<b>1,226,993</b>	<b>28,643</b>
889	Maint of Meas. & Reg. Station Equipment			
	Utah	94,475	95,703	1,228
	Wyoming	110,310	104,865	(5,445)
	<b>Total</b>	<b>204,786</b>	<b>200,569</b>	<b>(4,217)</b>
892	Maintenance of Services			
	Utah	742,611	687,465	(55,146)
	Wyoming	51,488	48,747	(2,741)
	<b>Total</b>	<b>794,099</b>	<b>736,211</b>	<b>(57,887)</b>
893	Maintenance of Meters & House Regulators			
	Utah	758,542	725,475	(33,068)
	Wyoming	4,004	4,129	125
	<b>Total</b>	<b>762,546</b>	<b>729,604</b>	<b>(32,943)</b>
8941	Maintenance of Communication Equipment			
	Utah	0	0	0
	Wyoming	0	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
8942	Maintenance of Other Equipment			

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2018	Adjustment
FERC Acct	Description			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Distribution O&amp;M Expenses</b>				
	Utah Distribution O&M Expenses	55,631,650	54,954,482	(677,168)
	Wyoming Distribution O&M Expenses	2,816,433	2,791,186	(25,248)
	<b>System Total Distribution O&amp;M Expenses</b>	<b>58,448,083</b>	<b>57,745,668</b>	<b>(702,416)</b>
<b>Customer Accounts Expense</b>				
901	Supervision			
	Utah	1,248,381	1,227,521	(20,860)
	Wyoming	28,652	30,191	1,539
	Total	1,277,033	1,257,712	(19,321)
902	Meter Reading Expense			
	Utah	3,501,218	3,336,012	(165,206)
	Wyoming	116,144	119,599	3,454
	Total	3,617,362	3,455,610	(161,752)
9031	Customer Records Expense			
	Utah	15,118,718	14,679,615	(439,103)
	Wyoming	622,783	636,877	14,094
	Total	15,741,502	15,316,493	(425,009)
9032	Collection Expense			
	Utah	323,156	284,939	(38,217)
	Wyoming	47,138	46,637	(501)
	Total	370,293	331,576	(38,717)
9033	Interest Exp - Customer Security Deposits			
	Utah	265,704	277,522	11,818
	Wyoming	4,126	4,309	184
	Total	269,829	281,831	12,002
904.0	Uncollectible Accounts - DNG			
	Utah	774,073	774,073	0
	Wyoming	77,522	77,522	0
	Total	851,594	851,594	0
904.1	Uncollectible Accounts - SNG			
	Utah	260,123	260,123	0
	Wyoming	0	0	0
	Total	260,123	260,123	0
904.2	Uncollectible Accounts - Commodity			
	Utah	1,009,833	1,009,833	0
	Wyoming	0	0	0
	Total	1,009,833	1,009,833	0
905	Miscellaneous Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Customer Accounts Exp</b>				
	Utah Customer Accounts Expenses	22,501,206	21,849,638	(651,568)
	Wyoming Customer Accounts Expenses	896,365	915,135	18,770
	<b>System Total Customer Accounts Exp</b>	<b>23,397,570</b>	<b>22,764,773</b>	<b>(632,797)</b>
<b>Customer Service &amp; Information Expense</b>				
907	Supervision			
	Utah	513,241	496,402	(16,839)
	Wyoming	14,194	14,956	762
	Total	527,435	511,358	(16,077)
908	Customer Assistance Expense			
	Utah	27,339,594	27,952,543	612,949
	Wyoming	211,186	218,427	7,241
	Total	27,550,780	28,170,970	620,190
909	Info & Instructional Advertising Expense			
	Utah	841,310	859,060	17,750
	Wyoming	22,903	23,386	483
	Total	864,213	882,446	18,233
910	Misc Customer Service & Info Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>System Total Cust Service &amp; Info Exp</b>				
	Utah Total Cust Service & Info Exp	28,694,145	29,308,005	613,860
	Wyoming Total Cust Service & Info Exp	248,283	256,770	8,487
	<b>System Total Cust Service &amp; Info Exp</b>	<b>28,942,428</b>	<b>29,564,774</b>	<b>622,346</b>
<b>Administrative &amp; General Expense</b>				
920	Administrative & General Salaries			
	Utah	5,069,699	4,779,018	(290,681)
	Wyoming	344,862	324,911	(19,951)
	Total	5,414,561	5,103,929	(310,632)

**EXPENSES**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

		Booked	Forecast	
		QGC Expense Dec 2016	QGC Expense Dec 2018	Adjustment
FERC Acct	Description			
921	Office Supplies & Expenses			
	Utah	36,970,587	35,847,438	(1,123,150)
	Wyoming	1,489,132	1,529,482	40,350
	Total	38,459,719	37,376,919	(1,082,800)
922	Administrative Expenses Transferred			0
	Utah	(3,310,303)	(3,310,303)	0
	Wyoming	(112,706)	(112,706)	0
	Total	(3,423,008)	(3,423,008)	0
923	Outside Services Employed			
	Utah	1,638,926	1,708,484	69,558
	Wyoming	82,701	86,210	3,510
	Total	1,721,627	1,794,694	73,068
924	Property Insurance			
	Utah	607,172	629,225	22,053
	Wyoming	20,926	21,686	760
	Total	628,098	650,911	22,813
925	Injuries & Damages			
	Utah	59,092	55,714	(3,378)
	Wyoming	8,782	8,265	(516)
	Total	67,873	63,979	(3,894)
926	Employee Pensions & Benefits			
	Utah	1,001,347	944,019	(57,328)
	Wyoming	139,475	131,354	(8,120)
	Total	1,140,822	1,075,373	(65,449)
928	Regulatory Expense			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
9301	General Advertising Expenses			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
9302	Miscellaneous General Expenses			
	Utah	2,034,609	2,057,973	23,364
	Wyoming	44,574	45,470	896
	Total	2,079,183	2,103,442	24,259
931	Rents			
	Utah	957,577	978,736	21,159
	Wyoming	32,423	33,140	716
	Total	990,000	1,011,875	21,875
935	Maintenance of General Plant			
	Utah	0	0	0
	Wyoming	0	0	0
	Total	0	0	0
<b>Total Administrative &amp; General Expense</b>				0
	Utah Total Cust Service & Info Exp	45,028,706	43,690,302	(1,338,404)
	Wyoming Total Cust Service & Info Exp	2,050,169	2,067,813	17,644
	<b>Total Administrative &amp; General Expense</b>	<b>47,078,875</b>	<b>45,758,115</b>	<b>(1,320,760)</b>
	<b>TOTAL O &amp; M</b>	<b>156,916,614</b>	<b>154,783,975</b>	<b>(2,132,638)</b>
<b>Other Operating Expenses</b>				
403	Depreciation Expense			
	Production	823,989	845,466	21,477
	Distribution - Wyoming	1,705,486	2,131,181	425,695
	Distribution - Utah	51,700,166	59,644,835	7,944,669
	General	6,735,693	8,801,897	2,066,204
	Total Depreciation Expense	60,965,334	71,423,379	10,458,045
404	Amortization and Depletion			
	Production	21,477	0	(21,477)
	Distribution - Wyoming	0	0	0
	Distribution - Utah	0	0	0
	General	0	0	0
	Total Amortization Expense	21,477	0	(21,477)
	<b>Total Depreciation, Deplec &amp; Amort</b>	<b>60,986,811</b>	<b>71,423,379</b>	<b>10,436,569</b>
<b>Tax Expenses</b>				
408	Taxes Other Than Income Taxes			
	Production	0	0	0
	Distribution - Wyoming	773,142	911,563	138,421
	Distribution - Utah	18,395,341	21,688,774	3,293,433
	General	1,696,475	2,000,205	303,730
	Total Other Taxes	20,864,958	24,600,542	3,735,584
4090	Income Taxes - Federal	30,034,357	30,034,357	0
4091	Income Taxes - State	140,749	140,749	0
4101	Deferred Income Taxes	5,876,862	5,876,862	0
4111	Deferred Income Tax Credit	0	0	0
4114	Investment Tax Credit Adjustment	0	0	0
	South Georgia Amortization	0	0	0
	Section 29 Tax Credits	0	0	0
	<b>Total Tax Expenses</b>	<b>56,916,926</b>	<b>60,652,510</b>	<b>3,735,584</b>
<b>Total Utility Other Operating Expenses</b>		<b>117,903,736</b>	<b>132,075,889</b>	<b>14,172,152</b>
<b>TOTAL</b>		<b>81,851,769</b>	<b>96,023,921</b>	<b>14,172,152</b>



## **REVENUE**

Revenues for the GS class have been estimated by taking estimated customers by month multiplied by the allowed revenue per customer. For the other classes revenue has been forecasted using current volumetric rates and estimated usage.

Revenue  
Dominion Energy  
Utah - DEC 2018 Adjusted Avg Results  
12 Months Ended : Dec-2018

Rate Class		Description		Booked Rev 2016	AVG Projected Rev 2018 with CET	REVENUE CHANGE	
UTILITY OPERATING REVENUE							1
TARIFF DTH SALES AND REVENUE				526,721,113	571,796,814	(257,685)	2
							3
							4
							5
							6
Utah							7
FIRM	GS-1	Distribution Non-Gas Rev	sales	301,921,505	324,235,535	22,314,030	8
FIRM			sales				9
FIRM		Supplier Non-Gas Revenue	sales	99,387,972	107,240,706	7,852,734	10
FIRM			sales				11
FIRM		Commodity Revenue	sales	380,242,660	420,955,400	40,712,740	12
FIRM		Total Revenue	sales	970,417	1,009,936	39,520	13
FIRM		# of Customers	sales				14
FIRM		Total Dth	sales	94,250,304	106,097,711	11,847,407	15
FIRM							16
FIRM	GS-C	Distribution Non-Gas Rev	sales	0	0	0	17
FIRM			sales				18
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	19
FIRM			sales				20
FIRM		Commodity Revenue	sales	0	0	0	21
FIRM		Total Revenue	sales	0	0	0	22
FIRM		# of Customers	sales				23
FIRM		Total Dth	sales	0	0	0	24
FIRM							25
FIRM	GSS	Distribution Non-Gas Rev	sales	0	0	0	26
FIRM			sales				27
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	28
FIRM			sales				29
FIRM		Commodity Revenue	sales	0	0	0	30
FIRM		Total Revenue	sales	0	0	0	31
FIRM		# of Customers	sales				32
FIRM		Total Dth	sales	0	0	0	33
FIRM							34
FIRM	F1_FS_F1A_F1B	Distribution Non-Gas Rev	sales	3,849,675	3,296,706	(552,969)	35
FIRM			sales				36
FIRM		Supplier Non-Gas Revenue	sales	4,185,482	3,347,988	(837,494)	37
FIRM			sales				38
FIRM		Commodity Revenue	sales	18,666,562	15,469,282	(3,197,280)	39
FIRM		Total Revenue	sales	26,701,719	22,113,976	(4,587,743)	40
FIRM		# of Customers	sales				41
FIRM		Total Dth	sales	4,645,726	3,898,882	(746,844)	42
FIRM							43
FIRM	F-3	Distribution Non-Gas Rev	sales	0	0	0	44
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	45
FIRM		Supplier Non-Gas Demand Revenue	sales	0	0	0	46
FIRM		Commodity Tariff Revenue	sales	0	0	0	47
FIRM		Commodity Demand Revenue	sales	0	0	0	48
FIRM		Total Revenue	sales	0	0	0	49
FIRM		# of Customers	sales				50
FIRM		Total Sales Dth	sales	0	0	0	51
FIRM							52
FIRM	NGV	Distribution Non-Gas Rev	sales	3,411,686	1,696,258	(1,715,428)	53
FIRM			sales				54
FIRM		Supplier Non-Gas Revenue	sales	314,862	240,939	(73,922)	55
FIRM			sales				56
FIRM		Commodity Revenue	sales	1,432,933	1,117,488	(315,444)	57
FIRM		Total Revenue	sales	5,159,481	3,054,686	(2,104,795)	58
FIRM		# of Customers	sales				59
FIRM		Total Dth	sales	358,777	281,652	(77,125)	60
FIRM							61
FIRM	F-4	Distribution Non-Gas Rev	sales	0	0	0	62
FIRM			sales				63
FIRM		Supplier Non-Gas Revenue	sales	0	0	0	64
FIRM			sales				65
FIRM		Commodity Revenue	sales	0	0	0	66
FIRM		Total Revenue	sales	0	0	0	67
FIRM		# of Customers	sales				68
FIRM		Total Dth	sales	0	0	0	69
FIRM							70
INTERRUPTIBLE	I-2	Distribution Non-Gas Rev	sales	0	0	0	71
INTERRUPTIBLE			sales				72
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	0	0	0	73
INTERRUPTIBLE			sales				74
INTERRUPTIBLE		Commodity Revenue	sales	0	0	0	75
INTERRUPTIBLE		Total Revenue	sales	0	0	0	76
INTERRUPTIBLE		# of Customers	sales				77
INTERRUPTIBLE		Total Dth	sales	0	0	0	78
INTERRUPTIBLE							79
INTERRUPTIBLE	I-4_I4A_I4B	Distribution Non-Gas Rev	sales	0	0	0	80
INTERRUPTIBLE			sales				81
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	0	0	0	82
INTERRUPTIBLE			sales				83
INTERRUPTIBLE		Commodity Revenue	sales	0	0	0	84
INTERRUPTIBLE		Total Revenue	sales	0	0	0	85
INTERRUPTIBLE		# of Customers	sales				86
INTERRUPTIBLE		Total Dth	sales	0	0	0	87
INTERRUPTIBLE							88
INTERRUPTIBLE	IS_IS-2	Distribution Non-Gas Rev	sales	446,805	367,617	(79,188)	89
INTERRUPTIBLE			sales				90
INTERRUPTIBLE		Supplier Non-Gas Revenue	sales	160,468	101,350	(59,118)	91
INTERRUPTIBLE			sales				92
INTERRUPTIBLE		Commodity Revenue	sales	3,591,210	2,243,713	(1,347,497)	93
INTERRUPTIBLE		Total Revenue	sales	4,198,483	2,712,680	(1,485,803)	94

Revenue  
Dominion Energy  
Utah - DEC 2018 Adjusted Avg Results  
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Rate Class	Description		Booked Rev 2016	AVG Projected Rev 2018 with CET	REVENUE CHANGE	
INTERRUPTIBLE	# of Customers	sales				1
INTERRUPTIBLE	Total Dth	sales	895,129	565,506	(329,623)	2
INTERRUPTIBLE						95
IS-4	Distribution Non-Gas Rev	sales	0	0	0	97
INTERRUPTIBLE		sales				98
INTERRUPTIBLE	Supplier Non-Gas Revenue	sales	0	0	0	99
INTERRUPTIBLE		sales				100
INTERRUPTIBLE	Commodity Revenue	sales	0	0	0	101
INTERRUPTIBLE	Total Revenue	sales	0	0	0	102
INTERRUPTIBLE	# of Customers	sales				103
INTERRUPTIBLE	Total Dth	sales	0	0	0	104
						105
P1	Distribution Non-Gas Rev	sales	0	0	0	106
		sales				107
	Supplier Non-Gas Revenue	sales	0	0	0	108
		sales				109
	Commodity Revenue	sales	0	0	0	110
	Total Revenue	sales	0	0	0	111
	# of Customers	sales				112
	Total Dth	sales	0	0	0	113
						114
TRANSPORTATION	Distribution Non-Gas Rev	trans	6,420,575	2,381,105	(4,039,470)	115
TRANSPORTATION		trans				116
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	117
TRANSPORTATION		trans				118
TRANSPORTATION	Commodity Revenue	trans	0	0	0	119
TRANSPORTATION	Total Revenue	trans	6,420,575	2,381,105	(4,039,470)	120
TRANSPORTATION	# of Customers	trans				121
TRANSPORTATION	Total Dth	trans	46,580,498	5,618,117	(40,962,381)	122
						123
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	124
TRANSPORTATION		trans				125
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	126
TRANSPORTATION		trans				127
TRANSPORTATION	Commodity Revenue	trans	0	0	0	128
TRANSPORTATION	Total Revenue	trans	0	0	0	129
TRANSPORTATION	# of Customers	trans				130
TRANSPORTATION	Total Dth	trans	0	0	0	131
						132
TRANSPORTATION	Distribution Non-Gas Rev	trans	55,013	31,019	(23,994)	133
TRANSPORTATION		trans				134
TRANSPORTATION	Supplier Non-Gas Revenue	trans	2,184	0	(2,184)	135
TRANSPORTATION		trans				136
TRANSPORTATION	Commodity Revenue	trans	0	0	0	137
TRANSPORTATION	Total Revenue	trans	57,197	31,019	(26,178)	138
TRANSPORTATION	# of Customers	trans				139
TRANSPORTATION	Total Dth	trans	29,132	29,326	194	140
						141
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	2,624,472	2,624,472	142
TRANSPORTATION		trans				143
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	144
TRANSPORTATION		trans				145
TRANSPORTATION	Commodity Revenue	trans	0	0	0	146
TRANSPORTATION	Total Revenue	trans	0	2,624,472	2,624,472	147
TRANSPORTATION	# of Customers	trans				148
TRANSPORTATION	Total Dth	trans	0	40,935,100	40,935,100	149
						150
TRANSPORTATION	Distribution Non-Gas Rev	trans	17,631,262	21,838,676	4,207,414	151
TRANSPORTATION		trans				152
TRANSPORTATION	Supplier Non-Gas Revenue	trans	372,529	0	(372,529)	153
TRANSPORTATION		trans				154
TRANSPORTATION	Commodity Revenue	trans	0	0	0	155
TRANSPORTATION	Total Revenue	trans	18,003,791	21,838,676	3,834,885	156
TRANSPORTATION	# of Customers	trans				157
TRANSPORTATION	Total Dth	trans	42,241,523	45,206,857	2,965,334	158
						159
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	160
TRANSPORTATION		trans				161
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	162
TRANSPORTATION		trans				163
TRANSPORTATION	Commodity Revenue	trans	0	0	0	164
TRANSPORTATION	Total Revenue	trans	0	0	0	165
TRANSPORTATION	# of Customers	trans				166
TRANSPORTATION	Total Dth	trans	0	0	0	167
						168
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	169
TRANSPORTATION		trans				170
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	171
TRANSPORTATION		trans				172
TRANSPORTATION	Commodity Revenue	trans	0	0	0	173
TRANSPORTATION	Total Revenue	trans	0	0	0	174
TRANSPORTATION	# of Customers	trans				175
TRANSPORTATION	Total Dth	trans	0	0	0	176
						177
TRANSPORTATION	Distribution Non-Gas Rev	trans	0	0	0	178
TRANSPORTATION		trans				179
TRANSPORTATION	Supplier Non-Gas Revenue	trans	0	0	0	180
TRANSPORTATION		trans				181
TRANSPORTATION	Commodity Revenue	trans	0	0	0	182
TRANSPORTATION	Total Revenue	trans	0	0	0	183
TRANSPORTATION	# of Customers	trans				184
TRANSPORTATION	Total Dth	trans	0	0	0	185
						186

Revenue  
Dominion Energy  
Utah - DEC 2018 Adjusted Avg Results  
12 Months Ended : Dec-2018

Rate Class	Description		Booked Rev 2016	AVG Projected Rev 2018 with CET	REVENUE CHANGE	
	CET	Distribution Non-Gas Rev	(936,414)	0	936,414	187
	DSM	Distribution Non-Gas Rev	23,824,333	0	(23,824,333)	188
	Utah Totals					189
		Distribution Non-Gas Rev	356,624,440	356,471,388	(153,052)	190
		Supplier Non-Gas Revenue	104,423,497	110,930,983	6,507,487	191
		Commodity Revenue	403,933,365	439,785,883	35,852,519	192
		Total Utah Revenue	84,399,581	55,766,550	(28,633,031)	193
		# of Customers				194
		Sales Dth	100,149,936	110,843,751	10,693,815	195
		Transportation Dth	88,851,153	91,789,400	2,938,247	196
		Total Utah Dth	189,001,089	202,633,151	13,632,062	197
Idaho	GS-1	Distribution Non-Gas Rev	0	0	0	198
		Supplier Non-Gas Revenue	0	0	0	199
		Commodity Revenue	0	0	0	200
		Total Revenue	0	0	0	201
		# of Customers				202
		Total Dth	0	0	0	203
	I-2	Distribution Non-Gas Rev	0	0	0	204
		Supplier Non-Gas Revenue	0	0	0	205
		Commodity Revenue	0	0	0	206
		Total Revenue	0	0	0	207
		# of Customers				208
		Total Dth	0	0	0	209
	Idaho Totals					210
		Distribution Non-Gas Rev	0	0	0	211
		Supplier Non-Gas Revenue	0	0	0	212
		Commodity Revenue	0	0	0	213
		Total Revenue	0	0	0	214
		# of Customers				215
		Total Dth	0	0	0	216
Wyoming	GS-1	Distribution Non-Gas Rev	12,289,396	12,840,884	551,488	217
		Supplier Non-Gas Revenue				218
		Commodity Revenue	16,671,740	19,313,319	2,641,579	219
		Total Revenue	28,961,136	32,154,203	3,193,067	220
		# of Customers				221
		Total Dth	3,405,179	3,885,026	479,847	222
	F1_FS_F1A_F1B_F1C	Distribution Non-Gas Rev	182,927	185,365	2,438	223
		Supplier Non-Gas Revenue				224
		Commodity Revenue	923,387	990,635	67,248	225
		Total Revenue	1,106,314	1,176,000	69,686	226
		# of Customers				227
		Total Dth	190,410	199,274	8,864	228
	NGV	Distribution Non-Gas Rev	120,413	62,915	(57,498)	229
		Supplier Non-Gas Revenue				230
		Commodity Revenue	43,135	35,599	(7,536)	231
		Total Revenue	163,548	98,514	(65,034)	232
		# of Customers				233
		Total Dth	8,967	7,161	(1,806)	234
	GSW	Distribution Non-Gas Rev	0	0	0	235
		Supplier Non-Gas Revenue				236
		Commodity Revenue	0	0	0	237
		Total Revenue	0	0	0	238
		# of Customers				239
		Total Dth	0	0	0	240
	I-S_I-2	Distribution Non-Gas Rev	51,688	56,069	4,381	241
		Supplier Non-Gas Revenue	(400)	25,945	26,345	242
		Commodity Revenue	726,390	714,449	(11,941)	243
		Total Revenue	777,678	796,463	18,785	244
		# of Customers				245
		Total Dth	143,741	143,717	(24)	246
	I-4	Distribution Non-Gas Rev	0	0	0	247
		Supplier Non-Gas Revenue	0	0	0	248

Revenue  
Dominion Energy  
Utah - DEC 2018 Adjusted Avg Results  
12 Months Ended : Dec-2018

Rate Class	Description		Booked Rev 2016	AVG Projected Rev 2018 with CET	REVENUE CHANGE	1 2
		sales			0	279
	Commodity Revenue	sales	0	0	0	280
	Total Revenue	sales	0	0	0	281
	# of Customers	sales			0	282
	Total Dth	sales	0	0	0	283
					0	284
IC	Distribution Non-Gas Rev	sales	0	0	0	285
Sales	(To Commodity Costs)	sales			0	286
		sales			0	287
		sales			0	288
	Commodity Revenue	sales	0	0	0	289
	Total Revenue	sales	0	0	0	290
	# of Customers	sales			0	291
	Total Dth	sales			0	292
					0	293
TRANSPORTATION	I-T_TS_ITA_ITB	Distribution Non-Gas Rev	trans 85,827	81,243	(4,584)	294
TRANSPORTATION		Supplier Non-Gas Revenue	trans		0	295
TRANSPORTATION			trans		0	296
TRANSPORTATION		Commodity Revenue	trans 0	0	0	297
TRANSPORTATION		Total Revenue	trans 85,827	81,243	(4,584)	298
TRANSPORTATION		# of Customers	trans		0	299
TRANSPORTATION		Total Dth	trans 149,062	150,034	972	300
TRANSPORTATION					0	301
TRANSPORTATION	IC-IC1-IC2	Distribution Non-Gas Rev	trans 33,597	32,576	(1,021)	302
TRANSPORTATION	Trans		trans		0	303
TRANSPORTATION		Supplier Non-Gas Revenue	trans		0	304
TRANSPORTATION			trans		0	305
TRANSPORTATION		Commodity Revenue	trans 0	0	0	306
TRANSPORTATION		Total Revenue	trans 33,597	32,576	(1,021)	307
TRANSPORTATION		# of Customers	trans		0	308
TRANSPORTATION		Total Dth	trans 461,632	464,483	2,851	309
TRANSPORTATION					0	310
	CET	Distribution Non-Gas Rev	sales 254,292	(241,771)	(496,064)	311
	DSM	Distribution Non-Gas Rev	sales 99,393	0	(99,393)	312
	Wyoming Totals				0	313
		Distribution Non-Gas Rev	12,946,421	12,847,392	(99,029)	314
		Supplier Non-Gas Revenue	(400)	25,945	26,345	315
		Non-Core DNG Revenue Credits	119,424	113,820	(5,604)	316
		Commodity Revenue	18,364,652	21,054,002	2,689,350	317
		Total Wyoming Revenue	31,128,100	34,339,000	3,210,900	318
		# of Customers			0	319
		Sales Dth	3,748,297	4,235,178	486,881	320
		Transportation Dth	610,694	614,517	3,823	321
		Total Wyoming Dth	4,358,991	4,849,695	490,704	322
					0	323
					0	324
Colorado	I-4	Distribution Non-Gas Rev	sales 0	0	0	325
		Supplier Non-Gas Revenue	sales		0	326
			sales		0	327
		Commodity Revenue	sales 0	0	0	328
		Total Revenue	sales 0	0	0	329
		# of Customers	sales		0	330
		Total Dth	sales 0	0	0	331
					0	332
	IC	Distribution Non-Gas Rev	trans 0	0	0	333
		Supplier Non-Gas Revenue	trans		0	334
			trans		0	335
		Commodity Revenue	trans 0	0	0	336
		Total Revenue	trans 0	0	0	337
		# of Customers	trans		0	338
		Total Dth	trans 0	0	0	339
					0	340
					0	341
					0	342
					0	343
	Colorado Totals				0	344
		Distribution Non-Gas Rev	0	0	0	345
		Commodity Revenue	0	0	0	346
		Total Colorado Revenue	0	0	0	347
		# of Customers			0	348
		Sales Dth	0	0	0	349
		Transportation Dth	0	0	0	350
		Total Colorado Dth	0	0	0	351
					0	352
					0	353
					0	354
	SystemTotal Tariff Revenue	Distribution Non-Gas Rev	369,570,862	369,318,781	(252,081)	355
		Supplier Non-Gas Revenue	104,423,097	110,956,929	6,533,832	356
		Non-Core DNG Revenue Credits	119,424	113,820	(5,604)	357
		Commodity Revenue	422,298,016	460,839,885	38,541,869	358
					0	359
		SystemTotal Tariff Revenue	896,411,399	941,229,414	44,818,015	360
		# of Customers			0	361
		Sales Dth	103,898,233	115,078,929	11,180,696	362
		Transportation Dth	89,461,847	92,403,917	2,942,070	363
		SystemTotal Dth	193,360,080	207,482,846	14,122,766	364

## **UNDERGROUND WORKING STORAGE GAS**

Pursuant to the final order in Docket No. 93-057-01, Account 164, Gas Stored Underground - Current, is to be accounted for in the Company's pass-through cases and excluded from test-year rate base. This is accomplished by allowing a return on the actual average balance in this account to be entered as a gas cost in the 191 Account. This adjustment removes the total balance of Account 164 from the rate-base calculation.

**Underground Storage**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

**Account 164 - Underground Storage**

<b>A</b>		<b>B</b>
	<b>Month</b>	<b>Monthly Balance</b>
1	Dec-15	43,864,861
2	Jan-16	31,528,329
3	Feb-16	21,185,729
4	Mar-16	7,159,515
5	Apr-16	3,455,713
6	May-16	11,147,739
7	Jun-16	23,044,903
8	Jul-16	39,135,538
9	Aug-16	52,516,755
10	Sep-16	67,227,540
11	Oct-16	70,093,976
12	Nov-16	72,768,413
13	Dec-16	49,333,981
15	Adjustment	(49,333,981)

### **WEXPRO ADJUSTMENT TO PRODUCTION PLANT**

This adjustment, rising from the Wexpro Agreement, provides that the production plant component in each Dominion Energy Utah rate base plant account be reduced by 6.3%. According to the agreement, Wexpro adds 6.3% of Dominion Energy's production plant to the Wexpro investment when calculating the Wexpro service fee charged to Dominion Energy Utah.



**Wexpro Plant Adjustment**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

Wexpro Plant Adjustment

		B Production Amount \1	F Allocation Factor \2	G Adjustment Amount \3
1	<b>ADDITIONS TO RATE BASE</b>			
10	101 Total Gas Plant In Service	79,968,136	6.30%	(5,037,993)
11	105 Gas Plant Held For Future Use	0	6.30%	0
12	106 Completed Construction Not Classified	0	6.30%	0
13	154 Materials & Supplies	0	6.30%	0
14	164.1 Gas Stored Underground	0	6.30%	0
15	165 Prepayments	0	6.30%	0
16	Working Capital - Cash	0	6.30%	0
17	<b>Total Additions To Rate Base</b>	<u>79,968,136</u>		<u>(5,037,993)</u>
18	<b>DEDUCTIONS FROM RATE BASE</b>			
19	108 Accumulated Depreciation	(73,553,697)	6.30%	4,633,883
20	111 Accumulated Amort & Depletion	(6,133,169)	6.30%	386,390
21	235.1 Customer Deposits	0	6.30%	0
22	252 Misc Customer Credits	0	6.30%	0
23	253.1 Unclaimed Customer Deposits	0	6.30%	0
24	255 Deferred Investment Tax Credits	0	6.30%	0
25	282.0 Accum Deferred Income Taxes - Federal	0	6.30%	0
26	282.1 Accum Deferred Income Taxes - State	0	6.30%	0
27	<b>Total Deductions From Rate Base</b>	<u>(79,686,866)</u>		<u>5,020,273</u>
28	<b>TOTAL WEXPRO PLANT ADJUSTMENT</b>			<u>(17,720)</u>

\1 Test Period Production Rate Base

\2 See Wexpro Stipulation and Agreement, Exhibit E, Section 5(b).

\3 Column B x Column C.

## **ENERGY EFFICIENCY ADJUSTMENT**

The revenues and costs are accounted for in separate EE amortization filings and are not included as a component of the revenue requirement. The energy efficiency revenues were not included in the revenue forecast and the forecasted expenses have been removed from the results.

**Energy Efficiency Accounting Adjustment**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

		Energy Efficiency 2016	Energy Efficiency 2017	Energy Efficiency 2018
Revenue				
	Utah	(\$23,824,333)		
	Wyoming	(\$99,393)		
	Total	<u>(23,923,726)</u>		
908	Customer Assistance Expense			
	Utah	(\$23,824,333)	(23,974,206)	(24,381,768)
	Wyoming	(\$99,393)	(100,314)	(102,019)
	Total	<u>(23,923,726)</u>	<u>(24,074,520)</u>	<u>(24,483,787)</u>
	Inflation Factors			
	Utah		1.70%	1.70%
	Wyoming		1.70%	1.70%

### **BAD DEBT EXPENSE REMOVAL**

In Docket No. 01-057-14, the Company proposed to account for bad-debt expense related to SNG and Commodity revenues in the 191 Account. This was adopted by the Commission in the final order in that docket; therefore, only the DNG portion of bad debt has been included in the calculations of the Results of Operations. The bad debt expense recorded in Account 904 includes all components of bad debt. This adjustment annualizes the DNG portion of bad debt experienced during 2016 to the 3-year average rate of bad debt. This methodology was agreed to and used in Docket No. 02-057-02, Docket No. 07-057-13, Docket No. 09-057-16, and Docket No. 13-057-05. Bad debt is properly recognized as a reduction to revenues. A bad debt ratio of 0.20% (net write-offs to total revenue) is used in this Results of Operations.

**Average Bad Debt Removal**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**  
**Capital Structure : AVG CAP STR 2016**

	Utah Bad Debt 2016	Utah Bad Debt 2017	Utah Bad Debt 2018
Utah			
Wyoming			
Total			
	Bad Debt Ratio Adjustment	Bad Debt Ratio Adjustment	Bad Debt Ratio Adjustment
	(55,304)	(7,293)	(28,477)
	(51,428)	(77,522)	(77,522)
	(106,733)	(84,815)	(105,998)
	0.20%	0.20%	0.20%

**SNG and Commodity of acc 904 Removal**

	SNG	SNG	SNG
904.1			
Uncollectible Accounts			
Utah	(260,123)	(260,123)	(260,123)
Wyoming	0	0	0
Total	(260,123)	(260,123)	(260,123)
904.2			
Uncollectible Accounts			
Utah	Commodity (1,009,833)	Commodity (1,009,833)	Commodity (1,009,833)
Wyoming	0	0	0
Total	(1,009,833)	(1,009,833)	(1,009,833)
Total 904	(1,376,690)	(1,354,772)	(1,375,955)

**Average Bad Debt Removal**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**  
**Capital Structure : AVG CAP STR 2016**

	A	B	C	D
	Dec-16	Dec-17	Dec-18	
	3 Year Average	3 Year Average	3 Year Average	
	Bad Debt	Bad Debt	Bad Debt	
	Ratio	Ratio	Ratio	
	Adjustment	Adjustment	Adjustment	
904	Uncollectible Accounts			
	Utah	(7,293)	(28,477)	
	Wyoming	(77,522)	(77,522)	
	Total	(84,815)	(105,998)	

	12 MONTHS	12 MONTHS	12 MONTHS	3 YR AVERAGE
	2014	2015	2016	
Revenues are lagging the Charge Offs by 6 Months.				
6 Months at aging is required from time of billing to Charge Off.				
1 CHARGE OFFS (ACC 144004) Dec of Each Year	3,909,824	3,638,318.49	3,798,537.99	3,782,227
2 COLLECTED (ACC 144005) Dec of Each Year	(2,253,448)	(1,856,811)	(1,689,278)	(1,933,179)
3 NET CHARGE OFFS	1,656,376	1,781,507	2,109,260	1,849,048
4				
5 HISTORICAL BOOKED SYSTEM REVENUES (GREY BACK)	933,876,526	903,873,494	914,522,581	917,424,200
6 NET CHARGE OFFS	1,656,376	1,781,507	2,109,260	1,849,048
7				
8 % of Uncollectible Accounts to Total Revenues	0.18%	0.20%	0.23%	0.20%
9 Adjustment to Reflect change in Security Deposits				
10 Adjusted % of Uncollectible Accounts to Total Revenues				0.20%
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				

	Booked	Projected	Projected
	2016	2017	2018
UT Distribution Non Gas Rev (Includes Energy Eff.)	356,624,440	380,445,594	369,935,164
WY Distribution Non Gas Rev	12,946,421	0	0
3 YR BAD DEBT AVG FACTOR	0.20%	0.20%	0.20%
3YR Average UT DNG Bad Debt	718,769	766,780	745,596
3 YR Average WY DNG Bad Debt	26,093	0	0
Less Expensed UT DNG Bad Debt	774,073	774,073	774,073
Less Expensed WY DNG Bad Debt	77,522	77,522	77,522
SYSTEM ADJUSTMENT	851,594	851,594	851,594
Utah	(55,304)	(7,293)	(28,477)
Wyoming	(51,428)	(77,522)	(77,522)
System Adjustment	(106,733)	(84,815)	(105,998)

## **INCENTIVE PLANS**

In accordance with previous Commission orders, Dominion Energy Utah has removed, for ratemaking purposes, incentive compensation expenses related to financial goals that were either paid directly by DEU or allocated from Questar Corporation for incentive payouts. Because the incentive plan payouts vary from year to year, a 3-year average of payouts related to operating goals has been used in the calculation of normalized incentive plan expenses. This adjustment was calculated using the 2016 expense removal and adjusting it for inflation.

## Incentive Compensation

### Dominion Energy

Utah - DEC 2018 Adjusted Avg Results		DEU Incentives	DEU Incentives	DEU Incentives	
12 Months Ended : Dec-2018		2016	2017	2018	
Incentive Compensation					
Removal of Financial Based Payouts					
A					
Incentive Inflation Rate			3.0%	3.0%	
1	Corporation	1/	(\$1,256,532)	(\$1,294,228)	(\$1,333,055)
2	Dominion Energy Utah	2/	(\$655,835)	(\$675,510)	(\$695,775)
3	Total		(\$1,912,367)	(\$1,969,738)	(\$2,028,830)
4	Utah		(1,850,504)	(1,906,019)	(1,963,199)
5	Wyoming		(61,863)	(63,719)	(65,631)
			(1,912,367)	(1,969,738)	(2,028,830)
1/	See Workpaper A				
2/	See Workpaper B				



**Incentive Compensation**

**Dominion Energy**

**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

Corporation Incentive Pay Adjustment  
12 Mos. Ending Dec. 2016.  
Workpaper A

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
		3-YR Average Percentage	Total Payout	Disallow Adjustment
1	<b>Corp Management and Employee Incentive Plans</b>			
2	Bonus related to Financial Goals & Affiliates	44.38%	1,115,791	(1,115,791)
3	Bonus related to O&M Goals	55.62%	1,398,611	
4	<b>Total AMIP</b>	100.00%	2,514,402	(1,115,791)
5	Long Term Incentive Plan (2016)			(1,584,106)
6				
7				
8	PIPE Bonus related to DEU Financial Goals & Affiliates	0.00%	0	0
9	PIPE Bonus related to DEU O&M Goals	1/ 100.00%	1,506,342	
10	<b>TOTAL PIPE</b>	100.00%	1,506,342	0
11				
12	Total Corp AMIP and PIPE Plan Disallowed			<b>(2,699,896)</b>
13				
14				
15	<b>Disallowed Allocation</b>			
16	<b>Allocated Through Distrigas</b>			
17				
18	<b>Allocated to Dominion Energy</b>			
19	Percent to Dominion Energy		46.54%	
20	Total to Dominion Energy		<b>(\$1,256,532)</b>	<b>(\$1,256,532)</b>

1/ 100% of PIPE is based on operating goals.

**Incentive Compensation**

**Dominion Energy**

**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

Dominion Energy Utah Incentive Pay Adjustment  
Actual Payout for 2016 (Paid in Feb 2017)  
Workpaper B

	A	B	C	D	E	F
				% Payout	\$ Payout	Allowed \$
1 <b>DEU Management Incentive Plan (AMIP)</b>						
2						
3						
4 Amount Expensed to 921 Account		\$895,088				
5						
6 O&M Goals				54.31%	486,165	486,165
7 <b>Total AMIP Dollar Payout</b>				54.31%	486,165	
8						
9 <b>DEU Employee Incentive Plan (PIPE)</b>						
10						
11						
12 Amount Expensed to 921 Account		\$2,928,233				
13						
14 Operating Goals			1/	100.00%	2,928,233	2,928,233
15 <b>Total PIPE % Payout</b>				100.00%	2,928,233	
16						
17 Total AMIP and PIPE Allowed with Overheads (Line 6 + Line 14)						3,414,398
18 Total Incentives						3,823,321
19 Total Adjustment						(408,923)
20 Long Term Incentive Plan (2016)						(246,912)
21 Total Adjustment						(655,835)

1/ 100% of PIPE is based on operating goals.

## EVENT TICKETS

During 2016, Dominion Energy Utah received allocated expenses from Questar Corporation for tickets to sporting events at the Energy Solutions Arena. During this period, % of the tickets were used in a DEU employee-recognition plan. That is, those employees who had performed in an exemplary manner were awarded tickets to the games. The remaining tickets were used for marketing or other purposes. Pursuant to the stipulations in Docket Nos. 99-057-20, 02-057-02, 07-057-13, 09-057-16, and 13-057-05 the portion of these expenses related to employee recognition is allowed in rates.

This adjustment, removes % of these costs used for other purposes. The adjustment includes costs that were charged directly to DEU from Questar Corporation.

**Event Tickets**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

	<b>Sporting Events DEC 2016</b>	<b>Sporting Events DEC 2017</b>	<b>Sporting Events DEC 2018</b>
Acc 921 Inflation Factor		1.20%	1.50%
Total Expenses	(15,163)	(15,345)	(15,576)
Utah Adjustment	(14,673)	(14,849)	(15,072)
Wyoming Adjustment	(491)	(496)	(504)

**Event Tickets**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

1				
2		<b>Event Tickets</b>		
3				
4				
5	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
6				
7				
8	<b>Total Disallowed QC Sporting Events Expense</b>		<b>6,210</b>	
9				
10				
11		<b>Allocation</b>	<b>Allocated</b>	<b>Adjustment</b>
12	Company and Allocation Amounts	<b>Calculations</b>	<b>Amount</b>	<b>Amount</b>
13				
14	Allocated to QGC			
15	Percent to QGC	46.54%		
16	Total to QGC	2,890	2,890	2,890
17				
18				
19	<b>Total Disallowed QGC Sporting Events Expense</b>			\$12,273
20				
21	<b>Total Expenses</b>			\$15,163
22	<b>Escalation Factor</b>			
23	<b>Total Adjustment</b>			(\$15,163)
24				
25	Utah Adjustment			(\$14,673)
26	Wyoming Adjustment			(\$490.52)
27	Total			(\$15,163)

Vendor	QGC Direct	Allocated from Corp	Based on 2016 Data	QGC Direct Employee Recognition	Mkting PR	Allocated from Corp Employee Recognition	Mkting PR
1 Energy Solutions Arena	55,980	0	89.86%	50,300	5,679	0	0
2 Utah Jazz	65,000	61,212	89.86%	58,406	6,594	55,002	6,210
3 Real Salt Lake	1,805	1,725	100.00%	1,805	0	1,725	0
4						56,727	6,210
5 Total	122,785	62,937		110,511	12,273		
6							
7							
8							
9 Tickets Used for Employee Recognition - % Calculation 2016							
10							
11	Employee						
12	Recognition	Pub. Relations	Total				
13 Jazz Tickets	248	28	276				
14 Real Salt Lake	68	0	68				
15 Total Tickets	316	28	344				
16 Total Percentage:	91.86%	8.14%	100.00%				

## **ADVERTISING**

Consistent with the Commission order in Docket No. 93-057-01, and adjustment has been made to decrease expenses for the 12 months ending December 31, 2016 by removing all of the advertising expenses related to promotional and institutional advertising expenses. These expenses were adjusted for inflation to arrive at the 2018 adjustment.

**Advertising**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

**Advertising DEC 2016   Advertising DEC 2017   Advertising DEC 2018**

<b>Account</b>	<b>Type</b>			
909003	Promotional Advertising-Dealer	\$0	\$0	\$0
909005	Adv Exp - Parade of Homes	\$0	\$0	\$0
930100	General Advertising Expenses	\$0	\$0	\$0
930101	Institutional Advertising	\$1,458	\$1,468	\$1,487
930102	Financial Advertising	\$0	\$0	\$0
<hr/>				
<b>Total</b>		<b>1,458</b>	<b>1,468</b>	<b>1,487</b>
<hr/>				
<b>Adjustment</b>		<b>(1,458)</b>	<b>(1,468)</b>	<b>(1,487)</b>
930	<b>Utah Adjustment</b>	<b>(1,411)</b>	<b>(1,421)</b>	<b>(1,439)</b>
930	<b>Wyoming Adjustment</b>	<b>(47)</b>	<b>(47)</b>	<b>(48)</b>
		<hr/> (1,458)	<hr/> (1,468)	<hr/> (1,487)
Inflation Factor			0.70%	1.30%



Advertising  
Questar Gas Company  
Utah - DEC 2016 Adjusted Avg Results  
12 Months Ended : Dec-2016

**Advertising Adjustment**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
			<b>Direct</b>	<b>Direct</b>	<b>Allocated</b>	<b>Total</b>	<b>Removed</b>
			<b>Charges</b>	<b>Charges</b>	<b>From Corp</b>	<b>(B+D)</b>	<b>Amount</b>
<b>Account</b>	<b>Type</b>		<b>To QGC</b>	<b>To QC</b>	<b>To QGC</b>		
1	909003	Promotional Advertising-Dealer	\$0	\$0	\$0	\$0	\$0
2	909005	Adv Exp - Parade of Homes	\$0	\$0	\$0	\$0	\$0
3	930100	General Advertising Expenses	\$0	\$0	\$0	\$0	\$0
4	930101	Institutional Advertising	\$0	\$3,133	\$1,458	\$1,458	\$1,458 \1
5	930102	Financial Advertising	\$0	\$0	\$0	\$0	\$0
7							
8		Total	\$0	\$3,133	\$1,458	\$1,458	\$1,458
9							
10							
11		<b>Adjustment</b>					<b>(1,458)</b>
12							
13		<b>Utah Adjustment</b>					<b>(1,410)</b>
14		<b>Wyoming Adjustment</b>					<b>(48)</b>
15		<b>Total Adjustment</b>					<b>(1,458)</b>

\1 Workpaper 1

**Advertising**  
**Questar Gas Company**  
**Utah - DEC 2016 Adjusted Avg Results**

**Workpaper 1**

**Institutional Advertising**

	A	B	C	D
1	<b>Total QC Institutional Advertising</b>		<b>3,133</b>	
2				
3				
4		<b>Allocation</b>	<b>Allocated</b>	<b>Adjustment</b>
5	Company and Allocation Amounts	<b>Calculations</b>	<b>Amount</b>	<b>Amount</b>
7				
8	Allocated to QGC			
9	Percent to QGC	46.54%		
10	Total to QGC	1,458	\$1,458	\$1,458

## **DONATIONS AND MEMBERSHIPS**

In the final order for Docket 93-057-01, the Commission prescribed which types of donations and memberships are recoverable in rates. This adjustment identifies and removes similar entries which were booked during the 12 months ending December 31, 2016 and those expenses which were allocated from Questar Corporation. The amounts removed represent 2016 amounts adjusted for inflation.

## Donations and Memberships Adjustment

### Dominion Energy

Utah - DEC 2018 Adjusted Avg Results  
12 Months Ended : Dec-2018

	QGC Don & Membership DEC 2016	QGC Don & Membership DEC 2017	QGC Don & Membership DEC 2018
Acc 921 Inflation Factor		1.20%	1.50%
Questar Corporation Allocated	(\$202,809)	(\$205,243)	(\$208,322)
Questar Gas	(\$9,819)	(\$9,937)	(\$10,086)
Total	(\$212,629)	(\$215,180)	(\$218,408)
Utah Adjustment	(\$205,750)	(\$208,219)	(\$211,343)
Wyoming Adjustment	(\$6,878)	(\$6,961)	(\$7,065)
Total	(\$212,629)	(\$215,180)	(\$218,408)

**Donations and Memberships Adjustment**

**Dominion Energy Utah**

**Utah - DEC 2018 Adjusted Avg Results  
12 Months Ended : Dec-2018**

Donations and Memberships Adjustment Questar Corporation Allocated			B
A			Dec-16
Description			Amount
1	<b>Industry Associations</b>		
2	921000	Tax Executives Institute	-
3	921000	Utah Taxpayers Association	19,360
4	921000	Wyoming Taxpayers Association	10,360
5	921000	Government Relations Dept - Labor & Overhead	288,693
6	921000	Government Relations Dept - A&G	94,538
7	930200	AGA Expenses relating to Lobbying	22,823
8		Total	435,774
9			
10	<b>ADJUSTMENT CALCULATION</b>		
11			<b>Allocated</b>
12	<b>Company and Allocation Amounts</b>		<b>Amount</b>
13			
14	Allocated to QGC		
15	Percent to QGC		46.54%
16	Total to QGC		\$202,809
17			
18	Total Adjustment		(\$202,809)

**Donations and Memberships Adjustment**

**Dominion Energy Utah**

**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

Donations and Memberships Adjustment			
Questar Gas			
A	B	C	D
Account	Description	Amount	% Applicable to QGC
		2016	
1 923000	Holland and Hart	0	100.00%
2 923000	NES Inc	0	100.00%
3 921000	Junior Achievement	250	100.00%
4 908	Golf Tournament	9,569	100.00%
5 921000	Utah Foundation	0	100.00%
6			
7			
8			
9			
10			
11	Total	9,819	
12	<b>Adjustment</b>	<b>(\$9,819)</b>	
13			
14	<b>Utah Adjustment</b>	<b>(\$9,495)</b>	
15	<b>Wyoming Adjustment</b>	<b>(\$325)</b>	
16	<b>Total</b>	<b>(\$9,819)</b>	

## **RESERVE ACCRUAL**

The reserve accrual includes legal liabilities associated with the Company's self insurance program as per the stipulation in Docket 07-057-13. The reserve accrual amount is calculated based on a five year average of actual payments made.

**Reserve Accrual Adjustment**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

	Reserve Accrual Dec 2016	Reserve Accrual Dec 2017	Reserve Accrual Dec 2018
<b>Reserve Accrual</b>			
1 2012 Legal Payment	\$225,475	\$879,185	\$879,185
2 2013 Legal Payment	\$337,092	\$225,475	\$225,475
3 2014 Legal Payment	\$0	\$337,092	\$337,092
4 2015 Legal Payment	\$34,800	\$0	\$0
5 2016 Legal Payment	215,113	\$34,800	\$34,800
8 Total	<u>\$812,480</u>	<u>\$1,476,552</u>	<u>\$1,476,552</u>
9 5 Year Average	<u>\$162,496</u>	<u>295,310</u>	<u>295,310</u>
10 Legal Accruals for 12 Months Ended Dec 2016	(\$525,868)	(\$532,178)	(\$540,161)
11 Adjustment (Accrual Less 5 Yr Average Actual Payments)	\$688,364	\$827,488.74	\$835,471
12 Utah Allocation	\$665,614	\$800,720	\$808,445
13 Wyoming Allocation	\$22,750	\$26,768	\$27,027



## **CAPITAL STRUCTURE**

The capital structure used in this model is based on the actual average 2016 capital structure.

**Capital Structure**  
**Dominion Energy**  
**Utah - DEC 2018 Adjusted Avg Results**  
**12 Months Ended : Dec-2018**

<b>CAPITAL COMPONENT</b>	<b>Actual Weight</b>	<b>Cost</b>	<b>Weighted Cost</b>
Long Term Debt	45.24%	5.30%	2.40%
Common Equity	54.76%	9.85%	5.39%
Weighted Cost of Capital	100.00%		7.79%

**PRE TAX RATE OF RETURN**

<b>CAPITAL COMPONENT</b>	<b>Weighted Cost</b>
Common Equity	5.39%
Effective Tax Rate	38.09%
Pre-Tax Equity Return (Line 4/(1-Line 5))	8.71%
Long Term Debt	2.40%
Total Pre-tax Rate of Return (Line 6+Line 7)	11.11%

**AVG CAP STR 2016**

**LONG-TERM DEBT**

Bonds - Long Term	531,479,167
Unamort Loss on Reacq Debt	(3,480,687)
Unamortized Debt Expense	(3,166,724)
<b>TOTAL LONG-TERM DEBT</b>	<b>532,019,256</b>

**LONG TERM DEBT COSTS**

Interest - Long term Debt	27,358,155
Amortization of Debt Discount & Expense	841,475
<b>TOTAL LONG TERM DEBT COSTS</b>	<b>28,199,630</b>

**LONG-TERM DEBIT COST %** 5.30%

**COMMON EQUITY**

Common Stock Issued	22,974,065
Premium on Common Stock	268,472,597
Unappropriated Ret. Earnings	352,644,980
<b>TOTAL COMMON EQUITY</b>	<b>644,091,643</b>

**TOTAL CAPITAL** 1,176,110,898