

TEST YEAR PURCHASED GAS COSTS

	(A)	(B)	(C)	(D)
	Component	Dth	Cost per Dth	Total Cost
1	Current Contracts			\$72,323,640
2	Stabilization Costs			<u>0</u>
3	Total Current Contracts	21,610,000	\$3.34677	\$72,323,640
4	Forecast Spot	28,372,317	\$2.93100	83,159,396
5	Future Contracts	718,527	\$2.84725	2,045,824
6	Total Gas Purchased	50,700,844	\$3.10703	<u><u>\$157,528,860</u></u>

TEST YEAR TRANSPORTATION, GATHERING & PROCESSING CHARGES & PEAK HOUR SERVICE

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Fctr	Dth	Months/Days	Rate		Total Costs
<u>TRANSPORTATION DEMAND</u>							
QPC Demand							
1	T-1 Transportation - Yearly		840,902	x 12	x \$5.28804	=	\$53,360,681
2	T-1 Transportation Nov-Mar		75,000	x 5	x \$6.80887	=	2,553,326
3	No-Notice Transportation		203,542	x 12	x \$0.86753	=	2,118,945
4	Capacity Release Credits						(40,825)
5	Total						\$57,992,127
Kern River Demand							
6	January - December		1,885	x 12	x \$17.69338	=	\$400,224
7	June - December, January - April		3,000	x 11	x \$15.65186	=	516,512
8	May		3,000	x 1	x \$6.25580	=	18,767
9	November - March		50,000	x 5	x \$15.65186	=	3,912,966
10	December - February		56,925	x 3	x \$8.70000	=	1,485,743
11	November & March		6,000	x 2	x \$8.84500	=	106,140
12	November - March		27,000	x 5	x \$8.75800	=	1,182,330
13	October - May		30,000	x 8	x \$14.27625	=	3,426,300
14	Total						\$11,048,982
15	Total Transportation Demand (SNG)						\$69,041,109
<u>TRANSPORTATION COMMODITY</u>							
16	QPC Commodity (SNG)		107,837,710		x \$0.00267	=	\$287,927
17	Total ACA		132,608,130		x \$0.00130	=	172,391
Kern River Commodity							
18	January - December	0.95	x 4,885	x 365	x \$0.00440	=	\$7,420
19	November - March	0.95	x 50,000	x 151	x \$0.00440	=	31,420
20	November & March	0.95	x 6,000	x 61	x \$0.00310	=	1,073
21	December - February	0.95	x 56,925	x 90	x \$0.00310	=	15,022
22	November - March	0.95	x 27,000	x 151	x \$0.00310	=	11,954
23	December - February	0.95	x 30,000	x 243	x \$0.00440	=	30,338
24	Total (SNG)						\$97,227
25	Total Transportation Commodity						\$557,545
<u>OTHER CHARGES</u>							
26	QEPFS/Tesoro Field Services Demand						\$12,277,815
27	QEPFS/Tesoro Field Services Commodity						6,521,477
28	Total QEPFS/Tesoro Field Services (SNG)						\$18,799,292 1/
29	Wexpro II Gathering						\$5,125,692
30	Other Wexpro I Gathering Charges						2,088,521
31	Other Transportation Charges						3,531,317
32	Total Wexpro II Gathering, Other Gathering & Transportation						\$10,745,530
<u>PEAK HOUR SERVICE</u>							
33	Mid November - Mid February		25,000	x 3	x \$11.65333	=	\$874,000
34	TOTAL TRANSPORTATION, OTHER CHARGES AND PEAK HOUR SERVICE						\$100,017,476

1/ See paragraph 7c in application.

TEST YEAR STORAGE AND WORKING GAS CHARGES

	(A)	(B)	(C)	(D)	(E)	(F)
<u>STORAGE CHARGES</u> 1/						
	Component	Dth	Months	Rate		Total Costs
Storage Demand						
1	Aquifer Peaking Demand	184,625	x 12 x	\$2.87375	=	\$6,366,793
2	Ryckman Demand	2,500,000	x 12 x	\$0.09000	=	\$2,700,000
3	Clay Basin Demand	111,827	x 12 x	\$2.85338	=	3,829,019
4	Clay Basin Capacity	13,419,000	x 12 x	\$0.02378	=	<u>3,829,246</u>
5	Total Demand Charges (SNG)					<u>\$16,725,058</u>
Storage Commodity 2/						
6	Aquifer Peaking Injections	1,092,429	x	\$0.03872	=	\$42,299
7	Aquifer Peaking Withdrawals	1,062,772	x	\$0.03872	=	41,151
8	Ryckman Injections	1,744,729	x	\$0.01500	=	26,171
9	Ryckman Withdrawals	1,856,721	x	\$0.01000	=	18,567
10	Clay Basin Injections	13,689,982	x	\$0.01049	=	143,608
11	Clay Basin Withdrawals	13,178,365	x	\$0.01781	=	<u>234,707</u>
12	Total Commodity Charges					<u>\$506,503</u>
13	Total Storage Charges					\$17,231,561
<u>WORKING GAS CHARGES - QGC Account 164</u>						
	Month	Amount		Pre-Tax Return %		
14	Mar-16	\$7,159,515				
15	Apr-16	3,455,713				
16	May-16	11,147,739				
17	Jun-16	23,044,903				
18	Jul-16	39,135,538				
19	Aug-16	52,516,755				
20	Sep-16	67,227,540				
21	Oct-16	70,093,976				
22	Nov-16	72,768,413				
23	Dec-16	49,333,981				
24	Jan-17	33,078,466				
25	Feb-17	21,745,044				
26	Mar-17	8,937,826				
27	12-Month Average 3/	<u>\$37,633,061</u>	x	10.79%	=	<u>\$4,060,607</u>
28	TOTAL FIRM STORAGE AND WORKING GAS CHARGES					\$21,292,168

1/ QPC Tariff included in Exhibit 1.9.

2/ Questar Gas planned volumes.

3/ (½ of Line 14 + sum of Lines 15 through 25 + ½ of Line 26) / 12

SUMMARY OF TEST-YEAR GAS RELATED COSTS AND REVENUES CREDITS

	(A) Component	(B) Costs	(C) Dth 1/	(D) \$ per Dth
WEXPRO I				
1	Questar Gas Production 2/	\$279,157,733		
2	Wexpro I Revenue Sharing Credits 3/	<u>(19,841,194)</u>		
3	Net Questar Gas Production Costs	\$259,316,539	54,388,833	\$4.76783
4	Gathering 4/	20,887,813		
5	Total Wexpro I Cost of Production	<u>\$280,204,353</u>	54,388,833	\$5.15187
WEXPRO II				
6	Wexpro II Production 5/	\$50,263,465		
7	Wexpro II Revenue Sharing Credits 6/	<u>(2,125,300)</u>		
8	Net Cost of Wexpro II Production	\$48,138,165	13,565,885	\$3.54847
9	Gathering 7/	5,125,692		
10	Total Wexpro II Cost of Production	<u>\$53,263,856</u>	13,565,885	\$3.92631
11	Sales of Cost-of-Service Gas 8/	-	0	\$0.00000
12	Total Cost-of-Service Production	<u>\$333,468,209</u>	67,954,719	\$4.90721
13	Questar Gas Contract Gas 9/	157,528,860	50,700,844	\$3.10703
14	Injection / Withdrawal Adjustment 10/	(1,983,957)		
15	Transportation, Other Costs & Peak Hour Service 11/	74,003,971	132,608,130	\$0.55807
16	Storage and Working Gas 12/	21,292,168		
17	Questar Gas - Related Gas Costs for Rate Purposes 13/	<u>\$584,309,251</u>	114,971,775	\$5.08220

1/ Estimated into-pipe volumes used for Wexpro dths.

2/ Exhibit 1.1, Page 18, Line 1378, Column H.

3/ Exhibit 1.4, Page 3, Line 8.

4/ Exhibit 1.3, Page 1, Lines 28 + 30.

5/ Exhibit 1.1, Page 21, Line 1581, Column H.

6/ Exhibit 1.4, Page 3, Line 16.

7/ Exhibit 1.3, Page 1, Line 29.

8/ Exhibit 1.4, Page 3, Line 17.

9/ Exhibit 1.2, Line 6.

10/ Exhibit 1.4, Page 2, Line 6.

11/ Exhibit 1.3, Page 1, Lines 15 + 25 + 31 +33.

12/ Exhibit 1.3, Page 2, Line 28.

13/ Exhibit 1.6, Page 1, Line 4.

ANNUALIZED UNIT COST OF STORAGE GAS

(A)	(B)	(C)	(D)
	Dth	Average Rate	Total Costs
1 Company Production 1/	67,954,719	\$4.90721	\$333,468,209
2 Purchased Gas 2/	50,700,844	\$3.10703	157,528,860
3 Average Price	118,655,563	\$4.13800	\$490,997,069
Storage 3/			
4 Withdrawals	16,097,858	\$4.47642	\$72,060,692
5 Injections	(16,527,140)	\$4.48019	(74,044,649)
6 Storage Adjustment			(\$1,983,957)

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- 1/ Exhibit 1.4, Page 1, Line 12.
 - 2/ Exhibit 1.2, Line 6.
 - 3/ Questar Gas Company planned volumes.

OTHER REVENUES 1/

	(A)	(B)	(C)	(D)
	Account Number	Account Name		12 Months Ending May 2018
WEXPRO I				
1	483	Sales for Resale		\$3,196,472
2	490	Plant By-Product		3,053,673
3	492	Gasoline and Oil Sales	\$542,029	
4	758-1	Gasoline and Oil Cost	<u>(89,381)</u>	
5		Net Gasoline and Oil Sales		452,648
6	495-1	Overriding Royalty Revenue from Questar E & P		13,138,401
7	495-2	Oil Revenue Received from Wexpro		0
8		Total Wexpro I		<u>\$19,841,194</u>
WEXPRO II				
9	483	Sales for Resale		\$0
10	490	Plant By-Product		577,271
11	492	Gasoline and Oil Sales	\$1,040,557	
12	758-1	Gasoline and Oil Cost	<u>(174,887)</u>	
13		Net Gasoline and Oil Sales		865,670
14	495-1	Overriding Royalty Revenue from Questar E & P		505,757
15	495-2	Oil Revenue Received from Wexpro		176,602
16		Total Wexpro II		<u>\$2,125,300</u>
17		Sales of Cost-of-Service Gas		0
18		Grand Total (Line 8 + Line 16 + Line 17)		<u>\$21,966,494</u>

1/ Forecasted 12-month test year.

TEST-YEAR GAS COST ALLOCATION

(A)	(B)	(C)	(D)	(E)
	Allocation Factor 1/	System	Wyoming	Utah
1 Questar Gas Production (Exhibit 1.1)	2	\$329,421,198	\$12,153,930	\$317,267,268
2 Other Revenue's Credit (Exhibit 1.4, p 3)	2	(21,966,494)	(810,449)	(21,156,045)
3 Gathering (Exhibit 1.3, p 1) - Demand	1	12,277,815	340,434	11,937,381
4 Gathering - Commodity	2	13,735,690	506,776	13,228,914
5 Net Cost of Questar Gas Production		\$333,468,209	\$12,190,691	\$321,277,518
6 Questar Gas Contract Gas (Exhibit 1.2)	2	157,528,860	5,811,996	151,716,864
7 Injection / Withdrawal Adjustment (Exhibit 1.4, p 1)	2	(1,983,957)	(73,198)	(1,910,760)
8 Transportation (Exhibit 1.3, p 1) - Demand	1	69,041,109	1,914,343	67,126,766
9 Transportation - Commodity	2	557,545	20,571	536,974
10 Storage (Exhibit 1.3, p 2) - Demand	1	16,725,058	463,746	16,261,312
11 Storage - Commodity	2	506,503	18,687	487,816
12 Other Transportation - Commodity (Exhibit 1.3, p 1)	2	3,531,317	130,287	3,401,030
13 Working Gas Costs (Exhibit 1.3, p 2)	2	4,060,607	149,815	3,910,792
14 Peak Hour Service (Exhibit 1.3, p 1)	1	874,000	24,234	849,766
15 Totals		\$584,309,251	\$20,651,172	\$563,658,078

1/ Allocation Factors		<u>Total</u>	<u>Wyoming</u>	<u>Utah</u>
#1 Peak Day Demand	Dth- Percent-	1,332,796 100.00%	36,955 2.77%	1,295,841 97.23%
#2 Commodity Sales - All	Dth- Percent-	114,971,775 100.00%	4,241,861 3.69%	110,729,914 96.31%

TEST-YEAR GAS COST CHANGE

	(A)	(B)	(C)	(D)	(E)	(F)
				Average Rate	x Dth	= Total
1	Utah Allocation of Questar Gas-Related Gas Costs (Exhibit 1.5) 1/					\$563,658,078
	Test-Year Sales:		Firm	+ Interruptible	= Total Sales Dth	
2	Utah		110,153,104	576,810	110,729,914	
3	Wyoming		4,098,406	143,455	4,241,861	
4	Total Dth				114,971,775	
5	Supplier Non-Gas Costs 2/					<u>(\$113,176,113)</u>
6	Commodity Portion of Test-Year Gas Cost (Lines 1 + 5)					\$450,481,966

		Current Case 17-057-07	Prior Case 16-057-09	Difference
FIRM CUSTOMER RATES				
7	Gas Cost (line 6/Total Sales Dth, line 4)	\$4.06830	\$4.20022	(\$0.13192)
8	191 Account Amortization (Commodity Portion) 3/	(\$0.04894)	(\$0.23260)	\$0.18366
9	Total Sales Unit Commodity Cost (Lines 7 + 8)	\$4.01936	\$3.96762	\$0.05174

1/ Exhibit 1.5, Line 15, Column E.

2/ Test Year Estimate of Transportation, Gathering, and Storage billings.

3/ 191 Account (March 2017) actual (\$20,704,082)
Less: Supplier Non-Gas balance actual (\$15,285,013)
191 Account Commodity Portion (\$5,419,069) 110,729,914 (\$0.04894)
See Application, paragraph 11.

TEST-YEAR SUPPLIER NON-GAS COST CHANGE

	(A)	(B)	(C)	(D)
		Dth	Average Rate	Total
1	Supplier Non-Gas (SNG) Costs 1/			\$113,176,113
2	191 Account Balance for SNG Costs 2/			4,714,987
3	Total			<u>\$117,891,100</u>
4	SNG Costs Recovered at Current Rates 3/			110,778,902
5	SNG Costs Adjustment to Current Rates (Line 3 - Line 4)			<u>\$7,112,198</u>
6a	Adjustment for SNG contributions from:			
6b	IS SNG current rate	576,810	\$0.17877	\$103,116
6c	IS SNG new rate	576,810	\$0.17877	\$103,116
7	Percent Change to Current Rates ((ln 3-ln 6c)-(ln 4-ln 6b))/(ln 4-ln 6b)			6.43 %

1/ Exhibit 1.6, Page 1, Line 5.

2/ March 2017 SNG Balance (\$15,285,013)
Expected March 2017 SNG Balance (\$20,000,000)
SNG Amortization \$4,714,987

3/ Output of Revrun.Exe computer program dated 4/13/2017

**TEST YEAR CHANGE IN SUPPLIER NON-GAS COSTS
BY RATE CLASS**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Rate Class	Season	Current total 1/	Curr. Base 1/	Calc. Base 2/	Amortization 3/	Total 4/
1	GS	Winter	\$1.18546	\$1.14239	\$1.21114	\$0.05050	\$1.26164
2		Summer	\$0.55659	\$0.53637	\$0.56865	\$0.02371	\$0.59236
3	FS	Winter	\$1.15458	\$1.11264	\$1.17959	\$0.04919	\$1.22878
4		Summer	\$0.55659	\$0.53637	\$0.56865	\$0.02371	\$0.59236
5	NGV		\$0.85545	\$0.82437	\$0.87398	\$0.03644	\$0.91042
6	IS 5/		\$0.17877	\$0.17877	\$0.17877	\$0.00000	\$0.17877

1/ Current Questar Gas Tariff (excluding bad debt surcharge).

2/ Exhibit 1.6 page 2 (line 1 - line 6c)/(line 4 - line 6b)*Exhibit 1.6 page 3 column C. (N.A. to line 6)

3/ Column G - Column E

4/ (Current Questar Gas rates) x (1+Exhibit 1.6, Page 2, Line 7, % change).
(except ln. 6, which is calculated by adding QPC T-2 and ACA rates, then adjusting for distr. loss of 0.532%
= $(\$0.17652 + \$0.00130) / (1 - 0.00532) = \0.17877

5/ IS Tariff rate has an adjustment for bad debt of 0.25% = $\$0.17877 / (1 - 0.00250) = \0.17922

**EFFECT ON GS TYPICAL CUSTOMER
80 DTHS - ANNUAL CONSUMPTION**

	(A)	(B)	(C)	(D)	(E)	(F)
	Rate Schedule	Month	Usage In Dth	Billed at Current Rates Effective 12/1/2016	Billed at Proposed Rates 17-057-07	Change
1	GS	Jan	14.9	\$124.66	\$126.57	\$1.91
2		Feb	12.5	105.67	107.27	1.60
3		Mar	10.1	86.68	87.97	1.29
4		Apr	8.3	61.59	62.32	0.73
5		May	4.4	35.82	36.21	0.39
6		Jun	3.1	27.23	27.50	0.27
7		Jul	2.0	19.96	20.14	0.18
8		Aug	1.8	18.64	18.80	0.16
9		Sep	2.0	19.96	20.14	0.18
10		Oct	3.1	27.23	27.50	0.27
11		Nov	6.3	56.61	57.41	0.80
12		Dec	11.5	97.76	99.23	1.47
13		Total	80.0	\$681.81	\$691.06	\$9.25
14					Percent Change:	1.36 %