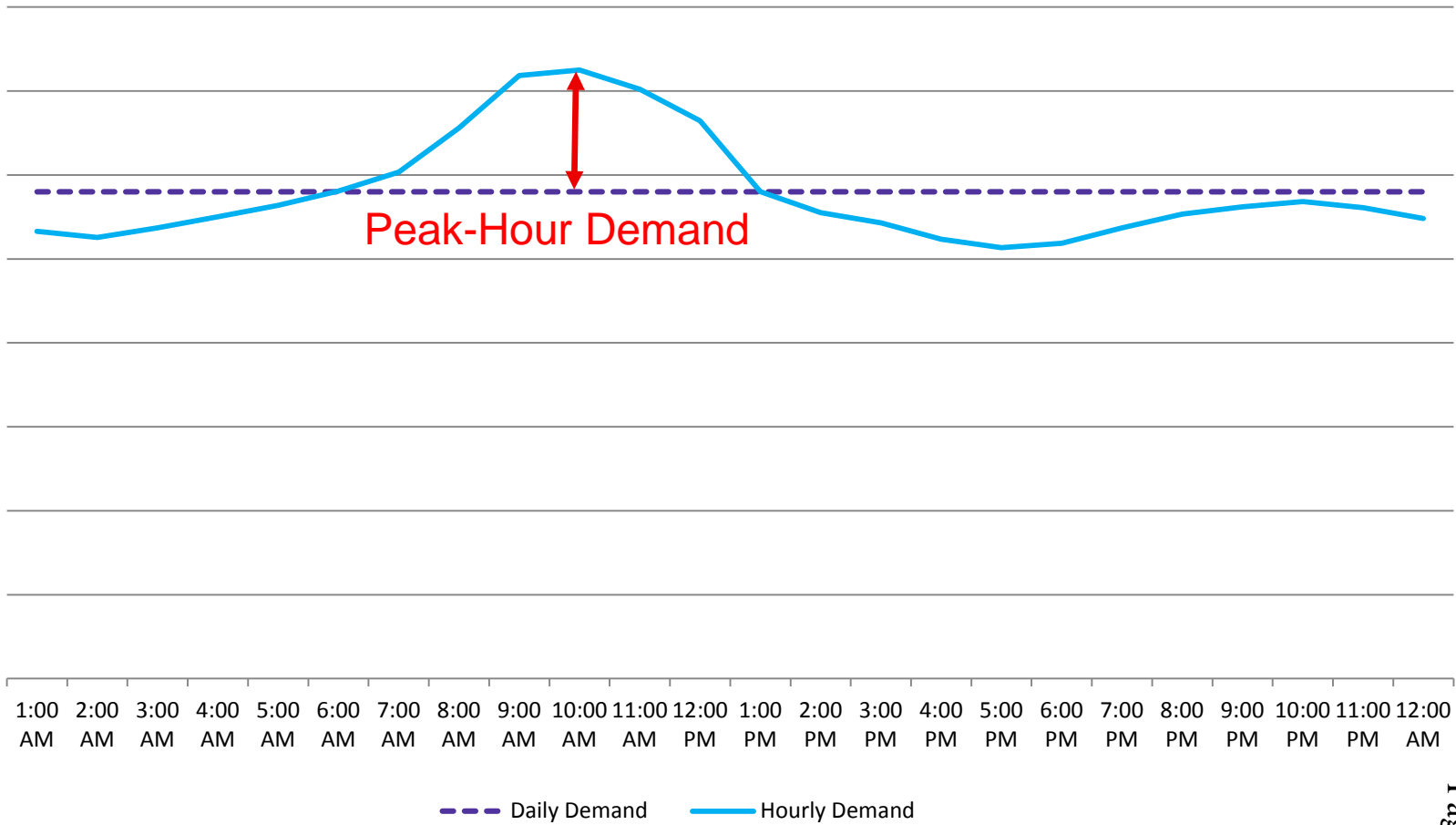
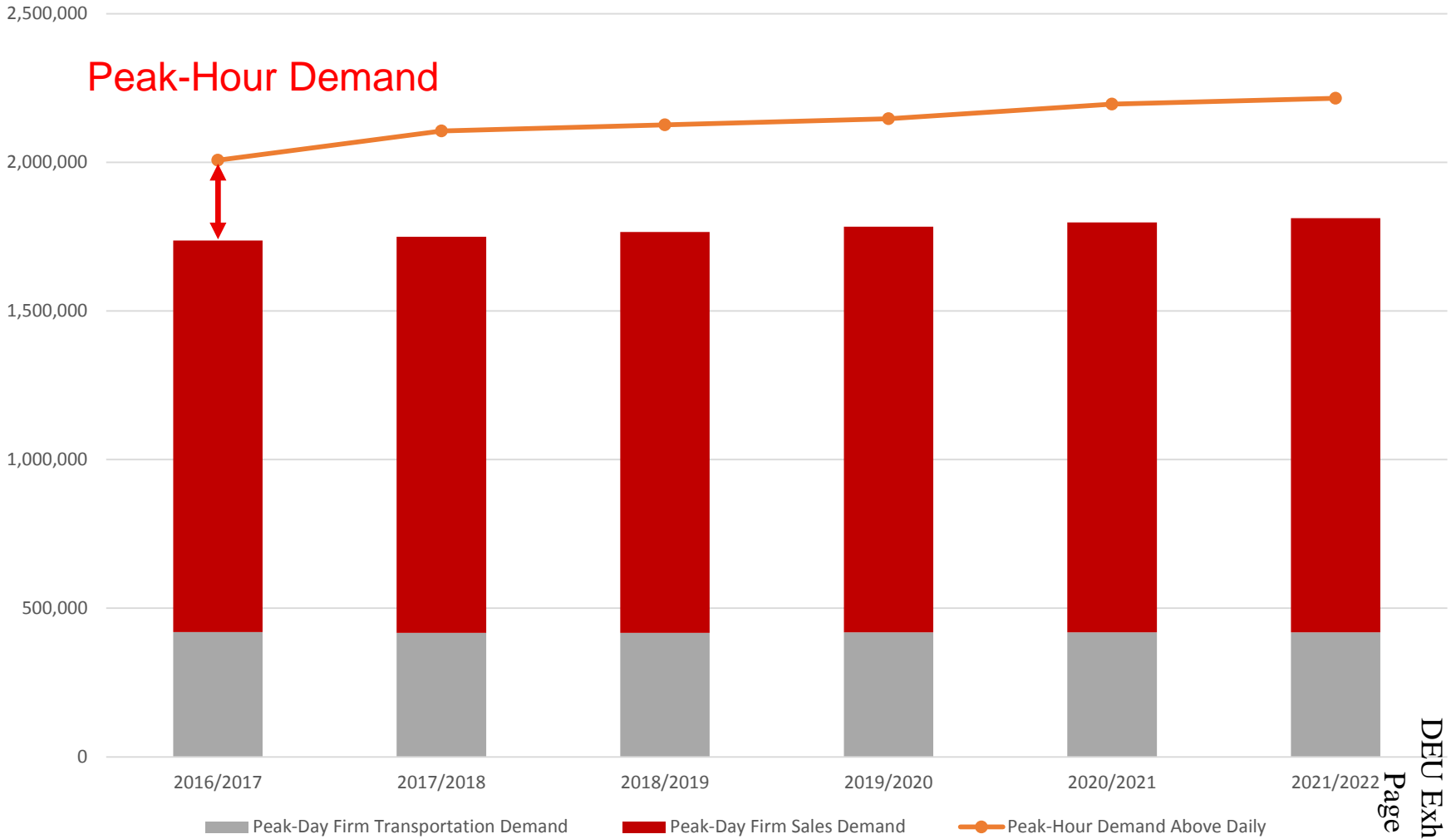


Options to Meet Peak-Hour Demand

Hourly vs Daily Demand

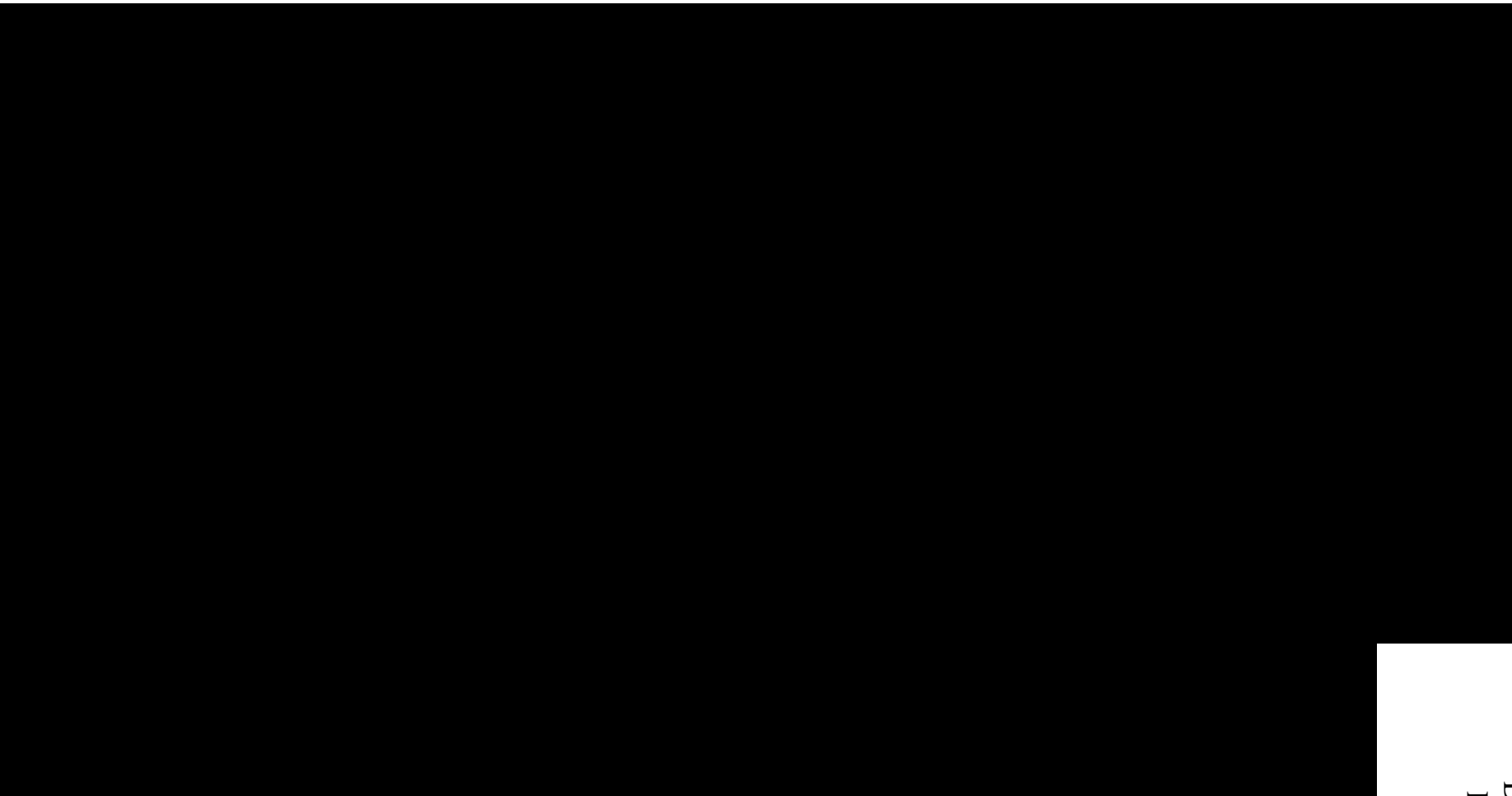


Peak-Hour and Peak-Day Requirements



Options to Meet Peak-Hour Demand

- Peak-hour services
- Demand response
- Additional upstream capacity/purchase excess supply
- Facility improvements
- Liquefied Natural Gas (LNG) peak-shaving facility



Options to Meet Peak-Hour Demand

Questar Pipeline Firm Peaking (Short-Term)

- Requires, No-Notice Transportation, T-1 capacity and Aquifer Peaking Service contracts
- No additional nominations/purchases required
- Contingent on FERC filing and approval
- The off-system capacity necessary to provide this service would only be reserved for the term of the short-term agreement and is subject to availability after the term ends

Questar Pipeline Firm Peaking (Multi-year Term)

- Requires, No-Notice Transportation, T-1 capacity and Aquifer Peaking Service contracts
- No additional nominations/purchases required
- Contingent on FERC filing and approval
- Year-to-year evergreen included

Options to Meet Peak-Hour Demand

Kern River Firm Peaking

- No associated storage service
- Tariff has already been approved
- Already in use
- Up to 300,000 Dth may be available
- Currently limited by gate station capacity/takeaway

Excess Purchase/Capacity

- Risk of supply availability
- Costs do not include commodity costs
- Excess purchases must be rescheduled to storage

Options to Meet Peak-Hour Demand

LNG Storage Facility

- Reliable supply
- No upstream transportation required for withdrawals
- Not subject to scheduling cycles
- Can be used for summertime storage
- Provides withdrawal assistance during the Clay Basin tests
- Not available until after 2020
- Cost

Options to Meet Peak-Hour Demand

- Demand Response
 - Customers surveyed did not show interest
 - Evidence exists that customers do not curtail usage during periods of interruption
 - Continuing to look at demand response programs
 - Evaluating time-of use rates
 - Hourly data not available from all existing residential meters
 - No gas programs have been identified that provide quantifiable reductions

