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Dominion Energy

August 1, 2018

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 1st quarter 2018.

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

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

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 1st Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 31.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by $1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of March 2018, the balance in the CET is a $8,207,918.79 over collection. This is well within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 1st quarter 2018 are included in Exhibit 32. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	The transition costs are shown in Exhibit 32. All of the costs shown in the exhibit are booked to 930.205.

39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.

46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

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

Advance Notice Start Dates were scheduled as follows:

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

Of the 56 affected employees 17 have found other positions in the Company. This number will be updated in future integration progress reports.

Dominion Energy
Merger Costs
YTD March 31, 2018

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$0	$0	$0	$0	$0	$0	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	0	0	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0	0	1/
14	Curtailment of Pension/Medical/Life Plans					0	0	
15	Insurance proceeds					0	0	
16	Other transaction costs	0	0	0	0	0	0	
17	Total Transaction Costs	0	0	0	0	0	0	
	Transition Costs - GL Account 930205							
18	Retention	0	0	0	0	0	0	1/
19	Voluntary severance program	0	0	0	0	0	0	1/
20	Involuntary severance program	0	204,311	0	0	0	204,311	1/
21	Total Transition Costs for 2018	0	204,311	0	0	0	204,311	
22	Total	$0	$204,311	$0	$0	$0	$204,311	

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

	A	B	C	D	E
Allocated Costs					
Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0
Retention	0	0	0	0	0
Involuntary severance program	0	0	0	0	0

Dominion Energy
Merger Costs
LTD March 31, 2018

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$10,056,485	$5,644,730	$3,699,626	$80,769	$0	$19,481,610	1/
2	Mark-to-market of performance shares and deferred compensation	$134,589	$402,971	$168,960	$0	$2,532,972	3,239,492	
3	Restricted stock units settlement	$2,235,343	$2,561,901	$1,741,908	$20,707	$0	6,559,860	1/
4	Peformance share settlement	$1,811,092	$2,192,863	$1,294,449	$24,540	$0	5,322,945	1/
5	Peformance share - additional expense	$663,405	$674,976	$387,948	$7,468	$0	1,733,797	1/
6	Wexpro software relicensing charges	$0	$0	$393,700	$0	$0	393,700	
7	Legal	$0	$0	$0	$0	$6,234,519	6,234,519	
8	Financial advisor	$0	$0	$0	$0	$28,257,211	28,257,211	
9	Fees for special proxy statement	$0	$0	$0	$0	$658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	$0	$0	$0	$0	$367,773	367,773	
11	Unamortized debt costs	$0	$0	$0	$0	$336,078	336,078	
12	Debt issuance revolver fees	$0	$0	$0	$0	$2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	$2,308,760	$5,451,368	$980,092	$123,885	$4,285,164	13,149,269	1/
14	Curtailment of Pension/Medical/Life Plans	$0	$0	$0	$0	$12,895,606	12,895,606	
15	Insurance proceeds	$0	$0	$0	$0	($559,573)	(559,573)	
16	Other transaction costs	$267,021	$49,877	$50,355	$1,014	$140,460	508,726	
17	Total Transaction Costs	17,476,695	16,978,687	8,717,038	258,383	57,164,799	100,595,602	
	Transition Costs - GL Account 930205							
18	Retention	385,800	541,973	828,906	5,928	386,195	2,148,802	1/
19	Voluntary severance program	2,374,208	8,814,100	2,375,757	74,870	4,667,262	18,306,197	1/
20	Involuntary severance program	0	204,311	1,125,277	0	335,109	1,664,696	1/
21	Total Transition Costs	2,760,008	9,560,384	4,329,939	80,798	5,388,566	22,119,696	
22	Total	$20,236,703	$26,539,072	$13,046,977	$339,181	$62,553,365	$122,715,298	
23	Allocated Costs							
24	Merger and restructuring	166,855	318,255	175,197	19,820	(680,127)	(0)	
25	Share-based compensation	1,864,135	3,555,613	1,957,343	262,812	(7,639,903)	0	
26	Severance program	5,199,538	9,917,480	5,459,515	733,049	(21,309,583)	0	
		7,230,528	13,791,347	7,592,056	1,015,681	(29,629,613)	(0)	

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

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2017 and 2016
and Report of Independent Auditors

GLOSSARY OF TERMS

The following abbreviations or acronyms used in these Consolidated Financial Statements are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as The Tax Cuts and Jobs Act) enacted on December 22, 2017
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
Commissions	The Public Service Commission of Utah and the Wyoming Commission
DEQPS	Dominion Energy Questar Pipeline Services, Inc.
DES	Dominion Energy Services, Inc.
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than Dominion Energy Questar) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
Dominion Energy Questar	The legal entity, Dominion Energy Questar Corporation, one or more of its consolidated subsidiaries (other than Wexpro) or operating segment, or the entirety of Dominion Energy Questar Corporation and its consolidated subsidiaries
Dominion Energy Questar Combination	Dominion Energy's acquisition of Dominion Energy Questar completed on September 16, 2016 pursuant to the terms of the agreement and plan of merger entered into on January 31, 2016
GAAP	U.S. generally accepted accounting principles
mcfe	Thousand cubic feet equivalent
NGL	Natural gas liquids
QEP	QEP Energy Company
Questar Gas	Questar Gas Company
SEC	Securities and Exchange Commission
VIE	Variable interest entity
Wexpro	The legal entity, Wexpro Company, one or more of its consolidated subsidiaries, or the entirety of Wexpro Company and its consolidated subsidiaries
Wexpro II	The legal entity, Wexpro II Company
Wexpro Agreement	Comprehensive agreement with the states of Utah and Wyoming that sets forth the rights of Questar Gas to receive certain benefits from Wexpro's operations
Wexpro II Agreement	Agreement with the states of Utah and Wyoming modeled after the Wexpro Agreement that allows for the addition of properties under the cost-of-service methodology for the benefit of Questar Gas customers
Wexpro Agreements	The Wexpro Agreement and the Wexpro II Agreement combined
Wexpro Development	Wexpro Development Company
Wyoming Commission	Wyoming Public Service Commission

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31, 2017	2016
	(in millions)	
REVENUES		
Operator service fee(1)	$ 306.9	$ 311.7
Oil and NGL sales	11.6	8.5
Other(1)	1.4	1.1
Total Revenues	319.9	321.3
OPERATING EXPENSES		
Operating and maintenance(1)	23.0	23.9
General and administrative(1)	19.6	26.0
Merger and restructuring costs	2.5	12.3
Production and other taxes	19.9	16.2
Depreciation, depletion and amortization	109.6	106.7
Accretion expense	4.3	4.0
Total Operating Expenses	178.9	189.1
OPERATING INCOME	141.0	132.2
Interest and other income(1)	0.5	0.4
INCOME BEFORE INCOME TAXES	141.5	132.6
Income taxes	(50.5)	(41.1)
NET INCOME	$ 91.0	$ 91.5

(1) See Note 10 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY

	Common Stock(1)	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comp. Income (Loss)	Total
			(in millions)		
Balances at December 31, 2015	$ —	$ 181.8	$ 481.5	$ 0.1	$ 663.4
Dividends	—	—	(187.2)	—	(187.2)
Share-based compensation	—	2.6	—	—	2.6
Net income	—	—	91.5	—	91.5
Net other comprehensive loss	—	—	—	(0.1)	(0.1)
Balances at December 31, 2016	—	184.4	385.8	—	570.2
Dividends	—	—	**(107.0)**	—	**(107.0)**
Net income	—	—	**91.0**	—	**91.0**
Other	—	—	**0.2**	—	**0.2**
Balances at December 31, 2017	**$ —**	**$ 184.4**	**$ 370.0**	**$ —**	**$ 554.4**

(1) Par value $0.01 per share; 1,000 shares authorized, issued and outstanding

See notes accompanying the consolidated financial statements.

Note 1 – Description of Business

Wexpro is a wholly-owned subsidiary of Dominion Energy Questar, a wholly-owned subsidiary of Dominion Energy. Wexpro develops and produces cost-of-service reserves for a gas utility affiliate, Questar Gas, under the terms of the Wexpro Agreements and comprehensive agreements with the states of Utah and Wyoming.

Pursuant to the Wexpro Agreements, Wexpro recovers its costs and receives an after-tax return on its investment base. Wexpro's investment base is made up of the costs of acquired properties and commercial wells and related facilities, adjusted for working capital and reduced for deferred income taxes and accumulated depreciation, depletion and amortization. Property acquisition costs only pertain to properties that have been approved under the Wexpro II Agreement by the Commissions. The terms of the Wexpro Agreements coincide with the productive lives of the gas and oil properties covered therein. Wexpro's gas and oil development and production activities are subject to oversight by the Utah Division of Public Utilities and the staff of the Wyoming Commission, which have retained an independent certified public accountant and an independent petroleum engineer to monitor the performance of the agreements.

Wexpro has agreed to manage production to 65% of Questar Gas' annual forecasted demand. Beginning in June 2015 through May 2016 and for each subsequent 12-month period, if the combined annual production exceeds 65% of the forecasted demand and the cost-of-service price is greater than the Questar Gas purchased-gas price, an amount equal to the excess production times the excess price will be credited back to Questar Gas' customers. Wexpro may also sell production to manage the 65% level and credit back to Questar Gas' customers the higher of market price or the cost-of-service price times the sales volumes. As of December 31, 2017, Wexpro's trailing 12-month cost-of-service gas deliveries were below the 65% threshold.

Wexpro's primary market area is the Rocky Mountain region of the United States. Pursuant to the Wexpro Agreements, Wexpro's primary customer is Questar Gas which is responsible for over 90% of Wexpro's operating revenues and receivables from affiliates. The Wexpro Agreements generate the majority of Wexpro's revenue and net income.

Wexpro Development
Wexpro Development is an affiliate company owned by Dominion Energy Questar, but is not included in these consolidated financial statements. Wexpro Development invests in properties outside the Wexpro Agreements. However, the properties may be transferred to Wexpro II if approved by the Commissions.

Note 2 – Summary of Significant Accounting Policies

General
The Wexpro consolidated financial statements contain the accounts of the parent company and its wholly-owned subsidiary, Wexpro II. The consolidated financial statements were prepared in accordance with GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Wexpro also incorporates estimates of proved developed and total proved gas and oil reserves in the calculation of depreciation, depletion and amortization rates of its gas and oil properties. Changes in estimated quantities of its reserves could impact Wexpro's reported financial results. Actual results could differ from these estimates.

Wexpro reports certain contracts and instruments at fair value. The carrying amount of cash and cash equivalents, accounts receivable, receivables from affiliates, payables to affiliates and accounts payable are representative of fair value because of the short-term nature of these instruments. The carrying amount of the note payable to Dominion Energy is representative of fair value because of its short-term maturity and market-based interest rate.

Revenue Recognition
Wexpro recognizes revenues in the period that services are provided or products are delivered. In accordance with the Wexpro Agreements, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service, including an after-tax return on Wexpro's investment. Wexpro sells crude oil and NGL production from certain producing properties at market prices, with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Questar Gas and Wexpro, with Wexpro retaining 46%. Amounts received by Questar Gas from the sharing of Wexpro's oil and NGL income are used to reduce natural gas costs to utility customers.

Regulatory Assets and Liabilities
The accounting for Wexpro's operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its Consolidated Financial Statements. For regulated businesses subject to state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

Wexpro evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made.

Asset Retirement Obligations
The fair value of retirement costs is estimated based on abandonment costs of similar properties available to field operations and depreciated over the life of the related assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs.

Income Taxes
Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws, including the provisions of the 2017 Tax Reform Act, involves uncertainty, since tax authorities may interpret the laws differently. In addition, the states in which Wexpro operates may or may not conform to some or all the provisions in the 2017 Tax Reform Act. Ultimate resolution or clarification of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

A consolidated federal income tax return is filed for Dominion Energy and its subsidiaries, including Wexpro. For 2016, a consolidated federal income tax return was filed for Dominion Energy Questar, including Wexpro, for the period January 1, 2016 through September 16, 2016. Wexpro was part of the consolidated federal income tax return filed by Dominion Energy for the period September 17, 2016 through December 31, 2016. In addition, where applicable, combined income tax returns for Dominion Energy and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed.

Wexpro participates in intercompany tax sharing agreements with Dominion Energy and its subsidiaries. Current income taxes are based on taxable income or loss and credits determined on a separate company basis. Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Dominion Energy and its subsidiary Wexpro, including changes in corporate tax rates and business deductions. The 2017 Tax Reform Act reduces the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. Deferred tax assets and liabilities are measured at the enacted tax rate expected to apply when temporary differences are realized or settled. Thus, at the date of enactment, deferred taxes were remeasured based upon the new 21% tax rate. The total effect of tax rate changes on federal deferred tax balances is recorded as a component of the income tax provision related to continuing operations for the period in which the law is enacted, even if the assets and liabilities relate to other components of the financial statements. As a regulated entity, Wexpro is required to adjust deferred income tax assets and liabilities for the change in income tax rates. However, as it is probable that the effect of the change in income tax rates will be recovered or refunded in future rates, Wexpro has recorded a regulatory asset or liability instead of an increase or decrease to deferred income tax expense.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. Wexpro establishes a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized.

Wexpro recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information.

The current portion of the ARO balance is $0.2 million and is included in accrued expenses and other on the Consolidated Balance Sheets. Changes in AROs from the Consolidated Balance Sheets were as follows:

	2017	2016
	(in millions)	
AROs at beginning of year	$ 68.9	$ 63.4
Accretion	4.3	3.9
Liabilities incurred	3.8	0.3
Revisions in estimated cash flows	9.2	2.1
Liabilities settled	(1.2)	(0.8)
AROs at end of year	$ 85.0	$ 68.9

Wexpro collects from Questar Gas and deposits in trust certain funds related to estimated ARO costs. These funds are used to satisfy retirement obligations as the properties are abandoned. The funds are measured using net asset value (or its equivalent) as a practical expedient which are not required to be categorized in the fair value hierarchy. At December 31, 2017 and 2016, the funds totaled $26.1 million and $19.2 million, respectively, and are included in other noncurrent assets on the Consolidated Balance Sheets. The accounting treatment of reclamation activities associated with AROs for properties administered under the Wexpro Agreements is defined in a guideline letter between Wexpro and the Utah Division of Public Utilities and the staff of the Wyoming Commission.

Note 4 – Short-Term Debt

Dominion Energy may make loans to Wexpro under a short-term borrowing arrangement. As of December 31, 2017, there were no short-term borrowings outstanding. At December 31, 2016, Wexpro had a short-term note with Dominion Energy for $4.0 million with a variable interest rate of 1.05%. Interest charges paid to Dominion Energy were less than $0.1 million for the years ended December 31, 2017 and 2016.

Note 5 - Income Taxes

Judgments and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws involves uncertainty, since tax authorities may interpret the laws differently. Wexpro is routinely audited by federal and state tax authorities. Ultimate resolution of income tax matters may result in favorable or unfavorable impacts of net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Wexpro, as discussed in Note 2. The 2017 Act Reform Act reduces the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. At the date of enactment, deferred tax assets and liabilities were remeasured based upon the enacted 21% tax rate expected to apply when temporary differences are to be realized and settled. The specific provisions related to regulated entities in the 2017 Tax Reform Act generally allows for the continued deductibility of interest expense, changes the tax depreciation of certain property acquired after September 27, 2017, and continues certain rate normalization requirements for accelerated depreciation benefits.

As indicated in Note 2, Wexpro's operations, including accounting for income taxes, are subject to regulatory accounting treatment. For regulated operations, many of the changes in deferred taxes represent amounts probable of collection from or refund to customers, and are recorded as either an increase to a regulatory asset or liability. The 2017 Tax Reform Act includes provisions that stipulate how these excess deferred taxes are to be passed back to customers for certain accelerated tax depreciation benefits. Potential refunds of other deferred taxes will be determined by Wexpro's state regulators.

Wexpro has completed or has made a reasonable estimate for the measurement and accounting of certain effects of the 2017 Tax Reform Act which have been reflected in the consolidated financial statements. The changes in deferred taxes were recorded as either an increase to a regulatory liability or as an adjustment to Wexpro's deferred tax provision.

The items reflected as provisional amounts are related to accelerated depreciation for tax purposes of certain property acquired and placed into service after September 27, 2017 and the impact of accelerated depreciation on state income taxes to the extent there is uncertainty on conformity to the new federal tax system.

The determination of the impact of the income tax effects of the items reflected as provisional amounts represents a reasonable estimate, but will require additional analysis of historical records and further interpretation of the 2017 Tax Reform Act from

Note 6 - Regulatory Assets and Liabilities and Regulatory Matters

Regulatory assets and liabilities include the following:

	December 31, 2017	December 31, 2016
	(in millions)	
Regulatory Assets:		
Deferred depreciation, depletion and amortization(1)	$ 13.8	$ 13.8
Deferred production taxes(1)	3.7	3.7
Deferred other operations and maintenance(1)	2.8	1.9
Deferred royalties(2)	1.4	4.4
AROs(3)	0.2	0.2
Regulatory assets - current	21.9	24.0
Deferred production imbalance(4)	-	6.9
AROs(3)	0.5	0.7
Regulatory assets - noncurrent	0.5	7.6
Total regulatory assets	$ 22.4	$ 31.6
Regulatory Liabilities:		
Income taxes refundable through future rates(5)	$ 78.7	$ —
Depreciation(6)	13.5	9.7
Regulatory liabilities - noncurrent	92.2	9.7
Total regulatory liabilities	$ 92.2	$ 9.7

(1) *Recoverable charges incurred by Wexpro but not yet billed to Questar Gas.*
(2) *Royalties on cost-of-service gas produced are recovered from Questar Gas on a delayed basis.*
(3) *Allowed recovery of the cumulative effect of adoption of revised accounting standards for AROs.*
(4) *Production imbalances are recovered from customers at the end of the gas wells' useful life.*
(5) *Amounts recorded to pass the effect of reduced income tax rates from the 2017 Tax Reform Act to customers in future periods, which will reverse at the weighted average tax rate that was used to build the reserves over the remaining book life of the property.*
(6) *Based on the Wexpro II Agreement, Wexpro depreciates its investment base on an accelerated basis. This corresponds to the accumulated incremental depreciation expense recorded in accordance with the Wexpro II Agreement.*

In December 2015, Wexpro Development acquired working interests in 75 producing wells and 112 future drilling locations in the Trail, Whiskey Canyon, Canyon Creek and Kinney units in southwestern Wyoming (collectively known as the Vermillion Basin acquisition). In January 2017, Wexpro applied to the Commissions to have these properties included as Wexpro II properties. The proposal stipulated that the acquisition costs of the approved properties would be adjusted for the depreciation of the gas sold from the time Wexpro Development closed on the properties until their final approval as Wexpro II properties. In March 2017, the Commissions approved the inclusion of these properties in Wexpro II at an adjusted price of $11.1 million.

Note 7 - Employee Benefit Plans

Wexpro participates in retirement benefit plans sponsored by Dominion Energy effective December 2017, reflecting the merger of plans previously sponsored by Dominion Energy Questar, which provide certain retirement benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion Energy reserves the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Pension benefits for employees are covered by a defined benefit pension plan sponsored by Dominion Energy that provides benefits to multiple Dominion Energy subsidiaries. Retirement benefits payable are based primarily on years of service, age and the employee's compensation. As a participating employer, Wexpro is subject to Dominion Energy's funding policy, which is to contribute annually an amount that is in accordance with the provisions of the Employee Retirement Income Security Act of 1974. During 2017, Wexpro made $0.4 million of contributions to the pension plan, and no contributions to this plan are currently expected in 2018. Net periodic pension cost (credit) related to this plan was $(0.4) million and $0.5 million in 2017 and 2016, respectively, recorded in general and administrative expense in the Consolidated Statements of Income. The funding status of various Dominion Energy subsidiary groups and employee compensation is the basis for determining the share of total pension costs for participating Dominion Energy subsidiaries.

Retiree healthcare and life insurance benefits for employees are covered by a plan sponsored by Dominion Energy that provides certain retiree healthcare and life insurance benefits to multiple Dominion Energy subsidiaries. Annual employee premiums are subsidiaries, including Wexpro, as a subsidiary service company. The Consolidated Balance Sheets at December 31, 2017 and 2016, included amounts due to DEQPS of less than $1 million for both periods.

Wexpro entered into a service agreement with DES, an affiliated VIE, effective January 2018. DES provides accounting, legal, finance, and certain administrative and technical services to Dominion Energy and its subsidiaries including Wexpro.

Wexpro determined that it is not the primary beneficiary of DEQPS or DES as it does not have both the power to direct the activities that most significantly impact their economic performance nor the obligation to absorb losses and benefits which could be significant to it. Wexpro has no obligation to absorb more than its allocated share of DEQPS and DES costs.

Note 10 - Related-Party Transactions

Under the Wexpro Agreements, Wexpro earns revenues from Questar Gas as operator service fees for costs associated with operating gas wells for the benefit of Questar Gas customers.

Dominion Energy Questar and other affiliates (including DES) provide accounting, legal, finance and certain administrative and technical services to Wexpro. These costs are primarily included in general and administrative expense in the Consolidated Statements of Income on the basis of direct and allocated methods. Where costs incurred cannot be determined by specific identification, the costs are generally allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs for costs from Dominion Energy Questar and based on the proportional level of effort devoted by resources that is attributable to Wexpro, determined by reference to number of employees, salaries and wages and other similar measures for the relevant DES service. Management believes that the allocation methods are reasonable. Wexpro provides certain services to related parties, including technical services which are allocated based on the specific nature of the charges. Management believes that the allocation method is reasonable. The amounts for the services follow:

	December 31, 2017	December 31, 2016
	(in millions)	
Operator service fee	**$ 306.9**	$ 311.7
Services provided by related parties	**12.5**	12.9
Services provided to related parties	**1.1**	0.7

See Note 4 for interest expense associated with related parties and Note 6 for regulatory assets associated with related parties.

Note 11 - Subsequent Events

The consolidated financial statements reflect management's consideration of known subsequent events as of May 22, 2018, the date the financial statements were issued.

August 1, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 2017.

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

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending March 31, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 1st quarter 2018 results are attached as Exhibit 34. There are three areas where the Company is deficient. Billing metric #1, read each meter monthly, was 94.4%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 73% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. The Customer Care deficiency is also related to these same issues. The average wait was 60 seconds instead of 45. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.2	6.3	6.2	6.3
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.9	5.8	5.7	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.5	5.2	5.2	5.2	5.3
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.6	6.7	6.7	6.7
5	Is honest and open in its dealings	5.5	CSS	6.0	5.9	5.8	5.8	5.9
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.8	5.6	5.6	5.5	5.6

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

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	88.1%	92.0%	92.2%	86.9%	89.8%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.4%	99.5%	99.4%	99.5%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	51	33	29	60	43
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.5%	1.0%	0.9%	1.4%	1.2%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.0	4.8	4.9	5.1	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.7	6.6	6.6	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.6	6.3	6.3	6.5
8	My call was answered quickly	5.5	CSS	6.4	6.2	6.1	6.2	6.2
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.4	6.5	6.2	6.1	6.3
10	The automated menu was easy to use	5.7	CSS	6.2	5.9	6.0	6.0	6.0
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.3	6.4	6.1	6.0	6.2

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

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.8	6.8	6.7	6.8
2	The technician was knowledgeable	6.2	CSS	6.7	6.8	6.6	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.6	6.7	6.6	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.3	6.5	6.6	6.3	6.4
5	The automated menu was easy to use	5.7	CSS	6.1	6.4	6.5	6.2	6.3
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.5	6.5	6.3	6.4

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

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.8	6.8	6.9	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.7	6.7	6.8	6.7
3	The service technician was able to help me quickly	6.2	CSS	6.7	6.6	6.6	6.8	6.7
4	The service technician was able to help me resolve my issue	6.2	CSS	6.4	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.6	6.7	6.7	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.3%	98.4%	98.3%	97.8%	98.2%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	98.9%	100.0%	100.0%	99.7%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100%

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

	Service	2018 Annual Goal	Measurement Source	Q2 2017	Q3 2017	Q4 2017	Q1 2018	12 Mo. Ended 3/31/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	97.4%	97.0%	93.8%	94.4%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.53%	0.73%	0.60%	0.52%	2.38%
3	Send corrected statement to customer	5 Business Days	Internal Report	2.21 days	1.75 days	3.24 days	3.52 days	2.33 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.8%	99.8%	97.8%	98.3%	98.9%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	94%	90%	84%	73%	85%

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	3		5		
Service Calls						
1	The service technician was courteous	6.7	7.0	6.9	7.0	6.8
2	The service technician was knowledgeable	6.6	6.5	6.9	7.0	7.0
3	The service technician was able to help me quickly	6.5	7.0	6.8	7.0	7.0
4	The service technician was able to resolve my issue	6.0	6.8	6.6	6.6	7.0
5	How satisfied are you with the service technician's overall performance	6.4	7.0	6.7	7.0	7.0
6	Emergency calls - company representative is onsite within 1 hour of call	99.1%	93.2%	97.6%	97.2%	97.6%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	99.7%	100.0%	99.8%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
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DominionEnergy.com

Dominion Energy®

October 23, 2018

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 2nd quarter 2018.

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

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

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 2nd Quarter 2018 Integration Progress Report		
	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 35.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by $1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 in the first quarter 2018 report for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of June 2018, the balance in the CET is a $10.5 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 2nd quarter 2018 costs are included in Exhibit 36. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	The transition costs are shown in Exhibit 36. All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33 in the 1st quarter 2018 report.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.

42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34. 2nd quarter 2018 results are attached as Exhibit 37.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33 in the second quarter 2018 report.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

Involuntary Severance Plan Summary

56 Dominion Energy Services (Questar Corporation) employees

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

Advance Notice Start Dates were scheduled as follows:

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

Of the 56 affected employees 19 have found other positions in the Company. This number will be updated in future integration progress reports.

Dominion Energy
Merger Costs
YTD June 30, 2018

		A Dominion Energy Questar Pipeline Consolidated	B Questar Gas	C Wexpro	D Other (Non DM)	E Dominion Energy Questar Corporation	F Total	
	Transaction Costs - GL Account 930205							
1	Severance	$0	$0	$0	$0	$0	$0	1/
2	Mark-to-market of performance shares and deferred compensation	0	0	0	0	0	0	
3	Restricted stock units settlement	0	0	0	0	0	0	1/
4	Peformance share settlement	0	0	0	0	0	0	1/
5	Peformance share - additional expense	0	0	0	0	0	0	1/
6	Wexpro software relicensing charges	0	0	0	0	0	0	
7	Legal	0	0	0	0	0	0	
8	Financial advisor	0	0	0	0	0	0	
9	Fees for special proxy statement	0	0	0	0	0	0	
10	Financing fees Questar Corporation $250 million notes	0	0	0	0	0	0	
11	Unamortized debt costs	0	0	0	0	0	0	
12	Debt issuance revolver fees	0	0	0	0	0	0	
13	Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0	0	1/
14	Curtailment of Pension/Medical/Life Plans					0	0	
15	Insurance proceeds					0	0	
16	Other transaction costs	0	0	0	0	0	0	
17	Total Transaction Costs	0	0	0	0	0	0	
	Transition Costs - GL Account 930205							
18	Retention	0	0	0	0	0	0	1/
19	Voluntary severance program	0	0	0	0	0	0	1/
20	Involuntary severance program	0	204,311	0	0	0	204,311	1/
21	Total Transition Costs for 2018	0	204,311	0	0	0	204,311	
22	Total	$0	$204,311	$0	$0	$0	$204,311	

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

Allocated Costs	A	B	C	D	E
Curtailment of Supplemental Executive Retirement Plan	0	0	0	0	0
Retention	0	0	0	0	0
Involuntary severance program	0	0	0	0	0

Dominion Energy
Merger Costs
LTD June 30, 2018

		A	B	C	D	E	F	
		Dominion Energy Questar Pipeline Consolidated	Questar Gas	Wexpro	Other (Non DM)	Dominion Energy Questar Corporation	Total	
	Transaction Costs - GL Account 930205							
1	Severance	$10,056,485	$5,644,730	$3,699,626	$80,769	$0	$19,481,610	1/
2	Mark-to-market of performance shares and deferred compensation	$134,589	$402,971	$168,960	$0	$2,532,972	3,239,492	
3	Restricted stock units settlement	$2,235,343	$2,561,901	$1,741,908	$20,707	$0	6,559,860	1/
4	Peformance share settlement	$1,811,092	$2,192,863	$1,294,449	$24,540	$0	5,322,945	1/
5	Peformance share - additional expense	$663,405	$674,976	$387,948	$7,468	$0	1,733,797	1/
6	Wexpro software relicensing charges	$0	$0	$393,700	$0	$0	393,700	
7	Legal	$0	$0	$0	$0	$6,234,519	6,234,519	
8	Financial advisor	$0	$0	$0	$0	$28,257,211	28,257,211	
9	Fees for special proxy statement	$0	$0	$0	$0	$658,124	658,124	
10	Financing fees Questar Corporation $250 million notes	$0	$0	$0	$0	$367,773	367,773	
11	Unamortized debt costs	$0	$0	$0	$0	$336,078	336,078	
12	Debt issuance revolver fees	$0	$0	$0	$0	$2,016,466	2,016,466	
13	Curtailment of Supplemental Executive Retirement Plan	$2,308,760	$5,451,368	$980,092	$123,885	$4,285,164	13,149,269	1/
14	Curtailment of Pension/Medical/Life Plans	$0	$0	$0	$0	$12,895,606	12,895,606	
15	Insurance proceeds	$0	$0	$0	$0	($559,573)	(559,573)	
16	Other transaction costs	$267,021	$49,877	$50,355	$1,014	$140,460	508,726	
17	Total Transaction Costs	17,476,695	16,978,687	8,717,038	258,383	57,164,799	100,595,602	
	Transition Costs - GL Account 930205							
18	Retention	385,800	541,973	828,906	5,928	386,195	2,148,802	1/
19	Voluntary severance program	2,374,208	8,814,100	2,375,757	74,870	4,667,262	18,306,197	1/
20	Involuntary severance program	0	204,311	1,125,277	0	335,109	1,664,696	1/
21	Total Transition Costs	2,760,008	9,560,384	4,329,939	80,798	5,388,566	22,119,696	
22	Total	$20,236,703	$26,539,072	$13,046,977	$339,181	$62,553,365	$122,715,298	
23	Allocated Costs							
24	Merger and restructuring	166,855	318,255	175,197	19,820	(680,127)	(0)	
25	Share-based compensation	1,864,135	3,555,613	1,957,343	262,812	(7,639,903)	0	
26	Severance program	5,199,538	9,917,480	5,459,515	733,049	(21,309,583)	0	
27	Curtailment of Supplemental Executive Retirement Plan	660,601	1,426,897	654,090	(28,648)	(2,712,940)		
28	Retention	93,357	184,950	94,719	8,971	(381,997)		
29	Involuntary severance program	1,218,077	2,475,173	1,206,072	103,049	(5,002,371)		
		9,202,563	17,878,367	9,546,937	1,099,053	(37,726,921)		

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

Dominion Energy Utah
Docket No. 18-057-09
2nd Qtr. 2018 Integration Progress Report
DEU Exhibit 36
Page 2 of 2

October 23, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 2nd quarter ended June 2018.

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

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending June 30, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 2nd quarter 2018 results are attached as Exhibit 37. There are three areas where the Company is deficient. Billing metric #1, read each meter monthly, was 97.8%, instead of 99% on average. This metric was deficient due to issues with battery failure on certain transponders. When the batteries fail, meter reads decrease and meter read estimates increase. The Company is currently undergoing a transponder replacement program that is scheduled to be complete in 2019. As these failing transponders are replaced it should result in higher meter reads. The second deficient metric was billing metric #5, "Response time to investigate meter problems and notify customer within 15 business days". This metric was 83% instead of 95%. This deficiency is also related to the transponder issues and resulted in a large backlog of customer requests. Because the billing department was short on staff and is also in the process of training new employees it was unable to respond to all of the requests within the 15 day time frame. Going forward, as the transponders are replaced there will be fewer issues to deal with and as new employees are trained the response times should improve. The Customer Care deficiency is related to high employee turnover in the call center. The average wait was 150 seconds instead of 45, due mainly to the fact that the department was understaffed because of the high employee turnover in the second quarter. The department is currently hiring additional people and should be fully staffed in the fourth quarter.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.2	6.3	6.2	6.1	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.9	5.8	5.7	5.7	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.2	5.2	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.6	6.7	6.7	6.6	6.6
5	Is honest and open in its dealings	5.5	CSS	5.9	5.8	5.8	5.7	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.6	6.5	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.6	5.6	5.5	5.4	5.5

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	92.0%	92.2%	86.9%	75.8%	86.7%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.4%	99.5%	99.5%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	33	29	60	150	68
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.0%	0.9%	1.4%	3.7%	1.8%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.8	4.9	5.1	5.0	5.0
6	The phone staff was courteous	6.0	CSS	6.7	6.6	6.6	6.5	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.6	6.3	6.3	6.3	6.4
8	My call was answered quickly	5.5	CSS	6.2	6.1	6.2	5.8	6.1
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.5	6.2	6.1	6.2	6.2
10	The automated menu was easy to use	5.7	CSS	5.9	6.0	6.0	5.8	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.4	6.1	6.0	5.9	6.1

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.8	6.7	6.7	6.8
2	The technician was knowledgeable	6.2	CSS	6.8	6.6	6.6	6.6	6.7
3	The technician was able to help me quickly	5.9	CSS	6.6	6.7	6.6	6.4	6.6
4	The technician was able to help me resolve my issue	5.9	CSS	6.5	6.6	6.3	6.8	6.6
5	The automated menu was easy to use	5.7	CSS	6.4	6.5	6.2	6.4	6.4
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.5	6.3	6.7	6.5

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.8	6.9	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.7	6.8	6.8	6.7
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.6	6.8	6.5	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.6	6.7	6.7	6.8	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.4%	98.3%	97.8%	98.1%	98.1%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	98.9%	100.0%	100.0%	97.9%	99.2%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q3 2017	Q4 2017	Q1 2018	Q2 2018	12 Mo. Ended 6/30/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	97.0%	93.8%	94.4%	97.8%	95.8%
2	Percent of adjustments	3% Annual	Billing Statistics	0.73%	0.60%	0.52%	0.52%	0.6%
3	Send corrected statement to customer	5 Business Days	Internal Report	1.75 days	3.24 days	3.52 days	3.13 days	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	99.8%	97.8%	98.3%	96.0%	98.0%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	90%	84%	73%	83%	83%

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	1		3		
Service Calls						
1	The service technician was courteous	6.8	7.0	6.7	6.6	6.8
2	The service technician was knowledgeable	6.7	7.0	6.8	6.8	6.8
3	The service technician was able to help me quickly	6.5	7.0	6.6	6.3	5.8
4	The service technician was able to resolve my issue	5.9	7.0	6.6	6.9	5.8
5	How satisfied are you with the service technician's overall performance	6.8	6.8	6.7	6.9	6.8
6	Emergency calls - company representative is onsite within 1 hour of call	99.3%	94.5%	97.2%	97.2%	98.2%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	94.4%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
Mailing Address:
P.O. Box 45360, Salt Lake City, UT 84145
DominionEnergy.com

Dominion Energy®

January 4, 2019

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Dominion Energy respectfully submits the attached Integration Progress Report for the 3rd quarter 2018.

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

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

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 3rd Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to Dominion's Board of Directors. The press release related to this appointment was filed as Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	Dominion Energy continues to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. 2017 actual capital expenditures were $211 million, as shown in DEU Exhibit 22 of the 4th qtr 2017 report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	Dominion and its subsidiaries continue to comply with this commitment.

10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy Utah and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees will be retiring between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he will be responsible for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees are eligible for the Company's severance package and have also been given the opportunity to apply for other positions. An update of the plan is shown in DEU exhibit 35 in the 2nd quarter 2018 report. There were no changes in the third quarter 2018.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy will comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy will comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy continues to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July the Company began billing customers using the new name.
18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01.

19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	Dominion will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	Dominion Energy will comply with this commitment. As shown in the April 17, 2017, Integration Report Exhibit 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%. The Company has requested from the commission to be able to adjust the capitalization range, see the application filed in Docket No. 18 057-23.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Questar Gas are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Questar Gas since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Questar Gas obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on Dominion Energy and kept the Questar Gas rating unchanged at A-. This report was attached as Exhibit 18 in the 3rd quarter report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as attachments DEU 24 and 25 in the 4th quarter 2017 report.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	Dominion Energy continues to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominon or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	In 2017 there was a net vehicle transfer to Dominion Energy Questar Pipeline of $22,000. In 2018 Dominion Energy Questar Gas transferred $1.5 million in vehicles to Dominion Energy Services. This Transfer was discussed with the Division of Public Utilities and they were not opposed to the transfer of assets.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	Dominion Energy continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	Dominion Energy continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by $1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	Dominion continues to comply with this commitment. To date, Dominion has been working to identify and evaluate charitable giving opportunities within the Dominion Energy service areas. Dominion has also established a Community Investment Board responsible for reviewing and approving charitable donations up to $25,000 per year per organization and for recommending the approval to the Dominion Foundation board charitable donations that exceed $25,000 per year per organization. At the end of each calendar year from 2017 to 2021, Dominion Energy will report to the Commission the total amount of its charitable contributions and demonstrate the fulfillment of this commitment. See exhibit DEU 26 in the first quarter 2018 report for total charitable contributions from 2014 to 2017.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. Exhibit 7 of the April 17, 2017 integration report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017. In 2018 the council held meetings on Feb 12, July 18, and September 17.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of June 2018, the balance in the CET is a $7.4 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	Dominion Energy continues to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first integration report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were filed in Exhibit 8 of the April 17, 2017 integration report. The transaction costs for the six months ended June 2017 were filed on August 15, 2017 in Exhibit 12 of this report. The transaction/transition costs for YTD December 2017 are shown in Exhibit 27 of the 2017 4th quarter report. 2nd quarter 2018 costs are included in Exhibit 36. All of these costs shown in the exhibit are booked to 930.205. These are below the line and will not be included in customer rates. There were no transaction/transition costs in the 3rd quarter 2018.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	Total YTD transition costs are shown in Exhibit 36 of the 2nd quarter 2018 report. There were no costs in the 3rd quarter 2018 All of the costs shown in the exhibit are booked to 930.205.
39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. Exhibit 28 shows the O&M per customer for 2017 of $111.37. Exhibit 29 of the 4th quarter 2017 report is the Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as exhibit 33 in the 1st quarter 2018 report.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	Dominion Energy continues to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	Dominion Energy continues to comply with this commitment.

42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	Dominion Energy continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	Dominion Energy continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23rd, 2017 to discuss proposed cost allocation methodologies. A copy of this presentation is attached as Exhibit 20 of the 3rd quarter 2017 progress report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	The 2017 affiliate transaction report was filed on July 1st 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Questar Gas met with the Division and the OCS and have updated the customer satisfaction standards. The first and second quarter results were filed on August 15, 2017 as Exhibit 14. The 3rd quarter 2017 results are attached as Exhibit 21. On January 9, 2018, the Company presented the metrics in a technical conference and explained its plan to resolve the deficient metrics. 4th quarter results were attached as Exhibit 30 in the 2017 4th quater report. 1st qtr 2018 results are attached as Exhibit 34. 2nd quarter 2018 results are attached as Exhibit 37. 3rd quarter results are attached in Exhibit 38.
48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The financial statements for Wexpro and Questar Pipeline were filed on August 15, 2017 as exhibit 15 and 16. The 2017 Questar Pipeline financials were filed as exhibit 29 in the 2017 4th quarter report. Wexpro 2017 final financials are included as exhibit 33 in the first quarter 2018 report. Questar Pipeline financial statements contained in the Form 3Q and Form 2 have been provided each quarter to the Division. The latest Form 3Q for the 3rd quarter 2018 was sent on 12/31/2018.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.

52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	Dominion Energy continues to comply with this commitment.
54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	Dominion Energy continues to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. Exhibit 11, filed in the April 17, 2017 integration report, included a copy of the notice that went to customers in the October bills.

December 27, 2018

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 3rd quarter ended September 2018.

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

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending September 30, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 3rd quarter 2018 results are attached as Exhibit 38. The company is deficient in the same areas addressed in the 1st and 2nd quarter reports of 2018. The transponder issues were explained in the January 6th technical conference and the transponder replacement program is expected to be complete in 2020. The other deficiencies are related to the current staffing situation in the Company's customer care department. In 2018 the average rate of attrition in the department was 23.2% compared to 12.9% in 2017. Because of the tight labor market it is more challenging to hire and retain employees. The department is currently understaffed by ten employees but has offered jobs to 6 candidates and is planning on having the four remaining slots filled by the 2nd quarter of 2019. The Company expects the customer service metrics will improve once the department is fully staffed and the faulty transponders have all been replaced.

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.3	6.2	6.1	6.2	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.8	5.7	5.7	5.8	5.7
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.2	5.1	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.7	6.6	6.6	6.6
5	Is honest and open in its dealings	5.5	CSS	5.8	5.8	5.7	5.8	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.6	6.5	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.6	5.5	5.4	5.5	5.5

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	92.2%	86.9%	75.8%	78.4%	83.3%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.4%	99.5%	99.5%	99.5%	99.5%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	29	60	150	124	91
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	0.9%	1.4%	3.7%	3.3%	2.3%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	4.9	5.1	5.0	5.2	5.1
6	The phone staff was courteous	6.0	CSS	6.6	6.6	6.5	6.5	6.5
7	The phone staff was knowledgeable	6.0	CSS	6.3	6.3	6.3	6.4	6.3
8	My call was answered quickly	5.5	CSS	6.1	6.2	5.8	6.0	6.0
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.2	6.1	6.2	6.2	6.2
10	The automated menu was easy to use	5.7	CSS	6.0	6.0	5.8	5.9	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.1	6.0	5.9	6.0	[illegible]

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.8	6.7	6.7	6.5	6.7
2	The technician was knowledgeable	6.2	CSS	6.6	6.6	6.6	6.2	6.5
3	The technician was able to help me quickly	5.9	CSS	6.7	6.6	6.4	6.4	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.6	6.3	6.8	6.3	[illegible]
5	The automated menu was easy to use	5.7	CSS	6.5	6.2	6.4	6.1	[illegible]
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.5	6.3	6.7	6.1	[illegible]

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

Service		2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.8	6.9	6.7	6.8	6.8
2	The service technician was knowledgeable	6.4	CSS	6.7	6.8	6.8	6.7	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.6	6.8	6.5	6.5	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.5	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.7	6.8	6.6	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	98.3%	97.8%	98.1%	97.2%	97.8%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	100.0%	99.9%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	100.0%	97.9%	96.4%	98.6%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q4 2017	Q1 2018	Q2 2018	Q3 2018	12 Mo. Ended 9/30/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	93.8%	94.4%	97.8%	96.7%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.60%	0.52%	0.52%	0.61%	0.6%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.24 days	3.52 days	3.13 days	2.55	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	97.8%	98.3%	96.0%	99.0%	97.8%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	84%	73%	83%	90%	83%

9/30/2018

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	0	0	0	0	0
Service Calls						
1	The service technician was courteous	6.9	7.0	6.7	6.9	7.0
2	The service technician was knowledgeable	6.8	7.0	6.5	6.7	7.0
3	The service technician was able to help me quickly	6.7	7.0	6.3	6.5	7.0
4	The service technician was able to resolve my issue	6.6	6.9	6.4	6.5	7.0
5	How satisfied are you with the service technician's overall performance	6.9	7.0	6.5	6.5	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	98.6%	93.7%	95.9%	95.8%	100.0%
7	Remove meter seal within 24 hours if requested by customer for activation	99.7%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	92.9%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%

Dominion Energy Utah
333 South State Street, Salt Lake City, UT 84145
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DominionEnergy.com

Dominion Energy®

May 16, 2019

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

Via E-mail

Dear Commissioners:

Pursuant to the Order Memorializing Bench Ruling Approving Settlement Stipulation in Docket No. 16-057-01 and paragraph 36 of the Settlement Stipulation attached thereto, Questar Gas Company dba Dominion Energy Utah (Dominion Energy) respectfully submits the attached Integration Progress Report for the 4th quarter 2018.

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

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

Sincerely,

Kelly B Mendenhall
Director, Pricing and Regulation

Utah 4th Quarter 2018 Integration Progress Report

	Utah Stipulation	Status
1	After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").	Completed 9/16/16. Dominion Energy, Inc. (DEI) continues to comply with the commitment.
2	At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will continue to exist as a separate legal entity with its own complete set of books and records.	Completed 9/16/16. DEI and Questar Gas Company dba Dominion Energy Utah (Dominion Energy or Company) continue to comply with the commitment.
3	Dominion will maintain Dominion Questar Gas' corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas' corporate headquarters from Salt Lake City to another location for the foreseeable future.	Completed 9/16/16. DEI and Dominion Energy continue to comply with the commitment.
4	Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be allocated to Dominion Questar Gas customers associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.	Completed 9/16/16. Dominion Energy continues to comply with the commitment.
5	Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a current member of the Questar Corporation board as a director to serve on Dominion's board of directors.	Ron Jibson, former Chairman, CEO and President of Questar Corporation, has been appointed to DEI's Board of Directors. The press release related to this appointment was filed as DEU Exhibit 1 on April 17, 2017.
6	Dominion will take all necessary action to cause a current member of the Questar Corporation board to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company ("Questar Pipeline") is contributed to Dominion Midstream.	The Board of Directors of Dominion Midstream Partners appointed Harris Simmons as a director on October 24, 2016. Mr. Simmons was formerly lead director on the Board of Directors of Questar Corporation. The press release related to this appointment was filed as DEU Exhibit 2 on April 17, 2017.
7	Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction; reasonable rates; reliable service; customer, public, and employee safety; environmental stewardship; and collaborative and productive relationships with customers, regulators, other governmental entities, and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah.	DEI and Dominion Energy continue to comply with the commitment.
8	Questar Gas and Dominion share the common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Absent a material change in circumstances, Dominion Questar Gas will continue its planned total capital expenditure program with an estimated $209 million investment in 2017, $208 million investment in 2018, and $233 million investment in 2019 (excludes investment in peak shaving facility). Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. Dominion will maintain the environmental monitoring and maintenance programs of Dominion Questar Gas at or above current levels.	Dominion Energy continues to comply with the commitment. Actual capital expenditures in 2017 were $211 million, as shown in DEU Exhibit 22 of the Fourth Quarter 2017 Integration Progress Report. Capital Expenditures for 2018 were $212 million as shown in DEU Exhibit 39 to the Fourth Quarter 2018 Integration Progress Report.
9	Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement and the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.	DEI and its subsidiaries continue to comply with this commitment.

10	Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah, to the extent any such employment positions are re-aligned, reduced, or eliminated in the future as a result of the Merger.	On June 6, 2017, Dominion Energy and Dominion Questar Pipeline offered a Voluntary Severance Plan to all supervisors over the age of 55. The program was offered to 65 participants and 37 participants accepted the severance package. Of those that accepted, 25 were from Dominion Energy Utah. These employees retired between August 1, 2017 and July 1, 2018. They received three weeks of severance for each year of service, up to 52 weeks. During the 2nd quarter, two employees in the Salt Lake City office accepted opportunities in other areas of the Company. On August 1, 2017, Craig Wagstaff was named President, Gas Distribution. In his new role, he assumed responsibility for all of the natural gas LDC's in the Dominion Energy Family. He will continue to be located in the Salt Lake City office. In August 2017, the Company announced its organizational alignment for the corporate functions which resulted in an elimination of 56 current positions. These employees were eligible for the Company's severance package and were given the opportunity to apply for other positions. An update of the plan was provided in DEU Exhibit 35 in the Second Quarter 2018 Integration Progress Report. There were no changes in the third or fourth quarter 2018.
11	Dominion, at shareholders' cost, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding, on a financial accounting basis, of Questar Corporation's (i) ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, (ii) nonqualified defined-benefit pension plans, and (iii) postretirement medical and life insurance (other post-employment benefit ("OPEB")) plans, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.	This pension contribution was funded on January 19, 2017.
12	Dominion and its affiliates commit to make officers and employees of Dominion reasonably available to testify before the Commission and provide information that is relevant to any matter within the jurisdiction of the Commission.	Dominion Energy and DEI continue to comply with this commitment.
13	As part of this and future regulatory proceedings, Dominion Questar Gas will provide information in response to discovery or requests for information about Dominion or its subsidiaries that are relevant to matters within the Commission's jurisdiction.	Dominion Energy continues to comply with this commitment.
14	Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate offices in Salt Lake City, UT.	Dominion Energy and DEI continue to comply with this commitment.
15	Dominion commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between Dominion Questar and Dominion Questar Gas.	Dominion has no plans to create a corporate entity between Dominion Questar and Dominion Questar Gas. Should these plans change Dominion will comply with this commitment.
16	For regulatory purposes, Dominion Questar Gas' accounting will continue to reflect assets at historical costs, approved depreciation rates, and deferred income taxes based on original cost in accordance with the Uniform System of Accounts and any relevant Commission orders.	Dominion Energy continues to comply with this commitment.
17	Dominion Questar Gas will not seek any changes to existing filed rates, rules, regulations, and classifications under Questar Gas' Utah Natural Gas Tariff No. 400 ("Tariff") because of the Merger, before its next general rate case, except to revise the Tariff to change the name of the operating entity. The Company will file for a name change within 21 days of the Effective Time.	On May 10, 2017, shareholders approved a name change for Dominion Resources Inc., to change its name to Dominion Energy. A tariff reflecting the name change was filed May 12th in Docket 17-057-T04 and the tariff was approved May 30th. On June 5, 2017, Questar Gas began doing business as Dominion Energy Utah. In July of 2017 the Company began billing customers using the new name.

18	Dominion Questar Gas will continue to file annually and follow the Commission's Integrated Resource Plan process and guidelines.	Dominion Energy Utah filed its 2018/2019 IRP on June 14th, 2018, in Docket 18-057-01. The 2019/2020 will be filed in June of 2019.
19	Dominion Questar will maintain established gas-supply interchangeability Wobbe indices for Questar Gas' receipt points and will be in compliance with the Commission's requirements.	Dominion Energy continues to comply with this commitment.
20	Goods and services provided to Dominion Questar Gas by Dominion or its subsidiaries shall be priced consistent with the Affiliate Expense Standard set forth in Section 2.06 of the Tariff. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas are just and reasonable.	Dominion Energy continues to comply with this commitment.
21	Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger from Dominion Questar Gas customers. Dominion will not record any goodwill or fair value in excess of net book value associated with the Merger on Dominion Questar Gas' books and will make the required accounting entries associated with the Merger on that basis. Dominion Questar will not seek recovery of any acquisition premium (goodwill) or fair value in excess of net book value associated with the Merger through allocation of cost to the affiliated companies of Dominion Questar.	Dominion Energy continues to comply with this commitment.
22	Dominion Questar will not sell all or a majority of Dominion Questar Gas' common stock without Commission approval.	DEI will comply with this commitment.
23	Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 48-55 percent (48-55%) through December 31, 2019.	As shown in DEU Exhibit 5 to the April 17, 2017 Integration Progress Report 5, the end-of-year common equity percentage of total capitalization for 2016 was 51%. The 2017 end-of-year common equity percentage of total capitalization was 49.91%. The 2018 end-of-year common equity percentage of total capitalization was 57.66%. In Docket 18-057-23 the Company received permission to exceed the 55% equity range in exchange for holding customers harmless in its next general rate case proceeding. Dominion Energy continues to comply with this commitment, as amended.
24	Dominion commits to use commercially reasonable efforts to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas' rate of return is established or it seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is not greater than would have been incurred absent the Merger, and will hold customers harmless from any increases in the cost of debt caused by the Merger. Nothing in this provision shall limit the Parties, in any general rate proceeding, from presenting any arguments or evidence as to the appropriate rate of return for Dominion Questar Gas, consistent with the provisions of Paragraph 60 of this Settlement Stipulation.	Dominion Energy continues to comply with this commitment. Current target ratings for Dominion Energy are A. Current senior unsecured ratings for Moody's and S&P are A2/stable and BBB+/stable which are equivalent to the ratings of Dominion Energy since the acquisition. The stable outlook from both Moody's and S&P indicate a steady ratings outlook into the future. On December 15, 2016, Dominion Energy obtained a long-term rating of A- from Fitch as shown in the April 17, 2017 report, Exhibit 6. On May 3, 2017, Fitch provided an update on DEI and kept the Dominion Energy rating unchanged at A-. This report was attached as DEU Exhibit 18 to the Third Quarter 2016 Integration Progress Report. On Dec 6, 2017 S&P gave a rating of BBB+/Stable/A-2. And on Dec 22, 2017 Moody's gave a rating of A2/Stable. These reports were included as DEU Exhibits 24 and 25 to the Fourth Quarter 2017 Integration Progress Report. On December 27, 2018 S&P's rating was BBB+/Stable/A-2. On January 30, 2019 Moody's issued a rating of A2 negative. Copies of the reports are included in the Fourth Quarter 2018 Integration Progress Report as DEU Exhibits 40 and 41.
25	Neither Dominion nor its subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than the lower of i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.	DEI and Dominion Energy continue to comply with this commitment.
26	Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.	Dominion Energy continues to comply with this commitment.

27	Dominion Questar Gas will not transfer material assets to or assume liabilities of Dominion or any other subsidiary of Dominion without the Commission's approval.	Dominion Energy continues to comply with this commitment. Dominion Energy has not made any transfers of material assets and has not assumed liabilities from any other Dominion Energy Inc. subsidiary.
28	Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.	Dominion Energy continues to comply with this commitment.
29	Dominion will continue to provide to Dominion Questar Gas no less than the same access to short-term debt, commercial paper, and other liquidity that Questar Corporation currently has in place for Questar Gas.	DEI continues to comply with this commitment.
30	Dominion commits that Wexpro will not be a party to a money pool. To the extent that the short-term working capital is required by Wexpro, it will be provided under the terms of a one-way intercompany note at the actual cost of that short-term debt at the Dominion level.	DEI continues to comply with this commitment.
31	Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas' service areas by $1,000,000 per year for at least five years following the Effective Time. Dominion Questar Gas will maintain or increase each jurisdiction's historic level of community involvement, low income funding, and economic development efforts in Questar Gas' current operating areas.	As shown in DEU Exhibit 42 attached to the Fourth Quarter 2018 Integration Progress Report, DEI has complied with this commitment. It will continue to do so.
32	Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities, and other related activities that affect Dominion's and Dominion Questar Gas' local stakeholders.	On November 28, 2016, Dominion Energy announced that it had named a citizen advisory council. DEU Exhibit 7 to the April 17, 2017 Integration Progress Report is a copy of the press release. The council held meetings on June 1, 2017, August 29th, 2017 and November 29, 2017. In 2018 the council held meetings on Feb 12, July 18, and September 17.
33	Within five (5) business days of the filing of this executed Settlement Stipulation, Questar Gas will petition to withdraw its pending application before the Commission in Docket No. 16-057-03 to increase annual non-gas distribution revenue by approximately $22 million. The Commission's granting of the petition to withdraw is a condition of this Settlement Stipulation. Contingent upon the consummation of the Merger, the Parties further agree that Dominion Questar Gas will not file a general rate case to adjust its base distribution non-gas rates, as shown in Questar Gas' existing Tariff, prior to July 1, 2019 or later than December 31, 2019, unless otherwise ordered by the Commission. Dominion Questar Gas will not file an application for a major plant addition with a rate-effective date prior to March 1, 2020, absent emergency circumstances, except to address the peak-hour needs set forth in Questar Gas' 2016- 2017 Integrated Resource Plan (Docket No. 16-057-08). Dominion Questar Gas will bear the burden to demonstrate such emergency circumstances. Dominion Questar Gas will not seek a deferred accounting order prior to March 1, 2020, absent circumstances that are extraordinary and unforeseeable and that would have a material financial impact on Dominion Questar Gas. Dominion Questar Gas will bear the burden to demonstrate such material financial impact and extraordinary and unforeseeable circumstances.	On August 16, 2016 - QGC filed Petition for Approval of Withdrawal of the Verified Application. On August 22, 2016 Commission Order granted Withdrawal of the Application.

34	The Parties agree that the Utah Conservation Enabling Tariff ("CET") accrual caps will be suspended until rates become effective in the next filed general rate case. To the extent that the balance in the CET accrual account is above the accrual cap, the incremental amount will not be assessed interest during the suspension period. The amortization cap will remain in place.	As of December 2018, the balance in the CET is a $6.9 million over collection. This is within the existing amortization caps.
35	Dominion and Dominion Questar Gas will continue to comply with all existing laws, rules, regulations, provisions of its Tariff, orders, and directives of the Commission, as applicable, following the Effective Time.	DEI and Dominion Energy continue to comply with this commitment.
36	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop reporting requirements for an Integration Progress Report on planned and accomplished activities relative to the Merger. The report will also identify and include associated transition and transaction costs. Dominion Questar Gas will file the first Integration Progress Report with the Commission on or before April 15, 2017 for the period ending December 2016 and will provide updates quarterly thereafter until the conclusion of the next general rate case.	Dominion Energy filed the first Integration Report on April 17, 2017 and continues to provide quarterly updates.
37	Transaction costs associated with the Merger will not be recovered through rates of Dominion Questar Gas or recovered through charges from affiliated companies of Dominion Questar to Dominion Questar Gas. Transaction costs shall be defined as: i) Legal, consulting, investment banker, and other professional advisor costs to initiate, prepare, consummate, and implement the Merger, including obtaining regulatory approvals, ii) Rebranding costs, including website, advertising, vehicles, signage, printing, stationary, etc. ii) Executive change in control costs (severance payments and accelerated vesting of share-based compensation), iv) Financing costs related to the Merger, including bridge and permanent financing costs, executive retention payments, costs associated with shareholder meetings, and proxy statement related to Merger approval.	The transaction and transition costs for 2016 were submitted in DEU Exhibit 8 with the April 17, 2017 Integration Progress Report. The transaction costs for the six months ended June 2017 were submitted on August 15, 2017 in DEU Exhibit 12. The transaction/transition costs for YTD December 2017 are shown in DEU Exhibit 27 attached to the Fourth Quarter 2017 Integration Progress Report. Second quarter 2018 costs are shown in the attached DEU Exhibit 36. All of these costs shown in the exhibits are booked to account no. 930.205. These are below the line and will not be included in customer rates. There were no transaction/transition costs in the 3rd or 4th quarters in 2018.
38	Any transition or integration expenses arising from the Merger will not be deferred for future recovery from customers and will be expensed by Dominion Questar Gas and its affiliates as incurred during the transition period. Dominion Questar Gas' revenue requirement for the purpose of developing distribution non-gas rates will be evaluated in the next general rate proceeding, and that filing shall identify all transitions costs, if any, in the base period and the test period. Transition or integration costs that are capitalized and not expensed, including, but not limited to, information technology investments in new hardware and software, including related costs, to convert, conform, and/or integrate Questar Corporation and subsidiaries' systems into and with Dominion's systems, will be itemized and disclosed in the next general rate case. Dominion Questar Gas will have the burden of proof to show that the transition or integration costs are reasonable and result in a positive net benefit to customers.	Total transition costs are shown in DEU Exhibit 36 attached to the Second Quarter 2018 Integration Progress Report. There were no costs in the third or fourth quarters of 2018. All of the costs shown in the exhibit are booked to account no. 930.205.

39	Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total Operating, Maintenance, Administrative and General Expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not caused by the Merger. This amount per customer for the 12 months ended December 2015 was $138.24. For the first four calendar years following the Effective Time, Dominion Questar Gas will provide, on an annual basis, a baseline comparison between 2015 and the current year for Operating, Maintenance, Administrative and General Expenses for Questar Pipeline and Wexpro. Additional detail and the calculation of the 2015 baseline for Questar Gas, Questar Pipeline and Wexpro are shown in Attachment 1.	Dominion Energy will comply with this commitment. DEU Exhibit 13, filed August 15, 2017, shows the O&M per customer for 2016. As the exhibit shows, the O&M per customer is $129.88 (in 2016 and 2017 DRS did not allocate a full portion of corporate overhead to Dominion Energy Utah). This is lower than the baseline amount of $138.24. DEU Exhibit 28 shows the O&M per customer for 2017 of $111.37. DEU Exhibit 29 (attached to the Fourth Quarter 2017 Integration Progress Report) shows the Dominion Energy Questar Pipeline 2017 FERC Form 2. The Wexpro 2017 final financial statements are included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Operation and Maintenance costs for 2018 were $114, and are show in the attached DEU Exhibit 43. Wexpro's 2018 final financial statements are included herewith as DEU Exhibit 44. DEQP's 2018 FERC Form 2 is attached hereto as DEU Exhibit 45.
40	Joint Applicants shall hold customers harmless from any increases in the aggregate total costs for shared or common services provided by Dominion Questar Corporation and/or Dominion Resources Services Company, Inc. ("Dominion Resources Services") that are caused by the Merger.	DEI and Dominion Energy continue to comply with this commitment.
41	Joint Applicants shall hold customers harmless for any changes in income taxes and/or accumulated deferred income taxes, recoverable in Dominion Questar Gas rates caused by the Merger, to the extent that such action would be consistent with the tax normalization rules.	DEI and Dominion Energy continue to comply with this commitment.
42	Questar Pipeline's rates will change only pursuant to proceedings before the Federal Energy Regulatory Commission ("FERC").	DEI continues to comply with this commitment.
43	Joint Applicants shall hold customers harmless from any increases in Wexpro's shared services costs or income tax expense caused by the Merger.	DEI continues to comply with this commitment.
44	No later than January 1, 2018, Dominion Questar Gas will present and review with the Division and the OCS, for informational purposes, a proposed methodology for allocation of shared services costs. Dominion Questar will use the current allocation methodologies, including Distrigas, to allocate shared services costs to its subsidiaries until January 1, 2018. Dominion Questar Gas may propose another allocation methodology for use after December 31, 2017, provided that it has presented such methodology for review as set forth above.	Dominion Energy representatives met with members of the Division and OCS on October 23, 2017 to discuss proposed cost allocation methodologies. A copy of the presentation offered at that meeting is attached as DEU Exhibit 20 to the Third Quarter 2017 Integration Progress Report.
45	Dominion Questar Gas will work with the Division and the OCS on a collaborative basis to develop affiliate transactions reporting requirements and will file such information with the Commission beginning on July 1, 2018 for the 12 months ending December 31, 2017 and thereafter annually.	Dominion Energy complied with this commitment and will continue to do so. The first affiliate transaction report was filed on July 1st, 2018 in Docket number 18-057-06.
46	Costs that have been denied recovery by the Commission in prior orders, unless subject to regulation by another governmental agency, will continue to be excluded from rates absent further order from the Commission.	Dominion Energy continues to comply with this commitment.
47	Within 120 days of the Effective Time, Dominion Questar Gas will meet with the Division and the OCS on a collaborative basis and update Customer Satisfaction Standards, taking into account recent historical results. Dominion Questar Gas will report quarterly on its performance relative to the Customer Satisfaction Standards. Quarterly reporting will continue until Dominion Questar Gas' next general rate case filing. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the Customer Satisfaction Standards as shown in the report, Dominion Questar Gas will file a remediation plan with the Commission explaining how it will improve and restore service to meet the Customer Satisfaction Standards.	Dominion Energy met with the Division and the OCS and have updated the customer satisfaction standards. Performance results have been filed with each of the quarterly Integration Progress Reports. Fourth quarter 2018 results are attached as DEU Exhibit 46.

48	Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the recognized debt rating agencies. Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.	Dominion Energy continues to comply with this commitment.
49	Dominion Questar Gas shall establish and maintain its own bank accounts that are in its own name and direct access to exclusively committed credit facilities. Dominion shall provide Dominion Questar Gas with access to no less that $750,000,000 in short-term debt or commercial paper programs.	Dominion Energy continues to comply with this commitment.
50	In connection with its notification to the Commission of dividends paid by Dominion Questar Gas, Dominion Questar Gas shall provide a cash flow summary and explicitly notify the Commission if payment of any dividend would result in its actual common equity component of total capitalization falling below 45 percent (45%), using the method of calculating equity levels under the ratemaking precedents of the Commission. In addition, Dominion Questar Gas will make annual financial statements for Wexpro and Questar Pipeline available to regulators.	Dominion Energy will comply with this commitment. Dominion Energy Utah has not issued a dividend to its parent since the merger. The 2016 financial statements for Wexpro and Dominion Energy Questar Pipeline were filed on August 15, 2017 as DEU Exhibit 15 and 16. The 2017 Dominion Energy Questar Pipeline financials were filed as DEU Exhibit 29 with the Fourth Quarter 2017 Integration Progress Report. Wexpro 2017 final financials were included as DEU Exhibit 33 with the First Quarter 2018 Integration Progress Report. Dominion Energy Questar Pipeline financial statements contained in the FERC Form 3Q and Form 2 have been provided each quarter to the Division. The latest FERC Form 3Q for the third quarter of 2018 was provided to the Division on December 31, 2018. The 2018 Wexpro final financial statements are provided herewith as DEU Exhibit 44. The 2018 DEQP Ferc Form 2 is provided herewith as DEU Exhibit 45.
51	Upon request, Dominion and all of its affiliates and subsidiaries must provide the Commission, the Division, and the OCS, including their auditors and authorized agents, and intervenors in rate proceedings, as appropriate, with reasonable access to transactional, accounting and other information, including personnel necessary to explain the requested information, regarding any costs directly or indirectly allocated to Dominion Questar Gas. Dominion and Dominion Questar Gas commit to maintain access to the requested books and records in Salt Lake City, Utah, or, at the option of the Division, or the OCS, Dominion Questar Gas agrees to pay reasonable travel costs to the location of the requested documents and personnel; such travel costs will not be passed on to Dominion Questar Gas customers.	Dominion Energy continues to comply with this commitment.
52	Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.	Dominion Energy continues to comply with this commitment.
53	Dominion and Dominion Questar agree not to assert in any forum that the provisions of PUHCA or its successor PUHCA 2005 (EPAct 2005), or the related Ohio Power v. FERC case, preempt the Commission's jurisdiction over affiliated interest transactions and will explicitly waive any such defense in those proceedings. In the event that PUHCA or its successor PUHCA 2005 (EPAct 2005) is repealed or modified, Dominion and Dominion Questar agree not to seek any preemption under such subsequent modification or repeal.	DEI and Dominion Energy continue to comply with this commitment.

54	The Joint Applicants commit to provide for and effect the appointment of a "Special Bankruptcy Director" to serve as a member of the Board of Directors of Dominion Questar Gas ("DQG Board"). Said Director shall be nominated by and retained from an independent entity such as CT Corporation (at Dominion shareholder expense) and shall not be employed by Dominion or any other Dominion affiliate. Said Director shall not participate in ordinary and routine activities of the DQG Board and shall have no voting rights except in the event of a vote by the DQG Board to approve a voluntary bankruptcy petition to be filed under Title 11 of the U.S. Code on behalf of Dominion Questar Gas. Notice of such vote shall be provided to the Special Bankruptcy Director and no voluntary bankruptcy petition on behalf of Dominion Questar Gas may be filed without the affirmative vote of the Special Bankruptcy Director. It is the intent of the Parties that the Special Bankruptcy Director will consider the interests of all relevant economic stakeholders, including without limitation the utility's customers, and the financial health and public service obligations of Dominion Questar Gas, in exercising his or her responsibilities, subject to applicable law. Concurrent with the notice to the Special Bankruptcy Director, Dominion Questar Gas will provide confidential notice to the Commission, Division and the OCS.	DEI and Dominion Energy continue to comply with this commitment. The Special Bankruptcy Director for Dominion Energy, Steven P. Zimmer, was appointed effective October 17, 2016.
55	Dominion or Dominion Questar Gas shall provide notice to the Commission, the Division, and the OCS of any bankruptcy petition or other filing that petitions for Dominion or any of its subsidiaries to be declared bankrupt. If the petition is voluntary, the notice shall be provided within three (3) business days of the petition's filing. If the petition is involuntary, the notice shall be filed within three (3) business days after the day on which the petition is served upon the entity subject to the petition or prior to any hearing adjudicating the petition, whichever is soonest.	Dominion Energy continues to comply with this commitment.
56	The Joint Applicants agree that they will use commercially reasonable efforts in consultation with interested suppliers and marketers to coordinate an upstream nomination process with Kern River Gas Transmission Company similar to the process currently available with Questar Pipeline Company, which nomination process is generally described in the Joint Motion for Dismissal filed with the Commission on October 15, 2014 in Docket No. 14-057-19. Within 120 days following the Effective Time, representatives of Dominion and Dominion Questar Gas will meet with interested transportation customers, the Division, the OCS, and any other interested parties and will act in good faith to review concerns of transportation customers and will consider any proposal by interested transportation customers regarding direct access by marketers/transporters to such customers.	Representatives of Dominion Energy met with interested parties on December 6, 2016. The group discussed the upstream nomination process on Kern River and marketer concerns.
57	Dominion Questar Gas will notify customers of the Merger in the following ways: i. A notice will be posted on Dominion Questar Gas' website within 5 days of the Effective Time notification. ii. Notification will be published in the Gas Light News billing insert within 60 days of the Effective Time notification.	Notice of the merger was provided on Questar Gas' website beginning September 16, 2016. DEU Exhibit 11 (attached to the April 17, 2017 Integration Progress Report) included a copy of the notice that was sent to customers in their October bills.

Dominion Energy

Captial Expenditures

YTD December 31, 2018

Description	Utah	Wyoming	Total
Distribution Measure & Regulation	10,595,066.62	433,116.92	11,028,183.54
Feeder Lines	67,412,660.84	4,702,353.41	72,115,014.25
Distribution Compressor Plant	4,534.13		4,534.13
Distribution Mains	7,704,507.43	816,319.21	8,520,826.64
Distribution Services	11,461,213.49	339,703.97	11,800,917.46
Meters	26,053,303.97	211,695.95	26,264,999.92
Land	4,931.38		4,931.38
Office Buildings & Residences	1,643,450.09	294,203.68	1,937,653.77
Furniture & Office Equipment	240,916.23		240,916.23
Transportation Equipment	5,205,649.06		5,205,649.06
Tools & Work Equipment	2,224,888.75	136,268.43	2,361,157.18
Communication & Telemetering	2,591.03		2,591.03
Filling Stations & Plants	643,019.40		643,019.40
Computer System Software	2,425,257.35		2,425,257.35
Computer Equipment	885,792.57		885,792.57
Mains - Other	34,570,965.78	2,256,957.40	36,827,923.18
Services - Other	6,926,579.81	236,037.51	7,162,617.32
Meters - Conversions	13,656,996.53	82,099.13	13,739,095.66
Telecom Non Construction	1,785,915.22	37,267.74	1,823,182.96
Retirement Projects	2,822,649.90	66,566.58	2,889,216.48
UDOT Accounts Receivable	3,603,085.96		3,603,085.96
Accounts Receivable Projects	2,709,780.85		2,709,780.85
Total	202,583,756.39	9,612,589.93	212,196,346.32

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017
and Report of Independent Auditor

Wexpro Company

Consolidated Financial Statements

Years Ended December 31, 2018 and 2017

Contents

GLOSSARY OF TERMS

The following abbreviations or acronyms used in these Consolidated Financial Statements are defined below:

Abbreviation or Acronym	Definition
2017 Tax Reform Act	An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (previously known as The Tax Cuts and Jobs Act) enacted on December 22, 2017
AFUDC	Allowance for funds used during construction
ARO	Asset retirement obligation
Commissions	The Public Service Commission of Utah and the Wyoming Commission
DEQPS	Dominion Energy Questar Pipeline Services, Inc.
DES	Dominion Energy Services, Inc.
DEWS	Dominion Energy Wexpro Services Company
Dominion Energy	The legal entity, Dominion Energy, Inc., one or more of its consolidated subsidiaries (other than Dominion Energy Questar) or operating segments, or the entirety of Dominion Energy, Inc. and its consolidated subsidiaries
Dominion Energy Questar	The legal entity, Dominion Energy Questar Corporation, one or more of its consolidated subsidiaries (other than Wexpro), or the entirety of Dominion Energy Questar Corporation and its consolidated subsidiaries
GAAP	U.S. generally accepted accounting principles
mcfe	Thousand cubic feet equivalent
NGL	Natural gas liquids
Questar Gas	Questar Gas Company
SEC	U.S. Securities and Exchange Commission
VIE	Variable interest entity
Wexpro	The legal entity, Wexpro Company, one or more of its consolidated subsidiaries, or the entirety of Wexpro Company and its consolidated subsidiaries
Wexpro II	The legal entity, Wexpro II Company
Wexpro Agreement	Comprehensive agreement with the states of Utah and Wyoming that sets forth the rights of Questar Gas to receive certain benefits from Wexpro's operations
Wexpro II Agreement	Agreement with the states of Utah and Wyoming modeled after the Wexpro Agreement that allows for the addition of properties under the cost-of-service methodology for the benefit of Questar Gas customers
Wexpro Agreements	The Wexpro Agreement and the Wexpro II Agreement combined
Wexpro Development	Wexpro Development Company
Wyoming Commission	Wyoming Public Service Commission

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INDEPENDENT AUDITORS' REPORT

Wexpro Company

We have audited the accompanying consolidated financial statements of Wexpro Company and its subsidiary (the "Company"), which comprise the consolidated balance sheets at December 31, 2018 and 2017, and the related consolidated statements of income, common shareholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the consolidated statements of income, common shareholder's equity, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

Richmond, Virginia

April 5, 2019

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,	
	2018	2017
(in millions)		
REVENUES		
Operator service fee[1]	**$ 244.8**	$ 306.9
Oil and NGL sales	**14.5**	11.6
Other[1]	**3.1**	1.4
Total Revenues	**262.4**	319.9
OPERATING EXPENSES		
Operating and maintenance[1]	**22.5**	23.0
General and administrative[1]	**23.1**	19.6
Merger and restructuring costs	**—**	2.5
Production and other taxes	**19.9**	19.9
Depreciation, depletion and amortization	**102.2**	109.6
Accretion expense	**4.6**	4.3
Total Operating Expenses	**172.3**	178.9
Gains on sales of assets	**2.8**	—
OPERATING INCOME	**92.9**	141.0
Other income[1]	**0.4**	0.5
INCOME BEFORE INCOME TAXES	**93.3**	141.5
Income taxes	**(16.0)**	(50.5)
NET INCOME	**$ 77.3**	$ 91.0

(1) See Note 10 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31, 2018	2017
(in millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	$ **4.7**	$ 3.4
Accounts receivable	**6.8**	7.0
Receivables from affiliates	**17.5**	29.3
Materials and supplies, at lower of average cost or market	**2.5**	3.1
Regulatory assets[(1)]	**21.4**	21.9
Prepaid expenses and other	**0.9**	1.1
Total Current Assets	**53.8**	65.8
Cost-of-service gas and oil property, plant and equipment, successful efforts method	**1,778.7**	1,734.7
Accumulated depreciation, depletion and amortization	**(1,085.0)**	(994.4)
Net Cost-of-Service Gas and Oil Property, Plant and Equipment	**693.7**	740.3
Deferred Charges and Other Assets		
Receivables from affiliates	**—**	9.9
Regulatory assets	**0.2**	0.5
Other	**37.8**	30.1
Total Deferred Charges and Other Assets	**38.0**	40.5
TOTAL ASSETS	$ **785.5**	$ 846.6
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable	$ **16.0**	$ 9.1
Payables to affiliates	**3.2**	3.6
Accrued expenses and other	**2.3**	5.8
Production and other taxes	**11.3**	8.6
Total Current Liabilities	**32.8**	27.1
Deferred Credits and Other Liabilities		
Deferred income taxes	**66.1**	78.0
Asset retirement obligations	**87.8**	84.8
Regulatory liabilities	**94.3**	92.2
Other	**9.8**	10.1
Total Deferred Credits and Other Liabilities	**258.0**	265.1
Total Liabilities	**290.8**	292.2
Commitments and Contingencies (Note 8)		
COMMON SHAREHOLDER'S EQUITY		
Common stock – par value $0.01 per share; 1,000 shares authorized, issued and outstanding	**—**	—
Additional paid-in capital	**174.4**	184.4
Retained earnings	**320.3**	370.0
Total Common Shareholder's Equity	**494.7**	554.4
TOTAL LIABILITIES AND COMMON SHAREHOLDER'S EQUITY	$ **785.5**	$ 846.6

(1) See Note 6 for amounts attributable to related parties.

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDER'S EQUITY

(in millions)	Common Stock(1)	Additional Paid-in Capital	Retained Earnings	Total
Balances at December 31, 2016	$ —	$ 184.4	$ 385.8	$ 570.2
Dividends	—	—	(107.0)	(107.0)
Net income	—	—	91.0	91.0
Other	—	—	0.2	0.2
Balances at December 31, 2017	—	184.4	370.0	554.4
Dividends	—	—	**(127.0)**	**(127.0)**
Net income	—	—	**77.3**	**77.3**
Contribution to Dominion Energy Questar	—	**(9.9)**	—	**(9.9)**
Other	—	**(0.1)**	—	**(0.1)**
Balances at December 31, 2018	$ —	**$ 174.4**	**$ 320.3**	**$ 494.7**

(1) Par value $0.01 per share;1,000 shares authorized, issued and outstanding

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2018	2017
(in millions)		
OPERATING ACTIVITIES		
Net income	$ **77.3**	$ 91.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	**102.2**	109.6
Accretion expense	**4.6**	4.3
Deferred income taxes	**(14.4)**	(15.4)
Gains on sales of assets	**(2.8)**	—
Other	**0.7**	0.8
Changes in operating assets and liabilities		
Accounts and affiliate receivables	**12.0**	(2.4)
Materials and supplies	**0.6**	—
Regulatory assets - current	**(1.1)**	2.1
Prepaid expenses	**0.2**	0.9
Accounts payable and accrued expenses	**(3.5)**	(0.7)
Production and other taxes	**2.7**	(4.2)
Other assets and liabilities	**(1.0)**	1.3
NET CASH PROVIDED BY OPERATING ACTIVITIES	**177.5**	187.3
INVESTING ACTIVITIES		
Purchases of long-term investment	**(8.1)**	(7.1)
Proceeds from the sale of long-term investment	**—**	0.2
Additions to property, plant and equipment	**(42.7)**	(67.3)
Proceeds from disposition of assets and other	**1.6**	0.2
NET CASH USED IN INVESTING ACTIVITIES	**(49.2)**	(74.0)
FINANCING ACTIVITIES		
Repayment of notes to Dominion Energy	**—**	(4.0)
Dividends paid to Dominion Energy Questar	**(127.0)**	(107.0)
NET CASH USED IN FINANCING ACTIVITIES	**(127.0)**	(111.0)
Change in cash, restricted cash and equivalents	**1.3**	2.3
Beginning cash, restricted cash and equivalents	**3.8**	1.5
Ending cash, restricted cash and equivalents	$ **5.1**	$ 3.8

Supplemental Cash Flow Information:		
Cash paid during the year for:		
Interest	$ **—**	$ 0.1
Income taxes	**30.8**	64.6
Significant noncash investing and financing activities:		
Accrued capital expenditures	**6.6**	0.5
Equity contribution to Dominion Energy Questar for employee and employee-related net assets	**9.9**	—

See notes accompanying the consolidated financial statements.

WEXPRO COMPANY
NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Description of Business

Wexpro is a wholly-owned subsidiary of Dominion Energy Questar, a wholly-owned subsidiary of Dominion Energy. Wexpro develops and produces cost-of-service reserves for a gas utility affiliate, Questar Gas, under the terms of the Wexpro Agreements and comprehensive agreements with the states of Utah and Wyoming.

Pursuant to the Wexpro Agreements, Wexpro recovers its costs and receives an after-tax return on its investment base. Wexpro's investment base is made up of the costs of acquired properties and commercial wells and related facilities, adjusted for working capital and deferred income taxes and reduced for accumulated depreciation, depletion and amortization. Property acquisition costs only pertain to properties that have been approved under the Wexpro II Agreement by the Commissions. The terms of the Wexpro Agreements coincide with the productive lives of the gas and oil properties covered therein. Wexpro's gas and oil development and production activities are subject to oversight by the Utah Division of Public Utilities and the staff of the Wyoming Commission, which have retained an independent certified public accountant and an independent petroleum engineer to monitor the performance of the agreements.

Wexpro has agreed to manage production to 65% of Questar Gas' annual forecasted demand. For each 12-month period ending in May, if the combined annual production exceeds 65% of the forecasted demand and the cost-of-service price is greater than the Questar Gas purchased-gas price, an amount equal to the excess production times the excess price will be credited back to Questar Gas' customers. Wexpro may also sell production to manage the 65% level and credit back to Questar Gas' customers the higher of market price or the cost-of-service price times the sales volumes. As of December 31, 2018, Wexpro's trailing 12-month cost-of-service gas deliveries were below the 65% threshold.

Wexpro's primary market area is the Rocky Mountain region of the United States. Pursuant to the Wexpro Agreements, Wexpro's primary customer is Questar Gas which is responsible for over 90% of Wexpro's operating revenues and receivables from affiliates. The Wexpro Agreements generate the majority of Wexpro's revenue and net income.

In January 2018, Wexpro contributed its employees and employee-related net assets of $9.9 million, into a newly formed service company, DEWS, a wholly-owned subsidiary of Dominion Energy Questar, reflected as an equity transaction.

Wexpro Development
Wexpro Development is an affiliate company owned by Dominion Energy Questar, but is not included in these consolidated financial statements. Wexpro Development invests in properties outside the Wexpro Agreements. However, the properties may be transferred to Wexpro II if approved by the Commissions.

Note 2 – Summary of Significant Accounting Policies

General
The Wexpro consolidated financial statements contain the accounts of the parent company and its wholly-owned subsidiary, Wexpro II. The consolidated financial statements were prepared in accordance with GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements and notes in conformity with GAAP requires that management formulate estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Wexpro also incorporates estimates of proved developed and total proved gas and oil reserves in the calculation of depreciation, depletion and amortization rates of its gas and oil properties. Changes in estimated quantities of its reserves could impact Wexpro's reported financial results. Actual results could differ from these estimates.

Wexpro reports certain contracts and instruments at fair value. The carrying amount of cash and cash equivalents, accounts receivable, receivables from affiliates, payables to affiliates and accounts payable are representative of fair value because of the short-term nature of these instruments.

Revenue Recognition
Wexpro recognizes revenues in the period that services are provided or products are delivered. In accordance with the Wexpro Agreements, production from the gas properties operated by Wexpro is delivered to Questar Gas at Wexpro's cost of providing this service, including an after-tax return on Wexpro's investment. This revenue is recognized over time, as service is provided to Questar Gas. Wexpro also sells crude oil and NGL production from certain producing properties at market prices, with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. The sale of gas, crude oil and

NGLs are considered to be goods transferred at a point in time and are accounted for using the sales method, whereby revenue is recognized as gas, oil and NGLs are sold to purchasers. Transfer of control of these products and their recognition in revenue occurs upon delivery to the customer. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Questar Gas and Wexpro, with Wexpro retaining 46%. Amounts received by Questar Gas from the sharing of Wexpro's oil and NGL income are used to reduce natural gas costs to utility customers. The contract with the customer states the final terms of the sale, including the description, quantity and price of each product or service purchased. Payment for most sales and services varies by contract type, but is typically due within a month of billing.

Wexpro may collect revenues subject to possible refunds and establish reserves pending final calculation of the after-tax return on investment, which is adjusted annually.

Cash, Restricted Cash and Equivalents
For purposes of the Consolidated Balance Sheets and Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, cash in banks and temporary investments purchased with an original maturity of three months or less.

Restricted Cash and Equivalents
Wexpro holds restricted cash and equivalent balances that primarily consist of amounts held in escrow for royalties. Upon the adoption of revised accounting guidance in January 2018, restricted cash and equivalents are included within Wexpro's Consolidated Statements of Cash Flows, with the change in balance no longer considered a separate investing activity. The following table provides a reconciliation of the total cash, restricted cash, and equivalents reported within Wexpro's Consolidated Balance Sheets to the corresponding amounts reported within Wexpro's Consolidated Statements of Cash Flows:

	Cash, Restricted Cash and Equivalents at End of Year **2018**		Cash, Restricted Cash and Equivalents at End of Year **2017**	
(in millions)				
Cash and cash equivalents	$	**4.7**	$	3.4
Restricted cash and equivalents		**0.4**		0.4
Cash, restricted cash and equivalents shown in the Consolidated Statement of Cash Flows	$	**5.1**	$	3.8

(1) Restricted cash and equivalent balances are presented within other noncurrent assets in Wexpro's Consolidated Balance Sheets.

Property, Plant and Equipment
Property, plant and equipment balances are stated at historical cost. Maintenance and repair costs are expensed as incurred.

Cost-of-service gas and oil operations
The successful efforts method of accounting is used for cost-of-service reserves developed and produced by Wexpro for gas utility affiliate Questar Gas. Cost-of-service reserves are properties for which the operations and return on investment are subject to the Wexpro Agreements. Under the successful efforts method, Wexpro capitalizes the costs of acquiring leaseholds, drilling development wells, drilling successful exploratory wells, and purchasing related support equipment and facilities. Geological and geophysical studies are expensed as incurred. Costs of production and general corporate activities are expensed in the period incurred. A gain or loss is generally recognized on assets as they are retired from service.

Depreciation, Depletion and Amortization
Capitalized costs of development wells and leaseholds are amortized on a field-by-field basis using the unit-of-production method and the estimated proved developed or total proved gas and oil reserves. Oil and NGL volumes are converted to natural gas equivalents using the ratio of one barrel of crude oil, condensate or NGL to 6,000 cubic feet of natural gas. Wexpro capitalizes an estimate of the fair value of future abandonment costs associated with cost-of-service reserves and depreciates these costs using a unit-of-production method. Depreciation, depletion and amortization for the remaining properties is based upon rates that will systematically charge the costs of assets against income over the estimated useful lives of those assets using a straight-line method. The following represent average depreciation, depletion and amortization rates of Wexpro's capitalized costs:

	Year Ended December 31, **2018**		2017	
Cost-of-service gas and oil properties, per mcfe	$	**1.95**	$	2.18

Impairment of Long-Lived Assets

Proved gas and oil properties are evaluated on a field-by-field basis for potential impairment. Other properties are evaluated on a specific-asset basis or in groups of similar assets, as applicable. Impairment is indicated when a triggering event occurs and the sum of the estimated undiscounted future net cash flows of an evaluated asset is less than the asset's carrying value.

Triggering events could include, but are not limited to, an impairment of gas and oil reserves caused by mechanical problems, faster-than-expected decline of reserves, lease-ownership issues, and an other-than-temporary decline in gas and oil prices. If impairment is indicated, fair value is estimated using a discounted cash flow approach that incorporates market interest rates or, if available, other market data. The amount of impairment loss recorded, if any, is the difference between the fair value of the asset and the current net book value. Cash flow estimates require forecasts and assumptions for many years into the future for a variety of factors, including commodity prices and operating costs. No material impairments were recorded in 2018 or 2017.

Allowance for Funds Used During Construction

The Wexpro Agreements require capitalization of AFUDC on cost-of-service gas and oil development projects. AFUDC amounted to $0.4 million and $0.9 million in 2018 and 2017, respectively, which is included in other income in the Consolidated Statements of Income.

Regulatory Assets and Liabilities

The accounting for Wexpro's operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its Consolidated Financial Statements. For regulated businesses subject to state cost-of-service rate regulation, regulatory practices that assign costs to accounting periods may differ from accounting methods generally applied by nonregulated companies. When it is probable that regulators will permit the recovery of current costs through future rates charged to customers, these costs that otherwise would be expensed by nonregulated companies are deferred as regulatory assets. Likewise, regulatory liabilities are recognized when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have yet to be incurred. Generally, regulatory assets and liabilities are amortized into income over the period authorized by the regulator.

Wexpro evaluates whether or not recovery of its regulatory assets through future rates is probable and makes various assumptions in its analyses. The expectations of future recovery are generally based on orders issued by regulatory commissions, legislation or historical experience, as well as discussions with applicable regulatory authorities and legal counsel. If recovery of a regulatory asset is determined to be less than probable, it will be written off in the period such assessment is made.

Asset Retirement Obligations

The fair value of retirement costs is estimated based on abandonment costs of similar properties available to field operations and depreciated over the life of the related assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs.

Income Taxes

Judgment and the use of estimates are required in developing the provision for income taxes and reporting of tax-related assets and liabilities. The interpretation of tax laws, including the provisions of the 2017 Tax Reform Act, involves uncertainty, since tax authorities may interpret the laws differently. In addition, the states in which we operate may or may not conform to some or all the provisions in the 2017 Tax Reform Act. Ultimate resolution or clarification of income tax matters may result in favorable or unfavorable impacts to net income and cash flows, and adjustments to tax-related assets and liabilities could be material.

A consolidated federal income tax return is filed for Dominion Energy and its subsidiaries, including Wexpro for the full year 2017 and going forward. In addition, where applicable, combined income tax returns for Dominion Energy and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed. The 2018 federal income tax return has not been filed.

Wexpro participates in intercompany tax sharing agreements with Dominion Energy and its subsidiaries. Current income taxes are based on taxable income or loss and credits determined on a separate company basis.

Under the agreements, if a subsidiary incurs a tax loss or earns a credit, recognition of current income tax benefits is limited to refunds of prior year taxes obtained by the carryback of the net operating loss or credit or to the extent the tax loss or credit is absorbed by the taxable income of other Dominion Energy consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

The 2017 Tax Reform Act included a broad range of tax reform provisions affecting Dominion Energy and its subsidiary Wexpro, including changes in corporate tax rates and business deductions. The 2017 Tax Reform Act reduced the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. Deferred tax assets and liabilities are measured at the enacted tax rate expected to apply when temporary differences are realized or settled. Thus, at the date of enactment, deferred taxes were remeasured based upon the new 21% tax rate. The total effect of tax rate changes on federal deferred tax balances was recorded as a component of the income tax provision related to continuing operations for the period in which the law is enacted, even if the assets and liabilities relate to other components of the financial statements. Existing deferred income tax assets or liabilities were adjusted for the reduction in the corporate income tax rate and allocated to continuing operations. As a rate-regulated entity, Wexpro was required to adjust deferred income tax assets and liabilities for the change in income tax rates. However, as it is probable that the effect of the change in income tax rates will be recovered or refunded in future rates, Wexpro recorded a regulatory asset or liability instead of an increase or decrease to deferred income tax expense.

Accounting for income taxes involves an asset and liability approach. Deferred income tax assets and liabilities are provided, representing future effects on income taxes for temporary differences between the bases of assets and liabilities for financial reporting and tax purposes. Accordingly, deferred taxes are recognized for the future consequences of different treatments used for the reporting of transactions in financial accounting and income tax returns. Wexpro establishes a valuation allowance when it is more-likely-than-not that all, or a portion, of a deferred tax asset will not be realized. A regulatory asset is recognized if it is probable that future revenues will be provided for the payment of deferred tax liabilities. For both the years ended December 31, 2018 and 2017, Wexpro had a valuation allowance of $2.2 million.

Wexpro recognizes positions taken, or expected to be taken, in income tax returns that are more-likely-than-not to be realized, assuming that the position will be examined by tax authorities with full knowledge of all relevant information.

If it is not more-likely-than-not that a tax position, or some portion thereof, will be sustained, the related tax benefits are not recognized in the financial statements. Unrecognized tax benefits may result in an increase in income taxes payable, a reduction of income tax refunds receivable or changes in deferred taxes. Also, when uncertainty about the deductibility of an amount is limited to the timing of such deductibility, the increase in income taxes payable (or reduction in tax refunds receivable) is accompanied by a decrease in deferred tax liabilities. Except when such amounts are presented net with amounts receivable from or amounts prepaid to tax authorities, noncurrent income taxes payable related to unrecognized tax benefits are classified in other deferred credits and other liabilities in the Consolidated Balance Sheets and current payables are included in accrued expenses and other current liabilities in the Consolidated Balance Sheets. Management has considered the amounts and the probabilities of the outcomes that could be realized upon ultimate settlement and believes that it is more-likely-than-not that Wexpro's recorded income tax benefits will be fully realized. There were no unrecognized tax benefits at the beginning or end of the years ended December 31, 2018 or 2017.

Wexpro recognizes interest on underpayments and overpayments of income taxes net in other income, respectively, in the Consolidated Statements of Income. Penalties are also recognized net in other income in the Consolidated Statements of Income. Wexpro's interest and penalties were immaterial in 2018 and 2017.

At December 31, 2018, Wexpro's Consolidated Balance Sheet included $0.7 million of tax-related receivables from affiliates, representing $1.6 million of current federal income taxes receivable and $0.9 million of state income taxes payable. The net affiliated receivables are expected to be paid by Dominion Energy.

At December 31, 2017, Wexpro's Consolidated Balance Sheet included $0.2 million of tax-related receivables from affiliates, representing $1.6 million of current federal income taxes receivable and $1.4 million of state income taxes payable. The affiliated receivables were paid by Dominion Energy.

New Accounting Standards

Revenue Recognition
In May 2014, the Financial Accounting Standards Board issued revised accounting guidance for revenue recognition from contracts with customers. Wexpro adopted this revised accounting guidance beginning January 1, 2018 using the modified retrospective method. The adoption of the revised standard had no impact on the amount of revenue recognized.

Tax Reform
In December 2017, the staff of the SEC issued guidance which clarifies accounting for income taxes if information is not yet available or complete and provides for up to a one year measurement period in which to complete the required analyses and accounting. The guidance describes three scenarios associated with a company's status of accounting for income tax reform:

(1) a company is complete with its accounting for certain effects of tax reform, (2) a company is able to determine a reasonable estimate for certain effects of tax reform and records that estimate as a provisional amount, or (3) a company is not able to determine a reasonable estimate and therefore continues to apply accounting for income taxes based on the provisions of the tax laws that were in effect immediately prior to the 2017 Tax Reform Act being enacted. Wexpro has accounted for the effects of the 2017 Tax Reform Act, although additional changes could occur as guidance is issued and finalized as described below. In addition, certain states in which the Companies operate may or may not conform to some or all of the provisions of the 2017 Tax Reform Act. Ultimate resolution or clarification of these matters may result in favorable or unfavorable impacts to results of operations and cash flows, and adjustments to tax-related assets and liabilities, and could be material.

In August 2018, the U.S. Department of Treasury issued proposed regulations addressing the availability of federal bonus depreciation for the period beginning after September 27, 2017 through December 31, 2017. The application of these changes decreased Dominion Energy's net operating loss carryforward utilization on its 2017 tax return. See Note 5 for impacts to Wexpro.

In November 2018, the U.S. Department of Treasury issued proposed regulations defining interest as any amounts associated with the time value of money or use of funds. These proposed regulations provide guidance for purposes of the exception to the interest limitation for regulated public utilities and the application of the interest limitation to consolidated groups, such as Dominion Energy, which includes Wexpro. It is unclear when the guidance may be finalized, or whether that guidance could result in a disallowance of a portion of Dominion Energy's interest deductions in the future, which could be allocated to Wexpro under these proposed regulations.

Reclassifications
Certain reclassifications were made to Wexpro's 2017 Consolidated Financial Statements and Notes to conform to the 2018 presentation. The reclassifications did not affect Wexpro's net income, total assets, liabilities, equity or cash flows.

Note 3 - Asset Retirement Obligations

Wexpro records an ARO when there is a legal obligation associated with the eventual retirement of a tangible long-lived asset. Wexpro's AROs apply primarily to abandonment costs associated with gas and oil wells, production facilities and certain other properties. The ARO liability is adjusted to present value each period through an accretion calculation using a credit-adjusted risk-free interest rate.

The current portion of the ARO balance is $0.2 million at both December 31, 2018 and 2017 and is included in accrued expenses and other on the Consolidated Balance Sheets. Changes in AROs from the Consolidated Balance Sheets were as follows:

	2018	2017
(in millions)		
AROs at beginning of year	$ **85.0**	$ 68.9
Accretion	**4.6**	4.3
Liabilities incurred	**1.1**	3.8
Revisions in estimated cash flows	**—**	9.2
Liabilities settled	**(2.7)**	(1.2)
AROs at end of year	$ **88.0**	$ 85.0

Wexpro collects from Questar Gas and deposits in trust certain funds related to estimated ARO costs. These funds are used to satisfy retirement obligations as the properties are abandoned. The funds are measured using net asset value (or its equivalent) as a practical expedient which are not required to be categorized in the fair value hierarchy. At December 31, 2018 and 2017, the funds totaled $34.2 million and $26.1 million, respectively, and are included in other deferred charges and other assets on the Consolidated Balance Sheets. The accounting treatment of reclamation activities associated with AROs for properties administered under the Wexpro Agreements is defined in a guideline letter between Wexpro and the Utah Division of Public Utilities and the staff of the Wyoming Commission.

Note 4 – Short-Term Debt

Dominion Energy may make loans to Wexpro under a short-term borrowing arrangement. As of December 31, 2018 and 2017, there were no short-term borrowings outstanding. Interest charges paid to Dominion Energy were less than $0.1 million for both of the years ended December 31, 2018 and 2017, which are presented net in other income in the Consolidated Statements of Income.

Note 5 - Income Taxes

The 2017 Tax Reform Act includes a broad range of tax reform provisions affecting Wexpro, as discussed in Note 2. The 2017 Act Reform Act reduced the corporate income tax rate from 35% to 21% for tax years beginning after December 31, 2017. At the date of enactment, federal deferred tax assets and liabilities were remeasured based upon the enacted 21% tax rate expected to apply when temporary differences are to be realized and settled. The specific provisions related the 2017 Tax Reform Act generally changes the tax depreciation of certain property acquired after September 27, 2017.

As indicated in Note 2, Wexpro's operations, including accounting for income taxes, are subject to regulatory accounting treatment. Reductions in accumulated deferred income tax balances due to the reduction in the corporate income tax rates to 21% under the provisions of the 2017 Tax Reform Act may result in amounts previously collected through the operator service fee for these deferred taxes to be returned to Questar Gas. Wexpro is not a "public utility" for purposes of the Internal Revenue Code's normalization rules. Instead, all Wexpro's excess deferred income taxes included in the operator service fee or the derivation thereof will be returned to Questar Gas over a period not to exceed 15 years using the straight-line amortization method.

Wexpro has accounted for the effects of the 2017 Tax Reform Act, although changes could occur as additional guidance is issued and finalized. In addition, certain states in which Wexpro operates may or may not conform to some or all of the provisions of the 2017 Tax Reform Act. Ultimate resolution or clarification of these matters may result in favorable or unfavorable impacts to net income, cash flows, and tax-related assets and liabilities and could be material. The changes in deferred taxes were recorded as either an increase to a regulatory liability or as an adjustment to Wexpro's deferred tax provision.

Details of Wexpro's income tax expense and deferred income taxes are provided in the following tables. The components of income tax expense were as follows:

	Year Ended December 31,	
	2018	2017
(in millions)		
Current:		
Federal	$ **29.6**	$ 64.4
State	**0.8**	1.5
Total current expense	**30.4**	65.9
Deferred:		
Federal	**(14.2)**	(15.0)
State	**(0.2)**	(0.4)
Total deferred expense	**(14.4)**	(15.4)
Total income tax expense	$ **16.0**	$ 50.5

The difference between the statutory federal income tax rate and Wexpro's effective income tax rate is explained as follows:

	Year Ended December 31,	
	2018	2017
Federal income taxes statutory rate	**21.0%**	35.0%
Increases (reductions) resulting from:		
State taxes, net of federal benefit	**0.5**	0.5
Reversal of excess deferred income taxes	**(4.6)**	—
Legislative change - federal	**0.2**	(0.1)
Other	—	0.3
Effective income tax rate	**17.1%**	35.7%

The 2017 Tax Reform Act reduced the statutory federal income tax rate to 21% beginning in January 2018. Accordingly, current income taxes, and deferred income taxes that originate in 2018, are being recorded at the new 21% rate. Wexpro has recorded an estimate of the portion of excess deferred income tax amortization expected to occur in 2018. The reversal of these excess deferred income taxes will impact the effective tax rate, and may ultimately impact rates charged to customers. As described in Note 2 to the Consolidated Financial Statements, Wexpro decreased revenue and recorded a corresponding adjustment to amounts due from Questar Gas to offset these deferred tax impacts in accordance with applicable regulatory commission orders or formula rate mechanisms.

In 2018, Wexpro applied the provisions of recently proposed regulations addressing the availability of federal bonus depreciation for the period beginning after September 27, 2017 through December 31, 2017. The application of these proposed regulations had no impact on income tax expense as the changes in, and remeasurement of, deferred tax liabilities were recorded as increases to regulatory liabilities of $3.7 million. These amounts represent Wexpro's best estimate based on available information, and could be subject to change based on additional guidance in yet to be finalized regulations.

Significant components of Wexpro's deferred income taxes were as follows:

	December 31,			
		2018		2017
(in millions)				
Deferred income taxes:				
Deferred tax liabilities				
Property, plant and equipment	$	**99.1**	$	103.3
Employee benefits		**0.2**		2.1
Deferred tax liabilities	$	**99.3**	$	105.4
Deferred tax assets				
Excess deferred income taxes	$	**16.5**	$	17.1
Asset retirement obligations		**10.4**		6.1
Deferred compensation		**0.3**		0.3
State tax credits net of valuation allowance		**0.8**		0.9
Ad valorem taxes		**3.0**		3.1
Other		**2.2**		(0.1)
Deferred tax assets	$	**33.2**	$	27.4
Net deferred income tax liability	$	**66.1**	$	78.0

The most significant impact reflected for the 2017 Tax Reform Act is the adjustment of the net accumulated deferred income tax liability for the reduction in the corporate income tax rate to 21%. In addition to amounts recognized in deferred income tax expense, the impacts of the 2017 Tax Reform Act decreased the accumulated deferred income tax liability by $61.7 million at December 31, 2017. The December 31, 2017 balance sheet reflects the impact of the 2017 Tax Reform Act on Wexpro's regulatory liabilities which increased regulatory liabilities by $78.7 million and a related deferred tax asset of $17.1 million. This adjustment had no impact on Wexpro's 2017 cash flows.

Wexpro had Colorado credit carryforwards of $3.7 million, that if not utilized will expire between 2019 and 2023.

Note 6 - Regulatory Assets and Liabilities

Regulatory assets and liabilities include the following:

	December 31,			
		2018		2017
(in millions)				
Regulatory Assets:				
Deferred depreciation, depletion and amortization(1)	$	**12.4**	$	13.8
Deferred production taxes(1)		**4.5**		3.7
Deferred other operating and maintenance(1)		**2.2**		2.8
Deferred royalties(2)		**2.1**		1.4
AROs(3)		**0.2**		0.2
Regulatory assets - current		**21.4**		21.9
AROs(3)		**0.2**		0.5
Regulatory assets - noncurrent		**0.2**		0.5
Total regulatory assets	$	**21.6**	$	22.4
Regulatory Liabilities:				
Income taxes refundable through future rates(4)	$	**76.2**	$	78.7
Depreciation(5)		**18.1**		13.5
Regulatory liabilities - noncurrent		**94.3**		92.2
Total regulatory liabilities	$	**94.3**	$	92.2

(1) *Recoverable charges incurred by Wexpro but not yet billed to Questar Gas.*
(2) *Royalties on cost-of-service gas produced are recovered from Questar Gas on a delayed basis.*
(3) *Allowed recovery of the cumulative effect of adoption of revised accounting standards for AROs.*
(4) *Amounts recorded to pass the effect of reduced income tax rates from the 2017 Tax Reform Act to customers in future periods, which will reverse over a period not to exceed 15 years.*
(5) *Based on the Wexpro II Agreement, Wexpro depreciates its investment base on an accelerated basis. This corresponds to the accumulated incremental depreciation expense recorded in accordance with the Wexpro II Agreement.*

Note 7 - Employee Benefit Plans

In January 2018, all Wexpro employees were transferred to DEWS. See Note 1 for further details. DEWS charges Wexpro its share of all employee related expenses.

Prior to January 2018, Wexpro participated in retirement benefit plans sponsored by Dominion Energy effective December 2017, reflecting the merger of plans previously sponsored by Dominion Energy Questar, which provided certain retirement benefits to eligible active employees, retirees and qualifying dependents. Under the terms of its benefit plans, Dominion Energy reserved the right to change, modify or terminate the plans. From time to time in the past, benefits have changed, and some of these changes have reduced benefits.

Prior to January 2018, pension benefits for employees were covered by a defined benefit pension plan sponsored by Dominion Energy that provided benefits to multiple Dominion Energy subsidiaries. Retirement benefits payable were based primarily on years of service, age and the employee's compensation. As a participating employer, Wexpro was subject to Dominion Energy's funding policy, which was to contribute annually an amount that is in accordance with the provisions of the Employee Retirement Income Security Act of 1974. Net periodic pension credit related to this plan was $(0.4) million in 2017, recorded in general and administrative expense in the Consolidated Statements of Income. The funding status of various Dominion Energy subsidiary groups and employee compensation was the basis for determining the share of total pension costs for participating Dominion Energy subsidiaries.

Retiree healthcare and life insurance benefits for employees were covered by a plan sponsored by Dominion Energy that provided certain retiree healthcare and life insurance benefits to multiple Dominion Energy subsidiaries. Annual employee premiums were based on several factors such as retirement date and years of service. Net periodic benefit cost related to this plan was $0.1 million in 2017, recorded in general and administrative expense in the Consolidated Statements of Income. Employee headcount was the basis for determining the share of total other postretirement benefit costs for participating Dominion Energy subsidiaries.

Defined Contribution Plan
Wexpro also participated in a defined contribution plan sponsored by Dominion Energy that covered multiple Dominion Energy subsidiaries. Wexpro recognized $1.0 million of expense in general and administrative expense in the Consolidated Statements of Income in 2017, as the employer matching contributions to this plan.

Note 8 – Commitments and Contingencies

As a result of issues generated in the ordinary course of business, Wexpro is involved in legal proceedings before various courts and is periodically subject to governmental examinations (including by regulatory authorities), inquiries and investigations. Certain legal proceedings and governmental examinations involve demands for unspecified amounts of damages, are in an initial procedural phase, involve uncertainty as to the outcome of pending appeals or motions, or involve significant factual issues that need to be resolved, such that it is not possible for Wexpro to estimate a range of possible loss. For such matters for which Wexpro cannot estimate, a statement to this effect is made in the description of the matter. Other matters may have progressed sufficiently through the litigation or investigative processes such that Wexpro is able to estimate a range of possible loss. For legal proceedings and governmental examinations for which Wexpro is able to reasonably estimate a range of possible losses, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any accrued liability is recorded on a gross basis with a receivable also recorded for any probable insurance recoveries. Estimated ranges of loss are inclusive of legal fees and net of any anticipated insurance recoveries. Any estimated range is based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent Wexpro's maximum possible loss exposure. The circumstances of such legal proceedings and governmental examinations will change from time to time and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on Wexpro's financial position, liquidity or results of operations.

Note 9 - Variable Interest Entities

The primary beneficiary of a VIE is required to consolidate the VIE and to disclose certain information about its significant variable interest in the VIE. The primary beneficiary of a VIE is the entity that has both: (1) the power to direct activities that most significantly impact the entity's economic performance and (2) the obligation to absorb losses or receive benefits from the entity that could potentially be significant to the VIE.

Wexpro purchased shared services from DEQPS, an affiliated VIE, of $0.1 million for both of the years ended December 31, 2018 and 2017. DEQPS provides operational services to certain Dominion Energy subsidiaries, including Wexpro, as a subsidiary service company. The Consolidated Balance Sheets at December 31, 2018 and 2017, includes amounts due to DEQPS of less than $0.1 million and $0.1 million, respectively.

Wexpro entered into a service agreement with DES, an affiliated VIE, effective January 2018. DES provides accounting, legal, finance, and certain administrative and technical services to Dominion Energy and its subsidiaries, including Wexpro. Wexpro purchased shared services from DES of $9.0 million for the year ended December 31, 2018. The Consolidated Balance Sheet at December 31, 2018 includes amounts due to DES of $0.8 million.

Wexpro entered into a service agreement with DEWS, an affiliated VIE, effective January 2018. DEWS provides human resources and operations services to Dominion Energy and its subsidiaries, including Wexpro. Wexpro purchased shared services from DEWS of $17.2 million for the year ended December 31, 2018. The Consolidated Balance Sheet at December 31, 2018 includes amounts due to DEWS of $1.4 million.

Wexpro determined that it is not the primary beneficiary of DEQPS, DES or DEWS as it does not have both the power to direct the activities that most significantly impact their economic performance nor the obligation to absorb losses and benefits which could be significant to it. Wexpro has no obligation to absorb more than its allocated share of DEQPS, DES and DEWS costs.

Note 10 - Related-Party Transactions

Under the Wexpro Agreements, Wexpro earns revenues from Questar Gas as operator service fees for costs associated with operating gas wells for the benefit of Questar Gas customers.

Dominion Energy Questar and other affiliates (including DES) provide accounting, legal, finance and certain administrative and technical services to Wexpro while DEWS provides human resources and operations services to Wexpro. These costs are primarily included in general and administrative expense in the Consolidated Statements of Income on the basis of direct and allocated methods. Where costs incurred cannot be determined by specific identification, the costs are generally allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs for costs from Dominion Energy Questar and based on the proportional level of effort devoted by resources that is attributable to Wexpro, determined by reference to number of employees, salaries and wages and other similar measures for the relevant DES service. Management believes that the allocation methods are reasonable. Wexpro provides certain services to related parties, including technical services which are allocated based on the specific nature of the charges. Management believes that the allocation method is reasonable. The amounts for the services follow:

	December 31,	
	2018	2017
(in millions)		
Operator service fee	$ **244.8**	$ 306.9
Services provided by related parties	**29.9**	12.5
Services provided to related parties	**3.0**	1.1

See Note 4 for interest expense associated with related parties and Note 6 for regulatory assets associated with related parties.

Note 11 - Subsequent Events

The Consolidated Financial Statements reflect management's consideration of known subsequent events as of April 5, 2019, the date the Consolidated Financial Statements were available to be issued.

Questar Gas Company

12 Months Ended 2018 O&M and A&G per customer
(Annual Results of Operations)

	(A)		(B)	
1	Production	$	(886,886.91)	
2	Distribution		57,001,664	
3	Customer Accounts (Excl. Bad Debt)		12,176,173	
4	Customer Service/Information (Excl. EE)		3,166,142	
5	Administrative & General		49,494,549	
6	Bad Debt		1,651,763	
7	Energy Efficiency		24,077,931	
8	**Total O&M and A&G**	$	146,681,337	
			(9,247,239)	
9	LESS Bad Debt		(1,651,763)	
10	LESS Energy Efficiency		(24,077,931)	
11	Adjusted O&M and A&G	$	120,951,642	
12	Year End Customers		1,058,205	
13	O&M and A&G/Customer (Line 11 divided by 12)	$	114.30	

Wexpro

12 Months Ended 2018 O&M and A&G
(Financial Statements)

14	Operating & Maintenance Expense		22,499,634	
15	Administrative & General Expense		23,129,086	1/
16	**Total O&M and A&G**	**$**	**45,628,720**	

Questar Pipeline Company

12 Months Ended 2018 O&M and A&G
(FERC Form 2 pages 320-325)

17	Production Expenses		(19,217,638)	
18	Natural Gas Storage, Terminaling and Processing Expenses		14,375,384	
19	Transmission Expenses		36,616,366	
20	Customer Service and Informational Expenses		-	
21	Administrative & General Expense		18,938,053	
22	**Total O&M and A&G**	**$**	**50,712,165**	2/

1/ Wexpro 2018 financial statements are included as Exhibit 44
2/ Form 2 is included as attachment DEU Exhibit 45

Charitable Contribution - Dominion Energy Utah
As of December 31, 2018

2014	$ 1,741,233.00
2015	$ 1,819,168.00
2016	$ 1,552,447.00
2017	$ 2,788,234.00
2018	$ 2,786,925.00

S&P Global
Ratings

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Research Update:

Dominion Energy Inc. Outlook Revised To Stable On Expected SCANA Aquisition; Ratings Affirmed

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Research Update:

Dominion Energy Inc. Outlook Revised To Stable On Expected SCANA Aquisition; Ratings Affirmed

Rating Action Overview

- The Public Service Commission of South Carolina approved Dominion Energy Inc.'s acquisition of South Carolina Electric & Gas Co., and we expect that Dominion will close on its all-stock acquisition of SCANA Corp. in the very near term. In addition, Dominion previously entered into a definitive agreement to acquire Dominion Energy Midstream, which we also expect will soon be completed.
- On Dec. 27, 2018, S&P Global Ratings affirmed its ratings on Dominion and subsidiaries Virginia Electric & Power Co. (VEPCO), Dominion Energy Gas Holdings LLC, and Questar Gas Co., including the 'BBB+' issuer credit ratings, and revised the outlooks to stable from negative.
- At the same time, we raised the issuer credit and unsecured debt issue rating on subsidiary Dominion Energy Questar Pipeline LLC (DEQP) to 'BBB+' from 'BBB'. The outlook is stable.
- The stable outlook reflects our expectations that Dominion's lower-risk utility businesses will increase to about 75% of consolidated EBITDA following the SCANA acquisition from prior expectations of about 70% of consolidated EBITDA. We expect that financial measures will reflect the lower half of the range for its financial risk profile category. Specifically, we expect funds from operations (FFO) to debt of 15%-16%.

Rating Action Rationale

The outlook revision reflects the company's increasing focus on low-risk utility businesses and expectations for modestly improved financial measures following the acquisition of SCANA. We expect that Dominion's utility businesses will reflect about 75% of consolidated EBITDA, up from about 70% of consolidated EBITDA. Furthermore, we expect that FFO to debt will reflect about 15%-16% or a modest improvement from 14.8% at year-end 2017 and 14.4% for the rolling 12 months ended September 2018.

The upgrade on DEQP reflects our revised assessment of the relationship between Dominion and DEQP. Because Dominion will very shortly complete its acquisition of Dominion Energy Midstream Partners L.P. (DM), which was the parent company of DEQP, we expect that Dominion's relationship to DEQP will be consistent with that of Dominion's other subsidiaries. Previously, we assessed DEQP as a moderately strategic subsidiary of Dominion, partially reflecting the increased probability that some of DEQP would be sold as Dominion strategically reduced its interest in DM. However, with Dominion's acquisition of DM, we now consider DEQP to be a core subsidiary. This reflects our view that DEQP is highly unlikely to be sold, is integral to the overall group strategy, and has a strong long-term commitment from senior management. As a result, we assess the issuer credit rating on DEQP as in line with Dominion's 'bbb+' group credit profile.

We assess Dominion's stand-alone credit profile based on its excellent business risk profile and significant financial risk profile.

We assess Dominion's business risk profile based on its very large size and high proportion of lower-risk, rate-regulated utility assets reflecting about 75% of EBITDA and operating across nine states. However, we expect it may take SCANA's South Carolina utility several years to restore regulatory confidence and to effectively manage regulatory risk at the consistently high level that it did prior to the abandonment of its nuclear generating facility. Further supporting the company's business risk profile is its recent sale of its ownership in higher-risk Blue Racer Midstream LLC and non-nuclear merchant generating assets.

The balance of Dominion's non-utility businesses consist of gas transmission pipelines (about 10% of EBITDA), liquefied natural gas (LNG) (about 10% of EBITDA), and merchant nuclear generation (about 5% of EBITDA). While we generally view the Federal Energy Regulatory Commission (FERC)-regulated gas transmission pipeline business and the long-term contracted LNG businesses as more credit supportive than a typical industrial company, we still view these businesses as higher risk than the low risk regulated utility business. This reflects our assessment of the weaker FERC regulation for the gas transmission pipelines compared with regulated utilities and our view that over the long-term contracted assets are generally modestly higher risk than regulated utility assets because of counterparty credit risk and the possibility of an unforeseen event that could erode margins. Furthermore, we view the higher-risk merchant business as exposing the company to volumetric, commodity, and operational risks. Because of these higher risks, we continue to assess Dominion at the lower half of the range for its business risk profile category.

We assess Dominion's financial measures using our medial volatility table reflecting the company's operating focus on mostly lower-risk regulated utilities and its generally effective management of regulatory risk in Virginia, Ohio, and Utah.

Our base-case scenario includes the credit supportive funding of the SCANA transaction as an all-stock acquisition, robust capital spending of more than $5 billion annually, annual EBITDA greater than $8 billion, a fully operational Atlantic Coast Pipeline by mid 2020, and rising annual dividends of more than $2 billion. Under our base case, we expect financial measures to consistently reflect the lower half of the range for its financial risk profile category, with FFO to debt of 15%-16%.

To account for our assessment of Dominion's business and financial risk profiles at the lower half of their respective categories, we are revising the comparable rating analysis modifier to negative from neutral. However, Dominion's stand-alone financial profile is unchanged, as we are also revising the financial policy modifier to neutral from negative. This reflects Dominion's decision to fully acquire DM and our improved opinion of the company's financial policy. Our previous assessment reflected our expectations that the company would grow through acquisitions at a faster pace than peers because of DM, a master limited partnership, which added a degree of complexity to the company's organizational structure, and provided incremental opportunities and incentive for the company to complete acquisitions.

Outlook

The stable outlook reflects our expectations that Dominion's lower-risk utility businesses will show modest improvement to about 75% of consolidated EBITDA following the SCANA acquisition. We expect that financial measures will reflect the lower half of the range for its financial risk profile category, with FFO to debt of 15%-16%.

Downside scenario

We could lower the ratings on Dominion over the next two years if the company's financial measures materially weaken reflecting FFO to debt below 13%. This could occur if the company's ability to effectively manage regulatory risk weakens or it suffers material delays and cost increases at its large projects including the Atlantic Coast Pipeline.

Upside scenario

We could upgrade Dominion over the next two years if its financial measures significantly improve, reflecting FFO to debt that is consistently greater than 18%, without a material increase to business risk. This would most likely occur if the company finances a higher percentage of its future projects with a higher degree of equity, and continues to largely grow through its regulated utility operations.

Company Description

Dominion Energy is a very large company that has a significant utility, pipeline, LNG, and merchant generation businesses. The company's utilities serve more than 6 million customers across nine states. The lower-risk utility business accounts for about 75% of its consolidated EBITDA. The company also has a large gas pipeline business that accounts for about 10% of consolidated EBITDA and is regulated by FERC. The company's Cove Point LNG also accounts for about 10% of EBITDA and has long-term contracts with high credit counterparties. The company's highest risk business is its nuclear merchant generation business that accounts for about 5% of EBITDA.

Liquidity

We assess Dominion's liquidity as adequate because we believe its liquidity sources are likely to cover its uses by more than 1.1x over the next 12 months and to meet cash outflows even with a 10% decline in EBITDA. Under our stress scenario, we do not expect that Dominion would require access to capital markets during that period to meet its liquidity needs. In addition, Dominion has sound relationships with its banks, satisfactory standing in the credit markets, generally prudent risk management, and could absorb a high-impact, low-probability events with limited need for refinancing.

Principal liquidity sources:

- Credit facility availability of about $6 billion;
- FFO of more than $6 billion; and
- Minimal cash of about $300 million.

Principal liquidity uses:

- Robust capital spending of more than $5 billion;
- Rising dividends at more than $2 billion; and
- Long-term debt maturities of more than $4 billion in 2019.

Issue Ratings - Subordination Risk Analysis

Capital structure

Dominion Energy Inc.'s capital structure consists of approximately $40 billion of debt, of which about $22 billion is outstanding at its subsidiaries following the SCANA acquisition.

Analytical conclusions

- The short-term rating on Dominion is 'A-2' based on our long-term issuer credit rating (ICR) on the company.
- The unsecured debt issued at Dominion is rated 'BBB', one notch lower than the ICR. This is due to the significant proportion of priority debt at the company's subsidiaries.
- Dominion's junior subordinated notes are subordinated and not deferrable and we therefore rate them in line with the senior unsecured debt at 'BBB', one notch below our ICR.
- DEI's enhanced junior subordinated notes are rated 'BBB-', two notches below the ICR. We classify the enhanced junior subordinated notes as hybrid securities premised on their permanence, deferability, and subordination features.
- DEI's equity units are hybrid securities that incorporate equity risk and are therefore also rated 'BBB-', two notches below the ICR.

- The unsecured debt issues at Dominion Energy Gas Holdings LLC and Dominion Energy Questar Pipeline LLC are rated 'BBB+', the same as the ICR, because there is no secured or priority debt that ranks ahead of these issues in its capital structure.
- The unsecured debt issues at VEPCO and Questar Gas Co. are rated 'BBB+', the same as the ICR, as these are unsecured debt issues of a qualifying investment-grade regulated utility.

Ratings Score Snapshot

Issuer Credit Rating: BBB+/Stable/A-2

Business risk: Excellent
- Country risk: Very low
- Industry risk: Very low
- Competitive position: Strong

Financial risk: Significant
- Cash flow/Leverage: Significant

Anchor: a-

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

Stand-alone credit profile: bbb+
- Group credit profile: bbb+

Related Criteria

- Criteria - Corporates - General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria - Corporates - Industrials: Key Credit Factors For The Midstream

Energy Industry, Dec. 19, 2013

- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, Nov. 19, 2013
- Criteria - Corporates - Utilities: Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- Criteria - Corporates - General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed; Outlook Action		
	To	From
Dominion Energy, Inc.		
Virginia Electric & Power Co.		
Questar Gas Co.		
Dominion Energy Gas Holdings, LLC		
Issuer Credit Rating	BBB+/Stable/A-2	BBB+/Negative/A-2
Upgraded; Outlook Action		
Dominion Energy Questar Pipeline, LLC		
Issuer Credit Rating	BBB+/Stable/--	BBB/Negative/--
Issue-level Ratings Raised		
Dominion Energy Questar Pipeline, LLC		
Senior Unsecured	BBB+	BBB
Ratings Affirmed		
Dominion Energy, Inc.		
Senior Unsecured	BBB	
Junior Subordinated	BBB	
Junior Subordinated	BBB-	
Commercial Paper	A-2	

Dominion Energy Gas Holdings, LLC	
Senior Unsecured	BBB+
Commercial Paper	A-2
Questar Gas Co.	
Senior Unsecured	BBB+
Commercial Paper	A-2
Virginia Electric & Power Co.	
Senior Unsecured	BBB+
Preferred Stock	BBB-
Commercial Paper	A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

MOODY'S
INVESTORS SERVICE

CREDIT OPINION
30 January 2019

Update

Rate this Research

RATINGS

Questar Gas Company

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

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

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EMEA	44-20-7772-5454

Questar Gas Company

Update to credit analysis

Summary

Questar Gas Company's (A2 negative) credit profile reflects 1) low-risk operations as a local gas distribution company (LDC), 2) supportive regulators in Utah and Wyoming, 3) stable cash flow production through its suite of cost recovery mechanisms and 4) an expectation for more conservative financial policies with regard to capital structure over the next 12-18 months.

The Questar Gas credit profile is constrained by 1) very weak financial metrics versus peers, 2) a base rate freeze and tax reform impacts that will reduce cash flow metrics through 2020 and 3) a highly levered parent company (i.e., Dominion Energy Inc. (DEI, Baa2 stable).

Exhibit 1
Historical CFO Pre-WC, Total Debt and CFO Pre-WC to Debt
($MM)

Source: Moody's Financial Metrics

Credit strengths

- Stable and predictable cash flow derived from cost recovery mechanisms on around $1 billion of rate base
- Cooperative relationships with regulators in Utah and Wyoming
- Management financial policies are improving the capital structure
- Ring-fencing like provisions helps offset some risk of its highly levered parent

Credit challenges

» Base rate freeze through 2020 and tax reform impacts will weaken financial metrics

» Elevated capital spend over the next three years

» Highly levered parent that carries higher credit risk

» Carbon transition exposure

Rating outlook

The negative outlook for Questar Gas reflects the company's financial profile, which has been weak for the rating since Dominion acquired the company in 2016. Moody's expects Questar Gas to generate a ratio of cash flow to debt in the high teens range over the next few years, primarily reflecting a decline in cash flow triggered by a general rate freeze, tax reform and increasing debt.

Factors that could lead to an upgrade

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

Factors that could lead to a downgrade

» Cash flow to debt metrics below 20%, on a sustainable basis.

» If regulatory provisions in either Utah or Wyoming were to become less supportive.

Key indicators

Exhibit 2

Questar Gas Company [1]

	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
CFO Pre-W/C + Interest / Interest	5.2x	7.4x	6.1x	6.2x	4.6x
CFO Pre-W/C / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
CFO Pre-W/C – Dividends / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
Debt / Capitalization	42.4%	44.0%	43.9%	51.2%	48.8%

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

Profile

Questar Gas is a local gas distribution company that serves over 1 million customers primarily in Utah but also in Wyoming and Idaho. Questar Gas is primarily regulated by the PSCU and the PSCW and generates around $950 million of revenue and about $220 million of EBITDA through its LDC operations.

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

Detailed credit considerations

Supportive regulatory environments with key cost recovery features

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

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

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

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

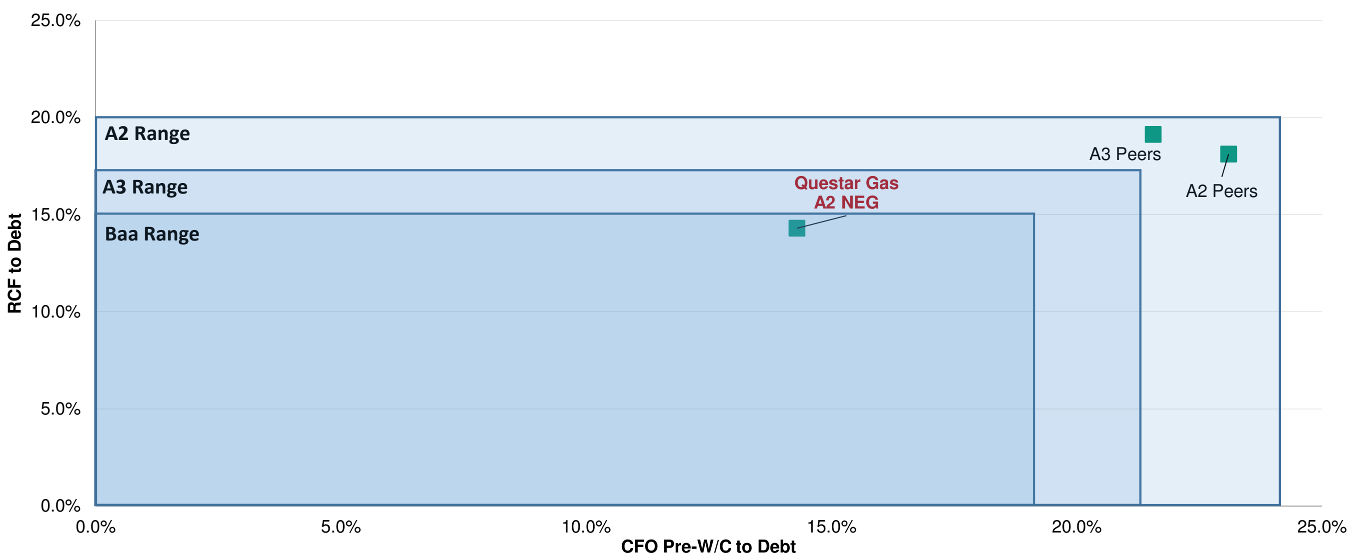
Weakened cash flow will persist over the next 18 months, but managing financial policies should help improve metrics

At about 14%, Questar Gas' ratio of CFO pre-WC to debt through LTM 3Q18, is much lower than A2 LDC peers that have averaged around 23% over the same period. We expect that Questar Gas' financial profile will remain relatively weak through 2020 as a result of the Utah and Wyoming base rate freezes, a robust capital plan and cash flow headwinds due to December 2017 tax reform. For example, we expect cash flow from operations to stagnate around $180 million.

However, management has taken steps to stabilize and improve the company's financial profile until new rates can begin in mid-2020. For example, Questar Gas has made no dividend payments since 4Q16 and has received approval from the UPSC to temporarily increase the equity component of the LDC's capital structure, as a means to improve financial credit metrics. In January 2019, Questar Gas received commission approval to exceed the 55% equity layer of capitalization that was ordered in the 2016 merger approval. This should help stave off the pace of increasing debt during the cash flow stagnation and keep CFO pre-WC to debt - and CFO pre-WC less dividends to debt - between 16-18%.

Despite the greater retained cash flow, the company's financial profile remains weak compared to peer LDCs that have similar cost recovery mechanisms and operate in very supportive regulatory jurisdictions. Exhibit 3 shows a comparison of CFO pre-WC to debt and CFO pre-WC less dividends to debt for Questar Gas and its peers.

Exhibit 3



Source: Moody's Financial Metrics

Parent contagion risk reduced by utility ring-fencing type provisions and de-risking events in 2018

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

Moreover, Dominion made significant progress toward lowering its business and financial risk in 2018. Some of the key features include the reduction of holding company debt by around $8.0 billion ($5.0 billion on a consolidated basis) by way of selling three merchant power generation plants and its 50% interest in Blue Racer (Ba1 stable) midstream gas business with higher risk operations. Furthermore, the acquisition of SCANA Corp. (Ba1 positive) added over $800 million of rate regulated utility cash flow to the consolidated operations and provides more geographic and regulatory diversity going forward.

Low carbon transition risk

Questar Gas has low carbon transition risk within the utility sector because it is a gas LDC and natural gas commodity purchase costs are fully passed through to customers with an effective cost recovery mechanism. Moreover, the company's decoupling mechanism helps to insulate its financial profile from the potential negative impacts of lower sales volume, should usage decline.

Liquidity analysis

Questar Gas' internal liquidity consists of cash flow from operations around $180 million, versus capital expenditures above $230 million. We expect that Questar Gas will maintain a lower dividend payout through 2019, in-line with the past 12 months, but will still require external liquidity sources to maintain an adequate liquidity profile.

To supplement the company's negative free cash flow, Questar Gas has direct access to Dominion's $6.0 billion master credit facility, by way of a $250 million sub-limit. On 30 September, Questar Gas had $110 million of commercial paper (CP) outstanding, leaving around $140 million of available borrowing capacity per the sub-limit. The sub-limit can be increased or decreased multiple times per year and if Questar Gas has liquidity needs in excess of its sub-limit, its needs can be satisfied through short-term intercompany borrowings from Dominion.

The master credit facility is a joint facility that also names affiliates Virginia Electric and Power Company (A2 stable) and Dominion Energy Gas Holdings, LLC (A3 stable) as co-borrowers. The facility matures in March 2023. The joint facilities contain no material adverse change clause for borrowings but do contain a maximum 67.5% debt to capitalization covenant (Questar Gas' specific covenant is 65%), and all four borrowers have reported that they remain comfortably in compliance with this covenant restriction.

Questar's P-1 CP rating is currently derived from Questar Gas' A2 long-term rating and recognizes that sub-limits for Dominion subsidiaries can be changed at the option of Dominion multiple times per year.

We also note that while it is common practice for Dominion and its subsidiaries to limit CP issuances to amounts available under the revolver backstop, the program documentation has no overt language that restricts CP issuance in this manner. We expect Dominion to continue its practice of maintaining 100% backup, at all times, for funded commercial paper in the form of cash balances and its $6.0 billion of committed bank credit facility. Should there be a deviation of this practice, the P-1 of Questar Gas would be downgraded and could result in negative ratings implications for its long-term debt as well.

Questar Gas also has $40 million and $110 million in notes maturing in December 2024 and December 2027, respectively.

Exhibit 4

Dominion's credit facility profile as of 30 September 2018 [1]

Company	Current Sub-Limit	CP Outstanding	Letters of Credit	Total Use as % of Sub-Limit	Sub-Limit Available
Total	**$ 6,000**	**$ 2,928**	**$ 132**	**51%**	**$ 2,940**
DEI	$ 3,500	$ 1,743	$ 71	52%	$ 1,686
VEPCO	$ 1,500	$ 934	$ 61	66%	$ 505
DEGH	$ 750	$ 141	$ -	19%	$ 609
Questar Gas	$ 250	$ 110	$ -	44%	$ 140

Dominion represents Dominion Energy Inc.'s parent and unregulated operations
[1] This does not incorporate any of the cash receipts from the sale of Blue Racer, merchant assets, and settlement of forward equity sale.
Source: Company reports

Rating methodology and scorecard factors

Exhibit 5
Rating Factors
Questar Gas Company

Regulated Electric and Gas Utilities Industry Grid [1][2]	Current LTM 9/30/2018		Moody's 12-18 Month Forward View As of Date Published [3]	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	A	A	A	A
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	A	A	A	A
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	N/A	N/A	N/A	N/A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	6.3x	Aa	5x - 6x	A
b) CFO pre-WC / Debt (3 Year Avg)	20.6%	A	16% - 18%	Baa
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	19.1%	A	16% - 18%	A
d) Debt / Capitalization (3 Year Avg)	44.2%	A	40% - 44%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A2		A3
HoldCo Structural Subordination Notching	0	0	0	0
a) Indicated Rating from Grid		A2		A3
b) Actual Rating Assigned		A2		A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
[2] As of 9/30/2018(L)
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.
Source: Moody's Financial Metrics

Appendix

Exhibit 6

Cash Flow and Credit Metrics [1]

CF Metrics	Dec-14	Dec-15	Dec-16	Dec-17	LTM Sept-18
As Adjusted					
FFO	**162**	**179**	**157**	**184**	**141**
+/- Other	(37)	16	-	-	-
CFO Pre-WC	**124**	**195**	**157**	**184**	**141**
+/- ΔWC	5	(63)	44	(43)	63
CFO	**129**	**132**	**201**	**141**	**205**
- Div	27	47	30	-	-
- Capex	175	217	240	215	252
FCF	**(72)**	**(132)**	**(69)**	**(74)**	**(47)**
(CFO Pre-W/C) / Debt	17.2%	23.5%	17.8%	17.6%	14.3%
(CFO Pre-W/C - Dividends) / Debt	13.5%	17.8%	14.4%	17.6%	14.3%
FFO / Debt	22.3%	21.5%	17.8%	17.6%	14.3%
RCF / Debt	18.6%	15.9%	14.4%	17.6%	14.3%
Revenue	961	918	921	947	948
Cost of Good Sold	603	553	528	550	561
Interest Expense	30	30	31	35	39
Net Income	56	60	65	70	70
Total Assets	1,969	2,193	2,507	2,698	2,695
Total Liabilities	1,372	1,571	1,853	1,977	1,929
Total Equity	597	621	654	721	766

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Exhibit 7

Peer Comparison Table [1]

	Questar Gas Company A2 Negative			South Jersey Gas Company A2 Negative			UGI Utilities, Inc. A2 Stable			ONE Gas, Inc A2 Stable			Public Service Co. of North Carolina, Inc. A3 Negative		
	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM	FYE	FYE	LTM
(in US millions)	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18	Sep-16	Sep-17	Sept-18	Dec-16	Dec-17	Sept-18	Dec-16	Dec-17	Sept-18
Revenue	921	947	948	461	517	538	768	888	1,092	1,427	1,540	1,632	423	470	498
CFO Pre-W/C	157	184	141	118	172	200	215	298	344	296	376	462	128	157	123
Total Debt	883	1,044	992	837	984	1,060	1,000	1,095	1,138	1,608	1,702	1,621	572	747	886
CFO Pre-W/C / Debt	17.8%	17.6%	14.3%	14.1%	17.5%	18.9%	21.4%	27.2%	30.2%	18.4%	22.1%	28.5%	22.4%	21.0%	13.8%
CFO Pre-W/C – Dividends / Debt	14.4%	17.6%	14.3%	14.1%	15.4%	17.0%	16.7%	22.0%	25.8%	13.9%	16.9%	22.6%	16.5%	16.2%	9.0%
Debt / Capitalization	43.9%	51.2%	48.8%	39.3%	45.4%	45.2%	40.5%	40.3%	43.3%	35.6%	40.0%	38.0%	34.9%	43.3%	47.1%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months.
Source: Moody's Financial Metrics

Ratings

Exhibit 8

Category	Moody's Rating
QUESTAR GAS COMPANY	
Outlook	Negative
Senior Unsecured	A2
Commercial Paper	P-1
ULT PARENT: DOMINION ENERGY, INC.	
Outlook	Stable
Senior Unsecured	Baa2
Jr Subordinate	Baa3
Commercial Paper	P-2

Source: Moody's Investors Service

REPORT NUMBER 1157877

CLIENT SERVICES

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

THIS FILING IS		
Item 1: [X] An Initial (Original) Submission	OR [ ]	Resubmission No. ____

Form 2 Approved
OMB No.1902-0028
(Expires 12/31/2020)

Form 3-Q Approved
OMB No.1902-0205
(Expires 12/31/2019)

FERC FINANCIAL REPORT
FERC FORM No. 2: Annual Report of Major Natural Gas Companies and Supplemental Form 3-Q: Quarterly Financial Report

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
Dominion Energy Questar Pipeline, LLC	**End of** 2018/Q4

May 10, 2019

Attached please find Dominion Energy Utah/Wyomings' Customer Satisfaction Standards Report (CSSR) for the 4th quarter ended December 2018.

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

The parties met with the Division and Office of Consumer Services in the 4th quarter of 2016 and updated 14 of the standards. This report includes these updated standards. The attached report is for the four quarters ending December 31, 2018 and provides the customer satisfaction results using the goals that were in effect at the beginning of the year.

The 4th quarter 2018 results are attached as Exhibit 46. The company is deficient in the same areas addressed in the prior 2018 quarterly reports. The transponder issues were explained in the January 6th technical conference and the transponder replacement program is still expected to be complete in 2019. The other deficiencies are related to the current staffing situation in the Company's customer care department. In 2018 the average rate of attrition in the department was 23.2% compared to 12.9% in 2017. Because of the tight labor market it is more challenging to hire and retain employees. The department is currently understaffed by ten employees but has offered jobs to 6 canidates and is planning on having the four remaining slots filled by the 2nd quarter of 2019. Once the department is fully staffed and the faulty transponders have all been replaced the customer service metrics will improve

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Overall Impression of QGC								
1	How satisfied are you with the product and services you receive	6.0	CSS	6.2	6.1	6.2	6.3	6.2
2	Delivers natural gas to my home/good value for price paid	5.5	CSS	5.7	5.7	5.8	5.9	5.8
3	Keeps me informed when/why natural gas rates change before it happens	5.0	CSS	5.2	5.2	5.1	5.3	5.2
4	Consistently delivers natural gas to my home without disruption	6.5	CSS	6.7	6.6	6.6	6.7	6.6
5	Is honest and open in its dealings	5.5	CSS	5.8	5.7	5.8	5.9	5.8
6	Safely delivers natural gas to my home	6.5	CSS	6.6	6.5	6.6	6.6	6.6
7	Demonstrates care and concern for people like me	5.0	CSS	5.5	5.4	5.5	5.6	5.5

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Customer Care								
1	Percentage of calls answered within 60 seconds after customer chooses menu option	85%	Internal Statistics	86.9%	75.8%	78.4%	83.1%	81.1%
2	Percentage of emergency calls answered within 60 seconds by agent	99%	Internal Statistics	99.5%	99.5%	99.5%	99.3%	99.4%
3	Average wait for customer after menu selection	less than 45 seconds	Internal Statistics	60	150	124	88	106
4	Callers that hang up after menu choice is made	less than 2%	Internal Statistics	1.4%	3.7%	3.3%	2.2%	2.7%
5	Amount of time talking with customer and completing request	less than 5 minutes	Internal Statistics	5.1	5.0	5.2	5.1	5.1
6	The phone staff was courteous	6.0	CSS	6.6	6.5	6.5	6.7	6.6
7	The phone staff was knowledgeable	6.0	CSS	6.3	6.3	6.4	6.6	6.4
8	My call was answered quickly	5.5	CSS	6.2	5.8	6.0	6.2	6.0
9	The person I spoke with was able to resolve my issue	6.0	CSS	6.1	6.2	6.2	6.4	6.2
10	The automated menu was easy to use	5.7	CSS	6.0	5.8	5.9	5.9	5.9
11	How satisfied are you with the actions taken by Questar Gas in response to your call	5.8	CSS	6.0	5.9	6.0	6.3	6.0

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Customer Affairs								
1	Respond to customer regarding any PSC complaint within 5 business days	100%	Public Service Commission Report	100%	100%	100%	100%	100%

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Service Calls - Ask-A-Tech								
1	The technician was courteous	6.2	CSS	6.7	6.7	6.5	6.7	6.6
2	The technician was knowledgeable	6.2	CSS	6.6	6.6	6.2	6.6	6.5
3	The technician was able to help me quickly	5.9	CSS	6.6	6.4	6.4	6.6	6.5
4	The technician was able to help me resolve my issue	5.9	CSS	6.3	6.8	6.3	6.7	6.5
5	The automated menu was easy to use	5.7	CSS	6.2	6.4	6.1	6.1	6.2
6	How satisfied are you with the technician's overall performance	6.0	CSS	6.3	6.7	6.1	6.5	6.4

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

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Service Calls								
1	The service technician was courteous	6.4	CSS	6.9	6.7	6.8	6.9	6.8
2	The service technician was knowledgeable	6.4	CSS	6.8	6.8	6.7	6.8	6.8
3	The service technician was able to help me quickly	6.2	CSS	6.8	6.5	6.5	6.6	6.6
4	The service technician was able to help me resolve my issue	6.2	CSS	6.5	6.5	6.5	6.6	6.5
5	How satisfied are you with the service technician's overall performance	6.3	CSS	6.7	6.8	6.6	6.8	6.7
6	Emergency calls - company representative is onsite within 1 hour of call	95%	Internal Statistics	97.8%	98.1%	97.2%	98.1%	97.8%
7	Remove meter seal within 1 business day requested by customer for activation	95%	Internal Statistics	100.0%	100.0%	99.9%	100.0%	100.0%
8	Activate or reactivate customers' gas service within 3 business days	95%	Internal Statistics	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	95%	Internal Statistics	100.0%	97.9%	96.4%	100.0%	98.6%
10	Restore interrupted service caused by system failure within 1 business day (except for service interruptions caused by natural disasters, force majeure events and significant third party actions)	24 hours	Internal Statistics	100%	100%	100%	100%	100.0%

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CSS - Customer Satisfaction Survey

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	2018 Annual Goal	Measurement Source	Q1 2018	Q2 2018	Q3 2018	Q4 2018	12 Mo. Ended 12/31/18
Billing								
1	Read each meter monthly	99%	Billing Statistics	94.4%	97.8%	96.7%	94.1%	95.7%
2	Percent of adjustments	3% Annual	Billing Statistics	0.52%	0.52%	0.61%	0.52%	0.5%
3	Send corrected statement to customer	5 Business Days	Internal Report	3.52 days	3.13 days	2.55 days	3.27 days	2.91 days
4	Percentage of billing inquiries requiring investigation responded to within 7 business day	95%	Internal Statistics	98.3%	96.0%	99.0%	93.0%	96.6%
5	Response time to investigate meter problems and notify customer within 15 business days	95%	Internal Statistics	73%	83%	90%	95%	85%

CUSTOMER SATISFACTION STANDARDS
QUARTERLY REPORT

	Service	Northern Region	Eastern Region	Central Region	Southern Region	Wyoming Region
Customer Service						
1	Number of PSC complaints by region	1	0	0	0	0
Service Calls						
1	The service technician was courteous	6.9	7.0	6.8	6.8	6.9
2	The service technician was knowledgeable	6.8	6.9	6.7	6.9	6.9
3	The service technician was able to help me quickly	6.7	7.0	6.6	6.6	6.4
4	The service technician was able to resolve my issue	6.4	6.9	6.5	6.7	6.4
5	How satisfied are you with the service technician's overall performance	6.8	7.0	6.7	6.8	6.9
6	Emergency calls - company representative is onsite within 1 hour of call	98.9%	97.1%	97.4%	97.4%	96.7%
7	Remove meter seal within 24 hours if requested by customer for activation	100.0%	100.0%	100.0%	100.0%	100.0%
8	Activate or reactivate customer's gas service within 3 business days	100.0%	100.0%	100.0%	100.0%	100.0%
9	Keeping customer appointments	100.0%	100.0%	100.0%	100.0%	100.0%
10	Restore interrupted service caused by system failure (exceptions include outages caused by natural disasters and third party actions)	100%	100%	100%	100%	100%