

**April 20, 2017**  
**Questar Gas**  
**IRP Workshop**

# IRP 2017 Schedule

- February 1, 2017-Jan 6<sup>th</sup> Weather Event, 2016 Appliance Survey
- February 28,2017-Peak Hour, Storage, and Transportation
- March 23, 2017-Liquefied Natural Gas and Excess Flow Valves
- April 20, 2017-Review of RFP, Wexpro Drill Plan
- June 27, 2017-Technical Conference

# Agenda

- **Merger Update**
- **Contracting Update**
- **Heating Season Review**
  - SENDOUT vs Actual
- **2017-2018 RFP Results**
- **Wexpro Drilling Plan**

# Merger Update

— Filed first Merger Integration Progress Report April 17, 2017.

— Name change announced February 6, 2017.

- Shareholder vote on name change May 10, 2017.
- File for official name change May 12, 2017.

**From**

Dominion Questar Corporation  
Questar Pipeline

**To**

Dominion Energy Questar Corporation  
Dominion Energy Questar Pipeline

- Doing Business As (DBA):

**Legal Name**

Questar Gas Company

**Doing Business As**

Dominion Energy Utah  
Dominion Energy Wyoming

Wexpro Company

Dominion Energy Wexpro

# Merger Update

## — June 5, 2017 Press Conference

- Change signage on building and trucks.
- Billing insert and e-Bill message. “We are now Dominion Energy.”
- Start TV and Radio ads.
- Start outdoor advertising.
- All employees begin answering phone call as “Dominion Energy”.
- Change all social media handles.

## — July 3, 2017

- Begin billing as Dominion Energy.

# Contracting Update

## — Transportation Capacity Release (Kern River):

- New contract (83,925 Dth/day-Seasonal), 15-year term

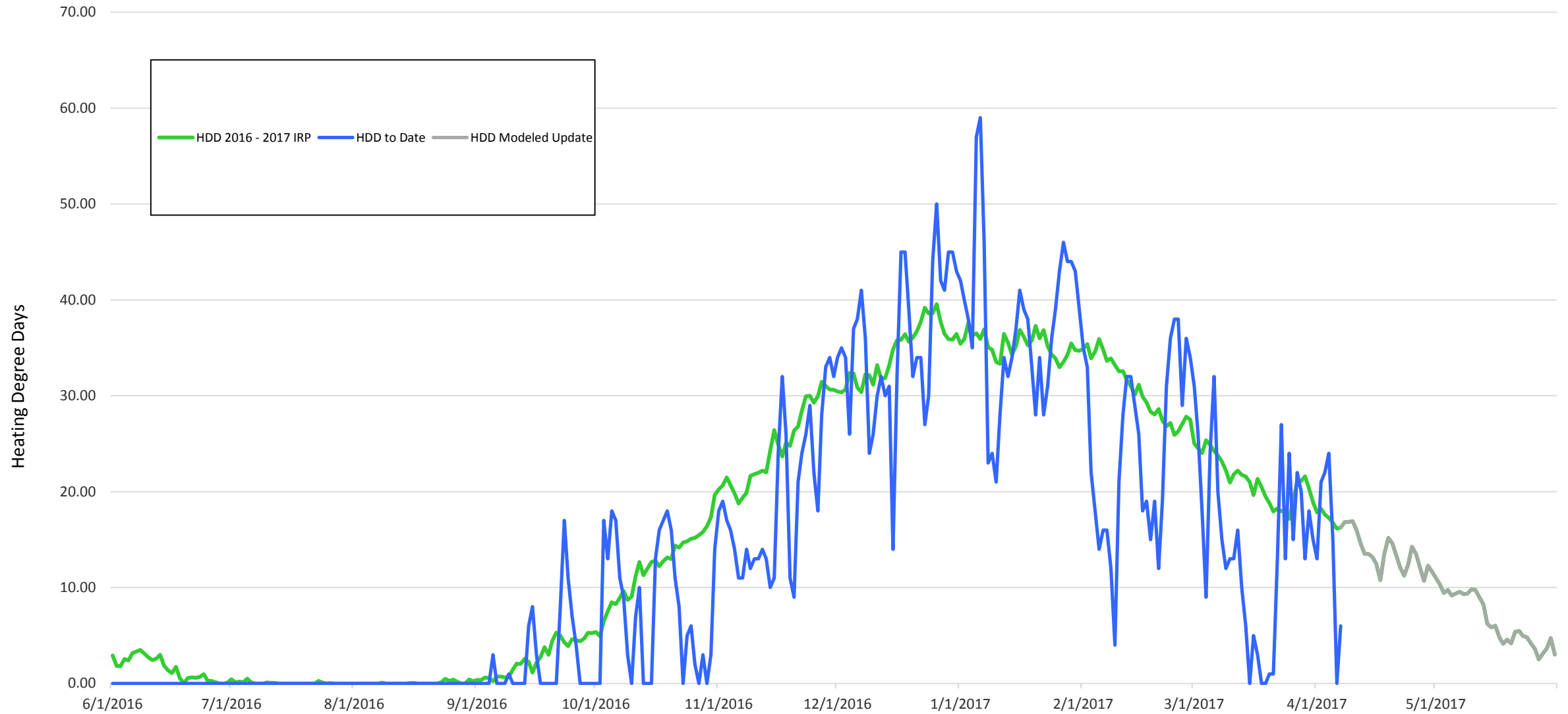
## — Questar Pipeline Transportation Capacity:

- #241 (798,902 Dth/day), 10-year term
- New contract (100,000 Dth/day-Hyrum expansion), 2019 – 8-year term

## — Questar Pipeline Storage:

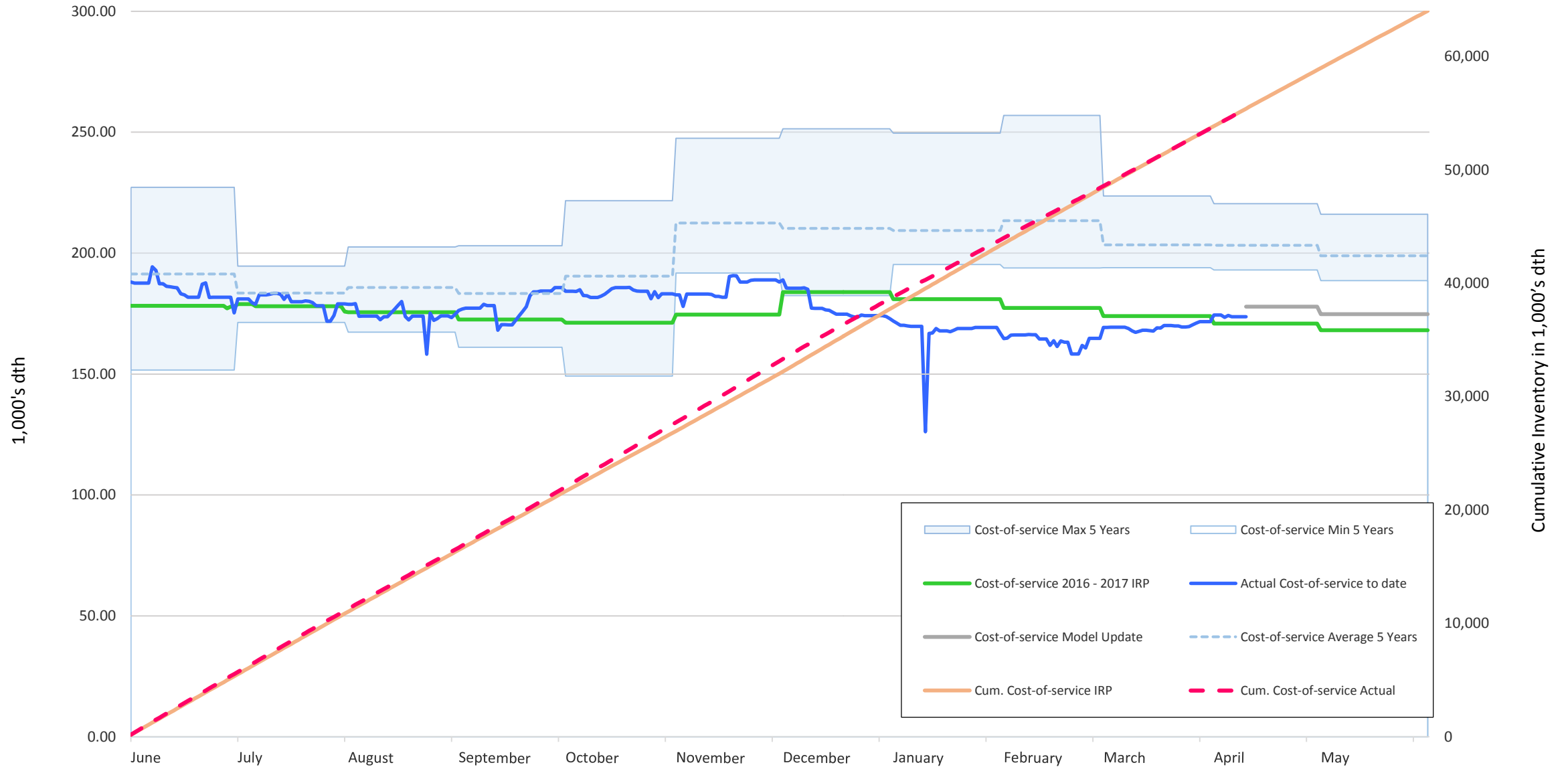
- #988 Clay Basin, 5-year term

# Heating Degree Days: IRP, Actual and Forward Estimate - Year 1



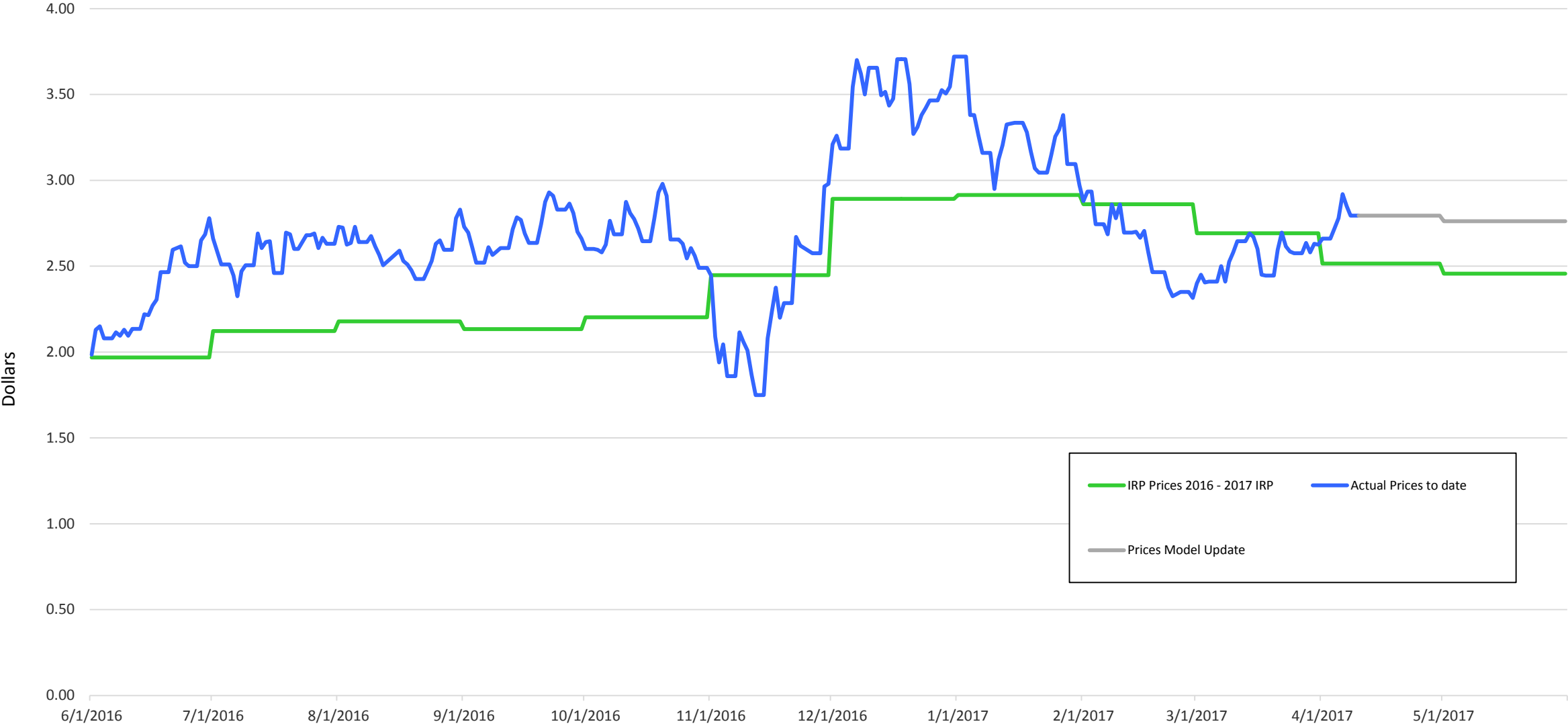


## Cost-of-service Gas: IRP, Actual and Model Update - Year 1

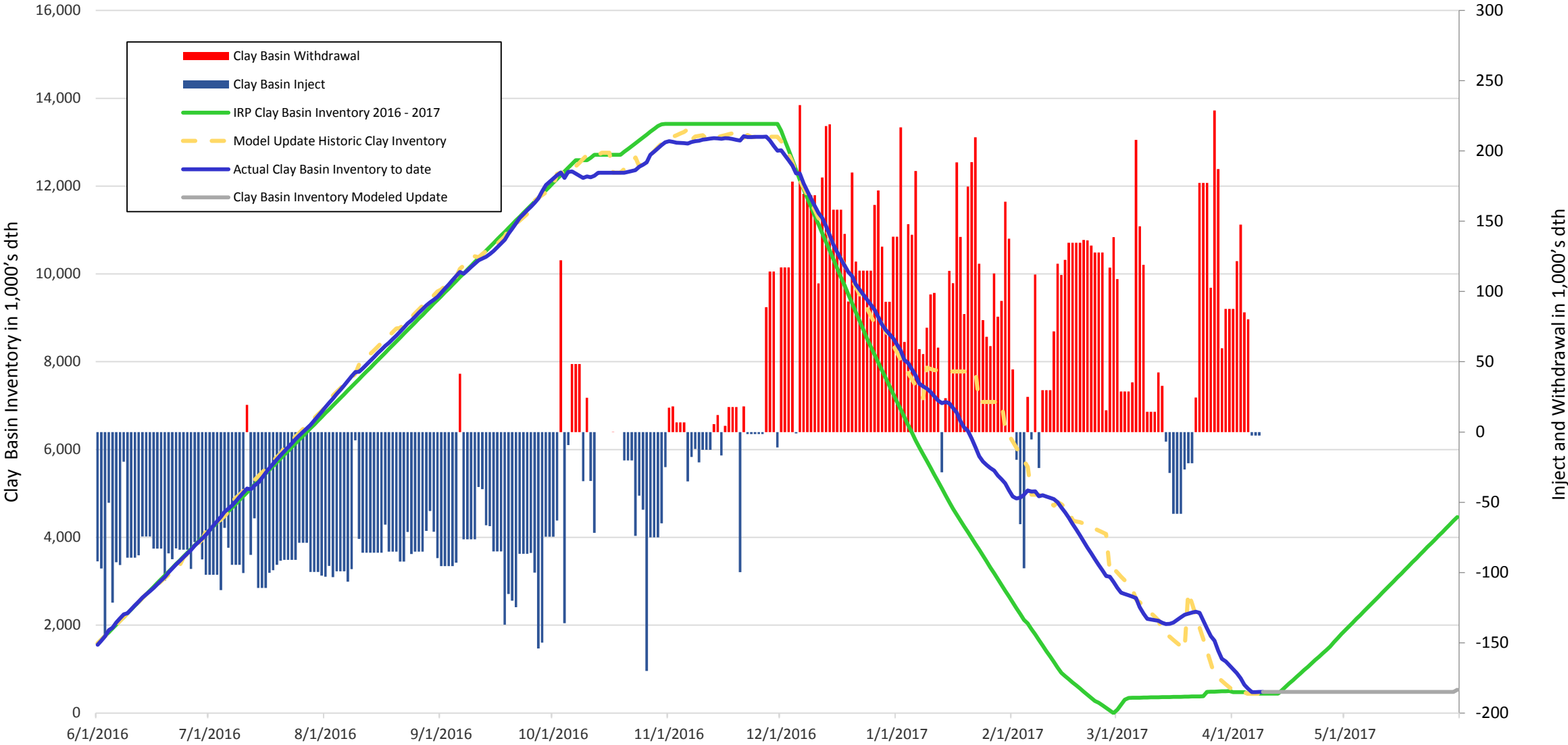




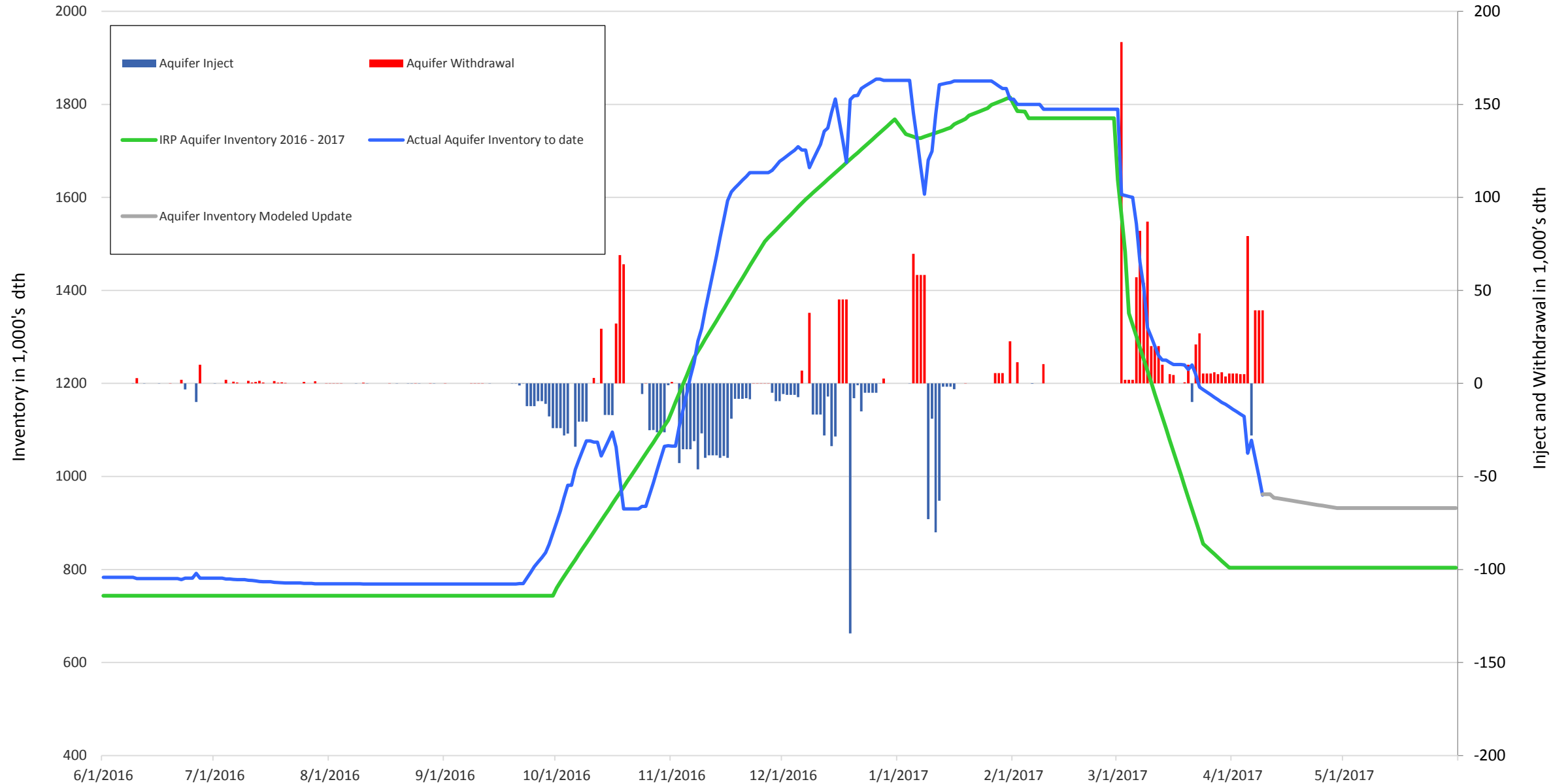
Index Price: IRP, Actual and Forward Estimate - Year 1



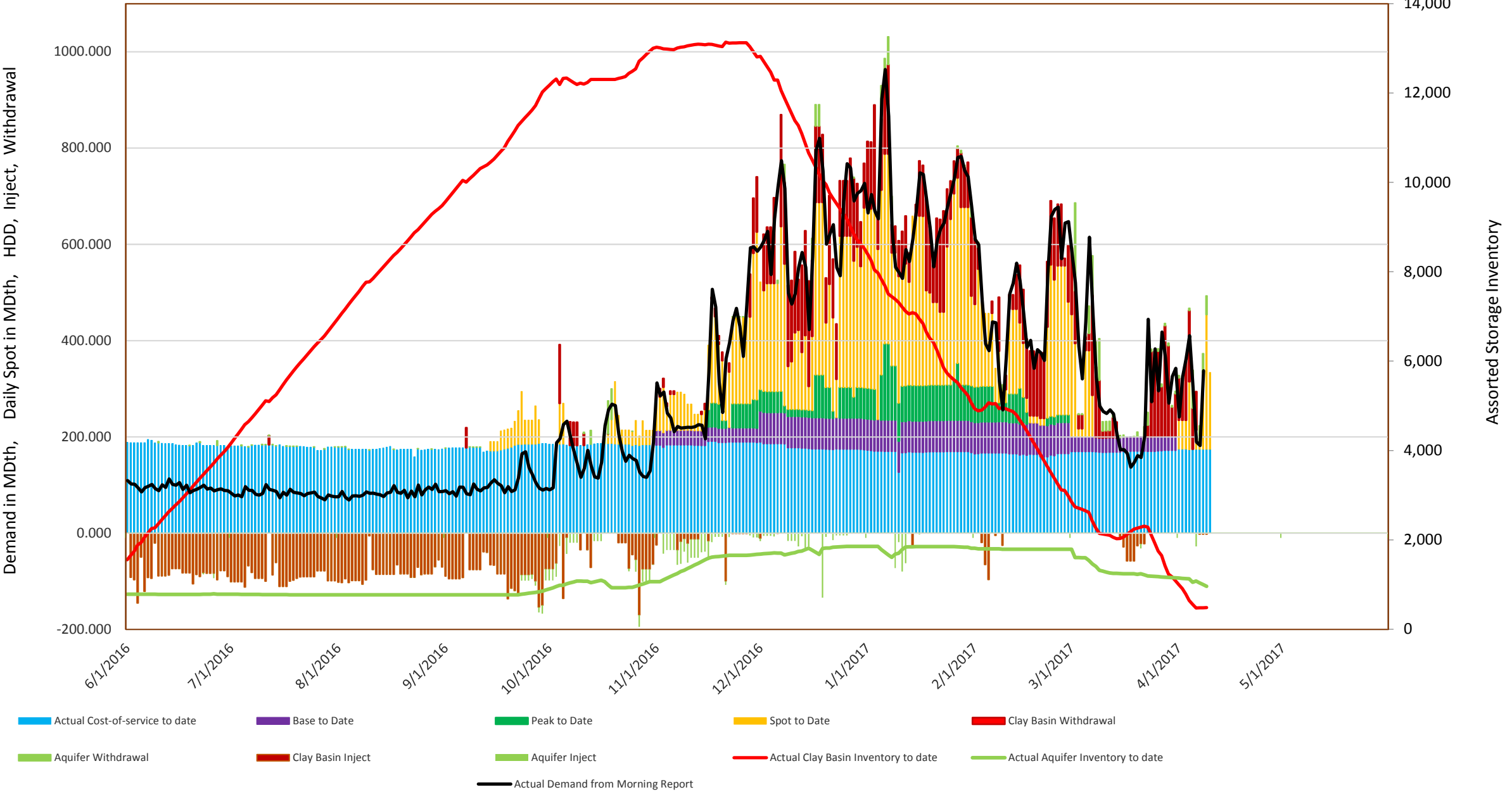
Clay Basin Inventory: IRP, Actual and Forward Estimate - Year 1



## Aquifer Inventory: IRP, Actual and Forward Estimate - Year 1



Combination Graph  
June 1, 2016 through May 31, 2017



# Purchase Gas Supplies - RFP Responses

- **Received proposals from 15 companies**
  - 393,000 Dth Baseload
  - 340,000 Dth QPC Peaking
  - 410,000 Dth KRGT Peaking
- **185 supply packages evaluated**
- **11 companies had at least one package of their proposal selected by SENDOUT**

# Baseload Supply (Dth)

Term (Days)	Existing (per day)	Recommended (per day)	Total (per day)
210	30,000	-	30,000
180	-	-	-
150	-	-	-
120	-	15,000	15,000
90	25,000	8,000	33,000
60	-	-	-
			78,000

# QP Peaking Supply (Dth)

Term (Days)	Existing (per day)	Recommended (per day)	Total (per day)
150	-	-	-
120	-	5,000	5,000
90	-	-	-
60	-	-	-
			5,000



# KRGT Peaking Supply (Dth)

Term (Days)	Existing (per day)	Recommended (per day)	Total (per day)
150	-	-	-
120	-	80,000	80,000
90	-	100,000	100,000
60	-	50,000	50,000
			230,000

# Total Supply Under Contract and Recommended 2017-2018 (Dth)

Supply Type	Total (per day)
Baseload	78,000
QPC Peaking	5,000
KRGT Peaking	230,000
	313,000

# **Wexpro 2017 Drilling Plan**

# Proposed Drilling Plan

Drill 25 total wells in the Vermillion Basin

9 – Canyon Creek Unit wells

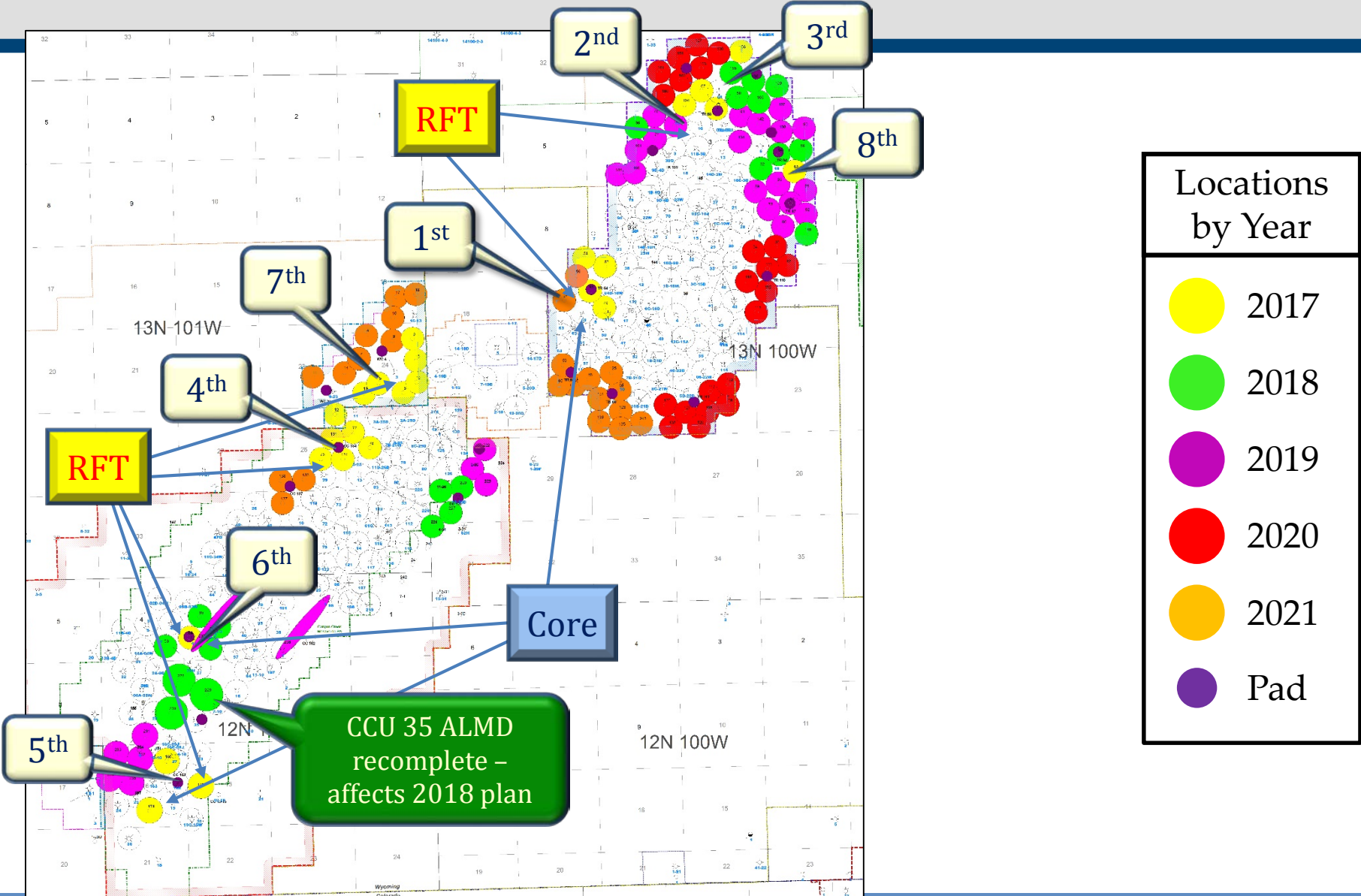
9 – Trail Unit wells

7 – Whiskey Canyon Unit wells

<u>Canyon Creek Unit Wells</u>	<u>Trail Unit Wells</u>	<u>Whiskey Canyon Unit Wells</u>
#76	#54	#12
#131	#95	#5
#134	#53	#13
#64	#49	#8
#78	#71	#10
#77	#104	#15
#160	#67	#9
#174	#155	
#178	#83	

<b>Gross Project Total</b>	<b>\$42,989,762</b>
<b>Wexpro (WI, WII) Total</b>	<b>\$38,985,419</b>
<i>Wexpro I</i>	<i>\$18,878,758</i>
<i>Wexpro II</i>	<i>\$20,106,660</i>


# 5-year planning locations



**CONFIDENTIAL--SUBJECT TO UTAH PUBLIC SERVICE COMMISSION RULE 746-100-16**

- ❖ Good initial production
- ❖ Rapid decline
- ❖ Indications of good reservoir properties

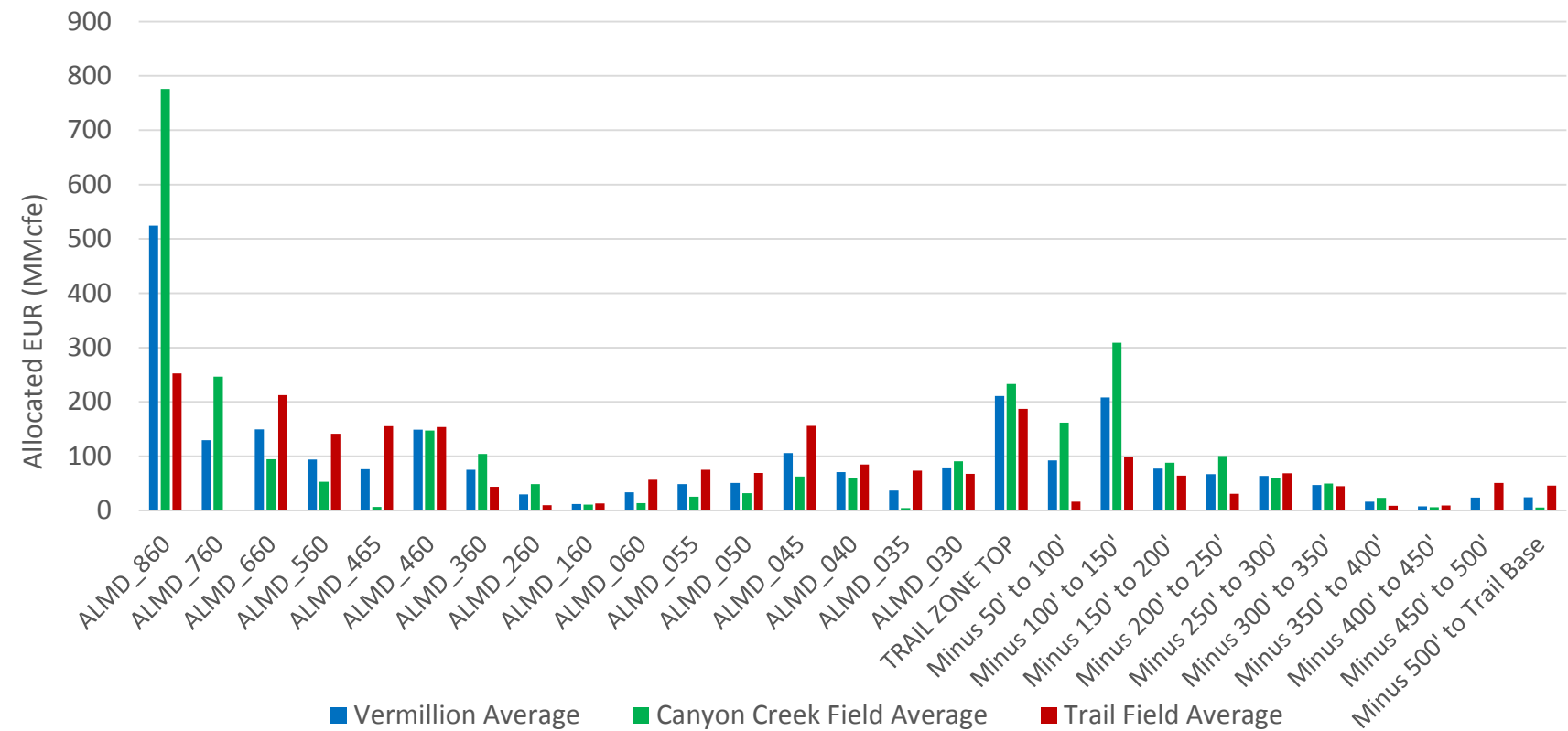
- Core analysis
  - Porosity / Permeability
  - Mineralogy
    - Swelling clays
  - Rock strength
- Pressure testing (RFT)
  - Depletion, Interference, Drainage
  - Efficient use of capital
  - Validation of reservoir sim



## TRAL Sand core



# Reservoir Engineering: Fine Scale Estimated Ultimate Recovery (EUR) Allocation



Incorporating a detailed zone by zone view of production allows us to model depletion at the distinct reservoir level

- This technique results in unrealistic results at the individual well level but incorporating with a data set averages out the perf level errors of production logs resulting in a powerful tool
- Trail production is more evenly distributed across zones than Canyon Creek field



# Vermillion Program COS

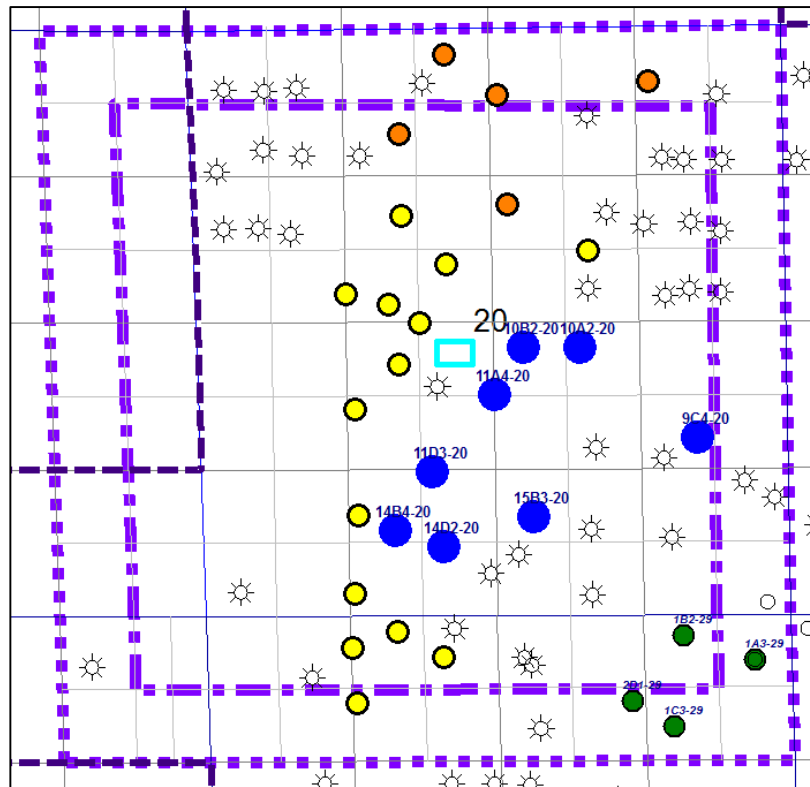
Royalty	\$7,940,121
Prod Tax	\$5,388,252
LOE	\$4,442,443
Gath	\$2,656,975
G&A	\$18,338
Dep	\$17,470,120
Earning	\$7,677,001
Oil Credit	-\$223,244
Income Tax	\$4,318,313
NPI	\$122,021
<b>Total Costs</b>	<b>\$49,810,340</b>



# **Pinedale Development 2017**

# Stewart Point PA-C Well Proposals

Wexpro has received eight AFEs for new wells in Stewart Point PA-C :



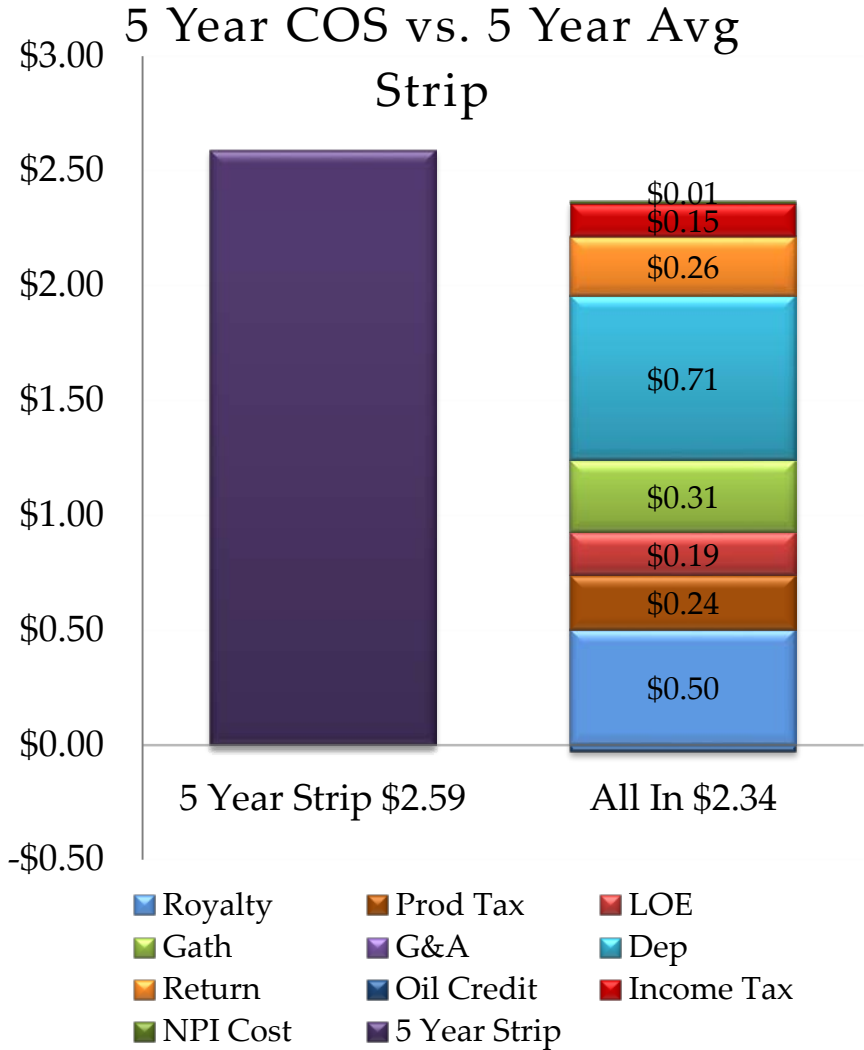
Stewart Point	SPUD Date	Est. Turn On	Gross AFE	WI AFE	Gross EUR Bcf	NRI EUR Bcf
9C4-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.35	1.07
15B3-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.02	0.96
10A2-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.51	1.12
14D2-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.95	1.26
10B2-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.94	1.25
11D3-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	4.02	1.28
11A4-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	4.09	1.30
14B4-20	4/2017	8/2017	\$2.97 MM	\$1.19 MM	3.82	1.21
<b>Total</b>			\$23.78 MM	\$9.51 MM	29.69	9.44

Working Interests:	Wexpro	40.00000%
	Ultra	31.61950%
	QEP	21.30060%
	Vanguard	7.079900%

All future locations per  
QEP map from Feb., 2017

# COS: Stewart Point Pad 11-20 Eight Wells

Royalty	\$3,524,242
Prod Tax	\$1,652,739
LOE	\$1,314,979
Gath	\$2,198,278
G&A	\$5,795
Dep	\$4,995,989
Return	\$1,803,654
Oil Credit	-\$206,422
Income Tax	\$1,014,555
NPI	\$64,752
Total Costs	\$16,368,563



11/15/2016 - 5 Year Strip – \$2.59 Vs \$2.34 COS

# Questions?