



RECEIVED

2017 APR 17 AM 9:30

IDAHO PUBLIC
UTILITIES COMMISSION

Questar Gas Company
333 South State Street (84111)
P.O. Box 45360
Salt Lake City, UT 84145-0360
Tel 801-324-5392 • Fax 801-324-5935
Jenniffer.Clark@Questar.com

Jenniffer Nelson Clark – Legal Department
Senior Corporate Counsel

March 31, 2017

VIA FEDERAL EXPRESS

Ms. Terri Carlock
Idaho Public Utilities Commission
472 West Washington
P.O. Box 83720
Boise, Idaho 83702

Re: Questar Gas Company's 2016 Annual Report

Dear Ms. Carlock:

Enclosed are three originals of the Gas Utilities Annual Report for 2016. This is the report format utilized by the State of Utah for reporting annual financial results for the utility. We are providing the same report to you to meet the State of Idaho's requirements. You will also find a copy of Questar Gas Company's internal financial report for 2016. We trust that this information will be adequate in fulfilling the Commission's six (6) requirements.

Very truly yours,

Jenniffer Nelson Clark
Senior Corporate Counsel

Enc.

QST-G

RECEIVED

2017 APR 17 AM 9:31

IDAHO PUBLIC
UTILITIES COMMISSION



GAS UTILITIES

ANNUAL REPORT

OF

Questar Gas Company

Utah Business Entity Number: 558729-0142

TO THE

**PUBLIC SERVICE COMMISSION
OF UTAH**

For Calendar Year

2016

ATTESTATION / CERTIFICATION OF RESPONSIBILITY

I certify that I have examined the information contained in this report submitted to the Utah Division of Public Utilities, and that, to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and represent an accurate statement of the affairs of the respondent company as of the date shown below.

| | | | |
|----------------------|---|-------------------|--|
| Signature: |  | | |
| Print Name: | David M. Curtis | Date: | April 12, 2017 |
| Title: | Controller | | |
| Phone Number: | (801) 324-2403 | Extension: | |
| Fax Number: | | Email: | dave.curtis@questar.com |

Pleas send one completed hard copy and email one copy to the following:

Hard copy to:

Utah Division of Public Utilities
Heber Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111-6751

Email copy to: (using State approved e-filing protocol.)

dpudatarequest@utah.gov

General Company & Contact Information

Company Name: Questar Gas Company

DBA Name (if different):

FKA Name (if different):

Address: 333 South State

City: Salt Lake City **State:** UT **Zip:** 84145

Phone Number: (801)324-5100 **Fax Number:**

(800) Number:

Principle Business Address: 333 South State

City: Salt Lake City **State:** UT **Zip:** 84145

Corporate Book Address: 333 South State

City: Salt Lake City **State:** UT **Zip:** 84145-0360

Report Contact Person

Name: Connie Marshall **Title:** Director - Accounting

Phone Number: (801)324-2471 **Extension:**

Fax Number: **Email:** connie.marshall@questar.com

Corporate Book Custodian

Name: Julie Wray **Title:** Assistant Corporate Secretary

Phone Number: (801)324-2736 **Extension:**

Fax Number: **Email:** julie.wray@questar.com

Contact Information

Attorney:

Name: George Marget **Title:** Managing General Counsel
Firm Name: _____
Address: 333 South State St
City: Salt Lake City **State:** UT **Zip:** 84145
Phone Number: (801) 324-5090 **Extension:** _____
(800) Number: _____ **Fax Number:** _____

Accountant:

Name: _____ **Title:** _____
Firm Name: _____
Address: _____
City: _____ **State:** _____ **Zip:** _____
Phone Number: _____ **Extension:** _____
(800) Number: _____ **Fax Number:** _____

Other Contacts:

Name: _____ **Title:** _____
Phone Number: _____ **Extension:** _____
Fax Number: _____ **E-mail:** _____

Name: _____ **Title:** _____
Phone Number: _____ **Extension:** _____
Fax Number: _____ **E-mail:** _____

Name: _____ **Title:** _____
Phone Number: _____ **Extension:** _____
Fax Number: _____ **E-mail:** _____

IMPORTANT CHANGES DURING THE YEAR

Give particulars concerning the following matters. Make the statements explicit and precise. Each inquiry must be answered. Only use "none" or "not applicable" if it correctly states the fact.

1. Important additions or changes in franchise rights, including the actual consideration, if any, given therefore.

--None--

2. Important additions or extensions of the utility system such as new structures, exchanges, toll facilities, etc.

--None--

COMPARATIVE BALANCE SHEETS
(Utah Operations Financial Statement in Accordance with GAAP)

Certificated entity only. Do not consolidate with other affiliated entities.

| Account | Balance at beginning of year | Balance at end of year |
|--|------------------------------------|------------------------------|
| 1 Cash and cash equivalents | 10,527,695 | 7,559,770 |
| 2 Federal income taxes receivable | 34,213,799 | 1,191 |
| 3 Accounts and notes receivable | 146,844,706 | 150,225,673 |
| 4 Unbilled gas accounts receivable | 90,950,526 | 88,645,058 |
| 5 Deferred income taxes - current | | 94,107 |
| 6 Gas stored underground | 43,864,861 | 49,333,981 |
| 7 Materials and supplies | 17,111,243 | 27,626,129 |
| 8 Current regulatory assets | 44,612,607 | 4,293,858 |
| 9 Prepaid expenses and other | 3,519,978 | 3,756,430 |
| 10 Purchased gas adjustment | 18,922,229 | 3,408,362 |
| 11 Total current assets | 410,567,644 | 334,944,558 |
| 12 Construction Work in Progress | 62,578,401 | 76,816,315 |
| 13 Property, plant and equipment | 2,507,729,009 | 2,806,201,599 |
| 14 Less allowances for depreciation | (812,185,247) | 737,640,017 |
| 15 Net property, plant and equipment | 1,758,122,163 | 2,145,377,897 |
| 16 Other long-term assets | | |
| 17 Goodwill | 5,652,450 | 5,652,450 |
| 18 Regulatory assets | 18,174,680 | 14,702,619 |
| 19 Other long-term assets | 3,293,283 | 3,671,409 |
| 20 Total Assets | 2,195,810,220 | 2,504,348,932 |
| 21 Short-term debt | | 200,000,000 |
| 22 Notes payable to affiliates | 273,300,000 | 48,000,000 |
| 23 Notes pay - Current Port LT Debt | | 14,500,000 |
| 24 Federal income taxes payable | | |
| 25 Accounts payable and accrued expenses | 179,243,305 | 140,834,761 |
| 26 Customer credit balance | 34,346,357 | 27,887,441 |
| 27 Current regulatory liabilities | 297,836 | 2,955,387 |
| 28 Interest payable | 6,765,064 | 6,916,941 |
| 29 Other taxes payable | 11,156,983 | 13,058,142 |
| 30 Deferred income taxes - current | 8,490,164 | |
| 31 Purchased gas adjustment | | |
| 32 Total current liabilities | 513,599,709 | 454,152,672 |
| 31 Long-term debt, less current portion | 534,500,000 | 620,000,000 |
| 32 Other liabilities | 278,167 | 117,118 |
| 33 Asset retirement obligation | 1,703,302 | 77,823,040 |
| 34 Deferred investment tax credits | | |
| 35 Deferred income taxes | 428,170,985 | 475,902,735 |
| 36 Customer contributions-in-aid-of-construction | 23,707,099 | 18,956,887 |
| 37 Regulatory and other noncurrent liabilities | 69,311,189 | 199,900,593 |
| 38 Total Liabilities | 1,571,270,451 | 1,846,853,045 |
| 39 Common stock | 22,974,065 | 22,974,065 |
| 40 Additional paid-in capital | 266,715,672 | 272,445,463 |
| 41 Retained earnings | 334,850,032 | 362,076,360 |
| 42 Total shareholder's equity | 624,539,769 | 657,495,888 |
| 43 Total liabilities and equity | 2,195,810,220 | 2,504,348,932 |

COMPARATIVE STATEMENTS OF INCOME
(Utah Operations Financial Statement in Accordance with GAAP)

Certificated entity only. Do not consolidate with other affiliated entities.

| Account | Amount for Preceding Year | Amount for Current Year |
|--------------------------------------|---------------------------------|-------------------------------|
| 1 Operating Revenues | 917,628,437 | 917,372,395 |
| 2 Utility Operating Expenses: | | |
| 3 Gas Purchases | 558,086,711 | 542,102,395 |
| 4 Operating Expense | 148,641,486 | 144,110,958 |
| 5 Maintenance Expense | 13,844,967 | 12,805,655 |
| 6 Depreciation and Amortization | 55,107,901 | 60,986,811 |
| 7 Taxes Other Than Income Taxes | 19,311,669 | 20,864,958 |
| 8 Income Taxes | (9,090,501) | 1,142,859 |
| 9 Income Taxes - Deferred | 44,458,936 | 34,909,109 |
| 10 Total Utility Operating Expenses | 830,361,169 | 816,922,745 |
| 11 Net Operating Income | 87,267,268 | 100,449,651 |
| 12 Other Income | 5,747,437 | 3,280,068 |
| 13 Other Income Deductions | (401,196) | (365,739) |
| 14 Merger & Restructuring Expense | | (15,942,189) |
| 15 Total Other Income and Deductions | 5,346,241 | (13,027,861) |
| 16 Interest Charges | 28,280,918 | 30,195,462 |
| 17 Net Income | 64,332,591 | 57,226,328 |

COMPARATIVE STATEMENTS OF CASH FLOW
(Utah Operations Financial Statement in Accordance with GAAP)

Certificated entity only. Do not consolidate with other affiliated entities.

| Account | Amount for Preceding Year | Amount for Current Year |
|--|---------------------------------|-------------------------------|
| Operating Activities | | |
| Net Income | 64,332,591 | 57,226,328 |
| Adjustments to reconcile net income to net cash provided from operating activities: | | |
| Depreciation, depletion and amortization | 47,561,631 | (62,631,943) |
| Deferred income taxes | 52,876,815 | 39,147,479 |
| Shared-based compensation | 319,004 | 955,815 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (8,683,460) | 6,275,793 |
| Inventories | (1,462,196) | (15,984,006) |
| Prepaid expenses and other | 24,152 | (166,504) |
| Accounts payable and accrued expenses | (24,299,832) | (52,583,559) |
| Federal income taxes | (40,604,329) | 35,608,018 |
| Other taxes | 4,128,680 | 3,557,237 |
| Purchased gas adjustments | 20,246,718 | 15,513,867 |
| Other assets | 3,417,398 | 9,053,647 |
| Regulatory assets(current) | (2,098,826) | 36,621,059 |
| Regulatory liabilities(current) | (15,644,313) | 6,364,824 |
| Other liabilities | 2,133,877 | 120,391,702 |
| NET CASH (USED IN) PROVIDED FROM OPERATING | 102,247,910 | 199,349,755 |
| Investing Activities | | |
| Capital expenditures | | |
| Property, plant and equipment | (228,848,898) | (240,378,523) |
| Proceeds from disposition of assets | 167,292 | (10,731,028) |
| NET CASH (USED IN) PROVIDED FROM INVESTING | (228,681,606) | (251,109,551) |
| Financing Activities | | |
| Common stock issued | 1,124,453 | 4,773,976 |
| Long-term debt issued, net of issue costs | | 99,317,896 |
| Long-term debt repaid | | 0 |
| Change in short-term debt | 154,000,000 | (25,300,000) |
| Dividends paid | (38,000,000) | (30,000,000) |
| Excess tax benefits from share-based compensation | | 0 |
| NET CASH(USED IN) PROVIDED FROM FINANCING | 117,124,453 | 48,791,871 |
| Change in cash and cash equivalents | (9,309,243) | (2,967,925) |
| Beginning cash and cash equivalents | 19,836,938 | 10,527,695 |
| Ending cash and cash equivalents | 10,527,695 | 7,559,770 |

NOTES TO FINANCIAL STATEMENTS
(Utah Operations Financial Statement in Accordance with GAAP)

Provide the notes to the financial statements and sign the certification below.

See Attached

Signature of officer

Notes to Financial Statements

NOTE 1. NATURE OF OPERATIONS

Questar Gas is a wholly-owned subsidiary of Dominion Questar which, effective September 2016, is a wholly-owned subsidiary of Dominion.

Questar Gas distributes natural gas as a public utility in Utah, southwestern Wyoming and a small portion of southeastern Idaho. The Utah, Wyoming and Idaho Commissions have granted Questar Gas the necessary regulatory approvals to serve these areas. Questar Gas also has long-term franchises granted by communities and counties within its service area.

Revenue generated by Questar Gas is based primarily on rates established by the Utah and Wyoming Commissions. The Idaho Commission has contracted with the Utah Commission for rate oversight of Questar Gas operations.

Wexpro provides the majority of Questar Gas' natural gas supply and Questar Pipeline provides the majority of Questar Gas' transportation and storage services.

Questar Gas manages its daily operations through one primary operating segment. It also reports a Corporate and Other segment that primarily includes specific items attributable to its operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance or in allocating resources.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

General

Questar Gas makes certain estimates and assumptions in preparing its Financial Statements in accordance with GAAP. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and cash flows for the periods presented. Actual results may differ from those estimates.

Questar Gas reports certain contracts and instruments at fair value. See Note 5 for further information on fair value measurements.

Certain amounts in the 2015 and 2014 Financial Statements and footnotes have been reclassified to conform to the 2016 presentation for comparative purposes. The reclassifications did not affect Questar Gas' net income, total assets, liabilities, equity or cash flows, except for the reclassification of debt issuance costs.

Operating Revenue

Operating revenue is recorded on the basis of services rendered, commodities delivered or contracts settled and includes amounts yet to be billed to customers. Questar Gas collects sales taxes; however, these amounts are excluded from revenue. Questar Gas' customer receivables at December 31, 2016 and 2015 included \$88.6 million and \$91.0 million, respectively, of accrued unbilled revenue based on estimated amounts of natural gas delivered but not yet billed to its customers.

The primary types of sales and service activities reported as operating revenue for Questar Gas are as follows:

- **Regulated gas sales** consist of delivery of natural gas to residential, commercial and industrial customers;
- **Gas transportation** consists of transportation of gas for industrial customers who buy their own gas supply; and
- **Other** primarily consists of connection fees, royalties, miscellaneous product sales, etc.

Cost of Sales

Questar Gas obtains the majority of its gas supply from Wexpro's cost-of-service production and pays Wexpro an operator service fee based on the terms of the Wexpro Agreement and the Wexpro II Agreement. Questar Gas also obtains transportation and storage services from Questar Pipeline. See Note 18 for more information. During the second and third quarters of the year, a significant portion of the natural gas from Wexpro production is injected into underground storage. This gas is withdrawn from storage as needed during the heating season in the first and fourth quarters. The cost of natural gas sold is credited with the value of natural gas as it is injected into storage and debited as it is withdrawn from storage.

The details of Questar Gas' cost of sales are as follows:

| Year Ended December 31, (millions) | 2016 | 2015 | 2014 |
|---|-----------------|-----------------|-----------------|
| Gas purchases | \$ 102.0 | \$ 82.5 | \$ 136.5 |
| Affiliated operator service fee | 311.7 | 319.0 | 349.7 |
| Transportation and storage ⁽¹⁾ | 79.3 | 79.2 | 79.6 |
| Gathering | 23.7 | 22.1 | 21.0 |
| Royalties | 26.3 | 33.3 | 60.1 |
| Storage (injection), net | (5.5) | (3.5) | (1.1) |
| Purchased-gas account adjustment | (0.6) | 20.5 | (45.8) |
| Other | 5.2 | 5.0 | 4.8 |
| Total cost of sales | \$ 542.1 | \$ 558.1 | \$ 604.8 |

(1) See Note 18 for amounts attributable to related parties.

Purchased Gas-Deferred Costs

Where permitted by regulatory authorities, the differences between Questar Gas' purchased gas expenses and the related levels of recovery for these expenses in current rates are deferred and matched against recoveries in future periods. The deferral of gas costs in excess of current period recovery is recognized as a regulatory asset, while rate recovery in excess of current period gas costs is recognized as a regulatory liability.

Virtually all of Questar Gas' natural gas purchases are either subject to deferral accounting or are recovered from the customer in the same accounting period as the sale.

Income Taxes

For 2016, a consolidated federal income tax return will be filed for Dominion Questar, including Questar Gas, for the period January 1, 2016 through September 16, 2016. Questar Gas will also be part of the consolidated federal income tax return filed by Dominion for the period September 17, 2016 through December 31, 2016. Questar Gas will be part of the consolidated Dominion federal income tax return for the full year 2017 and going forward. In addition, where applicable, combined income tax returns for Dominion and its subsidiaries are filed in various states; otherwise, separate state income tax returns are filed.

Questar Gas participates in intercompany tax sharing agreements with Dominion 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 consolidated group members. Otherwise, the net operating loss or credit is carried forward and is recognized as a deferred tax asset until realized.

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. Questar Gas 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.

Questar Gas 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 Balance Sheets and current payables are included in accounts payable and accrued expenses in the Balance Sheets.

Questar Gas recognizes interest on underpayments and overpayments of income taxes in interest expense and other income, respectively. Penalties are also recognized in other income.

Questar Gas' interest and penalties were immaterial in 2016, 2015 and 2014.

At December 31, 2016, Questar Gas' Balance Sheet included \$1.4 million of federal income taxes payable and \$1.7 million of state income taxes payable.

At December 31, 2015, Questar Gas' Balance Sheet included \$34.2 million of affiliated receivables, representing excess federal income tax payments expected to be refunded, and \$1.1 million of state income taxes payable. In April 2016, Questar Gas received a \$35.0 million refund of its 2015 income tax payments.

Investment tax credits are deferred and amortized over the service lives of the properties giving rise to the credits.

Cash and Cash Equivalents

Current banking arrangements generally do not require checks to be funded until they are presented for payment. At December 31, 2016 and 2015, accounts payable and accrued expenses included \$7.7 million and \$4.0 million, respectively, of checks outstanding but not yet presented for payment. For purposes of the 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.

Derivative Instruments

Questar Gas uses derivative instruments such as physical forwards and options to manage the commodity risk of its business operations. All derivatives, except those for which an exception applies, are required to be reported in the Balance Sheets at fair value. Derivative contracts representing unrealized gain positions and purchased options are reported as derivative assets. Derivative contracts representing unrealized losses and options sold are reported as derivative liabilities. One of the exceptions to fair value accounting, normal purchases and normal sales, may be elected when the contract satisfies certain criteria, including a requirement that physical delivery of the underlying commodity is probable. Expenses and revenues resulting from deliveries under normal purchase contracts and normal sales contracts, respectively, are included in earnings at the time of contract performance.

Questar Gas does not offset amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against amounts recognized for derivative instruments executed with the same counterparty under the same master netting arrangement. See Note 6 for further information about derivatives.

Changes in the fair value of derivative instruments result in the recognition of regulatory assets or regulatory liabilities. Realized gains or losses on the derivative instruments are generally recognized when the related transactions impact earnings.

Property, Plant and Equipment

Property, plant and equipment is recorded at lower of original cost or fair value, if impaired. Capitalized costs include labor, materials and other direct and indirect costs such as asset retirement costs, AFUDC and overhead costs. The cost of repairs and maintenance, including minor additions and replacements, is generally charged to expense as it is incurred.

In 2016, 2015 and 2014, Questar Gas capitalized AFUDC to property, plant and equipment of \$0.4 million, \$0.1 million and \$1.4 million, respectively.

The undepreciated cost of property, less salvage value, is generally charged to accumulated depreciation at retirement. Cost of removal collections from utility customers not representing AROs are recorded as regulatory liabilities. For property subject to cost-of-service rate regulation that will be abandoned significantly before the end of its useful life, the net carrying value is reclassified from plant-in-service when it becomes probable it will be abandoned.

Depreciation of property, plant and equipment is computed on the straight-line method based on projected service lives. Questar Gas' average composite depreciation rates on utility property, plant and equipment are as follows:

| Year Ended December 31, (percent) | 2016 | 2015 | 2014 |
|--------------------------------------|------|------|------|
| Distribution | 2.42 | 2.60 | 2.71 |
| General and other | 3.79 | 3.49 | 4.29 |

Long-Lived and Intangible Assets

Questar Gas performs an evaluation for impairment whenever events or changes in circumstances indicate that the carrying amount of long-lived assets or intangible assets with finite lives may not be recoverable. A long-lived or intangible asset is written down to fair value if the sum of its expected future undiscounted cash flows is less than its carrying amount. Intangible assets with finite lives are amortized over their estimated useful lives.

Regulatory Assets and Liabilities

The accounting for Questar Gas' operations differs from the accounting for nonregulated operations in that it is required to reflect the effect of rate regulation in its 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.

Questar Gas 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

Questar Gas recognizes AROs at fair value as incurred or when sufficient information becomes available to determine a reasonable estimate of the fair value of future retirement activities to be performed for which a legal obligation exists. These amounts are generally capitalized as costs of the related tangible long-lived assets. Since relevant market information is not available, fair value is estimated using discounted cash flow analyses. Periodically, Questar Gas evaluates the key assumptions underlying its AROs including estimates of the amounts and timing of future cash flows associated with retirement activities. AROs are adjusted when significant changes in these assumptions are identified. Questar Gas reports accretion of AROs and depreciation on asset retirement costs associated with its natural gas pipeline assets as an adjustment to the related regulatory liabilities when revenue is recoverable from customers for AROs.

Debt Issuance Costs

Questar Gas defers and amortizes debt issuance costs and debt premiums or discounts over the expected lives of the respective debt issues, considering maturity dates and, if applicable, redemption rights held by others. Effective January 2016, deferred debt issuance costs are recorded as a reduction in long-term debt in the Balance Sheets. Such costs had previously been recorded as an asset in other noncurrent assets in the Balance Sheets. Amortization of the issuance costs is reported as interest expense. Unamortized costs associated with redemptions of debt securities prior to stated maturity dates are generally recognized and recorded in interest expense immediately. As permitted by regulatory authorities, gains or losses resulting from the refinancing of debt allocable to utility operations subject to cost-based rate regulation are deferred and amortized over the lives of the new issuances.

Inventories

Materials and supplies inventories are valued primarily using the weighted-average cost method. Stored gas inventory for Questar Gas used in gas distribution operations is valued using the weighted-average cost method.

Goodwill

Questar Gas evaluates goodwill for impairment annually as of December 31 through 2016 (as of April 1 effective 2017) and whenever an event occurs or circumstances change in the interim that would more-likely-than-not reduce the fair value of a reporting unit below its carrying amount.

New Accounting Standards

In May 2014, the FASB issued revised accounting guidance for revenue recognition from contracts with customers. The core principle of this revised accounting guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update also require disclosure of the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

For Questar Gas, the revised accounting guidance is effective for interim and annual periods beginning January 1, 2018. We have

completed the preliminary stages of evaluating the impact of this guidance and, pending evaluation of the items discussed below, expect no significant impact on our results of operations. Now that our preliminary evaluation is complete, we will expand the scope of our assessment to include all contracts with customers. In addition, we are considering certain issues that could potentially change the accounting for certain transactions. Among the issues being considered are accounting for contributions in aid of construction, recognition of revenue when collectability is in question, recognition of revenue in contracts with variable consideration and accounting for alternative revenue programs. Questar Gas plans on applying the standard using the modified retrospective method as opposed to the full retrospective method.

NOTE 3. OPERATING REVENUE

Questar Gas' operating revenue consists of the following:

| Year Ended December 31, (millions) | 2016 | 2015 | 2014 |
|---------------------------------------|-----------------|-----------------|-----------------|
| Residential and commercial gas sales | \$ 854.6 | \$ 847.3 | \$ 875.7 |
| Industrial gas sales | 17.3 | 23.6 | 29.9 |
| Gas transportation | 24.6 | 21.2 | 17.9 |
| Other ⁽¹⁾ | 24.8 | 25.5 | 37.4 |
| Total operating revenue | \$ 921.3 | \$ 917.6 | \$ 960.9 |

(1) See Note 18 for amounts attributable to related parties.

NOTE 4. INCOME TAXES

Details of Questar Gas' 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, (millions) | 2016 | 2015 | 2014 |
|--|----------------|----------------|----------------|
| Current: | | | |
| Federal | \$ 1.2 | \$ (16.0) | \$ (11.9) |
| State | 0.2 | (2.0) | (1.9) |
| Total current expense (benefit) | 1.4 | (18.0) | (13.8) |
| Deferred: | | | |
| Federal | 29.9 | 48.8 | 42.4 |
| State | 5.9 | 4.2 | 3.6 |
| Investment tax credits | (0.1) | (0.2) | (0.2) |
| Total deferred expense | 35.7 | 52.8 | 45.8 |
| Total income tax expense | \$ 37.1 | \$ 34.8 | \$ 32.0 |

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

| Year Ended December 31, | 2016 | 2015 | 2014 |
|---|--------------|--------------|--------------|
| Federal income taxes statutory rate | 35.0% | 35.0% | 35.0% |
| Increases (reductions) resulting from: | | | |
| State taxes, net of federal benefit | 4.2 | 1.4 | 1.3 |
| Amortization of investment tax credits related to rate-regulated assets | (0.1) | (0.2) | (0.2) |
| Other | 0.2 | (1.1) | 0.6 |
| Effective income tax rate | 39.3% | 35.1% | 36.7% |

Significant components of Questar Gas' deferred income taxes were as follows:

| At December 31, (millions) | 2016 | 2015 |
|--|-----------------|-----------------|
| Deferred income taxes: | | |
| Total deferred income tax assets | \$ 2.0 | \$ 3.4 |
| Total deferred income tax liabilities | 477.8 | 440.1 |
| Total deferred income tax liabilities | \$ 475.8 | \$ 436.7 |
| Total deferred income taxes: | | |
| Property, plant and equipment | \$ 448.2 | \$ 403.0 |
| Employee benefits | 27.9 | 28.0 |
| Deferred compensation | (0.6) | (0.9) |
| Purchased gas costs | 0.1 | 8.5 |
| Other | 0.2 | (1.9) |
| Total net deferred income tax liabilities | \$ 475.8 | \$ 436.7 |

There were no unrecognized tax benefits at the beginning or end of the years ended December 31, 2016, 2015 or 2014. The 2016 federal income tax return has not been filed.

NOTE 5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. However, the use of a mid-market pricing convention (the mid-point between bid and ask prices) is permitted. Fair values are based on assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and the risks inherent in valuation techniques and the inputs to valuations. This includes not only the credit standing of counterparties involved and the impact of credit enhancements but also the impact of Questar Gas' own nonperformance risk on its liabilities. Fair value measurements assume that the transaction occurs in the principal market for the asset or liability (the market with the most volume and activity for the asset or liability from the perspective of the reporting entity), or in the absence of a principal market, the most advantageous market for the asset or liability (the market in which the reporting entity would be able to maximize the amount received or minimize the amount paid). Questar Gas applies fair value measurements to commodity derivative instruments in accordance with the requirements described above. Questar Gas applies credit adjustments to its derivative fair values in accordance with the requirements described above.

Inputs and Assumptions

Questar Gas maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Fair value is based on actively-quoted market prices, if available. In the absence of actively-quoted market prices, price information is sought from external sources, including broker quotes and industry publications. When evaluating pricing information provided by brokers and other pricing services, Questar Gas considers whether the broker is willing and able to trade at the quoted price, if the broker quotes are based on an active market or an inactive market and the extent to which brokers are utilizing a particular model if pricing is not readily available. If pricing information from external sources is not available, or if Questar Gas believes that observable pricing is not indicative of fair value, judgment is required to develop the estimates of fair value. In those cases Questar Gas must estimate prices based on available historical and near-term future price information and certain statistical methods, including regression analysis, that reflect its market assumptions.

Questar Gas' commodity derivative valuations are prepared by Dominion's Enterprise Risk Management department which creates mark-to-market valuations for Questar Gas' derivative transactions using computer-based statistical models. The inputs that go into the market valuations are transactional information and market pricing information that resides in data warehouse databases. The majority of forward prices are automatically uploaded into the data warehouse databases from various third-party sources. Inputs obtained from third-party sources are evaluated for reliability considering the reputation, independence, market presence, and methodology used by the third-party. If forward prices are not available from third-party sources, then Dominion's Enterprise Risk Management department models the forward prices based on other available market data. A team consisting of risk management and risk quantitative analysts meets to assess the validity of market prices and mark-to-market valuations. During this meeting, the changes in mark-to-market valuations from period to period are examined and qualified against historical expectations. If any discrepancies are identified during this process, the mark-to-market valuations or the market pricing information is evaluated further and adjusted, if necessary.

For options and contracts with option-like characteristics where observable pricing information is not available from external sources, Questar Gas generally uses a modified Black-Scholes Model or other option model.

The inputs and assumptions used in measuring fair value for commodity derivative contracts include the following:

- Forward commodity prices
- Transaction prices
- Price correlation
- Volumes
- Commodity location
- Interest rates
- Credit quality of counterparties and Questar Gas
- Credit enhancements
- Time value

Levels

Questar Gas also utilizes the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1-Quoted prices (unadjusted) in active markets for identical assets and liabilities that it has the ability to access at the measurement date.
- Level 2-Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means. Instruments categorized in Level 2 primarily include commodity forwards and options.
- Level 3-Unobservable inputs for the asset or liability, including situations where there is little, if any, market activity. Instruments categorized in Level 3 primarily include long-dated commodity derivatives.

The fair value hierarchy gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In these cases, the lowest level input that is significant to a fair value measurement in its entirety determines the applicable level in the fair value hierarchy. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

For derivative contracts, Questar Gas recognizes transfers among Level 1, Level 2 and Level 3 based on fair values as of the first day of the month in which the transfer occurs. Transfers out

of Level 3 represent assets and liabilities that were previously classified as Level 3 for which the inputs became observable for classification in either Level 1 or Level 2. Because the activity and liquidity of commodity markets vary substantially between regions and time periods, the availability of observable inputs for substantially the full term and value of Questar Gas' over-the-counter derivative contracts is subject to change.

Level 3 Valuations

Fair value measurements are categorized as Level 3 when price or other inputs that are considered to be unobservable are significant to their valuations. Long-dated commodity derivatives are generally based on unobservable inputs due to the length of time to settlement and the absence of market activity and are therefore categorized as Level 3.

Questar Gas enters into certain physical forwards, which are considered Level 3 as they have one or more inputs that are not observable and are significant to the valuation. The discounted cash flow method is used to value Level 3 physical forward contracts. The discounted cash flow model for forwards calculates mark-to-market valuations based on forward market prices, original transaction prices, volumes, risk-free rate of return, and credit spreads. For Level 3 fair value measurements, forward market prices are considered unobservable. The unobservable inputs are developed and substantiated using historical information, available market data, third-party data, and statistical analysis. Periodically, inputs to valuation models are reviewed and revised as needed, based on historical information, updated market data, market liquidity and relationships, and changes in third-party pricing sources.

The fair value of Level 3 derivatives were not material at December 31, 2016.

Recurring Fair Value Measurements

The following table presents Questar Gas' assets and liabilities that are measured at fair value on a recurring basis for each hierarchy level, including both current and noncurrent portions. Questar Gas did not have any such items at December 31, 2015.

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|-------------|---------------|-------------|---------------|
| (millions) | | | | |
| At December 31, 2016 | | | | |
| Assets: | | | | |
| Derivatives: | | | | |
| Commodity | \$ — | \$ 0.1 | \$ — | \$ 0.1 |
| Total assets | \$ — | \$ 0.1 | \$ — | \$ 0.1 |
| Liabilities: | | | | |
| Derivatives: | | | | |
| Commodity | \$ — | \$ 0.1 | \$ — | \$ 0.1 |
| Total liabilities | \$ — | \$ 0.1 | \$ — | \$ 0.1 |

The following table presents the net change in Questar Gas' assets and liabilities measured at fair value on a recurring basis and included in the Level 3 fair value category. Questar Gas did not have any such items at December 31, 2015 or 2014.

| | 2016 |
|---|-------|
| (millions) | |
| Beginning balance | \$ — |
| Total realized and unrealized gains (losses): | |
| Included in earnings ⁽¹⁾ | 0.2 |
| Included in regulatory assets/liabilities | — |
| Settlements | (0.2) |
| Ending balance | \$ — |

(1) The gains and losses included in earnings were classified in cost of sales.

There were no unrealized gains or losses included in earnings in the Level 3 fair value category relating to assets/liabilities still held at the reporting date for the year ended December 31, 2016.

Fair Value of Financial Instruments

Substantially all of Questar Gas' financial instruments are recorded at fair value, with the exception of the instruments described below, which are reported at historical cost. Estimated fair values have been determined using available market information and valuation methodologies considered appropriate by management. The carrying amount of cash and cash equivalents, customer receivables, receivables from affiliates, short-term debt, accounts payable to affiliates, affiliated current borrowings, and accounts payable are representative of fair value because of the short-term nature of these instruments. For Questar Gas' financial instruments that are not recorded at fair value, the carrying amounts and estimated fair values are as follows:

| | Carrying Amount | December 31, 2016 Estimated Fair Value ⁽¹⁾ | Carrying Amount | December 31, 2015 Estimated Fair Value ⁽²⁾ |
|---|-----------------|--|-----------------|--|
| (millions) | | | | |
| Long-term debt, including securities due within one year ⁽³⁾ | \$ 630.8 | \$ 672.6 | \$ 531.2 | \$ 568.4 |

(1) Fair value is estimated using market prices, where available, and interest rates currently available for issuance of debt with similar terms and remaining maturities. The fair value measurements are classified as Level 2.

(2) Fair value is estimated using the discounted present value of cash flows using Questar Gas' current credit risk-adjusted borrowing rates. The fair value measurements are classified as Level 2.

(3) Carrying amount includes amounts which represent the unamortized debt issuance costs.

NOTE 6. DERIVATIVES AND HEDGE ACCOUNTING ACTIVITIES

Questar Gas uses derivative instruments to manage exposure to supply and price risk. As discussed in Note 2, changes in the fair value of derivatives are deferred as regulatory assets or regulatory liabilities until the related transactions impact earnings. See Note 5 for further information about fair value measurements and associated valuation methods for derivatives.

Derivative assets and liabilities are presented gross on Questar Gas' Balance Sheets. Questar Gas' derivative contracts include over-the-counter transactions, which are bilateral contracts that are transacted directly with a counterparty. At December 31, 2016, substantially all of Questar Gas' derivative assets and liabilities were not subject to a master netting or similar arrangement.

Volumes

The following table presents the volume of Questar Gas' derivative activity at December 31, 2016. These volumes are based on open derivative positions and represent the combined absolute value of their long and short positions, except in the case of offsetting transactions, for which they represent the absolute value of the net volume of their long and short positions.

| | Current | Noncurrent |
|--------------------|---------|------------|
| Natural Gas (bcf): | | |
| Basis | 8.8 | 30.5 |

Fair Value and Gains and Losses on Derivative Instruments

The following table presents the fair values of Questar Gas' derivatives and where they are presented in its Balance Sheets. Questar Gas did not have any derivative balances at December 31, 2015.

| | Fair Value - Derivatives not under Hedge Accounting | Total Fair Value |
|---|---|------------------------|
| (millions) | | |
| At December 31, 2016 | | |
| ASSETS | | |
| Current Assets | | |
| Commodity | \$ 0.1 | \$ 0.1 |
| Total current derivative assets ⁽¹⁾ | 0.1 | 0.1 |
| Total derivative assets | \$ 0.1 | \$ 0.1 |
| LIABILITIES | | |
| Current Liabilities | | |
| Commodity | \$ 0.1 | \$ 0.1 |
| Total current derivative liabilities ⁽²⁾ | 0.1 | 0.1 |
| Total derivative liabilities | \$ 0.1 | \$ 0.1 |

(1) Current derivative assets are presented in prepaid expenses and other current assets in Questar Gas' Balance Sheets.

(2) Current derivative liabilities are presented in other current liabilities in Questar Gas' Balance Sheets.

The following tables present the gains and losses on Questar Gas' derivatives, as well as where the associated activity is presented in its Statements of Income.

| Derivatives not designated as hedging instruments | Amount of Gain (Loss) Recognized in Income on Derivatives ⁽¹⁾ | | |
|---|--|------|------|
| Year Ended December 31, | 2016 | 2015 | 2014 |
| (millions) | | | |
| Derivative Type and Location of Gains (Losses) | | | |
| Commodity⁽²⁾ | | | |
| Purchased gas | \$ (0.2) | \$ — | \$ — |
| Total | \$ (0.2) | \$ — | \$ — |

(1) Includes derivative activity amortized out of regulatory assets/liabilities. Amounts deferred into regulatory assets/liabilities have no associated effect in Questar Gas' Statements of Income.

(2) Amounts recorded in Questar Gas' Statements of Income are classified in cost of sales.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Major classes of property, plant and equipment and their respective balances for Questar Gas are as follows:

| At December 31, | 2016 | 2015 |
|--------------------------|------------|------------|
| (millions) | | |
| Distribution | \$ 2,436.7 | \$ 2,186.9 |
| General and other | 369.5 | 320.9 |
| Plant under construction | 76.8 | 62.5 |

NOTE 8. GOODWILL

The changes in Questar Gas' carrying amount and segment allocation of goodwill are presented below:

| (millions) | Questar Gas | Corporate and Other | Total |
|---|----------------|------------------------|--------|
| Balance at December 31, 2014 ⁽¹⁾ | \$ 5.6 | \$ — | \$ 5.6 |
| No events affecting goodwill | — | — | — |
| Balance at December 31, 2015 ⁽¹⁾ | \$ 5.6 | \$ — | \$ 5.6 |
| No events affecting goodwill | — | — | — |
| Balance at December 31, 2016 ⁽¹⁾ | \$ 5.6 | \$ — | \$ 5.6 |

(1) There are no accumulated impairment losses.

NOTE 9. REGULATORY ASSETS AND LIABILITIES

Regulatory assets and liabilities include the following:

| At December 31, (millions) | 2016 | 2015 |
|--|-----------------|----------------|
| Regulatory assets: | | |
| Purchased-gas adjustment ⁽¹⁾ | \$ 3.4 | \$ 18.9 |
| EEP ⁽²⁾ | 1.1 | 1.1 |
| Contract withholding ⁽³⁾ | 2.6 | 20.3 |
| Deferred cost-of-service gas charges ⁽⁴⁾ | — | 19.5 |
| Pipeline integrity costs ⁽⁵⁾ | 1.9 | 6.3 |
| CET ⁽⁶⁾ | — | 3.6 |
| Other | 0.6 | 0.1 |
| Regulatory assets-current | 9.6 | 69.8 |
| Deferred cost-of-service gas charges ⁽⁴⁾ | — | 8.1 |
| Cost of reacquired debt ⁽⁷⁾ | 3.2 | 3.8 |
| Pipeline integrity costs ⁽⁵⁾ | 2.3 | — |
| Regulatory assets-non-current | 5.5 | 11.9 |
| Total regulatory assets | \$ 15.1 | \$ 81.7 |
| Regulatory liabilities: | | |
| CET ⁽⁶⁾ | \$ 2.9 | \$ — |
| Cost of plant removal and AROs ⁽⁸⁾ | 3.5 | 3.7 |
| Other | 0.1 | 0.3 |
| Regulatory liabilities-current ⁽⁹⁾ | 6.5 | 4.0 |
| Cost of plant removal and AROs ⁽⁸⁾ | 189.1 | 65.5 |
| Income taxes refundable to customers ⁽¹⁰⁾ | — | 0.1 |
| Regulatory liabilities-non-current | 189.1 | 65.6 |
| Total regulatory liabilities | \$ 195.6 | \$ 69.6 |

(1) Purchased-gas costs that are different from those provided for in present rates are accumulated and recovered or credited through future rate changes.

(2) The EEP relates to funds expended for promoting the conservation of natural gas through advertising, rebates for efficient homes and appliances and home energy audits. Costs are recovered from customers through periodic rate adjustments. Costs incurred in excess of recoveries result in an asset; recoveries in excess of costs incurred result in a liability.

(3) In 2016, Questar Gas recorded a regulatory asset of \$2.6 million for a disputed amount withheld from a supplier of storage services. The amount withheld is expected to be recovered from customers if it is determined that Questar Gas is required to pay the supplier. The \$20.3 million withheld from a supplier of gathering services as of year-end 2015, per the dispute settlement agreement, was resolved and reversed in March 2016. For further details, see Note 16.

(4) Operating and maintenance, depreciation, depletion and amortization, production taxes and royalties on cost-of-service gas production and future expenses related to abandonment of Wexpro-operated gas and oil wells. Noncurrent cost-of-service gas charges also include amounts for production imbalances that will be recovered from customers at the end of the related gas wells' useful lives. These costs were transferred to Wexpro in September 2016.

(5) The costs of complying with pipeline-integrity regulations are recovered in rates subject to a Utah Commission order. Questar Gas is allowed to recover \$7.0 million per year. Costs incurred in excess of this amount will be recovered in future rate changes.

(6) Represents the difference between actual and allowed revenues. Any deficiency in amounts collected are recovered through periodic rate adjustments.

(7) Gains and losses on the reacquisition of debt by rate-regulated companies are deferred and amortized as interest expense over the would-be remaining life of the reacquired debt. The reacquired debt costs had a weighted-average life of approximately 6.1 years as of December 31, 2016.

- (8) Cost of plant removal and AROs represent amounts recovered from customers for costs of future activities to remove assets that are expected to be incurred at the time of retirement.
- (9) Current regulatory liabilities are presented in other current liabilities in the Balance Sheets.
- (10) Income taxes refundable to customers arise from adjustments to deferred taxes, refunded over the life of the related property, plant and equipment.

At December 31, 2016 and 2015, Questar Gas had approximately \$2.6 million and \$20.3 million, respectively, of regulatory assets that were not earning a return. These amounts represented amounts withheld from suppliers for storage and gathering services.

NOTE 10. REGULATORY MATTERS

As a public utility, Questar Gas is subject to the jurisdiction of the Utah Commission and the Wyoming Commission. Natural gas sales and transportation services are provided under rate schedules approved by the two regulatory commissions.

Questar Gas has an infrastructure cost-tracking mechanism that allows it to place into rate base, and earn a return on, capital expenditures associated with a multi-year natural gas infrastructure-replacement program upon the completion of each project. A 2014 Utah general rate case reset the recovery of costs under the infrastructure-replacement program into general rates until Questar Gas invested \$84 million in new pipelines. This dollar threshold was met in November 2014, and thereafter Questar Gas has been able to recover program capital expenditures through the infrastructure-replacement mechanism. Questar Gas spent approximately \$70 million in 2016 under this program.

In July 2016, Questar Gas filed a general rate case with the Utah Commission. However, as part of the Settlement Stipulation Agreement approved in August 2016 relating to the Dominion Questar Combination, Questar Gas agreed to withdraw the general rate case and not file a new general rate case to adjust its base distribution non-gas rates until July 1, 2019, unless otherwise ordered by the Utah Commission. A Settlement Stipulation Agreement was also approved by the Wyoming Commission in September 2016, relating to the Dominion Questar Combination, in which Questar Gas agreed to not file a general rate case application with a requested rate effective date earlier than January 1, 2020. Information regarding the Dominion Questar Combination was also provided to the Idaho Commission, who acknowledged the Dominion Questar Combination in October 2016 and directed Dominion Questar to notify the Idaho Commission when it makes filings with the Utah Commission.

In October 2016, Questar Gas filed for a combined \$8.7 million gas cost increase with the Utah and Wyoming Commissions. The Utah and Wyoming Commissions approved the rate filing effective November 1, 2016, reflecting a forecasted increase in commodity costs.

NOTE 11. ASSET RETIREMENT OBLIGATIONS

AROs represent obligations that result from laws, statutes, contracts and regulations related to the eventual retirement of certain of Questar Gas' long-lived assets. Revisions to estimates result from material changes in the expected timing or amount of cash flows associated with AROs. As a result of a change in the estimated timing of cash flows for the interim retirement of natural gas pipeline components, Questar Gas recorded an increase of \$75.1 million to AROs in the third quarter of 2016. The current portion of the ARO balance is \$1.6 million and is included in other current liabilities in the Balance Sheets. The ARO liability is adjusted to present value each period through an accretion calculation using a credit-adjusted risk-free interest rate. Changes in Questar Gas' AROs from the Balance Sheets were as follows:

| (millions) | Amount |
|-----------------------------------|---------|
| AROs at December 31, 2014 | \$ 0.6 |
| AROs at December 31, 2015 | \$ 0.6 |
| Accretion | 2.9 |
| Revisions in estimated cash flows | 75.1 |
| Liabilities settled | (0.8) |
| AROs at December 31, 2016 | \$ 77.8 |

NOTE 12. SHORT-TERM DEBT AND CREDIT AGREEMENTS

Questar Gas uses short-term debt to fund working capital requirements and as a bridge to long-term debt financings. The levels of borrowing may vary significantly during the course of the year, depending upon the timing and amount of cash requirements not satisfied by cash from operations.

Questar Gas' short-term financing is supported by the two joint revolving credit facilities with Dominion, Virginia Power and Dominion Gas, to which Questar Gas was added as a co-borrower in November 2016. In December 2016, Questar Gas entered into a commercial paper program pursuant to which it began accessing the commercial paper markets. These credit facilities can be used for working capital, as support for the combined commercial paper programs of Dominion, Virginia Power, Dominion Gas and Questar Gas and for other general corporate purposes.

Questar Gas' share of commercial paper and letters of credit outstanding under its joint credit facilities with Dominion, Virginia Power and Dominion Gas were as follows:

| (millions) | Facility Limit ⁽¹⁾ | Outstanding Commercial Paper ⁽²⁾ | Outstanding Letters of Credit |
|--|----------------------------------|---|----------------------------------|
| At December 31, 2016 | | | |
| Joint revolving credit facility ⁽¹⁾ | \$ 500.0 | \$ 200.0 | \$ — |
| Joint revolving credit facility ⁽¹⁾ | 500.0 | — | — |
| Total | \$ 1,000.0 | \$ 200.0 | \$ — |

(1) A maximum of a combined \$1.0 billion of the facilities is available to Questar Gas, assuming adequate capacity is available after giving effect to uses by co-borrowers Dominion, Virginia Power and Dominion Gas. Sub-limits for Questar Gas are set within the facility limit but can be changed at the option of the borrowers multiple times per year. At December 31, 2016, the sub-limit for Questar Gas was an aggregate \$250 million. If Questar Gas has liquidity needs in excess of its sub-limit, the sub-limit may be changed or such needs may be satisfied through short-term intercompany borrowings from Dominion. The maturity date for these facilities is April 2020. These credit facilities can be used to support bank borrowings and the issuance of commercial paper, as well as to support up to \$1.0 billion (or the sub-limit, whichever is less) of letters of credit.

(2) The weighted-average interest rate of the outstanding commercial paper supported by these credit facilities was 1.10% at December 31, 2016.

NOTE 13. LONG-TERM DEBT

| At December 31, | 2016 Weighted- average Coupon ⁽¹⁾ | 2016 | 2015 |
|---|--|-----------------|-----------------|
| (millions, except percentages) | | | |
| Unsecured Senior and Medium-Term Notes: | | | |
| 2.98% to 7.20%, due 2017 to 2051 | 4.84% | \$ 634.5 | \$ 534.5 |
| Total principal | | 634.5 | 534.5 |
| Securities due within one year | 6.85% | (14.5) | — |
| Debt issuance costs | | (3.7) | (3.3) |
| Total long-term debt | | \$ 616.3 | \$ 531.2 |

(1) Represents weighted-average coupon rates for debt outstanding as of December 31, 2016.

Based on stated maturity dates, the scheduled principal payments of long-term debt at December 31, 2016, were as follows:

| (millions, except percentages) | 2017 | 2018 | 2019 | 2020 | 2021 | Thereafter | Total |
|--------------------------------------|---------|----------|------|------|------|------------|----------|
| Questar Gas | \$ 14.5 | \$ 120.0 | \$ — | \$ — | \$ — | \$ 500.0 | \$ 634.5 |
| Weighted-average coupon | 6.85% | 5.72% | | | | 4.57% | |

Questar Gas short-term credit facilities and long-term debt agreements contain customary covenants and default provisions.

As of December 31, 2016, there were no events of default under these covenants.

Any new debt issuance by Questar Gas is subject to approval by the Wyoming Commission.

NOTE 14. DIVIDEND RESTRICTIONS

The Utah Commission may prohibit any public service company, including Questar Gas, from declaring or paying a dividend to an affiliate if it is determined that the capital of Questar Gas is being impaired or that its service to the public is likely to become impaired. At December 31, 2016, the Utah Commission had not restricted the payment of dividends by Questar Gas.

NOTE 15. EMPLOYEE BENEFITS

Questar Gas participates in retirement benefit plans sponsored by Dominion Questar, which provide certain retirement benefits to eligible active employees, retirees and qualifying dependents of Questar Gas. Under the terms of its benefit plans, Dominion Questar 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 Questar Gas employees are covered by the Dominion Questar Corporation Retirement Plan, a defined benefit pension plan sponsored by Dominion Questar that provides benefits to multiple Dominion Questar subsidiaries. Retirement benefits payable are based primarily on years of service, age and the employee's compensation. As a participating employer, Questar Gas is subject to Dominion Questar's funding policy, which is to contribute annually an amount that is in accordance with the provisions of ERISA. During 2016, Questar Gas made \$11.3 million of contributions to the Dominion Questar Corporation Retirement Plan. No contributions to this plan by Questar Gas are currently expected in 2017. Net periodic pension cost related to this plan was \$6.4 million, \$10.4 million and \$8.5 million in 2016, 2015 and 2014, respectively, recorded in other operations and maintenance expense in the Statements of Income. The funded status of various Dominion Questar subsidiary groups and employee compensation are the basis for determining the share of total pension costs for

participating Dominion Questar subsidiaries. At December 31, 2016 and 2015, the amount due from Dominion Questar associated with this plan was \$87.8 million and \$82.8 million, respectively, recorded in receivables from affiliates in Questar Gas' Balance Sheet.

Retiree healthcare and life insurance benefits for Questar Gas employees are covered by the Dominion Questar Corporation Umbrella Health Plan, a plan sponsored by Dominion Questar that provides certain retiree healthcare and life insurance benefits to multiple Dominion Questar subsidiaries. Annual employee premiums are based on several factors such as retirement date and years of service. Net periodic benefit cost related to this plan was \$0.8 million, \$0.9 million and \$0.8 million for 2016, 2015 and 2014, respectively, recorded in other operations and maintenance expense in the Statements of Income. Employee headcount is the basis for determining the share of total other postretirement benefit costs for participating Dominion Questar subsidiaries. At

December 31, 2016, the amount due to Dominion Questar associated with this plan was \$13.0 million and is reflected as payables to affiliates in Questar Gas' Balance Sheet. The amount due to Dominion Questar at December 31, 2015 was \$15.3 million and is included in receivables from affiliates in Questar Gas' Balance Sheet.

Dominion Questar holds investments in trusts to fund employee benefit payments for the pension and other postretirement benefit plans in which Questar Gas' employees participate. Any investment-related declines in these trusts will result in future increases in the net periodic cost recognized for such employee benefit plans and will be included in the determination of the amount of cash that Questar Gas will provide to Dominion Questar for its share of employee benefit plan contributions.

Defined Contribution Plan

Questar Gas also participates in a Dominion Questar-sponsored defined contribution plan, the Dominion Questar 401(k) Retirement Income Plan, which covers multiple Dominion Questar subsidiaries. Questar Gas recognized \$4.7 million, \$4.5 million and \$4.5 million of expense in other operations and maintenance expense in the Statements of Income in 2016, 2015 and 2014, respectively, as employer matching contributions to this plan.

Share-based Compensation

Prior to the Dominion Questar Combination, Questar Gas employees participated in certain share-based compensation plans of Dominion Questar. Effective with the Dominion Questar Combination all such awards vested on September 16, 2016. Questar Gas had no share-based compensation balances as of December 31, 2016. Total share-based compensation expense amounted to \$3.0 million in 2016 compared to \$1.4 million in 2015 and \$1.6 million in 2014.

NOTE 16. COMMITMENTS AND CONTINGENCIES

As a result of issues generated in the ordinary course of business, Questar Gas 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 Questar Gas to estimate a range of possible loss. For such matters for which Questar Gas cannot estimate a range of possible loss, 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 Questar Gas is able to estimate a range of possible loss. For legal proceedings and governmental examinations for which Questar Gas 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 Questar Gas' 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 the financial position, liquidity or results of operations of the Questar Gas.

In May 2012, Questar Gas filed a complaint against a supplier for breach of contract relating to certain charges for gathering services. In March 2016, Questar Gas settled this matter which resulted in no material impact to Questar Gas' results of operation, financial position or cash flows.

The CERCLA, as amended, provides for immediate response and removal actions coordinated by the EPA in the event of threatened releases of hazardous substances into the environment and authorizes the U.S. government either to clean up sites at which hazardous substances have created actual or potential environmental hazards or to order persons responsible for the situation to do so. Under the CERCLA, as amended, generators and transporters of hazardous substances, as well as past and present owners and operators of contaminated sites, can be jointly, severally and strictly liable for the cost of cleanup. These potentially responsible parties can be ordered to perform a cleanup, be sued for costs associated with an EPA-directed cleanup, voluntarily settle with the U.S. government concerning their liability for cleanup costs, or voluntarily begin a site investigation and site remediation under state oversight.

Questar Gas has determined that it is associated with two former manufactured gas plant sites that contain coal tar and other potentially harmful materials. None of the former sites with which Questar Gas is associated is under investigation by any state or federal environmental agency. Due to the uncertainty surrounding the sites, Questar Gas is unable to make an estimate of the potential financial statement impacts.

Commitments

Currently, the majority of Questar Gas' natural gas supply is provided by cost-of-service reserves developed and produced by Wexpro. In 2016, Questar Gas purchased the remainder of its gas supply from multiple third parties under index-based or fixed-price contracts. Questar Gas has commitments to purchase gas for \$29.3 million in 2017, \$25.2 million in 2018 and 2019, \$25.4 million in 2020 and \$25.2 million in 2021 based on current prices. Generally, at the conclusion of the heating season and after a bid process, new agreements for the next heating season are put in place. Questar Gas bought natural gas under third-party purchase agreements amounting to \$102.0 million in 2016, \$82.4 million in 2015 and \$135.8 million in 2014.

In addition, Questar Gas stores gas during off-peak periods (typically during the summer) and withdraws gas from storage to meet peak gas demand (typically in the winter). Questar Gas has contracted for transportation and underground storage services with Questar Pipeline. Annual payments for these services are expected to amount to \$44.0 million in 2017, \$13.0 million in 2018, \$3.8 million in 2019, \$1.9 million in 2020, and \$1.6 million in 2021. Questar Gas has third-party transportation and gathering commitments requiring yearly payments of \$27.8 million in 2017, \$24.4 million in 2018, \$22.7 million in 2019 and 2020, and \$19.6 million in 2021.

NOTE 17. CREDIT RISK

Credit risk is the risk of financial loss if counterparties fail to perform their contractual obligations. In order to minimize overall credit risk, credit policies are maintained, including requiring customer deposits and the evaluation of counterparty financial condition. In addition, counterparties may make available collateral, including letters of credit or cash held as margin deposits, as a result of exceeding agreed-upon credit limits, or may be required to prepay the transaction.

Questar Gas maintains a provision for credit losses based on factors surrounding the credit risk of its customers, historical trends and other information. Management believes, based on credit policies and the December 31, 2016 provision for credit losses, that it is unlikely that a material adverse effect on financial position, results of operations or cash flows would occur as a result of counterparty nonperformance.

NOTE 18. RELATED-PARTY TRANSACTIONS

Questar Gas engages in related-party transactions primarily with affiliates Wexpro, for cost-of-service natural gas supply, and Questar Pipeline, for transportation and storage services. See Notes 2 and 16 for more details. Questar Gas' receivables and payables balances with affiliates are settled based on contractual terms or on a monthly basis, depending on the nature of the underlying transactions. A discussion of significant related party transactions follows.

Questar Gas participates in certain Dominion Questar benefit plans as discussed in Note 15.

Dominion Questar and other affiliates provide accounting, legal, finance and certain administrative and technical services to Questar Gas. These costs are included in other operations and maintenance in the Statements of Income. The administrative charges are generally allocated based on each affiliated company's proportional share of revenues less product costs; property, plant and equipment; and labor costs. Management believes that the allocation method is reasonable. Questar Gas provides certain services to related parties, including technical services. The billed amounts of these services are allocated based on the specific nature of the charges. Management believes that the allocation methods are reasonable. The amounts of these services follow:

| Year Ended December 31, (millions) | 2016 | 2015 | 2014 |
|--|---------|---------|---------|
| Transportation and storage services from affiliates ⁽¹⁾ | \$ 72.9 | \$ 73.0 | \$ 72.9 |
| Services provided by related parties | 65.0 | 55.7 | 51.5 |
| Services provided to related parties | 3.2 | 6.7 | 6.1 |

(1) The costs of these services were included in cost of sales in Questar Gas' Statements of Income.

The Dominion Questar Combination resulted in merger and restructuring costs of \$13.8 million charged from Dominion Questar for the year ended December 31, 2016. There were no merger and restructuring costs for the same prior year periods. These costs primarily consist of employee related costs allocated to Questar Gas and are included in other operations and maintenance in Questar Gas' Statements of Income.

Questar Gas' borrowings under the IRCA with Dominion totaled \$48.0 million as of December 31, 2016. The weighted-average interest rate for these borrowings was 1.04%. Questar Gas' borrowings as of December 31, 2015 under the IRCA with Dominion Questar was \$273.3 million and was settled at the time of the Dominion Questar Combination. Interest charges related to Questar Gas' total borrowings from Dominion and Dominion Questar totaled \$1.3 million for the year ended December 31, 2016 and were immaterial for 2015 and 2014.

NOTE 19. OPERATING SEGMENT

The Corporate and Other Segment primarily includes specific items attributable to Questar Gas' operating segment that are not included in profit measures evaluated by executive management in assessing the segment's performance or in allocating resources.

The net expense for specific items in 2016 primarily related to a \$15.9 million (\$9.6 million after-tax) charge for transaction costs associated with the Dominion Questar Combination. These costs primarily consist of employee related costs allocated to Questar Gas and are included in other operations and maintenance in Questar Gas' Statements of Income.

The following table presents segment information pertaining to Questar Gas' operations:

| Year Ended December 31, (millions) | Questar Gas | Corporate and Other | Consolidated Total |
|---------------------------------------|----------------|------------------------|-----------------------|
| 2016 | | | |

| | | | |
|-------------------------------|----------|-------|----------|
| Operating revenue | \$ 921.3 | \$ — | \$ 921.3 |
| Depreciation and amortization | 61.0 | — | 61.0 |
| Interest income | 0.3 | — | 0.3 |
| Interest expense | 30.2 | — | 30.2 |
| Income taxes | 43.4 | (6.3) | 37.1 |
| Net income (loss) | 66.8 | (9.6) | 57.2 |
| Capital expenditures | 240.4 | — | 240.4 |
| Total assets (billions) | 2.5 | — | 2.5 |
| 2015 | | | |
| Operating revenue | \$ 917.6 | \$ — | \$ 917.6 |
| Depreciation and amortization | 55.1 | — | 55.1 |
| Interest income | 1.2 | — | 1.2 |
| Interest expense | 28.3 | — | 28.3 |
| Income taxes | 34.8 | — | 34.8 |
| Net income (loss) | 64.3 | — | 64.3 |
| Capital expenditures | 217.4 | — | 217.4 |
| Total assets (billions) | 2.2 | — | 2.2 |
| 2014 | | | |
| Operating revenue | \$ 960.9 | \$ — | \$ 960.9 |
| Depreciation and amortization | 53.6 | — | 53.6 |
| Interest income | 1.7 | — | 1.7 |
| Interest expense | 28.2 | — | 28.2 |
| Income taxes | 32.0 | — | 32.0 |
| Net income (loss) | 55.2 | — | 55.2 |
| Capital expenditures | 174.7 | — | 174.7 |

NOTE 20. QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of Questar Gas' quarterly results of operations for the years ended December 31, 2016 and 2015 follows. Amounts reflect all adjustments necessary in the opinion of management for a fair statement of the results for the interim periods. Results for interim periods may fluctuate as a result of weather conditions, changes in rates and other factors.

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Year |
|-------------------------------|------------------|-------------------|------------------|-------------------|----------|
| (millions) | | | | | |
| 2016 | | | | | |
| Operating revenue | \$ 407.9 | \$ 128.2 | \$ 87.9 | \$ 297.3 | \$ 921.3 |
| Income (loss) from operations | 83.4 | 3.8 | (19.8) | 53.3 | 120.7 |
| Net income (loss) | 47.6 | (1.6) | (17.7) | 28.9 | 57.2 |
| 2015 | | | | | |
| Operating revenue | \$ 374.8 | \$ 141.7 | \$ 89.3 | \$ 311.8 | \$ 917.6 |
| Income (loss) from operations | 76.6 | 1.4 | (8.9) | 53.5 | 122.6 |
| Net income (loss) | 43.8 | (2.8) | (8.8) | 32.1 | 64.3 |

Questar Gas' 2016 results include the impact of the following significant item:

- Third quarter results include a \$7.7 million after-tax charge for transaction costs associated with the Dominion Questar Combination

NOTE 21. SUPPLEMENTAL OILAND GAS INFORMATION (UNAUDITED)

The following information is provided with respect to estimated natural gas reserves, which are managed, developed and delivered by Wexpro at cost-of-service pursuant to the Wexpro Agreement. The estimates of proved gas reserves were prepared by Wexpro's reservoir engineers. Gas reserve estimates are subject to numerous uncertainties inherent in estimating quantities of proved reserves, projecting future rates or production and timing of development expenditures. The accuracy of these estimates depends on the quality of available data and on engineering and geological interpretation and judgment. Reserve estimates are imprecise and will change as additional information becomes available. Geological and engineering data demonstrate with reasonable certainty that these quantities are recoverable under existing economic and operating conditions. Since the gas reserves operated by Wexpro are delivered to Questar Gas at cost-of-service, SEC guidelines with respect to standard economic assumptions are not applicable. The SEC anticipated this potential difficulty and provides that companies may give appropriate recognition to differences because of the effect of the ratemaking process. Accordingly, Wexpro uses a minimum-producing rate or maximum well-life limit to determine the ultimate quantity of gas reserves.

| Proved Reserves (bcf) | Natural Gas |
|------------------------------|-------------|
| Balance at December 31, 2016 | 469.8 |
| Balance at December 31, 2015 | 522.4 |
| Balance at December 31, 2014 | 530.4 |

**Questar Gas Company
Balance Sheet**

Page 1
December 2016

| | Amount | Increase or Decrease | |
|--|-------------------------|------------------------|------------------------|
| | | Month | Twelve Months |
| Assets And Other Debits | | | |
| 101 General Plant in Service | 2,805,204,562.49 | 19,231,376.99 | 298,472,590.21 |
| 105 Gas Plant Held for Future Use | 5,036.83 | - | - |
| 106 Completed Construction Not Classified - Gas | 21,318,273.89 | 2,297,429.57 | 9,802,925.90 |
| 107 Construction Work in Progress - Gas | 55,498,040.81 | (3,847,259.72) | 4,434,987.58 |
| 108 Accum Prov for Depreciation of Gas Plant in Service | (730,445,222.22) | (3,406,651.71) | 74,566,706.27 |
| 111 Accum Prov for Amortization of Gas Plant in Service | (6,202,795.07) | (1,751.21) | (21,476.69) |
| 114 Gas Plant Acquisition Adjustments | 6,644,450.15 | - | - |
| 115 Accum Prov for Amortization of Gas Plant Acquisition Adjustments | (992,000.05) | - | - |
| Net Gas Plant | 2,151,030,346.83 | 14,273,143.92 | 387,255,733.27 |
| Other Funds or Investments | | | |
| 128 Cash | 7,487,503.54 | 10,849,255.08 | (2,967,291.40) |
| 134 Other Special Deposits | - | - | - |
| 135 Working Funds | 72,266.50 | 3,000.00 | (633.50) |
| 136 Temporary Cash Investments | - | - | - |
| 141 Notes Receivable | - | - | - |
| 142 Customer A/R | 163,899,803.65 | 78,241,008.55 | (5,065,230.43) |
| 143.1 Accts Rec - QEP Resources | 1,299,951.71 | 108,450.03 | (237,800.46) |
| 144 Accum. Provision for Bad Debt | (1,656,564.17) | (437,954.29) | 52,810.63 |
| 145 Notes Rec. from Affiliates | - | - | - |
| 146 Accounts Rec. from Affiliates | 638,318.25 | (534,596.49) | (1,025,572.93) |
| 146.1 AR-Allocated to Affiliates | - | - | - |
| 154 Plant Materials and Operating Supplies | 27,456,296.74 | 6,013,862.82 | 10,390,182.42 |
| 163 Stores Expense Undistributed | 169,832.68 | 48,373.30 | 124,704.45 |
| 164 Gas Stored Underground | 49,333,980.55 | (23,434,431.98) | 5,469,119.58 |
| 165 Prepaid Expenses | 3,471,463.42 | 306,315.29 | (416,653.28) |
| 171 Interest and Dividends Rec. | - | - | - |
| 174 Misc. Current & Accrued Assets | 311,321.28 | 138,471.67 | 311,321.28 |
| 176 Derivatives | 114,464.68 | (1,115,163.79) | 114,464.68 |
| Net Current and Accrued Assets | 252,598,638.83 | 70,186,590.19 | 6,749,421.04 |
| 181 Unamortized Debt Expense | 3,684,540.83 | 655,313.81 | 371,258.06 |
| 1823 Other Regulatory Assets | 7,396,774.37 | (293,290.64) | (46,835,660.44) |
| 182400 Reg Asset - DSM Programs - UT | 883,944.50 | (758,040.10) | (134,986.45) |
| 182401 Reg Asset - DSM Programs - WY | 174,873.84 | (6,010.93) | 82,644.43 |
| 184 Clearing Accounts | (96,302.57) | 155,997.37 | 271,836.48 |
| 186 Misc. Deferred Debits | (37,649.34) | (33,700.47) | (37,649.34) |
| 189 Unamort Loss on Reacq Debt | 3,215,372.38 | (44,219.10) | (530,629.20) |
| 190001 ACCUM DEF TAX-ITC FULL DEFER | 143,866.70 | (5,752.19) | (69,026.28) |
| 190008 Accum Defer Tax - Federal | - | - | - |
| 190009 Accum Defer Tax - State | - | - | - |
| 191000 Unrecovered Purchased Gas Costs - Utah | 2,061,491.27 | (4,986,773.44) | (15,764,072.25) |
| 191000 Unrecovered Purchased Gas Costs - Wyoming | 1,346,870.99 | 613,480.49 | 250,205.54 |
| 191800 Utah/Idaho Low Income Credit/Charge | (84,710.32) | 87,728.99 | (163,745.56) |
| 191900 Utah/Idaho CET Balancing | (2,927,384.12) | (3,152,823.17) | (6,329,377.95) |
| 191901 Wyoming CET Balancing | 56,707.20 | (64,721.07) | (159,954.25) |
| 192 Misc Dr-Fin Hedge Mark-to-Mrkt | - | - | - |
| Net Deferred Debits | 15,798,395.73 | (7,832,810.45) | (69,049,157.21) |
| Total Assets and Other Debits | 2,419,427,381.39 | 76,626,923.66 | 324,955,997.10 |
| Liabilities and Other Credits | | | |
| 201 Common Stock Issued | 22,974,065.00 | - | - |
| 204 Preferred Stock Issued | - | - | - |
| 207 Premium on Common Stock | 272,445,462.83 | - | 5,729,790.96 |
| 214 Preferred Stock Expense | - | - | - |
| 216 Unappropriated Ret. Earnings | 362,076,359.84 | 20,955,672.54 | 27,226,328.17 |
| Total Proprietary Capital | 657,495,887.67 | 20,955,672.54 | 32,956,119.13 |
| 221 Bonds - Long Term | 520,000,000.00 | - | (14,500,000.00) |
| 224 Long-Term Notes | 100,000,000.00 | 100,000,000.00 | 100,000,000.00 |
| 225 Unamort Premium - LT Debt | - | - | - |
| 226 Unamort Disc - LT Debt | - | - | - |
| 230 Asset Retire Obligation | 77,823,040.46 | 564,122.25 | 77,256,220.00 |
| Total Long-Term Debt | 697,823,040.46 | 100,564,122.25 | 162,756,220.00 |
| 231 Notes Payable-Outside Companies | 214,500,000.00 | 200,000,000.00 | 214,500,000.00 |
| 232 Accounts Payable - General | 110,805,585.87 | 20,582,730.66 | (12,810,375.01) |
| 233 Notes Payable to Affiliates | 48,000,000.00 | (276,500,000.00) | (225,300,000.00) |
| 234 Accounts Payable to Affiliates | (31,463,389.99) | (4,054,595.08) | (38,424,667.58) |
| 235 Customer Deposits | 6,723,459.19 | 60,118.30 | 297,919.58 |
| 236 Taxes Accrued | (1,386,439.11) | 8,324,351.33 | 34,739,235.80 |
| 237 Interest Accrued | 6,916,941.01 | 2,406,896.01 | 151,877.01 |
| 238 Dividends Declared | - | - | - |
| 241 Tax Collections Payable | 14,443,389.63 | 8,462,145.21 | 1,374,530.45 |
| 242002 Miscellaneous Current & Accrued Liabilities | 6,660,130.72 | 518,424.44 | (1,000,956.58) |
| 245 Derivative Liability | 60,365.04 | 51,042.02 | 60,365.04 |
| 253003 Oth Def Credit - Retainage | 242,626.55 | (319,072.53) | (212,678.64) |
| Total Current and Accrued Liabilities | 375,502,668.91 | (40,467,959.64) | (26,624,749.93) |
| 242000 Miscellaneous Long Term Liabilities | 71,060.27 | - | (271,540.78) |
| 252 Misc Customer Credits | 19,720,558.65 | (2,426,913.05) | (4,806,665.15) |
| 253 Other Deferred Credits - 253-1 Uncl. | 232,489.46 | 5,183.17 | (1,151,995.07) |
| 255 Accum Deferred Investment Tax Cr - Utility | 101,428.31 | (9,385.15) | (112,621.80) |
| 254001 OTH REGULATORY LIABILITIES-ITC | 116,265.34 | (1,171,958.00) | (312,762.72) |
| 254020 Oth Reg Liab-Plant Remov B Bal | 192,512,915.84 | (358,701.02) | 123,332,918.84 |
| Total Misc. Long Term Liab. & Deferred Credits | 212,754,717.87 | (3,961,774.05) | 116,677,333.32 |
| 282000 Deferred Taxes-Federal | 415,749,806.48 | 1,430,466.27 | 22,325,587.20 |
| 282100 Deferred Taxes-State | 59,738,709.15 | 1,207,744.97 | 25,415,341.46 |
| 282108 Deferred State Tax-QRS Transf | - | - | - |
| 282002 Deferred Taxes-Full Deferred | - | - | - |
| 282003 Deferred Taxes-Regulatory Asset Adjustment | - | - | - |
| 282006 Deferred Taxes-Federal Minimum Tax Carryover | - | - | - |
| 282008 Deferred Fed Taxes-QRS Transf | - | - | - |
| 283 Deferred Taxes- Purchase Gas Adjustment | 362,550.85 | (3,101,348.68) | (8,549,854.08) |
| Total Liabilities and Other Credits | 2,419,427,381.39 | 76,626,923.66 | 324,955,997.10 |

2017 JAN 10:11
MISSION

**Questar Gas Company
Balance Sheet**

Page 2
December 2016

| Assets And Other Debits | | Total | General | Production | Utah Distribution | Wyoming Distribution |
|--|--|-------------------------|-------------------------|----------------------|-------------------------|----------------------|
| 101 | General Plant in Service | 2,805,204,562.49 | 288,429,582.63 | 79,968,136.00 | 2,359,858,324.56 | 76,948,519.30 |
| 105 | Gas Plant Held for Future Use | 5,036.83 | - | - | 5,036.83 | - |
| 106 | Completed Construction Not Classified - Gas | 21,318,273.89 | 1,995,407.03 | - | 19,167,111.40 | 155,755.46 |
| 107 | Construction Work in Progress - Gas | 55,498,040.81 | 6,896,423.45 | - | 48,564,324.92 | 37,292.44 |
| 108 | Accum Prov for Depreciation of Gas Plant in Service | (730,445,222.22) | (149,721,236.30) | (68,927,265.53) | (483,936,154.79) | (27,880,565.60) |
| 111 | Accum Prov for Amortization of Gas Plant in Service | (6,202,795.07) | - | (6,133,169.11) | (58,742.88) | (10,883.08) |
| 114 | Gas Plant Acquisition Adjustments | 6,644,450.15 | - | - | 6,644,450.15 | - |
| 115 | Accum Prov for Amortization of Gas Plant Acquisition Adjustments | (992,000.05) | - | - | (992,000.05) | - |
| 128 | Other Funds or Investments | - | - | - | - | - |
| 131 | Cash | 7,487,503.54 | 7,487,503.54 | - | - | - |
| 134 | Other Special Deposits | - | - | - | - | - |
| 135 | Working Funds | 72,266.50 | - | - | 69,575.00 | 2,691.50 |
| 136 | Temporary Cash Investments | - | - | - | - | - |
| 141 | Notes Receivable | - | - | - | - | - |
| 142 | Customer A/R | 163,899,803.65 | - | - | 160,867,902.83 | 3,031,900.82 |
| 143.1 | Accts Rec - QEP Resources | 1,299,951.71 | 1,299,951.71 | - | - | - |
| 144 | Accum. Provision for Bad Debt | (1,656,564.17) | - | - | (1,669,218.38) | 12,654.21 |
| 145 | Notes Rec. from Affiliates | - | - | - | - | - |
| 146 | Accounts Rec. from Affiliates | 638,318.25 | 638,318.25 | - | - | - |
| 146.1 | AR-Allocated to Affiliates | - | - | - | - | - |
| 154 | Plant Materials and Operating Supplies | 27,456,296.74 | - | - | 27,456,296.74 | - |
| 163 | Stores Expense Undistributed | 169,832.68 | - | - | 169,832.68 | - |
| 164 | Gas Stored Underground | 49,333,980.55 | - | 49,333,980.55 | - | - |
| 165 | Prepaid Expenses | 3,471,463.42 | 3,471,463.42 | - | - | - |
| 171 | Interest and Dividends Rec. | - | - | - | - | - |
| 174 | Misc. Current & Accrued Assets | 311,321.28 | 311,321.28 | - | - | - |
| 176 | Derivatives | 114,464.68 | 114,464.68 | - | - | - |
| 181 | Unamortized Debt Expense | 3,664,540.83 | 3,664,540.83 | - | - | - |
| 1823 | Other Regulatory Assets | 7,396,774.37 | 7,169,778.34 | - | 226,996.03 | - |
| 182400 | Reg Asset - DSM Programs - UT | 883,944.50 | 883,944.50 | - | - | - |
| 182401 | Reg Asset - DSM Programs - WY | 174,873.84 | 174,873.84 | - | - | - |
| 184 | Clearing Accounts | (96,302.57) | (96,302.57) | - | - | - |
| 186 | Misc. Deferred Debits | (37,649.34) | (37,649.34) | - | - | - |
| 189 | Unamort Loss on Reacq Debt | 3,215,372.38 | 3,215,372.38 | - | - | - |
| 190 | Accum Deferred Income Tax | 143,866.70 | 143,866.70 | - | - | - |
| 190008 | Accum Deferred Taxes-Federal | - | - | - | - | - |
| 190009 | Accum Deferred Taxes-State | - | - | - | - | - |
| 191000 | Unrecovered Purchased Gas Costs - Utah | 2,061,491.27 | - | - | 2,061,491.27 | - |
| 191000 | Unrecovered Purchased Gas Costs - Wyoming | 1,346,870.99 | - | - | - | 1,346,870.99 |
| 191800 | Utah/Idaho Low Income Credit/Charge | (84,710.32) | - | - | (84,710.32) | - |
| 191900 | Utah/Idaho CET Balancing | (2,927,384.12) | - | - | (2,927,384.12) | - |
| 191901 | Wyoming CET Balancing | 56,707.20 | - | - | - | 56,707.20 |
| 192 | Misc Dr-Fin Hedge Mark-to-Mrkt | - | - | - | - | - |
| Total Assets and Other Debits | | 2,419,427,381.39 | 176,041,624.37 | 54,241,681.91 | 2,135,423,131.87 | 53,720,943.24 |
| Liabilities and Other Credits | | | | | | |
| 201 | Common Stock Issued | 22,974,065.00 | 22,974,065.00 | - | - | - |
| 204 | Preferred Stock Issued | - | - | - | - | - |
| 207 | Premium on Common Stock | 272,445,462.83 | 272,445,462.83 | - | - | - |
| 214 | Preferred Stock Expense | - | - | - | - | - |
| 216 | Unappropriated Ret. Earnings | 362,076,359.84 | 362,076,359.84 | - | - | - |
| 221 | Bonds - Long Term | 520,000,000.00 | 520,000,000.00 | - | - | - |
| 224 | Long-Term Notes | 100,000,000.00 | 100,000,000.00 | - | - | - |
| 225 | Unamort Premium - LT Debt | - | - | - | - | - |
| 226 | Unamort Disc - LT Debt | - | - | - | - | - |
| 230 | Asset Retire Obligation | 77,823,040.46 | 77,823,040.46 | - | - | - |
| 231 | Notes Payable-Outside Companies | 214,500,000.00 | 214,500,000.00 | - | - | - |
| 232 | Accounts Payable - General | 110,805,585.87 | 110,803,269.49 | 2,316.38 | - | - |
| 233 | Notes Payable to Affiliates | 48,000,000.00 | 48,000,000.00 | - | - | - |
| 234 | Accounts Payable to Affiliates | (31,463,389.99) | (31,463,389.99) | - | - | - |
| 235 | Customer Deposits | 6,723,459.19 | - | - | 6,457,564.57 | 265,894.62 |
| 236 | Taxes Accrued | (1,386,439.11) | (1,386,439.11) | - | - | - |
| 237 | Interest Accrued | 6,916,941.01 | 6,916,940.51 | - | (10,467.61) | 10,468.11 |
| 238 | Dividends Declared | - | - | - | - | - |
| 241 | Tax Collections Payable | 14,443,389.63 | 14,443,389.63 | - | - | - |
| 242012 | Miscellaneous Current & Accrued Liabilities | 6,660,130.72 | 6,660,130.72 | - | - | - |
| 245 | Derivative Liability | 60,365.04 | 60,365.04 | - | - | - |
| 253003 | Oth Def Credit - Retainage | 242,626.55 | 242,626.55 | - | - | - |
| 242000 | Miscellaneous Long Term Liabilities | 71,060.27 | 71,060.27 | - | - | - |
| 252 | Misc Customer Credits | 19,720,558.65 | - | - | 19,210,044.66 | 510,513.99 |
| 253 | Other Deferred Credits - 253-1 Uncl. | 232,489.46 | 188,758.00 | - | 42,760.71 | 970.75 |
| 255000 | Accum Deferred Investment Tax Cr - Utility | 101,428.31 | 713.25 | 1,124.79 | 96,483.05 | 3,107.22 |
| 254001 | Other Regulatory Liabilities | 116,265.34 | 116,265.34 | - | - | - |
| 25402 | Oth Reg Liab-Plant Remov B Bal | 190,404,024.84 | - | - | 184,187,333.43 | 6,216,691.41 |
| 25402 | Oth Reg Liab-Plant ARO Offset | 2,108,891.00 | - | - | 2,040,035.71 | 68,855.29 |
| 282000 | Deferred Taxes-Federal | 415,749,806.48 | 13,636,285.14 | 501,863.93 | 389,081,373.70 | 12,530,283.71 |
| 282100 | Deferred Taxes-State | 59,738,709.15 | 1,119,041.35 | 700,755.31 | 57,918,912.49 | - |
| 282108 | Deferred State Tax-QRS Transf | - | - | - | - | - |
| 282002 | Deferred Taxes-Full Deferred | - | - | - | - | - |
| 282003 | Deferred Taxes-Regulatory Asset Adjustment | - | - | - | - | - |
| 282006 | Deferred Taxes-Federal Minimum Tax Carryover | - | - | - | - | - |
| 282008 | Deferred Fed Taxes-QRS Transf | - | - | - | - | - |
| 283 | Deferred Taxes- Purchase Gas Adjustment | 362,550.85 | - | 362,550.85 | - | - |
| Total Liabilities and Other Credits | | 2,419,427,381.39 | 1,739,227,944.32 | 1,568,611.26 | 659,024,040.71 | 19,606,785.10 |

Questar Gas Company
Balance Sheet

Page 2
December 2016

| Assets And Other Debits | | Total | General | Production | Utah Distribution | Wyoming Distribution |
|--|--|-------------------------|-------------------------|----------------------|-------------------------|----------------------|
| 101 | General Plant in Service | 2,805,204,562.49 | 288,429,582.63 | 79,968,136.00 | 2,359,858,324.56 | 76,948,519.30 |
| 105 | Gas Plant Held for Future Use | 5,036.83 | - | - | 5,036.83 | - |
| 106 | Completed Construction Not Classified - Gas | 21,318,273.89 | 1,995,407.03 | - | 19,167,111.40 | 155,755.46 |
| 107 | Construction Work in Progress - Gas | 55,498,040.81 | 6,896,423.45 | - | 48,564,324.92 | 37,292.44 |
| 108 | Accum Prov for Depreciation of Gas Plant in Service | (730,445,222.22) | (149,721,236.30) | (68,927,265.53) | (483,936,154.79) | (27,860,565.80) |
| 111 | Accum Prov for Amortization of Gas Plant in Service | (6,202,795.07) | - | (6,133,169.11) | (58,742.88) | (10,883.08) |
| 114 | Gas Plant Acquisition Adjustments | 6,644,450.15 | - | - | 6,644,450.15 | - |
| 115 | Accum Prov for Amortization of Gas Plant Acquisition Adjustments | (992,000.05) | - | - | (992,000.05) | - |
| 128 | Other Funds or Investments | - | - | - | - | - |
| 131 | Cash | 7,487,503.54 | 7,487,503.54 | - | - | - |
| 134 | Other Special Deposits | - | - | - | - | - |
| 135 | Working Funds | 72,266.50 | - | - | 69,575.00 | 2,691.50 |
| 136 | Temporary Cash Investments | - | - | - | - | - |
| 141 | Notes Receivable | - | - | - | - | - |
| 142 | Customer A/R | 163,899,803.65 | - | - | 160,867,902.83 | 3,031,900.82 |
| 143.1 | Accts Rec - QEP Resources | 1,299,951.71 | 1,299,951.71 | - | - | - |
| 144 | Accum. Provision for Bad Debt | (1,856,564.17) | - | - | (1,669,218.38) | 12,654.21 |
| 145 | Notes Rec. from Affiliates | - | - | - | - | - |
| 146 | Accounts Rec. from Affiliates | 638,318.25 | 638,318.25 | - | - | - |
| 146.1 | AR-Allocated to Affiliates | - | - | - | - | - |
| 154 | Plant Materials and Operating Supplies | 27,456,296.74 | - | - | 27,456,296.74 | - |
| 163 | Stores Expense Undistributed | 169,832.68 | - | - | 169,832.68 | - |
| 164 | Gas Stored Underground | 49,333,980.55 | - | 49,333,980.55 | - | - |
| 165 | Prepaid Expenses | 3,471,463.42 | 3,471,463.42 | - | - | - |
| 171 | Interest and Dividends Rec. | - | - | - | - | - |
| 174 | Misc. Current & Accrued Assets | 311,321.28 | 311,321.28 | - | - | - |
| 176 | Derivatives | 114,464.68 | 114,464.68 | - | - | - |
| 181 | Unamortized Debt Expense | 3,664,540.83 | 3,664,540.83 | - | - | - |
| 1823 | Other Regulatory Assets | 7,396,774.37 | 7,169,778.34 | - | 226,996.03 | - |
| 182400 | Reg Asset - DSM Programs - UT | 883,944.50 | 883,944.50 | - | - | - |
| 182401 | Reg Asset - DSM Programs - WY | 174,873.84 | 174,873.84 | - | - | - |
| 184 | Clearing Accounts | (96,302.57) | (96,302.57) | - | - | - |
| 186 | Misc. Deferred Debits | (37,649.34) | (37,649.34) | - | - | - |
| 189 | Unamort Loss on Reacq Debt | 3,215,372.38 | 3,215,372.38 | - | - | - |
| 190 | Accum Deferred Income Tax | 143,866.70 | 143,866.70 | - | - | - |
| 190008 | Accum Deferred Taxes-Federal | - | - | - | - | - |
| 190009 | Accum Deferred Taxes-State | - | - | - | - | - |
| 191000 | Unrecovered Purchased Gas Costs - Utah | 2,061,491.27 | - | - | 2,061,491.27 | - |
| 191000 | Unrecovered Purchased Gas Costs - Wyoming | 1,346,870.99 | - | - | - | 1,346,870.99 |
| 191800 | Utah/Idaho Low Income Credit/Charge | (84,710.32) | - | - | (84,710.32) | - |
| 191900 | Utah/Idaho CET Balancing | (2,927,384.12) | - | - | (2,927,384.12) | - |
| 191901 | Wyoming CET Balancing | 56,707.20 | - | - | - | 56,707.20 |
| 192 | Misc Dr-Fin Hedge Mark-to-Mrkt | - | - | - | - | - |
| Total Assets and Other Debits | | 2,419,427,381.39 | 176,041,624.37 | 54,241,681.91 | 2,135,423,131.87 | 53,720,943.24 |
| Liabilities and Other Credits | | | | | | |
| 201 | Common Stock Issued | 22,974,065.00 | 22,974,065.00 | - | - | - |
| 204 | Preferred Stock Issued | - | - | - | - | - |
| 207 | Premium on Common Stock | 272,445,462.83 | 272,445,462.83 | - | - | - |
| 214 | Preferred Stock Expense | - | - | - | - | - |
| 216 | Unappropriated Ret. Earnings | 362,076,359.84 | 362,076,359.84 | - | - | - |
| 221 | Bonds - Long Term | 520,000,000.00 | 520,000,000.00 | - | - | - |
| 224 | Long-Term Notes | 100,000,000.00 | 100,000,000.00 | - | - | - |
| 225 | Unamort Premium - LT Debt | - | - | - | - | - |
| 226 | Unamort Disc - LT Debt | - | - | - | - | - |
| 230 | Asset Retire Obligation | 77,823,040.46 | 77,823,040.46 | - | - | - |
| 231 | Notes Payable-Outside Companies | 214,500,000.00 | 214,500,000.00 | - | - | - |
| 232 | Accounts Payable - General | 110,805,585.87 | 110,803,269.49 | 2,316.38 | - | - |
| 233 | Notes Payable to Affiliates | 48,000,000.00 | 48,000,000.00 | - | - | - |
| 234 | Accounts Payable to Affiliates | (31,463,389.99) | (31,463,389.99) | - | - | - |
| 235 | Customer Deposits | 6,723,459.19 | - | - | 6,457,564.57 | 265,894.62 |
| 236 | Taxes Accrued | (1,386,439.11) | (1,386,439.11) | - | - | - |
| 237 | Interest Accrued | 6,916,941.01 | 6,916,940.51 | - | (10,467.61) | 10,468.11 |
| 238 | Dividends Declared | - | - | - | - | - |
| 241 | Tax Collections Payable | 14,443,389.63 | 14,443,389.63 | - | - | - |
| 242012 | Miscellaneous Current & Accrued Liabilities | 6,660,130.72 | 6,660,130.72 | - | - | - |
| 245 | Derivative Liability | 60,365.04 | 60,365.04 | - | - | - |
| 253003 | Oth Def Credit - Retainage | 242,626.55 | 242,626.55 | - | - | - |
| 242000 | Miscellaneous Long Term Liabilities | 71,060.27 | 71,060.27 | - | - | - |
| 252 | Misc Customer Credits | 19,720,558.65 | - | - | 19,210,044.66 | 510,513.99 |
| 253 | Other Deferred Credits - 253-1 Uncl. | 232,489.46 | 188,758.00 | - | 42,760.71 | 970.75 |
| 255000 | Accum Deferred Investment Tax Cr - Utility | 101,428.31 | 713.25 | 1,124.79 | 96,483.05 | 3,107.22 |
| 254001 | Other Regulatory Liabilities | 116,265.34 | 116,265.34 | - | - | - |
| 25402 | Oth Reg Liab-Plant Remov B Bal | 190,404,024.84 | - | - | 184,187,333.43 | 6,216,691.41 |
| 25402 | Oth Reg Liab-Plant ARO Offset | 2,108,891.00 | - | - | 2,040,035.71 | 68,855.29 |
| 282000 | Deferred Taxes-Federal | 415,749,806.48 | 13,636,285.14 | 501,863.93 | 389,081,373.70 | 12,530,283.71 |
| 282100 | Deferred Taxes-State | 59,738,709.15 | 1,119,041.35 | 700,755.31 | 57,918,912.49 | - |
| 282108 | Deferred State Tax-QRS Transf | - | - | - | - | - |
| 282002 | Deferred Taxes-Full Deferred | - | - | - | - | - |
| 282003 | Deferred Taxes-Regulatory Asset Adjustment | - | - | - | - | - |
| 282006 | Deferred Taxes-Federal Minimum Tax Carryover | - | - | - | - | - |
| 282008 | Deferred Fed Taxes-QRS Transf | - | - | - | - | - |
| 283 | Deferred Taxes- Purchase Gas Adjustment | 362,550.85 | - | 362,550.85 | - | - |
| Total Liabilities and Other Credits | | 2,419,427,381.39 | 1,739,227,944.32 | 1,568,611.26 | 659,024,040.71 | 19,606,785.10 |

Questar Gas Company
Detail of Investment and Reserve Account

Page 3
Twelve Months Ending
December 2016

| | |
|------------|-----------------|
| | Accounts |
| | 101 - 105 & 114 |
| Investment | |

| | |
|-------------------------------|------------------|
| Balance @ January 1, 2016 | 2,513,381,459.26 |
| Additions | 223,681,776.42 |
| Retirements | (19,280,529.11) |
| Reclassifications & Transfers | - |
| Adjustments | 75,105,602.00 |

| | |
|------------------------------|---------------|
| Intercompany Transfers - In | 19,010,987.90 |
| Intercompany Transfers - Out | (45,247.00) |

| | |
|------------------|------------------|
| Total Investment | 2,811,854,049.47 |
|------------------|------------------|

| | |
|---------|-----------------|
| | Accounts |
| | 108 - 111 & 115 |
| Reserve | |

| | |
|--|------------------|
| Balance @ January 1, 2016 | 812,185,246.92 |
| Retirements | (19,280,529.11) |
| Reclassifications, Transfers, & Acquisitions | - |
| Gain on Disposition of Assets | (148,372.64) |
| Loss on Disposition of Assets | - |
| Dismantling | (4,492,517.87) |
| Salvage Credits | 471,928.96 |
| Adjustments | - |
| Accruals to Account: | |
| 403 | 60,965,333.86 |
| 404 | 21,476.69 |
| 254 | (125,441,809.84) |
| 163 | 2,524.26 |
| 184 | 5,160,930.56 |
| 425 | - |

| | |
|------------------------------|--------------|
| Intercompany Transfers - In | 8,199,926.25 |
| Intercompany Transfers - Out | (4,120.70) |

| | |
|---------------|----------------|
| Total Reserve | 737,640,017.34 |
|---------------|----------------|

| | |
|----------------|------------------|
| Net Investment | 2,074,214,032.13 |
|----------------|------------------|

Questar Gas Company
STATEMENT OF CASH FLOW

Page 7

| | Year to Date @ December 31 | |
|---|----------------------------|-------------------------|
| | 2016 | 2015 |
| Cash Flows From Operating Activities: | | |
| Net Income | 57,226,328.17 | 64,332,590.97 |
| Adjustments to reconcile net income to cash provided from operating activities: | | |
| Depreciation and Amortization | 66,150,265.37 | 59,790,302.26 |
| ARO - Accum Depr Change | (75,121,334.00) | 14,412.34 |
| Share-based Compensation | 3,000,690.96 | 1,384,202.70 |
| Deferred Federal Income Taxes | 39,260,100.86 | 53,026,885.47 |
| Deferred Investment Tax Credits | (112,621.80) | (150,070.37) |
| CASH PROVIDED FROM OPERATION ACTIVITIES BEFORE CHANGE IN ASSETS AND LIABILITIES: | 90,403,429.56 | 178,398,323.37 |
| CHANGE IN ASSETS AND LIABILITIES | | |
| Accounts Receivable | 5,250,220.26 | (8,699,594.90) |
| Accounts Rec. from Affiliates | 1,025,572.93 | 16,134.74 |
| Plant Materials & Ops Supplies | (15,984,006.45) | (1,462,195.96) |
| Prepaid Expenses | 416,653.28 | (282,604.79) |
| Unrecovered Purchase Gas Costs | 22,166,944.47 | 4,304,568.62 |
| Asset Retire Obligation | 77,256,220.00 | (18,932.03) |
| Misc. Accounts Payable | (13,633,075.78) | 10,023,103.46 |
| Accounts Payable to Affiliates | (38,424,667.58) | (28,313,818.11) |
| Taxes Accrued | 36,113,766.25 | (36,475,649.39) |
| Other Funds or Investments | 163,296,582.80 | 3,120,000.64 |
| CASH PROVIDED FROM OPERATING ACTIVITIES: | 327,887,639.74 | 120,609,335.65 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital Expenditures | (237,903,957.90) | (233,857,199.47) |
| Retirement of property, plant and equipment | (140,380,706.74) | (12,061,378.80) |
| CASH USED IN INVESTING ACTIVITIES: | (378,284,664.64) | (245,918,578.27) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| COMMON STOCK ISSUED | - | - |
| Preferred Stock Issued | - | - |
| Equity contribution | 2,729,100.00 | - |
| Current Port LT Debt-Balance | 200,000,000.00 | - |
| Current port LT Debt - Repaymt | 14,500,000.00 | - |
| Bonds - Long Term | 85,500,000.00 | - |
| Notes Rec. from Affiliates | - | - |
| Notes Payable to Affiliates | (225,300,000.00) | 154,000,000.00 |
| Dividends | (30,000,000.00) | (38,000,000.00) |
| CASH PROVIDED FROM (USED IN) FINANCING ACTIVITIES: | 47,429,100.00 | 116,000,000.00 |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,967,924.90) | (9,309,242.62) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 10,527,694.94 | 19,836,937.56 |
| CASH AND CASH EQUIVALENTS AT THE END OF THIS PERIOD | 7,559,770.04 | 10,527,694.94 |

Questar Gas Company
Comparative Statement of
Income and Retained Earnings

Page 8
December 2016

| Utility Operating Income | | This Year | Current Month Last Year | Increase (Decrease) |
|--|---|-----------------------|----------------------------|------------------------|
| 400 | Operating Revenues | 158,576,826.75 | 163,489,885.05 | (4,913,058.30) |
| Utility Operating Expenses | | | | |
| 401 | Gas Purchases | 102,763,128.29 | 107,020,809.15 | (4,257,680.86) |
| 401 | Operating Expense | 11,427,427.45 | 14,118,757.79 | (2,691,330.34) |
| 402 | Maintenance Expense | 1,007,496.42 | 1,144,394.41 | (136,897.99) |
| 403 | Depreciation Expense | 5,382,513.27 | 4,878,767.28 | 503,745.99 |
| 404 | Amortization and Depletion | 1,751.21 | 1,906.61 | (155.40) |
| 408 | Taxes Other Than Income Taxes | 1,918,873.96 | 1,839,039.87 | 79,834.09 |
| 409101 | Income Taxes - Federal Util Oper Income | 11,474,552.55 | (15,403,743.00) | 26,878,295.55 |
| 410111 | Income Taxes - Deferred Federal Tax-Utility | (1,284,129.82) | 26,965,443.02 | (28,249,572.84) |
| 409111 | Income Taxes - State Util Oper Income | 1,636,037.37 | (2,129,548.00) | 3,765,585.37 |
| 410101 | Income Taxes - Deferred State Tax-Utility | 820,992.38 | 2,311,323.69 | (1,490,331.31) |
| Total Utility Operating Expenses | | 135,148,643.08 | 140,747,150.82 | (5,598,507.74) |
| Net Operating Income | | 23,428,183.67 | 22,742,734.23 | 685,449.44 |
| Other Income and Deductions | | | | |
| Other Income | | | | |
| 409201 | Federal Income Tax - Other Income & Deductions | (112,032.45) | 1,898,186.25 | (2,010,218.70) |
| 409211 | State Income Tax - Other Income & Deductions | (15,962.63) | (17,270.00) | 1,307.37 |
| 410201 | Deferred Income Tax - Other Income & Deductions | - | - | - |
| 419000 | Interest and Dividend Income | 22,569.93 | 75,431.31 | (52,861.38) |
| 419100 | Allow for Other Funds Used During Construction | - | - | - |
| 419002 | Investment Income from Affiliates | - | - | - |
| 420000 | Investment Tax Credit | 9,385.15 | 12,505.91 | (3,120.76) |
| 417 | Revenue from Nonutility Operations | (6,939,401.87) | - | (6,939,401.87) |
| 417.1 | Expense from Nonutility Operations | 6,939,401.87 | - | 6,939,401.87 |
| 421000 | Miscellaneous Non-Operating Revenue | 336,985.00 | 321,669.00 | 15,316.00 |
| 421100 | Gain on Disposition of Property | - | - | - |
| Total Other Income | | 240,945.00 | 2,290,522.47 | (2,049,577.47) |
| Other Income Deductions | | | | |
| 411100 | Accretion Expense | 2,166.25 | 2,002.06 | - |
| 421200 | Loss on Disposition of Property | - | - | - |
| 425 | Miscellaneous Amortization | - | - | - |
| 426 | Miscellaneous Income Deductions | 21,333.33 | 20,908.33 | 425.00 |
| 426511 | Merger & Restructuring Expense | - | - | - |
| Total Other Income Deductions | | 23,499.58 | 22,910.39 | 425.00 |
| Total Other Income and Deductions | | 217,445.42 | 2,267,612.08 | (2,050,002.47) |
| Interest Charges | | | | |
| 427 | Interest - Long term Debt | 2,552,923.79 | 2,255,021.00 | 297,902.79 |
| 428 | Amortization of Debt Discount & Expense | 71,009.62 | 70,042.35 | 967.27 |
| 430 | Interest on Debt to Affiliates | 104,751.83 | 80,184.03 | 24,567.80 |
| 431001 | Other Interest Expense | - | - | - |
| 431009 | Interest on Short-Term Debt | 11,131.57 | 65.55 | 11,066.02 |
| 432 | Allow for Borrowed Funds Used During Const - Cr | (49,860.26) | (9,218.93) | (40,641.33) |
| Total Interest Charges | | 2,689,956.55 | 2,396,094.00 | 293,862.55 |
| Income Before Cumulative Effect | | 20,955,672.54 | 22,614,252.31 | (1,658,579.77) |
| Cumulative Effect of Change in Accounting for Asset Retirement Obligation | | - | - | - |
| Net Income | | 20,955,672.54 | 22,614,252.31 | (1,658,579.77) |
| Retained Earnings | | | | |
| Retained Earnings (Beg of Period) | | 341,120,687.30 | 312,235,779.36 | 28,884,907.94 |
| 216 | Unappropriated Retained Earnings | - | - | - |
| 433 | Balance Transferred from Income | 20,955,672.54 | 22,614,252.31 | (1,658,579.77) |
| 437 | Dividends on Preferred Stock | - | - | - |
| 438 | Dividends Declared - Common | - | - | - |
| 439 | Adjustments to Retained Earnings | - | - | - |
| Retained Earnings (End of Period) | | 362,076,359.84 | 334,850,031.67 | 27,226,328.17 |

Questar Gas Company
Comparative Statement of
Income and Retained Earnings

Page 9
December 2016

| Utility Operating Income | | Twelve Months | | Increase |
|--|---|------------------------|-----------------------|------------------------|
| | | This Year | Last Year | (Decrease) |
| 400 | Operating Revenues | 917,372,395.36 | 917,628,437.47 | (256,042.11) |
| Utility Operating Expenses | | | | |
| 401 | Gas Purchases | 542,102,394.73 | 558,086,710.99 | (15,984,316.26) |
| 401 | Operating Expense | 144,110,958.34 | 148,641,486.09 | (4,530,527.75) |
| 402 | Maintenance Expense | 12,805,655.22 | 13,844,966.91 | (1,039,311.69) |
| 403 | Depreciation Expense | 60,965,333.86 | 55,091,168.91 | 5,874,164.95 |
| 404 | Amortization and Depletion | 21,476.69 | 16,733.38 | 4,743.31 |
| 408 | Taxes Other Than Income Taxes | 20,864,958.36 | 19,311,668.81 | 1,553,289.55 |
| 409101 | Income Taxes - Federal Util Oper Income | 1,002,110.25 | (6,817,613.00) | 7,819,723.25 |
| 410111 | Income Taxes - Deferred Federal Tax-Utility | 29,032,246.97 | 40,279,864.10 | (11,247,617.13) |
| 409111 | Income Taxes - State Util Oper Income | 140,748.58 | (2,272,888.00) | 2,413,636.58 |
| 410101 | Income Taxes - Deferred State Tax-Utility | 5,876,861.61 | 4,179,071.78 | 1,697,789.83 |
| Total Utility Operating Expenses | | 816,922,744.61 | 830,361,169.97 | (13,438,425.36) |
| Net Operating Income | | 100,449,650.75 | 87,267,267.50 | 13,182,383.25 |
| Other Income and Deductions | | | | |
| Other Income | | | | |
| 409201 | Federal Income Tax - Other Income & Deductions | (173,365.45) | 9,142,108.25 | (9,315,473.70) |
| 409211 | State Income Tax - Other Income & Deductions | (97,490.63) | (219,195.00) | 121,704.37 |
| 410201 | Deferred Income Taxes-Other Income & Deductions | (895,676.00) | (8,475,971.00) | 7,580,295.00 |
| 419000 | Interest and Dividend Income | 290,935.19 | 1,215,548.77 | (924,613.58) |
| 419100 | Allow for Other Funds Used During Construction | - | - | - |
| 419002 | Interest Income from Associated Companies | - | 533.83 | (533.83) |
| 420000 | Investment Tax Credit | 112,621.80 | 150,070.37 | (37,448.57) |
| 417 | Revenue from Nonutility Operations | 3,221,504.67 | - | 3,221,504.67 |
| 417.1 | Expense from Nonutility Operations | (3,221,504.67) | - | (3,221,504.67) |
| 421000 | Miscellaneous Non-Operating Revenue | 3,894,670.00 | 3,929,124.00 | (34,454.00) |
| 421100 | Gain on Disposition of Property | 148,372.64 | 5,218.19 | 143,154.45 |
| Total Other Income | | 3,280,067.55 | 5,747,437.41 | (2,467,369.86) |
| Other Income Deductions | | | | |
| 411100 | Accretion Expense | 25,995.00 | 22,605.71 | 3,389.29 |
| 421200 | Loss on Disposition of Property | - | 18,036.33 | (18,036.33) |
| 425 | Miscellaneous Amortization | - | - | - |
| 426 | Donations and Other Deductions | 339,744.02 | 360,553.60 | (20,809.58) |
| 426511 | Merger & Restructuring Expense | 15,942,189.12 | - | 15,942,189.12 |
| Total Other Income Deductions | | 16,307,928.14 | 401,195.64 | 15,906,732.50 |
| Total Other Income and Deductions | | (13,027,860.59) | 5,346,241.77 | (18,374,102.36) |
| Interest Charges | | | | |
| 427 | Interest - Long term Debt | 27,358,154.79 | 27,060,252.00 | 297,902.79 |
| 428 | Amortization of debt Discount & Expense | 841,475.47 | 840,508.20 | 967.27 |
| 430 | Interest on Debt to Affiliates | 1,322,853.87 | 334,117.24 | 988,736.63 |
| 431001 | Other Interest Expense | - | - | - |
| 431009 | Interest on Short Term Debt | 1,082,129.83 | 172,677.35 | 909,452.48 |
| 432 | Allow for Borrowed Funds Used During Const - Cr | (409,151.97) | (126,636.49) | (282,515.48) |
| Total Interest Charges | | 30,195,461.99 | 28,280,918.30 | 1,914,543.69 |
| Income Before Cumulative Effect | | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| Cumulative Effect of Change in Accounting for Asset Retirement Obligation | | | | |
| | | - | - | - |
| Net Income | | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| Retained Earnings | | | | |
| Retained Earnings (Beg of Period) | | | | |
| 216 | Unappropriated Retained Earnings | - | - | - |
| 433 | Balance Transferred from Income | 334,850,031.67 | 308,517,440.70 | 26,332,590.97 |
| 437 | Dividends on Preferred Stock | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| 438 | Dividends Declared - Common | - | - | - |
| 439 | Adjustments to Retained Earnings | (30,000,000.00) | (38,000,000.00) | 8,000,000.00 |
| Retained Earnings (End of Period) | | 362,076,359.84 | 334,850,031.67 | 27,226,328.17 |

**Questar Gas Company
Comparative Statement of
Income and Retained Earnings**

Page 10
December 2016

| Utility Operating Income | | Twelve Months | | Increase |
|--|---|------------------------|-----------------------|------------------------|
| | | This Year | Last Year | (Decrease) |
| 400 | Operating Revenues | 917,372,395.36 | 917,628,437.47 | (256,042.11) |
| Utility Operating Expenses | | | | |
| 401 | Gas Purchases | 542,102,394.73 | 558,086,710.99 | (15,984,316.26) |
| 401 | Operating Expense | 144,110,958.34 | 148,641,486.09 | (4,530,527.75) |
| 402 | Maintenance Expense | 12,805,655.22 | 13,844,966.91 | (1,039,311.69) |
| 403 | Depreciation Expense | 60,965,333.86 | 55,091,168.91 | 5,874,164.95 |
| 404 | Amortization and Depletion | 21,476.69 | 16,733.38 | 4,743.31 |
| 408 | Taxes Other Than Income | 20,864,958.36 | 19,311,668.81 | 1,553,289.55 |
| 409101 | Income Taxes - Federal Util Oper Income | 1,002,110.25 | (6,817,613.00) | 7,819,723.25 |
| 410111 | Income Taxes - Deferred Federal Tax-Utility | 29,032,246.97 | 40,279,864.10 | (11,247,617.13) |
| 409111 | Income Taxes - State Util Oper Income | 140,748.58 | (2,272,888.00) | 2,413,636.58 |
| 410101 | Income Taxes - Deferred State Tax-Utility | 5,876,861.61 | 4,179,071.78 | 1,697,789.83 |
| Total Utility Operating Expenses | | 816,922,744.61 | 830,361,169.97 | (13,438,425.36) |
| Net Operating Income | | 100,449,650.75 | 87,267,267.50 | 13,182,383.25 |
| Other Income and Deductions | | | | |
| Other Income | | | | |
| 409201 | Federal Income Tax - Other Income & Deductions | (173,365.45) | 9,142,108.25 | (9,315,473.70) |
| 409211 | State Income Tax - Other Income & Deductions | (97,490.63) | (219,195.00) | 121,704.37 |
| 410201 | Deferred Income Taxes - Other Income & Deductions | (895,676.00) | (8,475,971.00) | 7,580,295.00 |
| 419000 | Interest and Dividend Income | 290,935.19 | 1,215,548.77 | (924,613.58) |
| 419100 | Allow for Other Funds Used During Construction | - | - | - |
| 419002 | Interest Income From Affiliates | - | 533.83 | (533.83) |
| 420000 | Investment Tax Credit | 112,621.80 | 150,070.37 | (37,448.57) |
| 417 | Revenue from Nonutility Operations | 3,221,504.67 | - | 3,221,504.67 |
| 417.1 | Expense from Nonutility Operations | (3,221,504.67) | - | (3,221,504.67) |
| 421000 | Miscellaneous Non-Operating Revenue | 3,894,670.00 | 3,929,124.00 | (34,454.00) |
| 421100 | Gain on Disposition of Property | 148,372.64 | 5,218.19 | 143,154.45 |
| Total Other Income | | 3,280,067.55 | 5,747,437.41 | (2,467,369.86) |
| Other Income Deductions | | | | |
| 411100 | Accretion Expense | 25,995.00 | 22,605.71 | 3,389.29 |
| 421200 | Loss on disposition fo Property | - | 18,036.33 | (18,036.33) |
| 425 | Miscellaneous Amortization | - | - | - |
| 426 | Donations and Other Deductions | 339,744.02 | 360,553.60 | (20,809.58) |
| 426511 | Merger & Restructuring Expense | 15,942,189.12 | - | 15,942,189.12 |
| Total Other Income Deductions | | 16,307,928.14 | 401,195.64 | 15,906,732.50 |
| Total Other Income and Deductions | | (13,027,860.59) | 5,346,241.77 | (18,374,102.36) |
| Interest Charges | | | | |
| 427 | Interest - Long term Debt | 27,358,154.79 | 27,060,252.00 | 297,902.79 |
| 428 | Amortization of Debt Discount and Expense | 841,475.47 | 840,508.20 | 967.27 |
| 430 | Interest on Debt to Affiliates | 1,322,853.87 | 334,117.24 | 988,736.63 |
| 431001 | Interest on Short Term Debt | - | - | - |
| 431009 | Other Interest Expense | 1,082,129.83 | 172,677.35 | 909,452.48 |
| 432 | Allow for Borrowed Funds Used During Const - Cr | (409,151.97) | (126,636.49) | (282,515.48) |
| Total Interest Charges | | 30,195,461.99 | 28,280,918.30 | 1,914,543.69 |
| Income Before Cumulative Effect | | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| Cumulative Effect of Change in Accounting for Asset Retirement Obligation | | - | - | - |
| Net Income | | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| Retained Earnings | | | | |
| | Retained Earnings (Beg of Period) | 334,850,031.67 | 308,517,440.70 | - |
| 216 | Unappropriated Retained Earnings | - | - | - |
| 433 | Balance Transferred from Income | 57,226,328.17 | 64,332,590.97 | (7,106,262.80) |
| 437 | Dividends on Preferred Stock | - | - | - |
| 438 | Dividends Declared - Common | (30,000,000.00) | (38,000,000.00) | 8,000,000.00 |
| 439 | Adjustments to Retained Earnings | - | - | - |
| Retained Earnings (End of Period) | | 362,076,359.84 | 334,850,031.67 | 27,226,328.17 |

Questar Gas Company
FUNCTIONAL STATEMENT OF INCOME AND RETAINED EARNINGS

| | Utility Operating Income | | | 12 Months Ending December 2016 | |
|-----------------------------------|--|------------------|------------------|-----------------------------------|-------------------------|
| | TOTAL | GENERAL | PRODUCTION | UTAH DISTRIBUTION | WYOMING DISTRIBUTION |
| 400 | 917,372,395.36 | - | 16,395,873.43 | 869,382,844.78 | 31,593,677.15 |
| Utility Operating Expenses | | | | | |
| 401 | 542,102,394.73 | - | 542,102,394.73 | - | - |
| 401 | 144,110,988.34 | 47,078,874.78 | (950,342.66) | 94,482,831.53 | 3,499,594.69 |
| 402 | 12,805,655.22 | - | - | 12,344,169.29 | 461,485.93 |
| 403 | 60,965,333.86 | 6,735,693.43 | 823,989.33 | 51,700,165.60 | 1,705,485.50 |
| 404 | 21,476.69 | - | 21,476.69 | - | - |
| 408 | 20,864,958.36 | 1,686,474.56 | - | 18,395,341.41 | 773,142.39 |
| 4090 | 30,034,357.22 | 30,034,357.22 | - | - | - |
| 4091 | 140,748.58 | 140,748.58 | - | - | - |
| 4091 | 5,876,861.61 | 5,876,861.61 | - | - | - |
| 4114 | - | - | - | - | - |
| | 816,922,744.61 | 91,563,010.18 | 541,997,518.09 | 176,922,507.83 | 6,439,708.51 |
| | 100,449,650.75 | (91,563,010.18) | (525,601,644.66) | 692,460,336.95 | 25,153,988.64 |
| | Net Operating Income | | | | |
| | (173,365.45) | (173,365.45) | - | - | - |
| 4092 | (87,490.63) | (87,490.63) | - | - | - |
| 4102 | (895,676.00) | (895,676.00) | - | - | - |
| 4119 | 290,935.19 | 290,935.19 | - | - | - |
| 4191 | - | - | - | - | - |
| 4192 | - | - | - | - | - |
| 420 | 112,621.80 | 112,621.80 | - | - | - |
| 417 | 3,221,504.67 | 3,221,504.67 | - | - | - |
| 417.1 | (3,221,504.67) | (3,221,504.67) | - | - | - |
| 4210 | 3,894,670.00 | 3,894,670.00 | - | - | - |
| 4211 | 148,372.64 | 148,372.64 | - | - | - |
| | 3,280,067.55 | 3,280,067.55 | - | - | - |
| | Total Other Income | | | | |
| | 25,995.00 | 25,995.00 | - | - | - |
| 411100 | - | - | - | - | - |
| 4212 | - | - | - | - | - |
| 425 | 339,744.02 | 339,744.02 | - | - | - |
| 426 | 15,942,189.12 | 15,942,189.12 | - | - | - |
| 426511 | 16,307,928.14 | 16,307,928.14 | - | - | - |
| | (13,027,860.59) | (13,027,860.59) | - | - | - |
| | Total Other Income and Deductions | | | | |
| | 27,358,154.79 | 27,358,154.79 | - | - | - |
| 427 | 841,475.47 | 841,475.47 | - | - | - |
| 428 | 1,322,853.87 | 1,322,853.87 | - | - | - |
| 430 | 1,082,129.83 | 1,082,129.83 | - | - | - |
| 431 | - | - | - | - | - |
| 4311 | (409,151.97) | (409,151.97) | - | - | - |
| 432 | 30,195,461.99 | 30,195,461.99 | - | - | - |
| | (134,786,332.76) | (134,786,332.76) | (525,601,644.66) | 692,460,336.95 | 25,153,988.64 |
| | Income Before Cumulative Effect | | | | |
| | 57,226,328.17 | 57,226,328.17 | - | - | - |
| | Cumulative Effect of Change in Accounting for Asset Retirement Obligation | | | | |
| | 57,226,328.17 | (134,786,332.76) | (525,601,644.66) | 692,460,336.95 | 25,153,988.64 |
| | Net Income | | | | |
| | 364,850,031.67 | - | - | - | - |
| 216 | 57,226,328.17 | - | - | - | - |
| 433 | - | - | - | - | - |
| 437 | (30,000,000.00) | - | - | - | - |
| 438 | - | - | - | - | - |
| 439 | 362,076,359.84 | - | - | - | - |
| | Retained Earnings (End of Period) | | | | |

Questa Gas Company
FUNCTIONAL STATEMENT OF INCOME AND RETAINED EARNINGS

| | | December 2016 | | | |
|--|---|-----------------------|------------------------|-------------------------|----------------------|
| Utility Operating Income | | TOTAL | GENERAL | UTAH DISTRIBUTION | WYOMING DISTRIBUTION |
| 400 | Operating Revenues | 158,576,826.75 | 1,698,895.64 | 152,009,764.86 | 4,868,166.25 |
| Utility Operating Expenses | | | | | |
| 401 | Gas Purchases | 102,763,128.29 | - | 102,763,128.29 | - |
| 401 | Operating Expense | 11,427,427.45 | 2,642,928.59 | (99,727.91) | 8,555,335.69 |
| 402 | Maintenance Expense | 1,007,496.42 | - | - | 964,241.40 |
| 403 | Depreciation Expense | 5,382,513.27 | 682,718.10 | 67,188.04 | 4,489,031.52 |
| 404 | Amortization and Depletion | 1,751.21 | - | 1,751.21 | - |
| 408 | Taxes Other Than Income | 1,918,873.96 | 210,710.95 | - | 1,629,126.40 |
| 4090 | Income Taxes - Federal Util Oper Income | 10,190,422.73 | 10,190,422.73 | - | - |
| 4091 | Income Taxes - State Util Oper Income | 1,636,037.37 | 1,636,037.37 | - | - |
| 4101 | Provision for Deferred Income Taxes Utility | 820,992.38 | 820,992.38 | - | - |
| 4114 | Investment Tax Credit Adjustment - Utility Oper | - | - | - | - |
| Total Utility Operating Expenses | | 135,148,643.08 | 16,183,810.12 | 102,732,339.63 | 594,758.32 |
| Net Operating Income | | 23,428,183.67 | (16,183,810.12) | (101,033,443.99) | 4,273,407.93 |
| Other Income and Deductions | | | | | |
| 4092 | Other Income | - | - | - | - |
| 4093 | Federal Income Tax - Other Income & Deductions | (112,032.45) | (112,032.45) | - | - |
| 4102 | State Income Tax - Other Income & Deductions | (15,962.63) | (15,962.63) | - | - |
| 419 | Deferred Income Taxes - Other Income & Deductions | - | - | - | - |
| 4191 | Interest and Dividend Income | 22,569.93 | 22,569.93 | - | - |
| 4192 | Allow for Other Funds Used During Construction | - | - | - | - |
| 420 | Interest Income From Affiliates | - | - | - | - |
| 4210 | Investment Tax Credit | 9,385.15 | 9,385.15 | - | - |
| 4211 | Miscellaneous Non-Operating Revenue | 336,985.00 | 336,985.00 | - | - |
| 4211 | Gain on Disposition of Property | - | - | - | - |
| Total Other Income | | 240,945.00 | 240,945.00 | - | - |
| Other Income Deductions | | | | | |
| 411100 | Accretion Expense | 2,166.25 | 2,166.25 | - | - |
| 4212 | Loss on disposition of Property | - | - | - | - |
| 425 | Miscellaneous Amortization | - | - | - | - |
| 426 | Miscellaneous Income Deductions | 21,333.33 | 21,333.33 | - | - |
| Total Other Income Deductions | | 23,499.58 | 23,499.58 | - | - |
| Total Other Income and Deductions | | 217,445.42 | 217,445.42 | - | - |
| Interest Charges | | | | | |
| 427 | Interest on Long-Term Debt | 2,552,923.79 | 2,552,923.79 | - | - |
| 428 | Amortization of Debt Discount and Expense | 71,009.62 | 71,009.62 | - | - |
| 430 | Interest on Debt to Affiliates | 104,751.83 | 104,751.83 | - | - |
| 431 | Other Interest Expense | 11,131.57 | 11,131.57 | - | - |
| 4311 | Interest on Short Term Debt | - | - | - | - |
| 432 | Allow for Borrowed Funds Used During Const. - Cr | (49,860.26) | (49,860.26) | - | - |
| Total Interest Charges | | 2,689,956.55 | 2,689,956.55 | - | - |
| Income Before Cumulative Effect | | 20,955,672.54 | (18,656,321.25) | (101,033,443.99) | 4,273,407.93 |
| Cumulative Effect of Change in Accounting for Asset Retirement Obligation | | | | | |
| Net Income | | 20,955,672.54 | (18,656,321.25) | (101,033,443.99) | 4,273,407.93 |
| Retained Earnings | | | | | |
| 216 | Retained Earnings (Beg of Period) | 357,062,876.42 | - | - | - |
| 433 | Unappropriated Retained Earnings | - | - | - | - |
| 437 | Balance Transferred from Income | 20,955,672.54 | - | - | - |
| 438 | Dividends Declared - Preferred Stock | - | - | - | - |
| 438 | Dividends Declared - Common Stock | - | - | - | - |
| 439 | Adjustments to Retained Earnings | - | - | - | - |
| Retained Earnings (End of Period) | | 378,018,548.96 | - | - | - |

Questar Gas Company
Detail of 400. Operating Revenues

December 2016

| Sales of Gas | Current Month | | Twelve Months | | Twelve Months | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 480000 Residential Calendarized Revenues | 110,141,308.42 | 110,416,384.86 | 623,592,257.79 | 617,434,384.12 | 623,592,257.79 | 617,434,384.12 |
| 481000 Industrial Sales | 1,086,934.54 | 1,240,928.26 | 11,957,456.20 | 15,767,720.69 | 11,957,456.20 | 15,767,720.69 |
| 481003 Industrial Sales - CNG Sales Gas Vehicles | 667,223.96 | 2,458,228.50 | 5,323,028.54 | 7,847,036.04 | 5,323,028.54 | 7,847,036.04 |
| 481004 Commercial Revenues | 42,283,233.08 | 44,034,203.64 | 230,989,359.22 | 229,874,664.66 | 230,989,359.22 | 229,874,664.66 |
| 483 Sales for Resale | 145,011.65 | 1,428,274.72 | 1,544,582.52 | 3,737,609.28 | 1,544,582.52 | 3,737,609.28 |

| | | | | | | |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Sales of Gas | 154,323,711.65 | 159,578,019.98 | 873,406,684.27 | 874,661,414.79 | 873,406,684.27 | 874,661,414.79 |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

| Other Operating Revenues | | | | | | |
|---|--------------|--------------|---------------|---------------|---------------|---------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 487 Int chgs on Past Due Receivables - Gas | 111,936.96 | 128,332.65 | 2,147,260.98 | 2,077,130.05 | 2,147,260.98 | 2,077,130.05 |
| 488 Misc Service Revenues | 205,343.00 | 206,998.00 | 2,606,439.34 | 2,632,373.12 | 2,606,439.34 | 2,632,373.12 |
| 4893 Revenue from Transportation of Gas of Others | 2,420,990.27 | 2,217,207.89 | 24,600,991.67 | 21,216,360.20 | 24,600,991.67 | 21,216,360.20 |
| 489101 Capacity Release Credits | 1,077.24 | 81.33 | 4,344.61 | 1,253.67 | 4,344.61 | 1,253.67 |
| 490 Incidental Plant Prod Sales | 362,550.92 | 316,494.93 | 3,347,253.85 | 4,336,575.30 | 3,347,253.85 | 4,336,575.30 |
| 491 Revenue fr Natural Gas Processed by Others | 159,392.83 | 120,466.35 | 1,547,842.25 | 1,242,174.79 | 1,547,842.25 | 1,242,174.79 |
| 493 Incidental Gasoline, Oil Sales | - | - | - | - | - | - |
| 495 Rent from Gas Property | (40,091.36) | (41,487.98) | (244,416.42) | (239,844.71) | (244,416.42) | (239,844.71) |
| 4951 Other Gas Revenues | 1,025,671.24 | 963,771.90 | 9,949,750.81 | 11,701,000.26 | 9,949,750.81 | 11,701,000.26 |
| 4952 Overriding Royalty Revenue from Celsius | 6,244.00 | - | 6,244.00 | - | 6,244.00 | - |
| 4974 Oil Revenue Received from Wexpro | - | - | - | - | - | - |
| 4974 Standby Charges | - | - | - | - | - | - |

| | | | | | | |
|---------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| Total Other Operating Revenues | 4,253,115.10 | 3,911,865.07 | 43,965,711.09 | 42,967,022.68 | 43,965,711.09 | 42,967,022.68 |
|---------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|

| | | | | | | |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total 400. Operating Revenues | 158,576,826.75 | 163,489,885.05 | 917,372,395.36 | 917,628,437.47 | 917,372,395.36 | 917,628,437.47 |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

Page 12

Questar Gas Company
STATEMENT OF GS GAS SALES - Utah Jurisdiction

December 2016

| GS CUSTOMERS | ALLOWED REVENUE PER GS CUSTOMER (TARIFF) | CET ALLOWED REVENUE |
|---------------------|--|---------------------|
| January | 49.30 | 47,554,287.00 |
| February | 40.92 | 39,500,771.64 |
| March | 32.81 | 31,728,287.11 |
| April | 20.70 | 20,055,443.40 |
| May | 13.64 | 13,221,265.64 |
| June | 11.62 | 11,273,747.24 |
| July | 11.08 | 10,742,525.36 |
| August | 11.05 | 10,718,035.90 |
| September | 12.79 | 12,454,633.41 |
| October | 17.15 | 16,684,223.15 |
| November | 31.67 | 30,869,287.39 |
| December | 44.33 | 43,392,863.80 |
| TOTAL TARIFF | 297.06 | |

| CLASSIFICATION | DELIVERED | BOOKED REVENUE | CET ACCRUAL |
|--|-----------------------|-----------------------|-----------------------|
| STATE OF UTAH AND IDAHO | | | |
| GENERAL SERVICE | | | |
| DNG | 46,533,361.04 | 43,392,863.80 | (3,140,497.24) |
| SNG | 21,866,433.62 | 21,866,433.62 | 0.00 |
| COMMODITY | 73,224,988.82 | 73,224,988.82 | 0.00 |
| EEP | 3,499,670.00 | 3,499,670.00 | 0.00 |
| IRA | 3,404,108.95 | 3,404,108.95 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF UTAH AND IDAHO | 148,528,562.43 | 145,388,065.19 | (3,140,497.24) |

| CLASSIFICATION | DELIVERED | BOOKED REVENUE | CET ACCRUAL |
|--|-----------------------|-----------------------|---------------------|
| STATE OF UTAH AND IDAHO | | | |
| GENERAL SERVICE | | | |
| DNG | 289,131,784.94 | 288,195,371.04 | (936,413.90) |
| SNG | 99,387,973.60 | 99,387,973.60 | 0.00 |
| COMMODITY | 380,242,660.69 | 380,242,660.69 | 0.00 |
| EEP | 23,824,331.36 | 23,824,331.36 | 0.00 |
| IRA | 12,789,720.74 | 12,789,720.74 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF UTAH AND IDAHO | 805,376,471.33 | 804,440,057.43 | (936,413.90) |

| CLASSIFICATION | DELIVERED | BOOKED REVENUE | CET ACCRUAL |
|--|-----------------------|-----------------------|---------------------|
| STATE OF UTAH AND IDAHO | | | |
| GENERAL SERVICE | | | |
| DNG | 289,131,784.94 | 288,195,371.04 | (936,413.90) |
| SNG | 99,387,973.60 | 99,387,973.60 | 0.00 |
| COMMODITY | 380,242,660.69 | 380,242,660.69 | 0.00 |
| EEP | 23,824,331.36 | 23,824,331.36 | 0.00 |
| IRA | 12,789,720.74 | 12,789,720.74 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF UTAH AND IDAHO | 805,376,471.33 | 804,440,057.43 | (936,413.90) |

Questar Gas Company
STATEMENT OF GS GAS SALES - Wyoming Jurisdiction

December 2016

| GS CUSTOMERS | ALLOWED REVENUE PER GS CUSTOMER (TARIFF) | CET ALLOWED REVENUE |
|---------------------|--|---------------------|
| January | 27,664 | 1,721,530.72 |
| February | 27,654 | 1,606,973.94 |
| March | 27,647 | 1,352,767.71 |
| April | 27,678 | 1,093,281.00 |
| May | 27,625 | 851,126.25 |
| June | 27,572 | 603,826.80 |
| July | 27,521 | 589,775.03 |
| August | 27,450 | 492,453.00 |
| September | 27,520 | 628,281.60 |
| October | 27,520 | 858,073.60 |
| November | 27,565 | 1,176,749.85 |
| December | 27,606 | 1,568,848.98 |
| TOTAL TARIFF | 454,380 | |

| CLASSIFICATION | Current Period | | CET ACCRUAL |
|---|---------------------|---------------------|--------------------|
| | DELIVERED | BOOKED REVENUE | |
| STATE OF WYOMING | | | |
| GENERAL SERVICE | | | (27,286.80) |
| DNG | 1,596,135.78 | 1,568,848.98 | 0.00 |
| COMMODITY | 2,969,363.55 | 2,969,363.55 | 0.00 |
| EEP | 25,868.75 | 25,868.75 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF WYOMING | 4,591,368.08 | 4,564,081.28 | (27,286.80) |

| CLASSIFICATION | Year To Date | | CET ACCRUAL |
|---|----------------------|----------------------|-------------------|
| | DELIVERED | BOOKED REVENUE | |
| STATE OF WYOMING | | | |
| GENERAL SERVICE | | | 254,292.24 |
| DNG | 12,289,396.24 | 12,543,688.48 | 0.00 |
| COMMODITY | 16,671,737.60 | 16,671,737.60 | 0.00 |
| EEP | 99,392.88 | 99,392.88 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF WYOMING | 29,060,526.72 | 29,314,818.96 | 254,292.24 |

| CLASSIFICATION | Twelve Months | | CET ACCRUAL |
|---|----------------------|----------------------|-------------------|
| | DELIVERED | BOOKED REVENUE | |
| STATE OF WYOMING | | | |
| GENERAL SERVICE | | | 254,292.24 |
| DNG | 12,289,396.24 | 12,543,688.48 | 0.00 |
| COMMODITY | 16,671,737.60 | 16,671,737.60 | 0.00 |
| EEP | 99,392.88 | 99,392.88 | 0.00 |
| TOTAL GENERAL SERVICE STATE OF WYOMING | 29,060,526.72 | 29,314,818.96 | 254,292.24 |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Utah Jurisdiction

| CLASSIFICATION | CURRENT MONTH - THIS YEAR | | CURRENT MONTH - LAST YEAR | | CUSTOMERS | DECATHERMS | RATE | CURRENT MONTH - LAST YEAR | | CUSTOMERS | DECATHERMS | INCREASE OR DECREASE |
|---|---------------------------|------------|---------------------------|----------------|-----------|------------|--------|---------------------------|--------|-----------|----------------|----------------------|
| | CUSTOMERS | DECATHERMS | AMOUNT | RATE | | | | AMOUNT | RATE | | | |
| STATE OF UTAH | | | | | | | | | | | | |
| FIRM NON GS | | | | | | | | | | | | |
| Industrial | | | | | | | | | | | | |
| FS | 84 | 149,215 | 5,952 | 868,123.86 | 102 | 161,473 | 6.196 | 1,000,486.83 | (18) | (12,258) | (112,362.97) | |
| NGV | | 29,129 | 22.301 | 649,615.31 | | 38,608 | 61.856 | 2,388,168.57 | | (9,479) | (1,736,553.26) | |
| F3 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.00 | |
| F4 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.00 | |
| Commercial | | | | | | | | | | | | |
| FS | 465 | 335,332 | 6.127 | 2,054,429.39 | 513 | 342,155 | 6.309 | 2,158,817.95 | (48) | (6,823) | (104,388.56) | |
| TOTAL FIRM | 549 | 513,676 | 6.993 | 3,582,168.56 | 615 | 542,236 | 10.231 | 5,547,473.35 | (66) | (28,560) | (1,955,304.79) | |
| INTERRUPTIBLE | | | | | | | | | | | | |
| Industrial | | | | | | | | | | | | |
| ES | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.00 | |
| IS | 19 | 31,302 | 4.761 | 149,016.72 | 26 | 40,263 | 4.820 | 194,085.54 | (7) | (8,961) | (45,068.82) | |
| Commercial | | | | | | | | | | | | |
| ES | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.00 | |
| IS | 22 | 42,834 | 4.672 | 200,124.26 | 24 | 50,291 | 4.727 | 237,743.12 | (2) | (7,457) | (37,618.86) | |
| TOTAL INTERRUPTIBLE | 41 | 74,136 | 4.709 | 349,140.98 | 50 | 90,554 | 4.769 | 431,828.66 | (9) | (16,418) | (82,687.68) | |
| TRANSPORTATION | | | | | | | | | | | | |
| Industrial | | | | | | | | | | | | |
| TS | 206 | 2,940,401 | 0.331 | 972,834.30 | 171 | 2,788,566 | 0.310 | 865,053.09 | 35 | 151,835 | 107,781.21 | |
| FT1 | 5 | 445,404 | 0.293 | 130,538.25 | 5 | 359,000 | 0.291 | 104,331.62 | 0 | 86,404 | 26,206.63 | |
| MT | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.000 | 0.00 | 0 | 0 | 0.00 | |
| Commercial | | | | | | | | | | | | |
| TS | 356 | 1,538,690 | 0.562 | 864,271.60 | 267 | 1,390,619 | 0.495 | 688,752.23 | 89 | 148,071 | 175,519.37 | |
| FT1 | 4 | 3,356,939 | 0.123 | 414,128.70 | 4 | 3,314,688 | 0.162 | 536,478.50 | 0 | 42,251 | (122,349.80) | |
| MT | 1 | 4,689 | 4.994 | 23,414.55 | 1 | 5,526 | 2.072 | 11,447.70 | 0 | (837) | 11,966.85 | |
| TOTAL TRANSPORTATION | 572 | 8,286,123 | 0.290 | 2,405,187.40 | 448 | 7,858,399 | 0.281 | 2,206,063.14 | 124 | 427,724 | 189,124.26 | |
| TOTAL FIRM, INTER. & TRANS. | 1,162 | 8,873,935 | 0.715 | 6,348,496.94 | 1,113 | 8,491,190 | 0.964 | 8,185,365.15 | 49 | 382,745 | (1,836,866.21) | |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | | | | | | | |
| Residential | | | | | | | | | | | | |
| GS | 910,426 | 13,079,497 | 8.157 | 106,691,489.74 | 893,725 | 12,764,537 | 8.321 | 106,219,742.57 | 16,701 | 314,961 | 471,747.17 | |
| Commercial | | | | | | | | | | | | |
| GS | 66,278 | 5,331,588 | 7.125 | 37,989,112.49 | 65,746 | 5,414,472 | 7.283 | 39,434,519.43 | 532 | (82,884) | (1,445,406.94) | |
| TOTAL GENERAL SERVICE | 976,704 | 18,411,085 | 7.858 | 144,680,602.23 | 959,471 | 18,179,009 | 8.012 | 145,654,262.00 | 17,233 | 232,077 | (973,659.77) | |
| TOTAL STATE OF UTAH | 977,866 | 27,285,020 | 5.535 | 151,027,099.17 | 960,584 | 26,670,198 | 5.768 | 153,839,627.15 | 17,282 | 614,923 | (2,812,527.98) | |
| STATE OF IDAHO | | | | | | | | | | | | |
| FIRM | | | | | | | | | | | | |
| Commercial | | | | | | | | | | | | |
| FS | 1 | 438 | 6.372 | 2,790.02 | 1 | 598 | 6.475 | 3,872.07 | 0 | (160) | (1,082.05) | |
| TOTAL FIRM | 1 | 438 | 6.372 | 2,790.02 | 1 | 598 | 6.475 | 3,872.07 | 0 | (160) | (1,082.05) | |
| INTERRUPTIBLE | | | | | | | | | | | | |
| Commercial | | | | | | | | | | | | |
| IS | 1 | 100 | 5.363 | 534.09 | 1 | 202 | 5.071 | 1,026.49 | 0 | (103) | (492.40) | |
| TOTAL INTERRUPTIBLE | 1 | 100 | 5.363 | 534.09 | 1 | 202 | 5.071 | 1,026.49 | 0 | (103) | (492.40) | |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | | | | | | | |
| Residential | | | | | | | | | | | | |
| GS | 1,909 | 25,742 | 8.206 | 211,243.29 | 1,887 | 24,375 | 8.284 | 201,914.76 | 22 | 1,367 | 9,328.53 | |
| Commercial | | | | | | | | | | | | |
| GS | 247 | 19,165 | 7.151 | 137,046.91 | 246 | 18,207 | 7.289 | 132,718.46 | 1 | 957 | 4,328.45 | |
| TOTAL GENERAL SERVICE | 2,156 | 44,907 | 7.756 | 348,290.20 | 2,133 | 42,582 | 7.858 | 334,633.22 | 23 | 2,824 | 13,656.98 | |
| TOTAL STATE OF IDAHO | 2,158 | 45,444 | 7.737 | 351,614.31 | 2,135 | 43,383 | 7.826 | 339,531.78 | 23 | 2,061 | 12,062.53 | |
| CET ADJUSTMENT - UTAH & IDAHO | | | | | | | | | | | | |
| TOTAL CET - GENERAL SERVICE - UTAH & IDAHO | 0 | 0 | 0.000 | (3,140,497.24) | 0 | 0 | 0.000 | (3,444,239.24) | 0 | 0 | 303,742.00 | |
| EIP AMORTIZATION - UTAH & IDAHO | | | | | | | | | | | | |
| TOTAL EIP - GENERAL SERVICE - UTAH & IDAHO | 0 | 0 | 0.000 | 3,499,670.00 | 0 | 0 | 0.000 | 4,495,342.36 | 0 | 0 | (995,672.36) | |
| FIRM NON GS - UTAH & IDAHO | | | | | | | | | | | | |
| INTERUPTIBLE - UTAH & IDAHO | 550 | 514,114 | 6.993 | 3,594,958.58 | 616 | 542,834 | 10.227 | 5,551,345.42 | (66) | (28,721) | (1,956,386.84) | |
| TRANSPORTATION - UTAH & IDAHO | 42 | 74,236 | 4.710 | 349,675.07 | 51 | 90,757 | 4.769 | 432,865.15 | (9) | (16,521) | (83,180.08) | |
| GENERAL SERVICE CALENDARIZED REVENUE - UTAH & IDAHO | 572 | 8,286,123 | 0.290 | 2,405,187.40 | 446 | 7,858,399 | 0.281 | 2,206,063.14 | 124 | 427,724 | 189,124.26 | |
| GAS SALES - ALL DIVISIONS UTAH & IDAHO | 978,860 | 18,455,992 | 7.878 | 145,388,065.19 | 961,604 | 18,221,591 | 8.070 | 147,039,998.34 | 17,256 | 234,401 | (1,651,933.15) | |
| | 980,024 | 27,330,464 | 5.552 | 151,737,866.24 | 962,719 | 26,713,581 | 5.811 | 155,230,262.05 | 17,305 | 616,884 | (3,492,375.81) | |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Wyoming Jurisdiction

| CLASSIFICATION | CURRENT MONTH - THIS YEAR | | CURRENT MONTH - LAST YEAR | | INCREASE OR DECREASE |
|--|---------------------------|------------|---------------------------|----------------|----------------------|
| | CUSTOMERS | DECATHERMS | RATE | AMOUNT | |
| STATE OF WYOMING | | | | | |
| FIRM NON GS | | | | | |
| Industrial | 0 | 0 | 0.000 | 0 | 0 |
| FS | 600 | 29,345 | 107.170 | 70,059.93 | (54) |
| NGV | | | | | |
| Commercial | 25 | 24,094 | 5.842 | 140,767.13 | 1,127 |
| FS | 25 | 24,694 | 6.413 | 158,375.78 | 1,074 |
| TOTAL FIRM | | | | | |
| Industrial | 2 | 1,313 | 5.738 | 7,534.90 | (1,249) |
| IS | 3 | 21,320 | 5.441 | 116,009.20 | 3,411 |
| Commercial | 5 | 22,633 | 5.459 | 123,544.10 | 2,162 |
| TOTAL INTERRUPTIBLE | | | | | |
| TRANSPORTATION | | | | | |
| Industrial | 3 | 18,452 | 0.649 | 11,981.45 | 8,017.32 |
| IT | 1 | 47,634 | 0.056 | 2,647.02 | 2,010.55 |
| IC | | | | | |
| Commercial | 1 | 3,578 | 0.328 | 1,174.40 | 1,116.90 |
| IC | 5 | 69,664 | 0.227 | 15,802.87 | 4,658.12 |
| TOTAL TRANSPORTATION | 35 | 116,991 | 2.545 | 297,722.75 | 17,555 |
| TOTAL FIRM, INTER, & TRANS. | | | | | |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | |
| Residential | 24,601 | 363,586 | 7.923 | 2,880,820.68 | (207,703.68) |
| GS | 3,005 | 233,742 | 7.207 | 1,684,678.65 | (182,597.27) |
| Commercial | 27,606 | 597,328 | 7.643 | 4,565,499.33 | (390,300.95) |
| TOTAL GENERAL SERVICE | 27,641 | 714,319 | 6.808 | 4,863,222.08 | (418,368.97) |
| TOTAL STATE OF WYOMING | | | | | |
| CET ADJUSTMENT - WYOMING | | | | | |
| TOTAL CET - GENERAL SERVICE - WYOMING | | | | | |
| EEP AMORTIZATION - WYOMING | 0 | 0 | 0.000 | (157,661.20) | 0 |
| TOTAL EEP - GENERAL SERVICE - WYOMING | | | | | |
| FIRM NON GS - ALL DIVISIONS | 575 | 538,808 | 6.966 | 3,753,334.36 | (2,001,776.12) |
| INTERRUPTIBLE - ALL DIVISIONS | 47 | 96,868 | 4.885 | 473,219.17 | (70,516.94) |
| TRANSPORTATION - ALL DIVISIONS | 577 | 8,365,787 | 0.290 | 2,420,990.27 | 203,782.38 |
| GENERAL SERVICE CALENDARIZED REVENUE - ALL DIVISIONS | 1,006,466 | 19,053,320 | 7.870 | 149,952,146.47 | (1,988,752.20) |
| GAS SALES - ALL DIVISION | 1,007,665 | 28,044,784 | 5.584 | 156,599,690.27 | (3,767,262.88) |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Utah Jurisdiction

| CLASSIFICATION | YEAR TO DATE - THIS YEAR | | YEAR TO DATE - LAST YEAR | | INCREASE OR DECREASE |
|--|--------------------------|--------------|--------------------------|--------------|-----------------------|
| | DECATHERMS | RATE | DECATHERMS | RATE | |
| STATE OF UTAH | | | | | |
| FIRM NON GS | | | | | |
| Industrial | | | | | |
| FS | 1,595,529 | 5.616 | 8,960,187.50 | 6.091 | 9,991,990.85 |
| NGV | 358,777 | 14.381 | 5,159,480.63 | 14.749 | 7,646,842.98 |
| F3 | 0 | 0.000 | 0 | 0.000 | 0 |
| F4 | 0 | 0.000 | 0 | 0.000 | 0 |
| Commercial | | | | | |
| FS | 3,046,032 | 5.816 | 17,716,289.39 | 6.240 | 20,515,674.22 |
| TOTAL FIRM | 5,000,338 | 6.367 | 31,835,957.52 | 7.005 | 38,154,506.05 |
| INTERRUPTIBLE | | | | | |
| Industrial | | | | | |
| ES | 0 | 0.000 | 0.00 | 0.000 | 0.00 |
| IS | 554,364 | 4.625 | 2,563,807.21 | 5.225 | 5,471,333.25 |
| Commercial | | | | | |
| ES | 0 | 0.000 | 0.00 | 0.000 | 0.00 |
| IS | 340,211 | 4.795 | 1,631,272.75 | 5.344 | 2,818,222.99 |
| TOTAL INTERRUPTIBLE | 894,574 | 4.689 | 4,195,079.96 | 5.265 | 8,289,556.24 |
| TRANSPORTATION | | | | | |
| Industrial | | | | | |
| TS | 30,454,301 | 0.346 | 10,526,468.77 | 0.321 | 9,014,577.18 |
| FT1 | 3,664,678 | 0.318 | 1,163,582.06 | 0.283 | 1,050,221.73 |
| MT | 0 | 0.000 | 0.00 | 0.000 | 0.00 |
| Commercial | | | | | |
| TS | 11,787,227 | 0.634 | 7,477,324.10 | 0.581 | 5,853,126.16 |
| FT1 | 42,915,820 | 0.122 | 5,256,993.76 | 0.148 | 5,153,118.52 |
| MT | 29,132 | 1.963 | 57,197.76 | 1.359 | 43,810.92 |
| TOTAL TRANSPORTATION | 88,851,158 | 0.276 | 24,481,566.45 | 0.275 | 21,114,854.51 |
| TOTAL FIRM, INTER. & TRANS. | 94,746,070 | 6.639 | 60,512,603.93 | 8.007 | 67,558,918.80 |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | |
| Residential | | | | | |
| GS | 66,614,265 | 8.715 | 580,565,007.46 | 9.185 | 564,517,939.89 |
| Commercial | | | | | |
| GS | 27,403,121 | 7.267 | 199,126,065.38 | 7.794 | 193,979,936.68 |
| TOTAL GENERAL SERVICE | 94,017,386 | 8.293 | 779,691,072.84 | 8.765 | 758,497,876.57 |
| TOTAL STATE OF UTAH | 188,763,456 | 4.451 | 840,203,676.77 | 4.852 | 826,056,795.37 |
| STATE OF IDAHO | | | | | |
| FIRM | | | | | |
| Commercial | | | | | |
| FS | 4,164 | 6.062 | 25,241.54 | 6.434 | 29,680.59 |
| TOTAL FIRM | 4,164 | 6.062 | 25,241.54 | 6.434 | 29,680.59 |
| INTERRUPTIBLE | | | | | |
| Commercial | | | | | |
| IS | 555 | 6.140 | 3,406.21 | 3.913 | 22,688.51 |
| TOTAL INTERRUPTIBLE | 555 | 6.140 | 3,406.21 | 3.913 | 22,688.51 |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | |
| Residential | | | | | |
| GS | 133,370 | 8.620 | 1,149,706.76 | 9.248 | 1,108,654.72 |
| Commercial | | | | | |
| GS | 99,549 | 7.146 | 711,360.37 | 7.729 | 640,433.35 |
| TOTAL GENERAL SERVICE | 232,919 | 7.990 | 1,861,067.13 | 8.627 | 1,749,088.07 |
| TOTAL STATE OF IDAHO | 237,637 | 7.952 | 1,889,714.88 | 8.527 | 1,801,457.17 |
| CET ADJUSTMENT - UTAH & IDAHO | 0 | 0.000 | (936,413.90) | 0 | 0 |
| TOTAL CET - GENERAL SERVICE - UTAH & IDAHO | 0 | 0.000 | (936,413.90) | 0 | 0 |
| EEP AMORTIZATION - UTAH & IDAHO | 0 | 0.000 | 23,824,331.36 | 0 | 23,965,637.72 |
| TOTAL EEP - GENERAL SERVICE - UTAH & IDAHO | 0 | 0.000 | 23,824,331.36 | 0 | 23,965,637.72 |
| FIRM NON GS - UTAH & IDAHO | 5,004,502 | 6.367 | 31,861,198.06 | 7.005 | 38,154,188.64 |
| INTERRUPTIBLE - UTAH & IDAHO | 895,129 | 4.680 | 4,198,486.17 | 5.266 | 8,312,244.75 |
| TRANSPORTATION - UTAH & IDAHO | 88,851,158 | 0.276 | 24,481,566.45 | 0.275 | 21,114,854.51 |
| GENERAL SERVICE CALENDARIZED REVENUE - UTAH & IDAHO | 94,250,305 | 8.535 | 804,440,057.43 | 9.142 | 793,028,109.03 |
| GAS SALES - ALL DIVISIONS UTAH & IDAHO | 189,001,094 | 4.577 | 864,981,309.11 | 5.049 | 860,639,396.93 |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Wyoming Jurisdiction

December 2016

| CLASSIFICATION | YEAR TO DATE - THIS YEAR | | YEAR TO DATE - LAST YEAR | | INCREASE OR DECREASE DECATHERMS | AMOUNT |
|--|--------------------------|--------------|--------------------------|--------------|------------------------------------|---------------------|
| | DECATHERMS | RATE | DECATHERMS | RATE | | |
| STATE OF WYOMING | | | | | | |
| FIRM NON GS | | | | | | |
| Industrial | | | | | | |
| FS | 0 | 0.000 | 0 | 0.000 | 0 | 0.00 |
| NGV | 8,967 | 18.239 | 9,699 | 20.641 | (732) | (36,645.15) |
| Commercial | | | | | | |
| FS | 190,410 | 5.810 | 181,753 | 6.211 | 8,658 | (22,565.44) |
| TOTAL FIRM | 199,377 | 6.369 | 191,451 | 6.942 | 7,926 | (59,210.59) |
| INTERRUPTIBLE | | | | | | |
| Industrial | | | | | | |
| IS | 24,016 | 5.451 | 32,659 | 5.300 | (8,643) | (42,188.53) |
| Commercial | | | | | | |
| IS | 119,727 | 5.402 | 103,222 | 5.120 | 16,505 | 1,18,235.88 |
| TOTAL INTERRUPTIBLE | 143,743 | 5.410 | 135,881 | 5.164 | 7,861 | 76,047.35 |
| TRANSPORTATION | | | | | | |
| Industrial | | | | | | |
| IT | 149,062 | 0.576 | 129,568 | 0.579 | 19,504 | 10,820.30 |
| IC | 437,948 | 0.058 | 324,810 | 0.058 | 113,138 | 6,377.13 |
| Commercial | | | | | | |
| IC | 23,684 | 0.351 | 21,281 | 0.357 | 2,403 | 722.10 |
| TOTAL TRANSPORTATION | 610,694 | 0.196 | 475,649 | 0.213 | 135,045 | 17,919.53 |
| TOTAL FIRM, INTER, & TRANS: | 953,814 | 2.272 | 802,982 | 2.655 | 150,832 | 34,756.29 |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | |
| Residential | | | | | | |
| GS | 2,061,983 | 9.038 | 1,929,742 | 9.529 | 132,242 | 246,497.46 |
| Commercial | | | | | | |
| GS | 1,343,195 | 7.687 | 1,272,086 | 8.130 | 71,110 | (16,721.75) |
| TOTAL GENERAL SERVICE | 3,405,178 | 8.505 | 3,201,827 | 8.973 | 203,351 | 229,775.71 |
| TOTAL STATE OF WYOMING | 4,358,992 | 7.141 | 4,004,809 | 7.707 | 354,184 | 264,532.00 |
| CET ADJUSTMENT - WYOMING | | | | | | |
| TOTAL CET - GENERAL SERVICE - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (265,649.91) |
| EEP AMORTIZATION - WYOMING | | | | | | |
| TOTAL EEP - GENERAL SERVICE - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (17,866.56) |
| FIRM NON GS - ALL DIVISIONS | | | | | | |
| INTERRUPTIBLE - ALL DIVISIONS | 5,203,880 | 6.367 | 5,642,757 | 7.002 | (438,878) | (6,382,200.17) |
| TRANSPORTATION - ALL DIVISIONS | 1,038,871 | 4.790 | 1,714,334 | 5.258 | (675,463) | (4,037,711.23) |
| GENERAL SERVICE CALENDARIZED REVENUE - ALL DIVISIONS | 89,461,852 | 0.275 | 77,163,262 | 0.275 | 12,298,590 | 3,384,631.47 |
| GAS SALES - ALL DIVISION | 193,360,086 | 4.636 | 174,464,358 | 5.114 | 18,895,728 | 4,322,927.71 |

Qwestar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Utah Jurisdiction

| CLASSIFICATION | TWELVE MONTHS - THIS YEAR | | TWELVE MONTHS - LAST YEAR | | INCREASE OR DECREASE DECATHERMS | AMOUNT |
|---|---------------------------|--------|---------------------------|-------------|------------------------------------|-----------------|
| | DECATHERMS | RATE | DECATHERMS | RATE | | |
| STATE OF UTAH | | | | | | |
| FIRM NON GS | | | | | | |
| Industrial | 1,595,529 | 5.616 | 8,960,187.50 | 6.091 | 9,991,990.85 | (1,031,803.35) |
| FS | 358,777 | 14.381 | 5,159,480.63 | 14.749 | 7,946,842.98 | (2,487,362.35) |
| NGV | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| F3 | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| F4 | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| Commercial | 3,045,032 | 5.816 | 17,716,289.39 | 6.240 | 20,515,674.22 | (2,799,384.83) |
| FS | 5,000,336 | 6.367 | 31,639,957.92 | 7.005 | 38,154,598.09 | (6,514,640.17) |
| TOTAL FIRM | | | | | | |
| INTERRUPTIBLE | | | | | | |
| Industrial | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| ES | 554,364 | 4.625 | 2,563,807.21 | 1,047,173 | 5,471,333.25 | (482,809) |
| Commercial | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| ES | 340,211 | 4.795 | 1,631,272.75 | 527,367 | 2,815,222.99 | (187,156) |
| IS | 894,574 | 4.689 | 4,195,079.96 | 1,574,540 | 8,289,556.24 | (679,966) |
| TOTAL INTERRUPTIBLE | | | | | | |
| TRANSPORTATION | | | | | | |
| Industrial | 30,454,301 | 0.346 | 10,526,468.77 | 28,067,016 | 9,014,577.18 | 1,511,891.59 |
| TS | 3,664,678 | 0.318 | 1,163,592.06 | 3,711,283 | 1,050,221.73 | 113,370.33 |
| FT1 | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| MT | 0 | 0.000 | 0.00 | 0.000 | 0.00 | 0.00 |
| Commercial | 11,787,227 | 0.634 | 7,477,324.10 | 10,065,965 | 5,853,126.16 | 1,624,197.94 |
| TS | 42,815,820 | 0.122 | 5,256,993.76 | 34,805,121 | 5,153,118.52 | 8,110,699 |
| FT1 | 29,132 | 1.953 | 57,197.76 | 32,228 | 43,810.92 | 13,386.84 |
| MT | 88,851,158 | 0.276 | 24,481,566.45 | 76,687,613 | 21,114,854.51 | 3,366,711.94 |
| TOTAL TRANSPORTATION | 94,746,070 | 0.639 | 60,512,603.93 | 83,708,846 | 67,558,918.80 | (7,046,314.87) |
| TOTAL FIRM, INTER. & TRANS. | | | | | | |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | |
| Residential | 66,614,265 | 8.715 | 580,565,007.46 | 61,458,672 | 564,517,939.89 | 15,155,594 |
| GS | 27,403,121 | 7.267 | 199,126,065.38 | 25,080,764 | 193,979,936.68 | 2,322,356 |
| Commercial | 94,017,366 | 8.293 | 779,691,072.84 | 86,539,436 | 758,497,876.57 | 7,477,950 |
| GS | 188,763,456 | 4.451 | 840,203,676.77 | 170,248,282 | 826,056,795.37 | 18,515,174 |
| TOTAL STATE OF UTAH | | | | | | |
| STATE OF IDAHO | | | | | | |
| FIRM | | | | | | |
| Commercial | 4,164 | 6.062 | 25,241.54 | 4,613 | 29,680.59 | (4,439.05) |
| FS | 4,164 | 6.062 | 25,241.54 | 4,613 | 29,680.59 | (4,439.05) |
| TOTAL FIRM | | | | | | |
| INTERRUPTIBLE | | | | | | |
| Commercial | 555 | 6.140 | 3,406.21 | 3,913 | 22,688.51 | (3,358) |
| IS | 555 | 6.140 | 3,406.21 | 3,913 | 22,688.51 | (3,358) |
| TOTAL INTERRUPTIBLE | | | | | | |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | |
| Residential | 133,370 | 8.620 | 1,149,706.76 | 119,877 | 1,108,654.72 | 13,493 |
| GS | 99,549 | 7.146 | 711,360.37 | 82,865 | 640,433.35 | 16,684 |
| Commercial | 232,919 | 7.990 | 1,861,087.13 | 202,142 | 1,749,088.07 | 30,177 |
| GS | 237,637 | 7.952 | 1,889,714.88 | 211,268 | 1,801,457.17 | 26,370 |
| TOTAL STATE OF IDAHO | | | | | | |
| CET ADJUSTMENT - UTAH & IDAHO | 0 | 0.000 | (936,413.90) | 0 | 9,415,506.67 | (10,351,920.57) |
| TOTAL CET - GENERAL SERVICE - UTAH & IDAHO | 0 | 0.000 | (936,413.90) | 0 | 9,415,506.67 | (10,351,920.57) |
| EEP AMORTIZATION - UTAH & IDAHO | 0 | 0.000 | 23,824,331.36 | 0 | 23,365,637.72 | 458,693.64 |
| TOTAL EEP - GENERAL SERVICE - UTAH & IDAHO | 0 | 0.000 | 23,824,331.36 | 0 | 23,365,637.72 | 458,693.64 |
| FIRM NON GS - UTAH & IDAHO | 5,004,502 | 6.367 | 31,861,199.06 | 5,451,306 | 38,184,188.64 | (446,804) |
| INTERRUPTIBLE - UTAH & IDAHO | 895,129 | 4.690 | 4,198,486.17 | 1,578,453 | 8,312,244.75 | (683,324) |
| TRANSPORTATION - UTAH & IDAHO | 88,851,158 | 0.276 | 24,481,566.45 | 76,687,613 | 21,114,854.51 | 12,163,545 |
| GENERAL SERVICE CALENDARIZED REVENUE - UTAH & IDAHO | 94,250,305 | 8.535 | 804,440,057.43 | 86,742,178 | 793,023,109.03 | 7,508,127 |
| GAS SALES - ALL DIVISIONS UTAH & IDAHO | 189,001,094 | 4.877 | 864,981,309.11 | 170,459,549 | 860,639,396.93 | 4,341,912.18 |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS SALES - Wyoming Jurisdiction

December 2016

| CLASSIFICATION | TWELVE MONTHS - THIS YEAR | | TWELVE MONTHS - LAST YEAR | | INCREASE OR DECREASE DECATHERMS | AMOUNT |
|--|---------------------------|--------------|---------------------------|--------------|------------------------------------|---------------------|
| | DECATHERMS | RATE | DECATHERMS | RATE | | |
| STATE OF WYOMING | | | | | | |
| FIRM NON GS | | | | | | |
| Industrial | | | | | | |
| FS | 0 | 0.000 | 0 | 0.000 | 0 | 0.00 |
| NGV | 8,967 | 18.239 | 9,699 | 20.641 | (732) | (36,645.15) |
| Commercial | | | | | | |
| FS | 190,410 | 5.810 | 181,753 | 6.211 | 8,658 | (22,565.44) |
| TOTAL FIRM | 199,377 | 6.369 | 191,451 | 6.942 | 7,926 | (59,210.59) |
| INTERRUPTIBLE | | | | | | |
| Industrial | | | | | | |
| IS | 24,016 | 5.451 | 32,659 | 5.300 | (8,643) | (42,188.53) |
| Commercial | | | | | | |
| IS | 119,727 | 5.402 | 103,222 | 5.120 | 16,505 | 118,235.88 |
| TOTAL INTERRUPTIBLE | 143,743 | 5.410 | 135,881 | 5.164 | 7,861 | 76,047.35 |
| TRANSPORTATION | | | | | | |
| Industrial | | | | | | |
| IT | 149,062 | 0.576 | 85,827.01 | 0.579 | 19,504 | 10,820.30 |
| IC | 437,948 | 0.058 | 25,280.61 | 0.058 | 113,138 | 6,377.13 |
| Commercial | | | | | | |
| IC | 23,684 | 0.351 | 21,281 | 0.357 | 2,403 | 722.10 |
| TOTAL TRANSPORTATION | 610,694 | 0.196 | 475,649 | 0.213 | 135,045 | 17,919.53 |
| TOTAL FIRM, INTER, & TRANS. | 953,814 | 2.272 | 802,982 | 2.655 | 150,832 | 34,756.29 |
| GENERAL SERVICE CALENDARIZED REVENUES | | | | | | |
| Residential | | | | | | |
| GS | 2,061,983 | 9.038 | 1,929,742 | 9.529 | 132,242 | 246,497.46 |
| Commercial | | | | | | |
| GS | 1,343,195 | 7.687 | 1,272,086 | 8.130 | 71,110 | (16,721.75) |
| TOTAL GENERAL SERVICE | 3,405,178 | 8.505 | 3,201,827 | 8.973 | 203,351 | 229,775.71 |
| TOTAL STATE OF WYOMING | 4,358,992 | 7.141 | 4,004,809 | 7.707 | 354,184 | 264,532.00 |
| CET ADJUSTMENT - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (265,649.91) |
| TOTAL CET - GENERAL SERVICE - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (265,649.91) |
| EEP AMORTIZATION - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (17,866.56) |
| TOTAL EEP - GENERAL SERVICE - WYOMING | 0 | 0.000 | 0 | 0.000 | 0 | (17,866.56) |
| FIRM NON GS - ALL DIVISIONS | 5,203,880 | 6.367 | 5,642,757 | 7.002 | (438,878) | (6,382,200.17) |
| INTERRUPTIBLE - ALL DIVISIONS | 1,038,871 | 4.790 | 1,714,334 | 5.258 | (675,463) | (4,037,711.23) |
| TRANSPORTATION - ALL DIVISIONS | 89,461,852 | 0.275 | 77,163,262 | 0.275 | 12,298,590 | 3,384,631.47 |
| GENERAL SERVICE CALENDARIZED REVENUE - ALL DIVISIONS | 97,655,483 | 8.538 | 89,944,005 | 9.143 | 7,711,478 | 11,358,207.64 |
| GAS SALES - ALL DIVISION | 193,360,086 | 4.836 | 174,464,358 | 5.114 | 18,895,728 | 4,322,927.71 |

| QUESTAR GAS COMPANY | | | | | | | | | | MONTH OF | |
|------------------------------|--|---------------|--------------|-----------------------|---------|--------------------------------|---------------|--------------|-----------------------|---------------|--|
| NUMBER OF CONSUMERS | | | | | | | | | | December 2016 | |
| CONSUMERS | ACTIVE CONSUMERS COMMERCIAL & RESIDENTIAL | | | | | ACTIVE CONSUMERS INDUSTRIAL | | | | | |
| | THIS MONTH | LAST MONTH | LAST YEAR | GAIN OR LOSS MONTH | YEAR | THIS MONTH | LAST MONTH | LAST YEAR | GAIN OR LOSS MONTH | YEAR | |
| BEAVER | 2,246 | 2,230 | 2,237 | 16 | 9 | 1 | 1 | 1 | 0 | 0 | |
| BOX ELDER | 16,976 | 16,887 | 16,777 | 89 | 199 | 17 | 17 | 17 | 0 | 0 | |
| CACHE | 38,934 | 38,781 | 38,376 | 153 | 558 | 23 | 21 | 23 | 2 | 0 | |
| CACHE COUNTY | 7,505 | 0 | 0 | 7,505 | 7,505 | 0 | 0 | 0 | 0 | 0 | |
| CARBON | 798 | 8,247 | 8,357 | (7,449) | (7,559) | 1 | 1 | 1 | 0 | 0 | |
| DAGGETT | 100 | 99 | 95 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | |
| DAVIS | 108,784 | 108,343 | 107,222 | 441 | 1,562 | 35 | 35 | 33 | 0 | 2 | |
| DUCHESNE | 3,781 | 3,736 | 3,806 | 45 | (25) | 0 | 0 | 0 | 0 | 0 | |
| EMERY | 2,967 | 2,960 | 2,974 | 7 | (7) | 0 | 0 | 0 | 0 | 0 | |
| GARFIELD | 603 | 607 | 596 | (4) | 7 | 0 | 0 | 0 | 0 | 0 | |
| GRAND | 4,701 | 4,665 | 4,628 | 36 | 73 | 1 | 1 | 1 | 0 | 0 | |
| IRON | 17,451 | 17,388 | 17,137 | 63 | 314 | 8 | 8 | 5 | 0 | 3 | |
| MILLARD | 3,781 | 3,757 | 3,745 | 24 | 36 | 3 | 3 | 3 | 0 | 0 | |
| MORGAN | 3,525 | 3,520 | 3,409 | 5 | 116 | 2 | 2 | 2 | 0 | 0 | |
| PIUTE | 582 | 583 | 589 | (1) | (7) | 0 | 0 | 0 | 0 | 0 | |
| RICH | 372 | 372 | 372 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| SALT LAKE | 380,328 | 379,175 | 374,860 | 1,153 | 5,468 | 123 | 124 | 121 | (1) | 2 | |
| SAN JUAN | 930 | 931 | 925 | (1) | 5 | 1 | 1 | 2 | 0 | (1) | |
| SANPETE | 8,208 | 8,171 | 8,143 | 37 | 65 | 2 | 2 | 3 | 0 | (1) | |
| SEVIER | 7,372 | 7,359 | 7,356 | 13 | 16 | 3 | 3 | 3 | 0 | 0 | |
| SUMMIT | 21,744 | 21,615 | 21,342 | 129 | 402 | 3 | 3 | 2 | 0 | 1 | |
| TOOELE | 19,759 | 19,621 | 19,212 | 138 | 547 | 10 | 10 | 10 | 0 | 0 | |
| UINTAH | 9,850 | 9,774 | 9,999 | 76 | (149) | 2 | 3 | 2 | (1) | 0 | |
| UTAH | 168,192 | 167,337 | 163,499 | 855 | 4,693 | 40 | 41 | 40 | (1) | 0 | |
| WASATCH | 11,149 | 11,059 | 10,610 | 90 | 539 | 1 | 1 | 0 | 0 | 1 | |
| WASHINGTON | 50,700 | 50,352 | 48,933 | 348 | 1,767 | 5 | 5 | 4 | 0 | 1 | |
| WEBER | 86,214 | 85,844 | 85,081 | 370 | 1,133 | 33 | 33 | 31 | 0 | 2 | |
| TOTAL UTAH | 977,552 | 973,413 | 960,280 | 4,139 | 17,272 | 314 | 315 | 304 | (1) | 10 | |
| IDAHO | 2,158 | 2,142 | 2,135 | 16 | 23 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL IDAHO | 2,158 | 2,142 | 2,135 | 16 | 23 | 0 | 0 | 0 | 0 | 0 | |
| CARBON | 324 | 328 | 325 | (4) | (1) | 0 | 0 | 0 | 0 | 0 | |
| LINCOLN | 1,580 | 1,581 | 1,578 | (1) | 2 | 0 | 0 | 0 | 0 | 0 | |
| SUBLETTE | 741 | 757 | 771 | (16) | (30) | 0 | 0 | 0 | 0 | 0 | |
| SWEETWATER | 17,827 | 17,800 | 17,843 | 27 | (16) | 4 | 4 | 4 | 0 | 0 | |
| UINTA | 7,163 | 7,128 | 7,139 | 35 | 24 | 2 | 2 | 2 | 0 | 0 | |
| TOTAL WYOMING | 27,635 | 27,594 | 27,656 | 41 | (21) | 6 | 6 | 6 | 0 | 0 | |
| GRAND TOTAL ACTIVE CONSUMERS | 1,007,345 | 1,003,149 | 990,071 | 4,196 | 17,274 | 320 | 321 | 310 | (1) | 10 | |

Questar Gas Company
Summary of Operation and Maintenance
Expense Accounts 401 and 402

December 2016

| Account | This Year | Current Month | Last Year | Increase (Decrease) | Percent |
|--|-----------------------|---------------|-----------------------|------------------------|--------------|
| Gas Purchase Expenses | 102,763,128.29 | | 107,020,809.15 | (4,257,680.86) | -4.0% |
| Natural Gas Production Expenses | (99,727.91) | | (81,266.60) | (18,461.31) | 22.7% |
| Distribution Expenses | 3,574,601.37 | | 5,348,659.26 | (1,774,057.89) | -33.2% |
| Customer Accounts Expenses | 2,452,566.46 | | 2,223,097.05 | 229,469.41 | 10.3% |
| Customer Service and Information Expei | 3,864,555.36 | | 4,961,816.80 | (1,097,261.44) | -22.1% |
| Administrative and General Expenses | 2,642,928.59 | | 2,810,845.69 | (167,917.10) | -6.0% |
| Total Current Month | 115,198,052.16 | | 122,283,961.35 | (7,085,909.19) | -5.8% |

| Account | This Year | Twelve Months | Last Year | Increase (Decrease) | Percent |
|--|-----------------------|---------------|-----------------------|------------------------|--------------|
| Gas Purchase Expenses | 542,102,394.73 | | 558,086,710.99 | (15,984,316.26) | -2.9% |
| Natural Gas Production Expenses | (950,342.66) | | (497,458.97) | (452,883.69) | 91.0% |
| Distribution Expenses | 58,448,083.22 | | 58,606,964.11 | (158,880.89) | -0.3% |
| Customer Accounts Expenses | 23,397,570.26 | | 25,184,307.27 | (1,786,737.01) | -7.1% |
| Customer Service and Information Expei | 28,942,427.96 | | 28,641,930.21 | 300,497.75 | 1.0% |
| Administrative and General Expenses | 47,078,874.78 | | 50,550,710.38 | (3,471,835.60) | -6.9% |
| Total Twelve Months | 699,019,008.29 | | 720,573,163.99 | (21,554,155.70) | -3.0% |

| Account | This Year | Twelve Months | Last Year | Increase (Decrease) | Percent |
|--|-----------------------|---------------|-----------------------|------------------------|--------------|
| Gas Purchase Expenses | 542,102,394.73 | | 558,086,710.99 | (15,984,316.26) | -2.9% |
| Natural Gas Production Expenses | (950,342.66) | | (497,458.97) | (452,883.69) | 91.0% |
| Distribution Expenses | 58,448,083.22 | | 58,606,964.11 | (158,880.89) | -0.3% |
| Customer Accounts Expenses | 23,397,570.26 | | 25,184,307.27 | (1,786,737.01) | -7.1% |
| Customer Service and Information Expei | 28,942,427.96 | | 28,641,930.21 | 300,497.75 | 1.0% |
| Administrative and General Expenses | 47,078,874.78 | | 50,550,710.38 | (3,471,835.60) | -6.9% |
| Total Twelve Months | 699,019,008.29 | | 720,573,163.99 | (21,554,155.70) | -3.0% |

Questar Gas Company
Gas Purchase and Production Expenses

December 2016

| | Current Month | | Twelve Months | | Twelve Months | | Last Year |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | |
| Gas Purchase Expenses | | | | | | | |
| 758000 Gas Well Royalties | 2,765,640.73 | 1,975,789.10 | 26,049,643.24 | 33,114,774.87 | 26,049,643.24 | 33,114,774.87 | |
| 758001 Gas Well Royalties - Other | 29,770.07 | 14,389.17 | 290,329.27 | 173,028.05 | 290,329.27 | 173,028.05 | |
| 759000 Other Expenses | 1,955,326.51 | 1,782,188.68 | 23,677,940.66 | 22,108,685.81 | 23,677,940.66 | 22,108,685.81 | |
| 800000 Natural Gas Well Head Purchases | - | - | 7,547.43 | 104,415.16 | 7,547.43 | 104,415.16 | |
| 801000 Natural Gas Field Line Purchases | - | - | - | - | - | - | |
| 802000 Natural Gas Gasoline Pit Outlet Purchases | - | - | - | - | - | - | |
| 803000 Natural Gas Transmission Line Purchases | 34,874,721.00 | 24,915,069.52 | 98,397,130.24 | 76,280,746.03 | 98,397,130.24 | 76,280,746.03 | |
| 804000 Natural Gas City Gate Purchases - Resources | - | - | - | - | - | - | |
| 804000 Natural Gas City Gate Purchases - Others | 1,009,276.30 | 3,798,765.78 | 3,635,880.40 | 6,134,695.50 | 3,635,880.40 | 6,134,695.50 | |
| 805100 Purchased Gas Cost Adj - Utah & Wyoming | 4,377,943.00 | 33,899,752.00 | (582,575.00) | 20,539,215.00 | (582,575.00) | 20,539,215.00 | |
| 806000 Exchanged Gas | - | - | - | - | - | - | |
| 808100 Gas Delivered to Underground Storage - Debit | 23,651,975.84 | 10,415,353.90 | 71,705,910.36 | 78,832,992.27 | 71,705,910.36 | 78,832,992.27 | |
| 808200 Gas Delivered to Underground Storage - Credit | (217,543.86) | (3,404,545.87) | (77,175,029.94) | (82,372,483.30) | (77,175,029.94) | (82,372,483.30) | |
| 808300 Working Gas | 333,885.00 | 318,769.00 | 3,855,520.00 | 3,890,174.00 | 3,855,520.00 | 3,890,174.00 | |
| 813000 Other Gas Supply Operations | 27,073,126.59 | 27,189,917.11 | 327,301,791.12 | 335,573,183.93 | 327,301,791.12 | 335,573,183.93 | |
| 858000 Transmission & Compression of Gas by Others | 6,909,007.11 | 6,115,360.76 | 64,938,306.95 | 63,707,283.67 | 64,938,306.95 | 63,707,283.67 | |
| Total Gas Purchase Expense | 102,763,128.29 | 107,020,809.15 | 542,102,394.73 | 558,086,710.99 | 542,102,394.73 | 558,086,710.99 | |

Production Expenses:

| | | | | | | | |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--|
| 810000 Gas Used for Compr Station Fuel - Credit | (4,254.00) | (1,979.67) | (32,486.01) | (19,819.15) | (32,486.01) | (19,819.15) | |
| 812000 Gas Used for Other Util Operations - Credit | (95,473.91) | (79,286.93) | (917,856.65) | (477,639.82) | (917,856.65) | (477,639.82) | |
| Total Production Expenses | (99,727.91) | (81,266.60) | (950,342.66) | (497,458.97) | (950,342.66) | (497,458.97) | |

| | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| Total Gas Purchase and Production Expenses | 102,663,400.38 | 106,939,542.55 | 541,152,052.07 | 557,589,252.02 | 541,152,052.07 | 557,589,252.02 | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|

Page 22

**Questar Gas Company
Distribution Expenses**

Page 23
December 2016

| Operation | Total | | Utah Distribution | | Wyoming Distribution | |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|-------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 870 Operation Supervision and Engineering | (139,091.37) | 1,440,850.69 | (202,256.13) | 1,378,224.44 | 63,164.76 | 62,626.25 |
| 871 Distribution Load Dispatching | 211,453.09 | 262,128.37 | 207,612.75 | 257,285.13 | 3,840.34 | 4,843.24 |
| 872 Compressor Station Labor and Expenses | - | - | - | - | - | - |
| 873 Compressor Station Fuel and Power | 4,254.00 | 2,016.64 | 4,254.00 | 2,016.64 | - | - |
| 874 Mains and Service Expenses | 1,031,221.59 | 797,654.95 | 1,004,920.88 | 741,930.02 | 26,300.71 | 55,724.93 |
| 875 Measuring and Regulating Station Expense | 290,660.30 | 154,416.51 | 272,437.88 | 142,892.36 | 18,222.42 | 11,524.15 |
| 878 Meter and House Regulator Expenses | 334,779.65 | 306,173.96 | 322,536.98 | 295,377.02 | 12,242.67 | 10,796.94 |
| 879 Customer Installations Expenses | 409,138.32 | 377,896.76 | 391,560.06 | 334,908.53 | 17,578.26 | 42,988.23 |
| 880 Other Expenses | 404,422.54 | 859,737.00 | 345,958.54 | 777,854.96 | 58,464.00 | 81,882.04 |
| 881 Rents | 20,266.83 | 3,389.97 | 19,634.50 | 3,277.08 | 632.33 | 112.89 |
| Total Operation | 2,567,104.95 | 4,204,264.85 | 2,366,659.46 | 3,933,766.18 | 200,445.49 | 270,498.67 |

| Maintenance | | | | | | |
|--|---------------------|---------------------|-------------------|---------------------|------------------|------------------|
| 885 Maintenance Supervision and Engineering | 53,799.56 | 88,745.80 | 52,215.54 | 85,912.36 | 1,584.02 | 2,833.44 |
| 886 Maintenance of Structures & Improvements | 7,432.57 | 9,288.46 | 7,227.20 | 9,023.13 | 205.37 | 265.33 |
| 887 Maintenance of Mains | 759,790.39 | 751,956.15 | 740,300.37 | 738,561.38 | 19,490.02 | 13,394.77 |
| 888 Maintenance of Compressor Station Equip. | 36,449.78 | 126,416.37 | 27,719.03 | 118,246.43 | 8,730.75 | 8,169.94 |
| 889 Maintenance of Meas. & Reg. Station Equip. | 22,466.62 | 18,564.18 | 10,829.74 | 8,187.72 | 11,636.88 | 10,376.46 |
| 892 Maintenance of Services | 44,829.86 | 96,062.57 | 43,320.52 | 87,943.07 | 1,509.34 | 8,119.50 |
| 893 Maintenance of Meters and House Regulator | 82,727.64 | 53,360.88 | 82,629.00 | 52,974.89 | 98.64 | 385.99 |
| 894001 Maintenance of Communication Equipment | - | - | - | - | - | - |
| 894000 Maintenance of Other Equipment | - | - | - | - | - | - |
| Total Maintenance | 1,007,496.42 | 1,144,394.41 | 964,241.40 | 1,100,848.98 | 43,255.02 | 43,545.43 |

| | | | | | | |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|
| Total Distribution Expenses | 3,574,601.37 | 5,348,659.26 | 3,330,900.86 | 5,034,615.16 | 243,700.51 | 314,044.10 |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|

Twelve Months Ending
December 2016

| Operation | Total | | Utah Distribution | | Wyoming Distribution | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 870 Operation Supervision and Engineering | 11,393,020.33 | 11,590,377.70 | 10,802,179.07 | 11,064,381.63 | 590,841.26 | 525,996.07 |
| 871 Distribution Load Dispatching | 2,080,372.17 | 2,106,963.03 | 2,043,246.17 | 2,066,879.88 | 37,126.00 | 40,083.15 |
| 872 Compressor Station Labor and Expenses | - | - | - | - | - | - |
| 873 Compressor Station Fuel and Power | 32,658.97 | 20,047.90 | 32,658.97 | 20,047.90 | - | - |
| 874 Mains and Service Expenses | 11,493,505.08 | 10,548,731.00 | 11,089,697.09 | 9,887,454.89 | 403,807.99 | 661,276.11 |
| 875 Measuring and Regulating Station Expense | 2,757,574.73 | 2,398,940.60 | 2,594,132.87 | 2,246,376.91 | 163,441.86 | 152,563.69 |
| 878 Meter and House Regulator Expenses | 3,664,645.70 | 3,561,376.25 | 3,496,321.89 | 3,406,844.14 | 168,323.81 | 154,532.11 |
| 879 Customer Installations Expenses | 3,502,591.76 | 3,553,195.06 | 3,341,396.71 | 3,327,209.62 | 161,195.05 | 225,985.44 |
| 880 Other Expenses | 10,572,361.06 | 10,868,969.58 | 9,746,861.28 | 9,929,278.22 | 825,499.78 | 939,691.36 |
| 881 Rents | 145,698.20 | 113,396.08 | 140,986.56 | 109,554.00 | 4,711.64 | 3,842.08 |
| Total Operation | 45,642,428.00 | 44,761,997.20 | 43,287,480.61 | 42,058,027.19 | 2,354,947.39 | 2,703,970.01 |

| Maintenance | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| 885 Maintenance Supervision and Engineering | 629,666.44 | 675,938.02 | 610,334.87 | 654,472.62 | 19,331.57 | 21,465.40 |
| 886 Maintenance of Structures & Improvements | 83,341.49 | 85,434.55 | 80,910.33 | 82,841.72 | 2,431.16 | 2,592.83 |
| 887 Maintenance of Mains | 9,132,866.30 | 9,207,102.65 | 8,988,882.50 | 9,065,966.40 | 143,983.80 | 141,136.25 |
| 888 Maintenance of Compressor Station Equip. | 1,198,350.24 | 1,987,643.61 | 1,068,413.15 | 1,825,724.71 | 129,937.09 | 161,918.90 |
| 889 Maintenance of Meas. & Reg. Station Equip. | 204,785.58 | 216,031.31 | 94,475.42 | 121,404.68 | 110,310.16 | 94,626.63 |
| 892 Maintenance of Services | 794,098.72 | 902,993.69 | 742,610.73 | 821,862.46 | 51,487.99 | 81,131.23 |
| 893 Maintenance of Meters and House Regulator | 762,546.45 | 769,823.08 | 758,542.29 | 765,962.81 | 4,004.16 | 3,860.27 |
| 894001 Maintenance of Communication Equipment | - | - | - | - | - | - |
| 894000 Maintenance of Other Equipment | - | - | - | - | - | - |
| Total Maintenance | 12,805,655.22 | 13,844,966.91 | 12,344,169.29 | 13,338,235.40 | 461,485.93 | 506,731.51 |

| | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| Total Distribution Expenses | 58,448,083.22 | 58,606,964.11 | 55,631,649.90 | 55,396,262.59 | 2,816,433.32 | 3,210,701.52 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|

12 Months Ending
December 2016

| Operation | Total | | Utah Distribution | | Wyoming Distribution | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 870 Operation Supervision and Engineering | 11,393,020.33 | 11,590,377.70 | 10,802,179.07 | 11,064,381.63 | 590,841.26 | 525,996.07 |
| 871 Distribution Load Dispatching | 2,080,372.17 | 2,106,963.03 | 2,043,246.17 | 2,066,879.88 | 37,126.00 | 40,083.15 |
| 872 Compressor Station Labor and Expenses | - | - | - | - | - | - |
| 873 Compressor Station Fuel and Power | 32,658.97 | 20,047.90 | 32,658.97 | 20,047.90 | - | - |
| 874 Mains and Service Expenses | 11,493,505.08 | 10,548,731.00 | 11,089,697.09 | 9,887,454.89 | 403,807.99 | 661,276.11 |
| 875 Measuring and Regulating Station Expense | 2,757,574.73 | 2,398,940.60 | 2,594,132.87 | 2,246,376.91 | 163,441.86 | 152,563.69 |
| 878 Meter and House Regulator Expenses | 3,664,645.70 | 3,561,376.25 | 3,496,321.89 | 3,406,844.14 | 168,323.81 | 154,532.11 |
| 879 Customer Installations Expenses | 3,502,591.76 | 3,553,195.06 | 3,341,396.71 | 3,327,209.62 | 161,195.05 | 225,985.44 |
| 880 Other Expenses | 10,572,361.06 | 10,868,969.58 | 9,746,861.28 | 9,929,278.22 | 825,499.78 | 939,691.36 |
| 881 Rents | 145,698.20 | 113,396.08 | 140,986.56 | 109,554.00 | 4,711.64 | 3,842.08 |
| Total Operation | 45,642,428.00 | 44,761,997.20 | 43,287,480.61 | 42,058,027.19 | 2,354,947.39 | 2,703,970.01 |

| Maintenance | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| 885 Maintenance Supervision and Engineering | 629,666.44 | 675,938.02 | 610,334.87 | 654,472.62 | 19,331.57 | 21,465.40 |
| 886 Maintenance of Structures & Improvements | 83,341.49 | 85,434.55 | 80,910.33 | 82,841.72 | 2,431.16 | 2,592.83 |
| 887 Maintenance of Mains | 9,132,866.30 | 9,207,102.65 | 8,988,882.50 | 9,065,966.40 | 143,983.80 | 141,136.25 |
| 888 Maintenance of Compressor Station Equip. | 1,198,350.24 | 1,987,643.61 | 1,068,413.15 | 1,825,724.71 | 129,937.09 | 161,918.90 |
| 889 Maintenance of Meas. & Reg. Station Equip. | 204,785.58 | 216,031.31 | 94,475.42 | 121,404.68 | 110,310.16 | 94,626.63 |
| 892 Maintenance of Services | 794,098.72 | 902,993.69 | 742,610.73 | 821,862.46 | 51,487.99 | 81,131.23 |
| 893 Maintenance of Meters and House Regulator | 762,546.45 | 769,823.08 | 758,542.29 | 765,962.81 | 4,004.16 | 3,860.27 |
| 894001 Maintenance of Communication Equipment | - | - | - | - | - | - |
| 894000 Maintenance of Other Equipment | - | - | - | - | - | - |
| Total Maintenance | 12,805,655.22 | 13,844,966.91 | 12,344,169.29 | 13,338,235.40 | 461,485.93 | 506,731.51 |

| | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| Total Distribution Expenses | 58,448,083.22 | 58,606,964.11 | 55,631,649.90 | 55,396,262.59 | 2,816,433.32 | 3,210,701.52 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|

**Questar Gas Company
Customer Accounts Expense - Customer Service & Information Expense**

| Customer Accounts Expense: | Total | | Utah Distribution | | Wyoming Distribution | | December 2016 |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | Last Year |
| 901 Supervision | 119,820.38 | 117,511.36 | 117,118.36 | 114,723.00 | 2,702.02 | 2,786.36 | 2,786.36 |
| 902 Meter Reading Expense | 303,412.29 | 276,603.17 | 292,436.53 | 267,909.26 | 10,975.76 | 8,693.91 | 8,693.91 |
| 903001 Customer Records Expense | 1,498,946.27 | 1,378,381.57 | 1,439,645.00 | 1,322,409.94 | 59,301.27 | 55,971.63 | 55,971.63 |
| 903002 Collection Expense | 123,089.58 | 35,203.51 | 116,168.37 | 31,368.42 | 6,921.21 | 3,835.09 | 3,835.09 |
| 903003 Interest Expense/Cust Security Deposits | 22,745.57 | 22,288.58 | 22,369.80 | 21,956.24 | 375.77 | 332.34 | 332.34 |
| 904 Uncollectible Accounts | 384,552.37 | 393,108.86 | 372,433.82 | 379,952.74 | 12,118.55 | 13,176.12 | 13,176.12 |
| 905 Miscellaneous Expense | - | - | - | - | - | - | - |
| Total Customer Accounts Expense | 2,452,566.46 | 2,223,097.05 | 2,360,171.88 | 2,138,299.60 | 92,394.58 | 84,797.45 | 84,797.45 |

| Customer Service & Information Expense: | Total | | Utah Distribution | | Wyoming Distribution | | December 2016 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|------------------|------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | Last Year |
| 907 Supervision | 47,261.85 | 40,443.60 | 46,009.78 | 39,362.06 | 1,252.07 | 1,081.54 | 1,081.54 |
| 908 Customer Assistance Expense | 3,796,434.92 | 4,800,430.19 | 3,762,271.48 | 4,778,588.95 | 34,163.44 | 21,841.24 | 21,841.24 |
| 909 Info and Instructional Advertising Expense | 20,868.59 | 120,943.01 | 20,223.09 | 117,061.13 | 635.50 | 3,881.88 | 3,881.88 |
| 910 Misc Customer Service & Info Expense | - | - | - | - | - | - | - |
| Total Customer Service & Information Expense | 3,864,555.36 | 4,961,816.80 | 3,828,504.35 | 4,935,012.14 | 36,051.01 | 26,804.66 | 26,804.66 |

| Total Customer Accts - Customer Serv & Info Expns | Total | | Utah Distribution | | Wyoming Distribution | | December 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | Last Year |
| 907 Supervision | 1,277,032.87 | 1,296,879.21 | 1,248,380.56 | 1,286,611.10 | 28,652.31 | 30,268.11 | 30,268.11 |
| 908 Customer Assistance Expense | 3,617,362.26 | 3,475,993.93 | 3,501,218.05 | 3,355,949.28 | 116,144.21 | 120,044.65 | 120,044.65 |
| 909 Info and Instructional Advertising Expense | 15,741,501.61 | 17,041,878.73 | 15,118,718.39 | 16,368,005.44 | 622,783.22 | 673,873.29 | 673,873.29 |
| 910 Misc Customer Service & Info Expense | 370,293.19 | 946,338.73 | 323,155.61 | 892,371.80 | 47,137.58 | 53,966.93 | 53,966.93 |
| 903003 Interest Expense/Cust Security Deposits | 269,829.08 | 265,703.58 | 265,703.58 | 325,659.45 | 4,125.50 | 3,793.54 | 3,793.54 |
| 904 Uncollectible Accounts | 2,121,551.25 | 2,093,763.68 | 2,044,029.56 | 2,016,858.51 | 77,521.69 | 76,905.17 | 76,905.17 |
| 905 Miscellaneous Expense | - | - | - | - | - | - | - |
| Total Customer Accounts Expense | 23,397,570.26 | 25,184,307.27 | 22,501,205.75 | 24,225,455.58 | 896,364.51 | 958,851.69 | 958,851.69 |

| Customer Service & Information Expense: | Total | | Utah Distribution | | Wyoming Distribution | | December 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | Last Year |
| 907 Supervision | 527,434.83 | 455,610.55 | 513,241.00 | 443,076.45 | 14,193.83 | 12,534.10 | 12,534.10 |
| 908 Customer Assistance Expense | 27,550,779.88 | 27,506,760.78 | 27,339,593.89 | 27,262,194.36 | 211,185.99 | 244,566.42 | 244,566.42 |
| 909 Info and Instructional Advertising Expense | 864,213.25 | 679,568.88 | 841,310.28 | 662,005.68 | 22,902.97 | 17,553.20 | 17,553.20 |
| 910 Misc Customer Service & Info Expense | - | - | - | - | - | - | - |
| Total Customer Service & Information Expense | 28,942,427.96 | 28,641,930.21 | 28,684,145.17 | 28,367,276.49 | 248,282.79 | 274,653.72 | 274,653.72 |

| Total Customer Accts - Customer Serv & Info Expns | Total | | Utah Distribution | | Wyoming Distribution | | December 2016 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year | Last Year |
| 907 Supervision | 527,434.83 | 455,610.55 | 513,241.00 | 443,076.45 | 14,193.83 | 12,534.10 | 12,534.10 |
| 908 Customer Assistance Expense | 27,550,779.88 | 27,506,760.78 | 27,339,593.89 | 27,262,194.36 | 211,185.99 | 244,566.42 | 244,566.42 |
| 909 Info and Instructional Advertising Expense | 864,213.25 | 679,568.88 | 841,310.28 | 662,005.68 | 22,902.97 | 17,553.20 | 17,553.20 |
| 910 Misc Customer Service & Info Expense | - | - | - | - | - | - | - |
| Total Customer Accounts Expense | 28,942,427.96 | 28,641,930.21 | 28,684,145.17 | 28,367,276.49 | 248,282.79 | 274,653.72 | 274,653.72 |

Questar Gas Company

ADMINISTRATIVE AND GENERAL EXPENSES

December 2016

| Account | Total | | Utah Distribution | | Wyoming Distribution | |
|--|-----------------------|---------------------|-----------------------|---------------------|----------------------|-------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 920 Admin & General Salaries | 92,591.87 | (60,391.01) | 90,584.44 | (77,245.32) | 2,007.43 | 16,854.31 |
| 921 Office Supplies & Expenses | 2,497,175.43 | 2,496,482.23 | 2,469,953.39 | 2,405,946.93 | 127,222.04 | 90,535.30 |
| 922 Administrative Exp Transferred | (192,255.60) | (289,825.24) | (186,257.33) | (280,174.06) | (5,998.37) | (9,651.18) |
| 923 Outside Services | (93,958.97) | 227,798.57 | (79,250.25) | 196,652.39 | (14,708.72) | 31,146.18 |
| 924 Property Insurance | 54,618.07 | 3,796.69 | 52,913.99 | 3,670.26 | (1,704.08) | 126.43 |
| 925 Injuries and Damages | (1,238.06) | 10,736.44 | (1,226.57) | 9,362.21 | (11.49) | 1,374.23 |
| 926 Pensions and Benefits | 43,563.02 | 133,999.39 | 43,159.02 | 116,294.44 | 404.00 | 17,704.95 |
| 930-1 General Advertising Expense | - | - | - | - | - | - |
| 930-2 Regulatory Commission Expense | 169,718.97 | 196,350.57 | 166,321.07 | 192,553.34 | 3,397.90 | 3,797.23 |
| 931 Miscellaneous General Expenses | 72,713.86 | 91,898.05 | 70,458.91 | 88,837.85 | 2,254.95 | 3,060.20 |
| 932 Maintenance of General Plant | - | - | - | - | - | - |
| 417.1 Nonutility Operations | (6,939,401.87) | - | (6,939,401.87) | - | - | - |
| Total Administrative & General Expenses | (4,296,473.28) | 2,810,845.69 | (4,412,745.10) | 2,655,898.04 | 116,271.82 | 154,947.65 |

Twelve Months Ending December 2016

| Account | Total | | Utah Distribution | | Wyoming Distribution | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 920 Admin & General Salaries | 5,414,560.87 | 6,253,691.31 | 5,069,698.65 | 5,822,805.07 | 344,862.22 | 430,886.24 |
| 921 Office Supplies & Expenses | 38,459,718.99 | 40,640,561.40 | 36,970,587.11 | 39,122,256.11 | 1,489,131.88 | 1,518,305.29 |
| 922 Administrative Exp Transferred | (3,423,008.45) | (3,304,807.14) | (3,310,302.64) | (3,192,922.16) | (112,705.81) | (111,884.98) |
| 923 Outside Services | 1,721,626.53 | 2,062,536.48 | 1,638,926.00 | 1,939,596.06 | 82,700.53 | 122,940.42 |
| 924 Property Insurance | 628,098.36 | 410,290.28 | 607,172.39 | 396,368.99 | 20,925.97 | 13,921.29 |
| 925 Injuries and Damages | 67,873.08 | 73,306.96 | 59,091.54 | 63,273.86 | 8,781.54 | 10,033.10 |
| 926 Pensions and Benefits | 1,140,821.70 | 1,531,500.02 | 1,001,347.10 | 1,321,930.64 | 139,474.60 | 209,569.38 |
| 928 Regulatory Commission Expense | - | - | - | - | - | - |
| 930-1 General Advertising Expense | 2,079,183.30 | 1,859,676.72 | 2,034,609.00 | 1,819,755.90 | 44,574.30 | 39,920.82 |
| 930-2 Miscellaneous General Expenses | 990,000.40 | 1,023,954.35 | 957,577.04 | 989,498.81 | 32,423.36 | 34,455.54 |
| 931 Rents | - | - | - | - | - | - |
| 932 Maintenance of General Plant | - | - | - | - | - | - |
| 417.1 Nonutility Operations | 3,221,504.67 | - | 3,221,504.67 | - | - | - |
| Total Administrative & General Expenses | 50,300,379.45 | 50,550,710.38 | 48,250,210.86 | 48,282,563.28 | 2,050,168.59 | 2,268,147.10 |

12 Months Ending December 2016

| Account | Total | | Utah Distribution | | Wyoming Distribution | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | This Year | Last Year | This Year | Last Year | This Year | Last Year |
| 920 Admin & General Salaries | 5,414,560.87 | 6,253,691.31 | 5,069,698.65 | 5,822,805.07 | 344,862.22 | 430,886.24 |
| 921 Office Supplies & Expenses | 38,459,718.99 | 40,640,561.40 | 36,970,587.11 | 39,122,256.11 | 1,489,131.88 | 1,518,305.29 |
| 922 Administrative Exp Transferred | (3,423,008.45) | (3,304,807.14) | (3,310,302.64) | (3,192,922.16) | (112,705.81) | (111,884.98) |
| 923 Outside Services | 1,721,626.53 | 2,062,536.48 | 1,638,926.00 | 1,939,596.06 | 82,700.53 | 122,940.42 |
| 924 Property Insurance | 628,098.36 | 410,290.28 | 607,172.39 | 396,368.99 | 20,925.97 | 13,921.29 |
| 925 Injuries and Damages | 67,873.08 | 73,306.96 | 59,091.54 | 63,273.86 | 8,781.54 | 10,033.10 |
| 926 Pensions and Benefits | 1,140,821.70 | 1,531,500.02 | 1,001,347.10 | 1,321,930.64 | 139,474.60 | 209,569.38 |
| 930-1 General Advertising Expense | 2,079,183.30 | 1,859,676.72 | 2,034,609.00 | 1,819,755.90 | 44,574.30 | 39,920.82 |
| 930-2 Miscellaneous General Expenses | 990,000.40 | 1,023,954.35 | 957,577.04 | 989,498.81 | 32,423.36 | 34,455.54 |
| 931 Rents | - | - | - | - | - | - |
| 932 Maintenance of General Plant | - | - | - | - | - | - |
| 417.1 Nonutility Operations | 3,221,504.67 | - | 3,221,504.67 | - | - | - |
| Total Administrative & General Expenses | 50,300,379.45 | 50,550,710.38 | 48,250,210.86 | 48,282,563.28 | 2,050,168.59 | 2,268,147.10 |

Questar Gas Company
COMPARATIVE STATEMENT OF GAS USED CREDITS

December 2016

| GAS USED | THIS MONTH - THIS YEAR | | THIS MONTH - LAST YEAR | |
|---------------------------|------------------------|--------------|------------------------|-----------------|
| | DECATHERMS | RATE | DECATHERMS | RATE |
| 810 | | | | |
| Compressor Station Fuel | | 0.00 | | 5.363 |
| Allen Station | 0.00 | 0.00 | 53.64 | 287.67 |
| Indianola | 0.00 | 0.00 | 0.00 | 0.00 |
| Lark Station | 0.00 | 0.00 | 0.00 | 0.00 |
| CNG Compressors | 829.00 | 5.131 | 330.00 | 1,692.00 |
| TOTAL ACCOUNT 810 | 829.00 | 5.131 | 383.64 | 1,979.67 |
| 812 Other Utility Use: | | | | |
| Logan Region | 60.70 | 5.154 | 98.75 | 5.363 |
| Ogden Region | 513.90 | 5.153 | 598.19 | 5.363 |
| Price Region | 66.58 | 8.156 | 45.67 | 5.362 |
| Southern Utah Region | 249.78 | 5.144 | 176.55 | 5.315 |
| Provo Region | 748.74 | 5.005 | 928.38 | 5.212 |
| Salt Lake Region | 11,786.42 | 5.288 | 8,526.63 | 5.363 |
| Wyoming Region | | | | |
| Evanston & Lyman | 161.78 | 2.097 | 155.87 | 1.920 |
| Rock Springs | 60.62 | 4.963 | 62.61 | 4.933 |
| Gas Used for CNG Vehicles | | | | |
| Wyoming | 254.11 | 5.697 | 326.97 | 5.565 |
| Salt Lake North | 1,050.49 | 4.650 | 1,263.15 | 5.316 |
| Salt Lake South | 354.60 | 6.293 | 435.72 | 6.329 |
| Southern Utah Region | 458.63 | 7.571 | 559.70 | 7.115 |
| Provo/Roosevelt/Vernal | 893.15 | 5.061 | 198.11 | 6.431 |
| Eagle Mountain | 265.39 | 4.841 | 0.00 | 0.000 |
| Price | 71.00 | 7.574 | 69.41 | 7.659 |
| Ogden | 626.06 | 5.576 | 511.82 | 6.096 |
| Brigham | 21.48 | 10.880 | 24.51 | 10.678 |
| Logan | 33.89 | 6.705 | 79.37 | 7.150 |
| Heber | 163.21 | 4.935 | 189.41 | 5.365 |
| Kaysville | 57.57 | 10.804 | 92.41 | 10.676 |
| Layton | 20.24 | 10.770 | 14.88 | 10.686 |
| TOTAL ACCOUNT 812 | 17,918.34 | 5.328 | 14,358.11 | 5.522 |

TOTAL ACCOUNTS 810 AND 812 18,747.34 5.320 14,741.75 5.513 81,266.60

Questar Gas Company
COMPARATIVE STATEMENT OF GAS USED CREDITS

December 2016

| GAS USED | YEAR TO DATE - THIS YEAR | | YEAR TO DATE - LAST YEAR | | VALUE |
|---------------------------|--------------------------|--------------|--------------------------|--------------|-------------------|
| | DECATHERMS | RATE | DECATHERMS | RATE | |
| 810 | | | | | |
| Compressor Station Fuel | 251.62 | 5.349 | 310.91 | 5.726 | 1,780.15 |
| Allen Station | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 |
| Indianola | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 |
| Lark Station | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 |
| CNG Compressors | 6,096.00 | 5.108 | 3,520.00 | 5.125 | 18,039.00 |
| TOTAL ACCOUNT 810 | 6,347.62 | 5.118 | 3,830.91 | 5.173 | 19,819.15 |
| 812 Other Utility Use: | | | | | |
| Logan Region | 473.25 | 5.256 | 406.19 | 5.783 | 2,348.94 |
| Ogden Region | 3,638.98 | 5.127 | 3,117.60 | 5.733 | 17,874.22 |
| Price Region | 861.12 | 5.486 | 446.61 | 5.670 | 2,532.24 |
| Southern Utah Region | 1,648.36 | 5.236 | 1,312.38 | 5.801 | 7,613.14 |
| Provo Region | 2,279.88 | 5.216 | 2,786.75 | 5.757 | 16,043.49 |
| Salt Lake Region | 117,087.45 | 4.936 | 93,659.39 | 5.440 | 509,537.61 |
| Wyoming Region | | | | | |
| Evanston & Lyman | 981.20 | 1.834 | 861.57 | 2.084 | 1,795.82 |
| Rock Springs | 384.00 | 4.912 | 343.96 | 5.484 | 1,886.37 |
| Gas Used for CNG Vehicles | | | | | |
| Wyoming | 3,970.31 | 5.466 | 4,668.26 | 5.608 | 26,179.60 |
| Salt Lake North | 15,148.19 | 5.341 | 80,899.36 | 5.766 | (187,910.91) |
| Salt Lake South | 5,108.49 | 6.048 | 30,893.94 | 6.794 | 33,731.34 |
| Southern Utah Region | 5,979.73 | 7.008 | 41,903.24 | 4.925 | (70,563.95) |
| Eagle Mountain | 768.18 | 4.837 | 3,715.75 | 0.000 | 0.00 |
| Provo/Roosevelt/Vernal | 6,343.48 | 5.153 | 32,690.68 | 5.496.75 | 32,155.07 |
| Price | 1,031.20 | 7.923 | 8,170.58 | 1,142.22 | 8,706 |
| Ogden | 6,651.12 | 5.813 | 38,662.50 | 5.618.37 | 9,943.75 |
| Brigham | 384.76 | 10.518 | 4,046.96 | 389.81 | 4,244.14 |
| Logan | 704.94 | 7.550 | 5,322.22 | 826.76 | 6,970.30 |
| Heber | 1,960.81 | 5.591 | 10,962.11 | 2,120.24 | 6,141 |
| Kaysville | 894.77 | 10.564 | 9,452.33 | 1,041.68 | 13,020.56 |
| Layton | 135.24 | 10.586 | 1,431.70 | 10.933 | 11,284.19 |
| TOTAL ACCOUNT 812 | 176,435.46 | 5.202 | 82,427.52 | 5.795 | 477,639.82 |

| | | | | | |
|-----------------------------------|-------------------|--------------|------------------|--------------|-------------------|
| TOTAL ACCOUNTS 810 AND 812 | 182,783.08 | 5.199 | 86,258.43 | 5.767 | 497,458.97 |
|-----------------------------------|-------------------|--------------|------------------|--------------|-------------------|

Questar Gas Company
TAXES PAYABLE

PAGE 28
December 2016

| | |
|--------------------|---------------|
| ACCOUNT 236 | AMOUNT |
|--------------------|---------------|

| | |
|---------------------------|----------------|
| Federal Income Taxes | (957.07) |
| Property Taxes | 0.00 |
| Unemployment Insurance | 5,129.07 |
| State Income Tax | (148.79) |
| Use Tax | 161,534.91 |
| Wyoming Franchise Tax | (1,334,855.99) |
| Federal Environmental Tax | 0.00 |
| Section 29 Credits | 0.00 |
| Other Taxes | (217,141.24) |

| | |
|----------------------|-----------------------|
| TAXES ACCRUED | (1,386,439.11) |
|----------------------|-----------------------|

| | |
|--------------------|---------------|
| ACCOUNT 241 | AMOUNT |
|--------------------|---------------|

| | |
|-----------------------|--------------|
| Federal Taxes | 401,590.36 |
| Wyoming Sales | 207,154.82 |
| Wyoming Franchise Tax | 1,441,399.35 |
| Utah Sales | 6,864,423.76 |
| Utah Met | 5,321,378.00 |
| Utah Franchise Tax | 198,985.76 |
| Utah W/H | 0.00 |
| Use Tax | 0.00 |
| Telecomm Tax | 8,387.61 |
| Other | 69.97 |

| | |
|--------------------------------|----------------------|
| TAX COLLECTIONS PAYABLE | 14,443,389.63 |
|--------------------------------|----------------------|

| | |
|----------------------------|----------------------|
| TOTAL TAXES PAYABLE | 13,056,950.52 |
|----------------------------|----------------------|