

	QC Adj. Test Year	Other Revenues (Sched. 1.0)	Account 888 (Sched. 2.0)	Income Tax Calc. Error (Sched. 3.0)	Overaccr. Incentives (Sched. 4.0)	Payroll Taxes (Sched. 5.0)	Interest Synchroniz. (Sched. 6.0)	OCA Adj. Test Year	OCA Deficiency	OCA WY TOTAL
<b>Utility Operating Revenue</b>										
System Distribution Non-Gas Revenue	\$ 9,726,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,726,754	\$ 215,376	\$ 9,942,130
System Supplier Non-Gas Revenue	-	-	-	-	-	-	-	-	-	-
System Commodity Revenue	-	-	-	-	-	-	-	-	-	-
Pass-Through Related Other Revenue	-	-	-	-	-	-	-	-	-	-
General Related Other Revenue	126,433	(176)	-	-	-	-	-	126,257	-	126,257
<b>Total Utility Operating Revenue</b>	\$ 9,853,187	\$ (176)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,853,011	\$ 215,376	\$ 10,068,387
<b>Utility Operating Expenses</b>										
O&M Expenses	(65,033)	-	-	-	-	-	-	(65,033)	-	(65,033)
Production	2,140,681	-	(2,919)	-	-	-	-	2,137,762	-	2,137,762
Distribution	1,015,671	-	-	-	-	-	-	1,015,671	1,508	1,017,179
Customer Accounts	303,566	-	-	-	-	-	-	303,566	-	303,566
Customer Service & Information	2,071,918	-	-	-	(66,502)	-	-	2,005,416	-	2,005,416
Administrative & General	5,466,803	-	(2,919)	-	(66,502)	-	-	5,397,382	1,508	5,398,890
<b>Total O&amp;M Expenses</b>	\$ 5,466,803	\$ -	\$ (2,919)	\$ -	\$ (66,502)	\$ -	\$ -	\$ 5,397,382	\$ 1,508	\$ 5,398,890
<b>Other Operating Expenses</b>										
Depreciation, Depletion, Amortization	1,314,401	-	-	-	-	-	-	1,314,401	-	1,314,401
Taxes Other Than Income Taxes	403,171	-	-	-	-	(4,146)	-	399,025	-	399,025
Income Taxes	689,219	(67)	1,110	11,568	25,297	1,577	1,265	725,970	81,353	807,323
<b>Total Other Operating Expenses</b>	\$ 2,402,791	\$ (67)	\$ 1,110	\$ 11,568	\$ 25,297	\$ (2,569)	\$ 1,265	\$ 2,439,395	\$ 81,353	\$ 2,520,748
<b>Total Utility Operating Expenses</b>	\$ 7,869,594	\$ (67)	\$ (1,809)	\$ 11,568	\$ (41,205)	\$ (2,569)	\$ 1,265	\$ 7,836,777	\$ 82,861	\$ 7,919,638
<b>NET OPERATING INCOME</b>	\$ 1,983,593	\$ (109)	\$ 1,809	\$ (11,568)	\$ 41,205	\$ 2,569	\$ (1,265)	\$ 2,016,234	\$ 132,516	\$ 2,148,749
<b>Rate Base</b>	\$ 25,580,593							\$ 25,580,349		\$ 25,580,349
<b>Rate of Return</b>	7.75%							7.88%		8.4000%
<b>TAX CALCULATION:</b>										
Total Utility Operating Revenue	9,853,187	(176)	-	-	-	-	-	9,853,011	215,376	10,068,387
LESS: Total O&M Expenses	(5,466,803)	-	2,919	-	66,502	-	-	(5,397,382)	(1,508)	(5,398,890)
LESS: Depreciation*	(1,341,458)	-	-	27,057	-	-	-	(1,314,401)	-	(1,314,401)
LESS: Taxes Other Than Income Taxes	(403,171)	-	-	-	-	4,146	-	(399,025)	-	(399,025)
Operating Income Before Interest and Taxes	2,641,755	(176)	2,919	27,057	66,502	4,146	-	2,742,203	213,869	2,956,072
LESS: Interest*	(840,383)	-	-	3,355	-	-	3,325	(833,703)	-	(833,703)
Operating Income Before Taxes	1,801,372	(176)	2,919	30,412	66,502	4,146	3,325	1,908,500	213,869	2,122,369
State Income Taxes (Rate is 4.675%)	84,214	(8)	136	1,422	3,109	194	155	89,222	9,998	99,221
Taxable Income	1,717,158	(168)	2,783	28,990	63,393	3,952	3,170	1,819,278	203,870	2,023,148
Federal Income Taxes	601,005	(59)	974	10,147	22,188	1,383	1,109	636,747	71,355	708,102

\*QGC included incorrect depreciation expense and plant amounts in the federal income tax calculation for its adjusted test year.

**QUESTAR GAS COMPANY**

Docket No. 30010-94-GR-08

Remove General Related Other Revenues

Associated with Utah

OCA Booked Other Revenues

QGC Booked Other Revenues

**Adjustment - Decrease in General Related Other Revenues**

\$ 126,257
126,433
<u>\$ (176)</u>

This adjustment has been made to remove revenues that should have been booked to Utah instead of Wyoming; decreases revenues.

**QUESTAR GAS COMPANY**

**Docket No. 30010-94-GR-08**

**Remove Maintenance Expenses Associated**

**with Utah**

OCA Booked Expenses - Account 888

QGC Booked Expenses - Account 888

**Adjustment - Decrease in Distribution Expenses**

\$ 2,137,762  
2,140,681  
\$ (2,919)

**OCA Exhibit AJZ - 1**  
**Schedule 2.0**

This adjustment has been made to remove expenses from FERC Account 888 - Maintenance of Compressor Station Equipment that should have been booked to Utah instead of Wyoming; decreases expenses.

**QUESTAR GAS COMPANY**

**Docket No. 30010-94-GR-08**  
**Recalculate Income Taxes for QCG's**  
**Adjusted Test Year**

**OCA Exhibit AJZ - 1**  
**Schedule 3.0**

OCA Deprec. and Amortization Expense *without* Production Plant Equipment  
QGC Deprec. and Amortization Expense *with* Production Plant Equipment  
**Adjustment - Decrease in Deprec. and Amort. For Tax Calculation**

\$	(1,314,401)
\$	(1,341,458)
\$	<u>27,057</u>

OCA Rate Base *without* Production Plant Equipment (before RB adjustments)  
QGC Weighted Average Cost of Debt  
OCA Imputed Interest Cost *without* Production Plant Equipment

\$	25,580,577
3.27%	
\$	<u>837,028</u>

OCA Rate Base *with* Production Plant Equipment (before RB adjustments)  
QGC Weighted Average Cost of Debt  
QGC Imputed Interest Cost *with* Production Plant Equipment

\$	25,683,101
3.27%	
\$	<u>840,383</u>

OCA Imputed Interest Cost  
QGC Imputed Interest Cost

**Adjustment - Decrease in Interest Expenses For Tax Calculation**

\$	(837,028)
\$	(840,383)
\$	<u>3,355</u>

OCA incorrectly included production plant and related depreciation amounts in its calculation for federal income taxes. Taxes for these items are collected through the pass-on filings. The items were *not* included in the adjusted expenses or rate base; increases taxes.

QGC Actual Incentive Accrual - 12 Months Ended June 2008  
 QGC Projected Incentive Accrual - 12 Months Ended June 2008  
**Adjustment - Decrease in Administrative & General Expenses**

\$	152,687
\$	219,189
<b>(66,502)</b>	

During 2007, QGC employees earned incentives that exceeded the average incentive levels. The projected test year incentives were based on these excessive amounts. The adjustment decreases the incentive amounts to what was actually booked through the end of the test year period; decrease in expenses.

QGC Payroll Taxes as Shown on Exhibit 3.8 - System-Wide  
 Wyoming Allocation - Gross Plant  
 Wyoming Share of Payroll Taxes

\$	129,034
3.21337%	
\$	4,146
<b>\$</b>	<b>(4,146)</b>

**Adjustment - Decrease in Taxes Other Than Income Taxes**

The increase in payroll taxes was double-counted on Exhibit 3.8 and 3.14 (FICA taxes). The adjustment removes Wyoming's share of the increase in payroll taxes from Exhibit 3.8. The increase shown on Exhibit 3.14 remains the same.

**QUESTAR GAS COMPANY**

**Docket No. 30010-94-GR-08**

**Synchronize Interest to OCA Rate Base**

**and OCA Cost of Debt**

OCA Adjusted Rate Base  
OCA Weighted Cost of Debt (48.69% debt in structure X 6.72% cost of debt)  
OCA Imputed Interest Cost

\$ 25,580,349  
3.27%  
\$ 837,058

OCA Imputed Interest Cost  
QGC Imputed Interest Cost (OCA Data Request 1.10, Attach 3, Page 1, Line 33, Old column)  
**Adjustment - Increase/Decrease in Interest for Tax Calculations**

\$ (837,058)  
(840,383)  
**\$ 3,325**

An adjustment should be made to synchronize interest based on the OCA's adjusted rate base and using the OCA's capital structure and cost of debt. The debt percentage of 48.69% multiplied by the cost of debt of 6.72% yields a weighted average cost of debt of 3.27%. In this case, the weighted average cost of debt is the same as the Company's. However, the calculation for income tax was done incorrectly because it included plant that should not have been included. Using this plant in the calculation also resulted in overstating the imputed interest. The adjustment decreases interest expense, which increases Income Taxes.

**QUESTAR GAS COMPANY**  
**Docket No. 30010-94-GR-08**  
**Rate Base**

Net Utility Plant	QGC Adj.	OCA ADJUST.	OCA Adj.
	Test Year	Adjust Working Cap.	Test Year
101 Gas Plant in Service	\$ 52,868,222	-	\$ 52,868,222
105 Gas Plant Held for Future Use	-	-	-
106 Completed Construction Not Classified	498,139	-	498,139
108 Accumulated Depreciation	(22,632,008)	-	(22,632,008)
111 Accumulated Amort and Depletion	(309)	-	(309)
<b>Total Net Utility Plant</b>	<b>\$ 30,734,044</b>	<b>\$ -</b>	<b>\$ 30,734,044</b>
<b>Other Rate Base Accounts</b>			
154 Materials and Supplies	422,638	-	422,638
164-1 Gas Stored Underground	-	-	-
165 Prepayments	82,959	-	82,959
190008 Accum Deferred Income Tax Federal	60,099	-	60,099
190008 Accum Deferred Income Tax State	-	-	-
235-1 Customer Deposits	(202,885)	-	(202,885)
252 Contributions in Aid of Construction	(1,543,495)	-	(1,543,495)
253-1 Unclaimed Customer Deposits	(1,412)	-	(1,412)
255 Deferred Investment Tax Credits	(64,220)	-	(64,220)
282 Accum Deferred Income Taxes	(4,129,113)	-	(4,129,113)
Working Capital - Cash	221,978	(244)	221,734
<b>Total Other Rate Base Accounts</b>	<b>\$ (5,153,451)</b>	<b>\$ (244)</b>	<b>\$ (5,153,695)</b>
<b>TOTAL RATE BASE</b>	<b>\$ 25,580,593</b>	<b>\$ (244)</b>	<b>\$ 25,580,349</b>

**QUESTAR GAS COMPANY**

Docket No. 30010-94-GR-08  
Update Cash Working Capital Based on  
OCA Adjusted Test Year

OCA Exhibit AJZ - 1  
Schedule 1.0

WORKING CAPITAL - CASH (General Plant)		WORKING CAPITAL - CASH (General Plant)	
<b>Cost of Service - Including Gas Costs</b>		<b>Cost of Service - Including Gas Costs</b>	
Gas Purchase Expense	\$ 23,353,294	Gas Purchase Expense	\$ 23,353,294
Operation & Maintenance Expenses	5,466,804	Operation & Maintenance Expenses	5,397,382
Taxes - Excluding Income Taxes	403,171	Taxes - Excluding Income Taxes	399,025
Income Taxes - Federal & State	685,219	Income Taxes - Federal & State	725,970
<b>Cost of Service - Including Gas Costs</b>	<b>29,908,488</b>	<b>Cost of Service - Including Gas Costs</b>	<b>29,875,670</b>
Daily Cost of Service (365 days)	81,941	Daily Cost of Service (365 days)	81,851
Working Capital - Cash Factor (Lead/Lag Study)	2,709	Working Capital - Cash Factor (Lead/Lag Study)	2,709
<b>WORKING CAPITAL - CASH (General Plant)</b>	<b>\$ 221,978</b>	<b>WORKING CAPITAL - CASH (General Plant)</b>	<b>\$ 221,735</b>
OCA Working Capital - Cash		OCA Working Capital - Cash	\$ 221,735
QGC Working Capital - Cash		QGC Working Capital - Cash	221,978
<b>Adjustment - Decrease in Working Capital - Cash</b>		<b>Adjustment - Decrease in Working Capital - Cash</b>	<b>\$ (244)</b>

Cash Working Capital has been updated to reflect the OCA adjustments to Operating Expenses.

1 NET INCOME SUMMARY		ALLOCATIONS TO RATE CLASSES			
	WY TOTAL	GS	FS	NGV	IT
2	\$ 9,726,754	\$ 279,288	\$ 34,836	\$ 18,154	
3					
4					
5					
6					
7					
8	\$ 9,853,011	\$ 282,710	\$ 35,272	\$ 18,381	
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EXPENSES	Wyoming	DNG Related	GS	FS	NGV	I-4	IT
878 Meter & House Regulator Expenses	16,225	15,564	410			75	176
879 Customer Installations Expenses	30,260	30,202	52			5	1
892 Maintenance of Services	316,871	314,368	2,033			285	185
893 Maint. Of Meters & House Regulators	106,990	102,629	2,706			495	1,160
901-905 Customer Accounts Expense	1,015,671	1,000,118	13,098			1,631	825
907-910 Customer Service & Info. Expenses	303,566	302,984	523			47	12
Total Customer Related Expenses	2,233,529	2,200,590	24,951			3,586	4,402

**RATE BASE - CUSTOMER RELATED PLANT**

380 Services	10,863,852	10,778,041	69,689			9,784	6,338
381.2 Meters & Meter Installation	6,339,540	6,081,115	160,338			29,351	68,736
383.4 House Regulators & Regulation Install.	653,120	626,496	16,519			3,024	7,081
Total Customer Related Plant	17,856,512	17,485,652	246,546			42,159	82,155
Less: Accumulated Deprec. Related to Accounts 380, 381.2, 383.4	7,644,076	7,485,317	105,542			18,047	35,169
Net Customer Related Utility Plant	10,212,436	10,000,335	141,004			24,112	46,986
OCA Rate of Return	8.4%	8.4%	8.4%		8.4%	8.4%	8.4%
Return on Rate Base	857,845	840,028	11,844			2,025	3,947
Tax Gross Up Factor	1.625289	1.625289	1.625289		1.625289	1.625289	1.625289
Customer Related Return and Taxes	1,394,245	1,365,288	19,250			3,292	6,415
Total Customer Related Expenses	2,233,529	2,200,590	24,951			3,586	4,402
TOTAL CUSTOMER RELATED COST OF SERVICE	3,627,774	3,565,879	44,202			6,878	10,817

Number of Bills (# customers X 12)	312,708	540	1			48	12
Monthly Basic Service Fee	\$ 11.40	\$ 81.86	\$ -			\$ 143.29	\$ 901.38

**Calculation of Ratio to Estimate Customer-Related Depreciation Expense and Accumulated Depreciation**

	101	403	NOTE 1	NOTE 2	108
Gas Plant in Service	52,668,222	51,396,089	1,091,770		
Total Customer Related Plant	17,856,512	17,485,652	246,546		
Ratio (%) of Customer Related Plant to Gas Plant	34%	34%	23%		
In Service			0%		
Depreciation Expense	1,314,401	1,277,801	27,143		
% of Customer Related Deprec. Expense	443,946	434,725	6,129		
Accumulated Prov for Depreciation	22,632,008	22,001,813	467,369		
% of Customer Related Accum. Depr.	7,644,076	7,485,317	105,542		
	18,047	97,094			
	35,169	65,732			

Volumes At New 10-Year Normals									
Wyoming GS									
Current Non-Gas Rates & Revenues					Proposed Non-Gas Rates & Revenues				
Volumetric Rates		Dth	Dth	Current Rate	Revenues	Dth	Proposed Rate	Revenues	
Block 1	First	45	2,601,742	2.04209	5,312,991	DNG Flat Rate			
Block 2	All Ove	45	729,960	1.29084	942,262	3,331,702	<b>1.75481</b>	5,846,504	
<b>Total Volumetric Charges</b>			3,331,702		6,255,253	3,331,702		5,846,504	
Fixed Charges					Fixed Charges				
BSF		Customers	Current Rate	Revenues	Customers	Prop. Rate	Revenues		
Avg customers		26,059			26,059				
Annual customers		312,708			312,708				
% getting BSF		99.525%			99.525%				
Adjusted customers		311,224	8.70	2,707,647	311,224	<b>11.40</b>	3,547,951		
<b>Total Fixed Charges</b>				2,707,647			3,547,951		
<b>Wyoming GS Total</b>							<b>\$8,962,900</b>		<b>\$9,394,455</b>