OCA Exhibit D

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE JOINT APPLICATION	)	
OF QUESTAR GAS COMPANY AND	)	
DOMINION RESOURCES, INC. FOR	)	DOCKET NO. 30010-150-GA-16
APPROVAL OF PROPOSED MERGER OF	)	DOCKET NO. 30025-1-GA-16
QUESTAR CORPORATION AND DOMINION	)	
RESOURCES, INC.	)	RECORD NO. 14335

DIRECT TESTIMONY IN SUPPORT OF SETTLEMENT STIPULATION

Denise Kay Parrish

On Behalf of the Office of Consumer Advocate

Testimony Filed: August 11, 2016
Hearing Begins: September 14, 2016

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Denise Kay Parrish and my business address is 2515 Warren Avenue, Suite 304, Cheyenne, Wyoming 82002.

Q. WHAT IS YOUR OCCUPATION?

A. I am currently the Deputy Administrator of the Wyoming Office of Consumer Advocate (OCA), an independent division of the Wyoming Public Service Commission.

Q. ARE YOU THE SAME PERSON WHO FILED TESTIMONY IN THIS PROCEEDING ON JULY 1, 2016, ON BEHALF OF THE OCA?

A. Yes, I am.

Q. WHO DO YOU REPRESENT IN THIS PROCEEDING?

A. As a member of the Office of Consumer Advocate, I represent the interests of Wyoming citizens and all classes of utility customers in this public utility matter, as required by W.S. § 37-2-401. It is neither my intent nor my charge to represent the position of any individual, group, municipality, or corporation.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present the OCA's support for the provisions of the Stipulation Settlement (Stipulation) that the OCA has reached with the Joint Applicants in this proceeding. The OCA's support of the Stipulation is based on the agreement as a whole, with all of the provisions considered collectively. It is for this reason that we ask the Commission to approve the entirety of the Stipulation as it has been presented to the Commission in Exhibit A and Exhibit A.1.

Q. HAVE YOU PREPARED ANY EXHIBITS IN SUPPORT OF THE STIPLATION SEPARATE AND APART FROM THIS SUPPORTIVE TESTIMONY?

A. No, I have not. I am only providing this testimony and otherwise rely on the Stipulation itself, as well as the testimony and other evidence that has already been provided in this proceeding.

Q. PLEASE GENERALLY DESCRIBE THE NATURE OF THE STIPULATION REACHED AMONG THE JOINT APPLICANTS AND THE OCA IN THIS MATTER.

A. In general, the Stipulation follows the list of merger commitments contained in the end portion of the OCA testimony filed earlier in this proceeding. However, the merger commitments earlier offered by the Joint Applicants have been tweaked, clarified, or rewritten in order to address the concerns of the OCA and to make them more verifiable and enforceable. In a few cases, new or different merger commitments were offered in order to clearly address concerns that were raised by the OCA and to provide clear benefits to customers.

Below I walk through each of the stipulation provisions and how they relate to the earlier commitments described in either the Joint Applicant's direct testimony or the Joint Application itself. I will also attempt to explain why these stipulation provisions are in the public interest and should be approved by the Commission in their entirety, as a package.

Q. TO BE CLEAR, DO YOU BELIEVE THE STIPULATION IS IN THE PUBLIC INTEREST AND TO THE BENEFIT OF CUSTOMERS?

A. Yes. As explained in my earlier testimony, the merger is not to be approved by the Commission unless there is a showing that the utility's ability to serve the public is not adversely impacted. As further discussed in my earlier testimony, the Commission has interpreted this to mean that the merger must be in the public interest. The public interest has historically been defined by the circumstances and facts surrounding each proceeding. Thus, one way to consider whether the public interest has been met is to consider whether the body of customers will be better served, indifferent to the merger or reorganization, or in a worse position once the transaction is completed.

The OCA's view is that service to customers will be no worse, and most likely better, following the merger of Dominion and Questar compared to a current business as usual scenario, if the stipulation commitments are put into place. A few of the stipulation commitments are particularly beneficial to customers, including: (a) a commitment to reduce the current level of pension and post-retirement benefits underfunding; (b) a commitment to not to seek an increase in base rates earlier than January 1, 2020, while agreeing to forego direct recovery of the acquisition adjustment and transition costs; and (c) a limitation on the level of operating expenses that Dominion Questar will seek to recover in its next rate case.

Additionally, the utility is able to run its business with current local management, with a representative on Dominion's Board of Directors, with a reduced deficit of its pension funding, without a reduction in its planned capital budget, without an immediate change in its rates, with no requirement to file an immediate rate increase while the merger transition is occurring, and an opportunity to be part of a larger entity with more diversity and an interest in expanding its national operations.

The OCA is comfortable with this transaction being approved if the approval is accompanied by the Stipulation provisions contained in Exhibits A and A.1.

Q. PLEASE WALK THROUGH EACH OF THE PROVISIONS OF THE STIPULATION, OFFERING THE OCA'S VIEW OF THE PROVISION AND ANY FURTHER CLARIFICATION YOU BELIEVE IS NECESSARY.

A. I will be glad to walk through each individual provision. In order to do so, I will restate, *in italics*, each of the Stipulation provisions related to a merger commitment. To the extent possible, I group together related provisions that are relevant to discuss together. The provisions are numbered consistent with the numbering of the provisions found in Exhibit A.

1. *After the time the Merger is effective as defined in the Merger Agreement ("Effective Time"), Questar Corporation will become a wholly-owned subsidiary of Dominion that will continue to exist as a separate legal entity (herein referred to as "Dominion Questar").*

2. *At the Effective Time, Questar Gas (herein referred to as "Dominion Questar Gas"), will remain a direct, wholly-owned subsidiary of Dominion Questar and will*

continue to exist as a separate legal entity with its own complete set of books and records.

7. *Dominion Questar Gas will be managed from an operations standpoint as a separate regional business under Dominion with responsibility for managing operations to achieve the objectives of customer satisfaction, reliable service, customer, public and employee safety, environmental stewardship, and collaborative and productive relationships with customers, regulators, other governmental entities and interested stakeholders. Dominion Questar Gas will have its own local operating management located in Salt Lake City, Utah. Dominion commits that there are no plans to change this organizational and management structure for the foreseeable future.*

These three provisions (items 1&2&7) simply confirm that Questar is becoming part of the Dominion Corporation family but is not losing its own identity within the corporation. Dominion Questar Gas will continue to operate, for the most part, as a separate stand-alone utility. The primary operating change is that it will have a number of its administrative services provided from a common pool of shared services with other Dominion entities. However, the legal entity of Dominion Questar Gas will exist on its own, and in a manner that readily allows for its legal and financial obligations to be separated from those of other affiliated entities within the Dominion corporate family. Furthermore, the leadership for Dominion Questar Gas will be comprised of current employees of Questar who have long-term employment histories with the natural gas distribution operations. The hope is to begin the post-transaction operations with as little change from the viewpoint of customers as possible.

3. *Dominion will maintain Dominion Questar Gas's corporate headquarters in Salt Lake City, Utah. Dominion commits that there are no plans to change the location of Dominion Questar Gas's corporate headquarters from Salt Lake City to another location for the foreseeable future.*

4. *Dominion will establish a new Western Region operating headquarters in Salt Lake City, Utah. No costs shall be included in Dominion Questar Gas rates or the Wexpro Operator Service Fee associated with the new Western Region operating headquarters in Salt Lake City, Utah without approval by the Commission.*

These two provisions (items 3&4) exist to provide assurance that there is no intention to combine the existing corporate headquarters of Dominion and Questar but to maintain some operating separation of the two groups. Furthermore, Dominion has signaled its intention and interest in expanding its operations into the Western United States, as reasonable opportunities arise. Whether the new Dominion Western regional headquarters is an expansion of the existing Questar building or its own facilities, the costs associated with it will not be included in Dominion Questar Gas customers' rates or Wexpro costs unless there is a showing of benefits to Wexpro or the natural gas distribution operations and the Commission has approved inclusion of the costs in rates. These provisions protect regulated customers from the costs of any expanding operations of Dominion unless there is a clear showing of the benefits of that expansion to Wyoming customers of regulated operations. However, it also leaves no surprise if there is additional Dominion activity in the region in the future.

5. *Dominion intends that its board of directors will take all necessary action, as soon as practicable after the Effective Time, to appoint a member of the Questar Corporation board, as it exists prior to the Effective Time, as a director to serve on Dominion's board of directors.*

6. *Dominion will take all necessary action to cause a current member of the Questar Corporation board, as it exists prior to the Effective Time, to be appointed as a director to serve on the board of directors of the general partner of Dominion Midstream Partners, L.P. ("Dominion Midstream") as soon as practicable after such time as all or part of Questar Pipeline Company is contributed to Dominion Midstream.*

These two provisions (items 5&6) are intended to assure some Questar knowledge and, perhaps, influence is available on the board of directors of Dominion at the parental level of the corporation. The hope is that having a director who is knowledgeable about Questar issues will be helpful to Dominion Questar customers as the board discusses budgets, capital expenditures, regional expansion and the impact on existing entities, and similar items.

Similarly, the agreement calls for a current Questar board member to be placed on the board of Dominion Midstream Partners, if and when Questar Pipeline is rolled in with the other entities of the Master Limited Partnership. The idea is the same as above: the appointment would permit the interests of Questar and, hopefully, its customers, to be represented as decisions are being made about matters that impact the on-going operations of Dominion Questar Pipeline and its customers.

Whether the actual decisions of either of these entities will be different based on these appointments, we will never know. However, it is encouraging to the OCA that the Joint Applicants recognized, at least in concept, the idea of having the interests of Dominion Questar's customers represented at the corporate levels.

8. For the first four years following the Effective Time, Dominion Questar Gas will file semi-annually the customer service standards report. A copy of this report is included as Attachment 1. If the Dominion Questar Gas service levels become deficient, meaning they fall short of the "goals" as shown in the report, the Company will file a remediation plan with the Commission explaining how it will improve and restore service to meet the goals. For informational purposes the quarterly leak surveys and an accompanying narrative will also be filed with the Customer Service Standards report.

The Joint Applicants included in its request a discussion of service quality with assurances that service levels would not diminish and should, based on sharing of best practices, actually improve over time. However, the Joint Applicants originally offered no way to measure or monitor the progress regarding the status of Dominion Questar's quality of service. Thus, this settlement provision is meant to be a small step to allowing monitoring of specific customer service activities.

In arriving at this provision (item 8), it came out in discussions that Questar currently has internal metrics that it measures against internal goals. After learning about these goals and the reporting that is done to measure actual performance, the OCA and the Joint Applicants determined that providing these internally generated reports (Exhibit A.1 attached to the Settlement Stipulation) would be a positive step toward trying to see whether service quality is being maintained. Even though the goals on these reports are self-determined by the utility, the Commission or its staff could certainly weigh in on them, if that were important to them. Furthermore, in reviewing these reports, information that shows performance trends are provided, and that for most metrics, the actual performance far exceeds the goal.

In addition to the filing of the informational reports, the Joint Applicants have agreed to provide a remediation plan if the actual performance fails to meet or exceed each of the goals. This puts the utility on notice that meeting minimum customer service goals is not optional, and is a serious and important matter to at least maintain current service levels.

Leak reports will also be provided. Even though the results of the leak survey are currently provided to the Commission staff, the filing of these reports has not been particularly transparent to other people or parties that might have an interest in them. The filing of these reports periodically, as an informational compliance item, will provide additional opportunities to monitor this level of service to customers.

9. Questar Gas and Dominion share a common focus on installing, upgrading and maintaining facilities necessary for safe and reliable operations. This focus will not be diminished in any way as a result of the Merger. Dominion Questar Gas will continue its planned total company capital expenditure program for the benefit of customers as shown in the table below:

	Total Company	*Wyoming*
2017	*$209 Million*	***$15 Million***
2018	*$208 Million*	***$7.7 Million***
2019	*$233 Million*	***$8.4 Million***

Any variances to this plan will be supported by Dominion Questar Gas in its next general rate case. ***Note that the Wyoming amounts have been corrected and differ from those in the Stipulation, as filed. An explanation of the corrections is contained in the Stipulation Testimony of Mr. Barrie McKay.***

Item 9 of the stipulation contains information about Dominion Questar's intention to continue to make the capital expenditures that have been previously planned by Questar prior to the acquisition by Dominion. This provision is intended to provide assurance that Dominion has no plans to cut the capital budget of Questar but to continue, primarily, in a business as usual mode. By including the planned expenditures in the stipulation, the Commission, its staff, the OCA, or other interested parties will be able to measure future expenditures against these planned expenditures, and question / discuss any significant level of difference.

The OCA is comfortable with this approach to the matter of capital expenditures, as opposed to a provision that would guarantee a certain level of expenditures. A guarantee of expenditures forces the utility to build or replace equipment whether or not it is needed in the future. It fails to take into account changing circumstances. Thus, we think it is better to set a benchmark to measure actual expenditures against, and if that benchmark is not met, put the utility in a position where it must explain why actuals were different. This is precisely what the stipulation does.

10. Dominion and its subsidiaries will continue to honor the Wexpro Stipulation and Agreement, the Wexpro II Agreement or the conditions approved in connection with inclusion of properties in the Wexpro II Agreement ("Wexpro Agreements") and the conditions and obligations provided therein. Dominion will not contribute Wexpro Company ("Wexpro") to Dominion Midstream or to any master limited partnership without the Commission's approval.

This provision (item 10) of the stipulation sets forth the commitment for Dominion Questar to continue to honor the Wexpro and Wexpro II agreements and to keep Wexpro out of the Master Limited Partnership unless explicit, formal approval is received from the Wyoming Commission. The OCA finds this provision to be beneficial and a positive attribute of the stipulation since the Wexpro agreements have been determined to have been beneficial for Wyoming Questar customers for many decades. There is neither a reason nor any intent to change the way that the Wexpro agreements work and this is memorialized through this provision of the stipulation.

11. Dominion will give employees of Dominion Questar and its subsidiaries due and fair consideration for other employment and promotion opportunities within the larger Dominion organization, both inside and outside of Utah and Wyoming, to the extent any such employment positions are re-aligned, reduced or eliminated in the future as a result of the Merger.

This stipulation provision (item 11) indicates that current employees of Questar will be provided opportunities to fill positions within the Dominion organization, to the extent that current positions are eliminated or realigned. This is a positive condition of the stipulation that works to keep employees with Questar experience within the Dominion corporate family.

12. Dominion, at shareholders' expense, will contribute, within six months of the Effective Time, a total of $75,000,000 toward the full funding of (i) Questar Corporation's ERISA-qualified defined-benefit pension plan in accordance with ERISA minimum funding requirements for ongoing plans, and (ii) Questar Corporation's nonqualified defined-benefit pension and post retirement medical and life insurance (other post employment benefit ("OPEB")) plans on a financial accounting basis, subject to any maximum contribution levels or other restrictions under applicable law, thereby reducing pension expenses over time in customer rates. Dominion represents that said $75,000,000 contribution, based on current plan funding, would be permissible and well within maximum contribution levels and other restrictions under applicable law.

This provision (item 12) is a win-win-win condition of the merger. This condition benefits the utility since it will get rid of a substantial amount of underfunding currently associated with its pension and post-retirement funds, making the utility more financially healthy. The payment of about $75 million also benefits employees since it provides funding for employees pensions stabilizing the fund such that employees should feel more comfortable staying with Dominion Questar, keeping experience intact. Finally, customers will benefit because the one-time payment of Dominion will reduce pension expenses in the future.

13. Officers and employees of Dominion will be available to testify before the Commission, providing information relevant to matters within the jurisdiction of the Commission.

14. As part of this and future regulatory proceedings, Dominion Questar Gas will provide information about Dominion or its other subsidiaries relevant to matters within the Commission's jurisdiction.

15. Dominion Questar Gas, Dominion Questar, and Wexpro will maintain access to a complete set of their books and records, including accounting records, as well as access to affiliate charges to Dominion Questar Gas, at their corporate office in Salt Lake City, Utah, while acknowledging the Wyoming Commission's authority pursuant to W.S.§ 37-2-116.

16. For regulatory purposes, Questar Gas's accounting will continue to reflect assets at historical costs, approved depreciation rates and deferred income taxes based on *original cost in accordance with the Uniform System of Accounts.*

17. The Merger will not result in any immediate changes to existing filed rates, rules, regulations and classifications under its Tariff for Gas Service in the State of Wyoming ("Tariff"), except to revise the Tariff to change the name of the operating entity. The Company will file for the name change within 21 days of the Effective Time.

18. Dominion Questar Gas will continue to file its Integrated Resource Plan annually and follow the Commission's process and guidelines.

19. Dominion Questar Gas will maintain established gas-supply interchangeability Wobbe indices for Questar Gas's receipt points and will be in compliance with the Commission's requirements.

The seven conditions listed immediately above (items 13-19) have been offered by the Joint Applicants and are acceptable to the OCA. However, in many cases these types of items go unspoken, since they are part of the obligation of the utility to "follow the rules" and part of the plan to keep conducting "business as usual." These provisions simply spell out those ongoing obligations of the utility to appear before the Commission as required, to maintain its books and records according to Wyoming requirements, to charge only approved Wyoming rates and not change rates or tariffs without Commission approval, and to follow the Wyoming authorized rules and regulations. The OCA finds it beneficial and refreshing that the Joint Applicants understand their obligations and publicly acknowledge them.

20. Dominion Questar Gas will have the burden of proof to show that prices for goods and services provided by Dominion or its other subsidiaries to Dominion Questar Gas, are just and reasonable.

21 Dominion Questar Gas will not seek recovery of any acquisition premium (goodwill) cost associated with the Merger from its customers. Dominion will not record any goodwill associated with the Merger on Dominion Questar Gas's books and will make the required accounting entries associated with the Merger on that basis.

22. Dominion Questar Gas will not file a general rate case application with the Commission with a requested rate effective date earlier than January 1, 2020.

23. Any transition or integration costs arising from the Merger will not be deferred and will be expensed as incurred during the transition period. Dominion Questar Gas's cost of service for the purpose of developing distribution non-gas base rates will be evaluated in the next general rate proceeding and this filing shall identify transition costs, if any, in Dominion Questar Gas's test period.

24. Transaction costs associated with the Merger including any legal or other expenses related to the shareholder lawsuits and rebranding costs will be treated as expense and will not be borne by customers.

35. Dominion Questar Gas will not seek recovery in its next general rate case of any increase in the aggregate total of Operating, Maintenance, Administrative and General expenses (excluding energy efficiency and bad debt costs) per customer over the 12 months ended December 2015 baseline level, unless it can demonstrate that the increase in such total expenses was not a result of the Merger. The aggregate total of Operating, Maintenance, Administrative and General expenses per customer for the 12 months ended December 2015 in Wyoming was $235.04.

This set of merger conditions (items 20-24 & 35) is in response to the concerns raised by the OCA in our earlier testimony about the impact of shared services on rates and the treatment / recovery of transition costs. These conditions provide significant benefits to customers. Requiring the utility to carry the burden of proof regarding the reasonableness of affiliate transactions allows the utility to transact business with affiliates without any special administrative process, but assures the regulator and ratepayers that special care should be taken to provide only those services where a showing can be made that the transaction is prudent and reasonable.

The agreement of the Joint Applicants not to include the acquisition adjustment in rates is clearly a quantifiable benefit for customers, as there are a number of examples from prior utilities rate cases where the Commission has agreed to let the utility recover all or part of the difference between the sellers' net book value and the purchase price. In this case, the stipulation calls for none of that difference to be explicitly requested by the Joint Applicants for inclusion in Wyoming customers' rates.

It is also a clear benefit for customers that the stipulation calls for a rate freeze relative to the base rates (that is, the type of rates for which changes are requested in a general rate case). Based on the general pattern of rate cases that have been filed in Wyoming by Questar and based on their current earnings, there was a strong likelihood that Questar would have filed a general rate case in Wyoming sometime during the next year. This means that there was a strong likelihood that rates would have increased in the time frame of early 2018. The stipulation calls for the utility not to seek an increase in base rates that would be effective prior to January 1, 2020 – providing a benefit of as much as two years without the base rate increase that otherwise might have occurred.

The stipulation also directly addresses the treatment of transition costs and provides that no transition costs are to be deferred or recovered explicitly through customer rates. This too is a benefit for customers as there are plenty of examples from past proceedings where merger transition costs have been allowed to be included in customer rates.

Lastly, there is an explicit provision that directly benefits to customers by limiting the level of operating, maintenance, administrative and general expenses that can be sought for recovery in Dominion Questar's next general rate case.

The OCA also sees it as beneficial to regulators and customers that the above provisions also seek to allow the merger transition and integration to be accomplished before a rate case will be filed. Merger integrations often take one or two years to complete and during the midst of that time period, it can be difficult to address on-going operational costs or on-going benefits resulting from consolidation of two entities. The above group of conditions generally allow for that time frame to be completed before operational costs and benefits need to be addressed in a rate case or as part of a deferral computation.

25. *For the first four full calendar years following the Effective Time, Dominion, through Dominion Questar, will provide equity funding, as needed, to Dominion Questar Gas in order to maintain an end-of-year common equity percentage of total capitalization in the range of 50-55 percent (50-55%).*

26. *Dominion intends to maintain credit metrics that are supportive of strong investment-grade credit ratings (targeting the Single-A range) for Dominion Questar Gas. For the first four years following the Effective Time, in any rate proceeding where Dominion Questar Gas's rate of return is established or the utility seeks to reset the previously authorized rate of return on rate base, Dominion Questar Gas will demonstrate that its cost of debt proposed for recovery in rates is*

not greater than would have been incurred absent the Merger.

27. *Neither Dominion nor its other subsidiaries will, without the Commission's approval, make loans to Dominion Questar Gas that bear interest at rates that are greater than (i) rates being paid at the time of such loan by Dominion or such other subsidiary on its own debt or (ii) rates available, at the time of such loan, on similar loans to Dominion Questar Gas from the market.*

28. *Dominion Questar Gas will not lend funds to Dominion or other Dominion entities, including Dominion Questar.*

30. *Dominion Questar Gas will not transfer its debt to Dominion, or any other subsidiary of Dominion, without the Commission's approval.*

31. *For at least the first four years following the Effective Time, Dominion Questar Gas shall maintain separate long-term debt with its own debt rating supplied by at least two of the three recognized debt rating agencies (Standard and Poor's, Moody's and Fitch). Any of the debt used to capitalize Dominion Questar Gas shall be kept within the regulated utility.*

This set of merger conditions (items 25-28, 30-31) address the concern the OCA expressed in its earlier testimony regarding the on-going financing costs of Dominion Questar. The stipulation provisions call for action to be taken to maintain Dominion Questar's equity portion of the capital structure at the 50-55% range. This is important in that this provides assurance of a reasonably balanced capital structure for the first four years following the completion of the transaction. And, the four years is important as it is a time period during which the transition and integration should occur.

So, in other words, during the early years of the combined company, the merger conditions will attempt to keep the capital structure and other credit metrics as similar to the metrics of Questar's operations today as possible. However, this includes not only the capital structure but also the credit ratings (or the impact of the credit ratings on the cost of debt) and the use of utility issued debt for the utility related purposes only. These provisions are beneficial to customers in that they keep financing costs from being impacted by Dominion's overall operations or unregulated affiliates. In other words, we have done our best to ring-fence the Dominion Questar financing costs and activities, keeping them separate from any financing related activities of other Dominion entities.

29. In compliance with applicable Commission procedural rules and special regulations, Dominion Questar Gas will only transfer assets to or assume liabilities of Dominion or any other subsidiary of Dominion with the Commission's approval. The Company will file a report annually with the Commission tracking asset transfers between Dominion Questar Gas and Dominion or any other subsidiary of Dominion. The report will provide an explanation for each transfer and cross reference the Commission approval received for the transfer, if required.

This stipulation provision (item 29) addresses the administrative treatment or process to be used for any Questar assets to be transferred to a different Dominion entity or any Dominion liabilities to be transferred to Dominion Questar. This provision essentially calls for any significantly sized transfer to be accomplished only upon receipt of Commission approval. Smaller sized transfers (as defined by the Commission's rules) will be reported upon in an informational filing to be made annually with the Commission pursuant to and consistent with the Commission's rules and regulations.

This provision is really just an application of the Commission's rules and is not intended to create any additional or unique processes or procedures. As the Commission has recently revised its rules and regulations, simplifying and updating them, the processes contained within should be consistent with the public interest.

32. Dominion, at shareholders' expense, will increase Questar Corporation's historic level of corporate contributions to charities identified by local leadership that are within Dominion Questar Gas's service areas by $1,000,000 per year for at least five years following the Effective Time, and will maintain or increase historic levels of community involvement, low income funding, and economic development efforts in Dominion Questar's current operation areas.

33. Dominion, at shareholders' expense, will establish a newly-formed advisory board for its Western Region operations composed of regional-based business and community leaders. This board will meet and receive information and provide feedback on community issues, government relations, environmental stewardship, economic development opportunities and other related activities that affect Dominion's and Dominion Questar Gas's local stakeholders.

These two provisions (items 32&33) contain commitments offered by the Joint Applicants relative to community relations. These are voluntary commitments. The first commits shareholder funds to be used to assist communities and customers within the Dominion Questar service territories in Wyoming and Utah. The second calls for the formation of a regional advisory board that will provide input on community issues and economic development issues. To be clear, the Commission does not have the authority to direct how shareholder funds will be used but, can approve these commitments as part of an overall package, and we urge the Commission to do so.

34. Dominion Questar Gas will clearly reflect all of its costs and investments in its financial reports, including costs and assets that are directly assigned or allocated to it from another subsidiary of Dominion. An audit trail will be maintained so that allocable costs can be specifically identified.

In our earlier testimony, the OCA expressed concern that under the new corporate arrangement involving Dominion Questar and Dominion shared services, it might be difficult to track a complete set of costs for Dominion Questar Wyoming's service operations. We were also concerned about the ability to audit the costs, especially given that a number of administrative operations are to move to Dominion's shared services operations. This provision (item 34) is intended to provide assurance that Wyoming earnings reports and annual reports will be made such that a complete set of costs is included and those costs are auditable. The auditability commitment is particularly important to the OCA, and should also be helpful to the Commission and its staff. The intention is to make sure that even if the cost has been originated in another of Dominion's entities, there will be access to any relevant records necessary to support the inclusion of that cost in customer rates.

36. No later than January 1, 2018, Dominion Questar Gas will present and review for informational purposes, the Dominion Resources Services, Inc.'s Cost Allocation Manual with the Wyoming OCA and the Commission staff. Dominion Questar will use the current Distrigas methodology to allocate shared costs to subsidiaries until January 1, 2018 when it will use the Dominion Resources Services Inc.'s Cost Allocation Manual.

This provision (item 36) addresses one of the major concerns expressed by the OCA in our earlier testimony. My suggestion in the earlier testimony was that the Merger should be accompanied by a process for Wyoming regulators and the OCA to better understand the common cost (or shared services) allocation process and provide input, as appropriate and necessary. This merger condition addresses the OCA recommendation head on by setting a time line by which a cost allocation manual will be presented to the OCA and Commission staff for review and discussion purposes.

Creation of a cost allocation manual that can be used by an integrated Dominion and Questar corporation will allow for a written, consistent cost allocation process to be applied to shared service costs. Other utilities also have cost allocation manuals that have been provided to the Commission staff and OCA for input and review including SourceGas Distribution (now part of Black Hills Corporation) and Black Hills' service companies.

37. Dominion and Dominion Questar Gas will submit an Integration Progress Report, including reporting on transition costs. Dominion and Dominion Questar Gas will file the first Integration Progress Report with the Commission 120 days after the Effective Time. Dominion Questar Gas will submit reports annually thereafter until the integration is complete. The final report will include a notification that the transition activities are complete.

This provision (item 37) also addresses a recommendation made specifically by the OCA in our earlier testimony. That is, the OCA recommended an integration report be filed no later than 120 days following the close of the Merger. This is precisely what the terms of the merger condition require. Furthermore, the settlement provision calls for a final report to be filed when the integration activities have been completed, also consistent with the OCA's recommendation. Yet, the settlement goes one step further, and also calls for the filing of annual transition reports while the Merger integration is still in progress. This reflects updated thinking that the integration may take more than 12 months but more likely will take as much as a couple of years or even a bit longer. These informational reports will allow the Commission, its staff, and the OCA to stay informed of the activities and progress of the integration while it is occurring, including any problems that arise and the completion of major milestones. This provides for a transparent process and some record of the process that may be helpful at the time of the first rate case of Dominion Questar following the completion of the integration.

38. The Company will inform customers of the Merger in the following ways:
i. Within 5 days of the Effective Time notification will be posted on the website.
ii. Within 60 days of the Effective Time notification will be published in the Gas Light News billing insert.

This provision (item 38) is a matter that was not specifically raised in my earlier testimony in this proceeding, but was an issue discussed as the stipulation was developed. Essentially, the question was raised as to how customers were being notified of the Merger and whether it was important to have a formal notification process. As the topic was discussed, the OCA pointed out that it is a common practice for utilities to provide a formal notice to customers of major corporate reorganizations, such as the one that is the subject of this proceeding. As a result of this discussion, the Joint Applicants and the OCA agreed upon the customer notification where there will be notification on the Dominion Questar website and notification will be included as part of a customer bill insert. The OCA is satisfied that this gives customers adequate notice of the reorganization change, especially given the limited impact to customers that everyone is hoping will occur.

39. Dominion and Dominion Questar Gas will continue to comply with all existing federal and state laws, rules, regulations, its Tariff, orders, and directives of the Commission, including those of the Pipeline Hazardous Materials Safety Administration, Environmental Protection Agency and Bureau of Land Management as applicable, following the Effective Time.

The final stipulation provision is a catch all that essentially says the Joint Applicants will continue to comply with all regulatory directives from all regulatory agencies including, but not limited to, those state and federal entities named in the stipulation provision. Again, it is a bit of a belt-and-suspenders provision, in that all utilities have an obligation to comply with regulatory regulations and directives. However, it is included in the agreement response to several statements contained in the Joint Application wherein specific compliance obligations were noted.

Q. SHOULD THE COMMISSION APPROVE THE JOINT APPLICATION AS MODIFIED BY THE SETTLEMENT STIPULATION?

A. Yes, for all of the reasons stated above.

Q. DOES THAT COMPLETE YOUR STIPULATION RELATED TESTIMONY IN THIS PROCEEDING?

A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE JOINT APPLICATION	)	
OF QUESTAR GAS COMPANY AND	)	
DOMINION RESOURCES, INC. FOR	)	DOCKET NO. 30010-150-GA-16
APPROVAL OF PROPOSED MERGER OF	)	DOCKET NO. 30025-1-GA-16
QUESTAR CORPORATION AND DOMINION	)	
RESOURCES, INC.	)	RECORD NO. 14335

AFFIDAVIT, OATH AND VERIFICATION

Denise Kay Parrish (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

Affiant is the Deputy Administrator of the Wyoming Office of Consumer Advocate which is a party intervener in this matter pursuant to its Notice of Intervention filed on March 8, 2016.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its attached schedules are true and complete and constitute the recommendations of the Affiant in her official capacity as Deputy Administrator of the Wyoming Office of Consumer Advocate.

Further Affiant Sayeth Not.

Dated this 5th day of August 2016.

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Denise Kay Parrish, Deputy Administrator
Wyoming Office of Consumer Advocate
2515 Warren Avenue, Suite 304
Cheyenne, WY 82002
(307) 777-5743

STATE OF WYOMING)
) SS:
COUNTY OF LARAMIE)

The foregoing was acknowledged before me by Denise Kay Parrish on this 5th day of August, 2016.
Witness my hand and official seal.

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