

QUESTAR GAS CO  
 Form 10-Q  
 October 31, 2012

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the transition period from \_\_\_ to \_\_\_

Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	Commission File Number	(I.R.S. Employer Identification No.)
Questar Corporation	Utah	001-08796	87-0407509
Questar Gas Company	Utah	333-69210	87-0155877
Questar Pipeline Company	Utah	000-14147	87-0307414

333 South State Street, P.O. Box 45433, Salt Lake City, Utah 84145-0433

(Address of principal executive offices)

Registrants' telephone number, including area code (801) 324-5000

Web site <http://www.questar.com>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Questar Corporation	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Questar Gas Company	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Questar Pipeline Company	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Questar Corporation	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Questar Gas Company	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Questar Pipeline Company	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Do not check non-accelerated filer if a smaller reporting company (Check one):

Questar Corporation	Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Questar Gas Company	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Questar Pipeline Company	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Questar Corporation	Yes [ ] No [X]
Questar Gas Company	Yes [ ] No [X]
Questar Pipeline Company	Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of September 30, 2012:

Questar Corporation	without par value	175,083,790
Questar Gas Company	\$2.50 per share par value	9,189,626
Questar Pipeline Company	\$1.00 per share par value	6,550,843

Questar Gas Company and Questar Pipeline Company, as wholly-owned subsidiaries of a reporting company, meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format.

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QUESTAR CORPORATION  
 QUESTAR GAS COMPANY  
 QUESTAR PIPELINE COMPANY  
 FORM 10-Q  
 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2012

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FILING FORMAT

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This Quarterly Report on Form 10-Q is a combined report being filed by three separate registrants: Questar Corporation, Questar Gas Company and Questar Pipeline Company. Questar Gas Company and Questar Pipeline Company are wholly-owned subsidiaries of Questar Corporation. Separate financial statements for Wexpro Company have not been included since Wexpro is not a registrant. See Note 9 to the Accompanying Financial Statements for a summary of operations by line of business.

Part I - Financial information in this Quarterly Report on Form 10-Q includes separate financial statements (i.e. statements of income, statements of comprehensive income, balance sheets and statements of cash flows, as applicable) for Questar Corporation, Questar Gas Company and Questar Pipeline Company. The Notes Accompanying the Financial Statements are presented on a combined basis for all three registrants. Management's Discussion and Analysis of Financial Condition and Results of Operations included under Item 2 is presented by line of business.

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

QUESTAR CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

	3 Months Ended September 30,		9 Months Ended September 30,		12 Months Ended September 30,	
	2012	2011	2012	2011	2012	2011
	(in millions, except per-share amounts)					
<b>REVENUES</b>						
Questar Gas	\$82.5	\$89.8	\$578.7	\$667.7	\$876.5	\$970.4
Wexpro	9.8	6.9	27.1	23.1	35.5	31.1
Questar Pipeline	49.5	50.0	150.1	148.8	198.7	200.8
Total Revenues	141.8	146.7	755.9	839.6	1,110.7	1,202.3
<b>OPERATING EXPENSES</b>						
Cost of sales (excluding operating expenses shown separately)	(42.1 )	(30.0 )	99.1	211.1	209.5	338.5
Operating and maintenance	36.8	35.4	133.2	126.6	182.5	174.5
General and administrative	29.0	24.1	88.0	83.3	122.6	113.4
Production and other taxes	11.1	13.5	38.0	40.2	50.3	51.1
Depreciation, depletion and amortization	45.9	40.1	135.6	118.4	177.1	157.3
Total Operating Expenses	80.7	83.1	493.9	579.6	742.0	834.8
Net gain from asset sales	2.5	0.2	5.1	0.3	5.0	0.6
<b>OPERATING INCOME</b>	63.6	63.8	267.1	260.3	373.7	368.1
Interest and other income	1.7	3.7	5.7	8.9	7.2	12.3
Income from unconsolidated affiliate	1.0	1.0	2.8	2.9	3.7	3.9
Interest expense	(14.5 )	(13.3 )	(44.3 )	(44.1 )	(57.0 )	(58.8 )
<b>INCOME BEFORE INCOME TAXES</b>	51.8	55.2	231.3	228.0	327.6	325.5
Income taxes	(18.0 )	(19.1 )	(83.1 )	(81.7 )	(117.8 )	(115.5 )
<b>NET INCOME</b>	\$33.8	\$36.1	\$148.2	\$146.3	\$209.8	\$210.0
<b>Earnings Per Common Share</b>						
Basic	\$0.20	\$0.21	\$0.84	\$0.83	\$1.18	\$1.19
Diluted	0.19	0.20	0.83	0.82	1.18	1.17
<b>Weighted-average common shares outstanding</b>						
Used in basic calculation	175.4	177.5	177.0	177.3	177.2	177.1
Used in diluted calculation	176.5	178.9	178.1	178.7	178.3	178.8
Dividends per common share	\$0.17	\$0.1525	\$0.495	\$0.4575	\$0.6575	\$0.5975

See notes accompanying the financial statements

QUESTAR CORPORATION  
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 (Unaudited)

	3 Months Ended September 30, 2012		2011		9 Months Ended September 30, 2012		2011		12 Months Ended September 30, 2012		2011	
	(in millions)											
Net income	\$33.8	\$36.1	\$148.2	\$146.3	\$209.8	\$210.0						
Other comprehensive income (loss):												
Pension and other postretirement benefits	—	—	—	—	(159.9	) 34.0						
Interest rate cash flow hedges	0.2	(37.0	) 0.4	(36.2	) (0.6	) (36.2	)					
Long-term investment	0.1	—	0.1	—	0.1	—						
Income taxes	(0.2	) 13.7	(0.3	) 13.4	61.3	0.3						
Net other comprehensive income (loss)	0.1	(23.3	) 0.2	(22.8	) (99.1	) (1.9	)					
COMPREHENSIVE INCOME	\$33.9	\$12.8	\$148.4	\$123.5	\$110.7	\$208.1						

See notes accompanying the financial statements

QUESTAR CORPORATION  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (Unaudited)

	Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
	(in millions)		
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$—	\$—	\$11.6
Accounts receivable, net	60.0	74.8	123.9
Unbilled gas accounts receivable	10.6		