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## News Release

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(UT)

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### Questar Gas Requests Rate Increase

SALT LAKE CITY — Questar Gas is requesting a [20.3 percent increase](#) in its Utah rates to cover the higher costs of purchasing natural gas for its customers. If the Public Service Commission of Utah (PSC) approves the request, the average monthly bill for the typical residential customer will increase by about \$18 on Nov. 1.

“Questar Gas typically asks for PSC approval twice yearly to adjust rates to reflect the changing costs of natural gas that we buy in the open market on behalf of our customers,” said Alan Allred, Questar Gas president and CEO. “These costs are passed on to customers with no markup.

“Market prices for natural gas in the Rockies have more than doubled over the past year, driven by rising global oil prices and domestic supply constraints, including hurricane-related damage to gas-production facilities. Fortunately for our customers, the other half of our supply comes from company-owned gas reserves.

“[Our company-owned gas has saved customers more than \\$377 million](#) in this filing. Without this supply, customers would be facing a 60 percent increase at this time,” said Allred. “Company-owned gas is delivered to our customers at ‘cost-of-service’ pricing, which means the costs of producing the gas instead of market prices. The cost to develop and produce company gas, at less than \$4 per decatherm, is considerably lower

and less volatile than the cost of gas we purchase from third-party suppliers, which is currently more than \$10 per decatherm.”

About 78 percent of a customer’s bill reflects the cost of the gas itself. The remainder consists of non-gas costs such as system maintenance and other expenses related to delivering gas to customers. These [non-gas costs have remained stable for several years.](#)

“We want what our customers want: reliable service at reasonable prices. With continuing upward pressure on prices, we’re doing all we can to manage our gas-supply costs,” said Allred.

In late September, Questar Gas requested a 13.4 percent increase, but asked the PSC to delay implementing that change until hurricane-related market volatility could be assessed. The company and PSC use third-party pricing forecasts to determine the level of adjustment that should be reflected in the gas-cost portion of the utility’s rates. These forecasts have caused the company to reconsider and adjust its original request.

The company is suggesting a few things to help cope with fluctuating gas prices. “We encourage customers to visit our Web site, [Questargas.com](http://Questargas.com), for energy-saving tips and to enroll in our Budget Plan. Our Budget Plan is designed to help spread the annual cost of natural gas service evenly throughout the year,” said Allred. “We encourage customers to use energy wisely by properly maintaining their equipment, making sure their insulation is adequate and considering proven technology such as setback thermostats.”

In addition, funds may be available to help income-eligible customers pay their gas bills. Customers may obtain applications for federal funds by calling the Home Energy Assistance Target Program (HEAT). Another possible source is the Residential Energy Assistance through Community Help (REACH) program, which is supported by

voluntary donations from Questar Gas customers, employees and shareholders and administered by the Red Cross. REACH applicants must first apply for HEAT. The program runs year-round or until funds are exhausted. For more information visit [Questargas.com](http://Questargas.com).

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