

Nov. 2, 2005

(WY)

Contact: Chad Jones

Office: (801) 324-5495

Questar Gas Requests Rate Increase

SALT LAKE CITY — Questar Gas is requesting a 6.5 percent increase in its Wyoming rates to cover the higher costs of purchasing natural gas for its customers. If the Wyoming Public Service Commission (PSC) approves the request, the average monthly bill for the typical residential customer will increase by about \$7 on December 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, which are passed on to customers with no markup, have risen dramatically recently, driven by rising global oil prices and domestic supply constraints, including hurricane-related damage to gas-production facilities. Unfortunately that means we had to request another rate increase to pay these increasing costs.”

“Fortunately for our customers, the other half of our supply comes from locally-produced company-owned gas reserves. Our company-owned gas has saved customers more than \$13 million in this filing. Without this supply, customers would be facing a 40 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 73 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.

The company is suggesting a few things to help cope with fluctuating gas prices. “We encourage customers to visit our Web site, 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 Low Income Energy Assistance Program (LIEAP). Another possible source is Energy Share of Wyoming, which is supported by voluntary donations from Questar Gas customers, employees and shareholders and administered by the Salvation Army. Energy Share applicants must first apply for LIEAP. The program runs year-round or until funds are exhausted. For more information visit Questargas.com.

###