



News Release

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May 26, 2006
(N)
NYSE:STR
06-10

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Questar Gas settlement reduces rates Proposals to stabilize revenue to move forward

SALT LAKE CITY — The Public Service Commission of Utah (PSC) has approved a \$9.7 million reduction in natural gas rates effective June 1, 2006. Most of the decrease is due to reduced depreciation costs. This reduction is the result of a settlement reached after many months of discussions between Questar Gas Company, a subsidiary of Questar Corp. (NYSE:STR), the Utah Division of Public Utilities (DPU), the Utah Committee of Consumer Services and other interested parties

In response to the rising cost of buying gas for its customers, Questar Gas in December 2005 proposed a comprehensive three-year pilot program to promote energy conservation. The DPU and Utah Clean Energy (a public-interest group working to promote energy efficiency) joined the company in the request. The key feature of the proposal is a “conservation enabling tariff” (CET). The company’s current rate structure is a barrier to increased conservation efforts because energy conservation reduces company revenues and profits. Under the proposed CET, Questar Gas revenues would be decoupled from the volume of gas used by customers. Questar Gas would then work with customers to find ways to reduce natural gas consumption.

In exchange for the CET, the company proposed other rate reductions. Agreement on the majority of those proposals resulted in the \$9.7 million reduction in rates that has now been approved by the PSC.

“We’ve agreed in good faith to cut our rates, with the understanding that the parties will address the merits of the CET,” said Alan Allred, president and CEO of Questar Gas. “By removing the barriers to conservation we believe there is potential for energy-cost savings far in excess of this rate reduction.”

Utilities and public service commissions across the country have moved to restructure utility rates to remove disincentives for conservation. Despite broad state and national support, some parties in Utah are opposing the conservation enabling tariff. The PSC will hold hearings on the CET beginning June 26.

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For more information, visit Questar Gas’s Web site at: www.questargas.com.