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Questar Gas Requests Rate Increase

SALT LAKE CITY — Questar is requesting a 9.4 percent increase in its Wyoming natural gas rates to reflect higher gas-supply costs. If approved by the Wyoming Public Service Commission (PSC), the monthly bill for the typical residential customer will increase by about \$7.39 on Oct. 1, 2004.

Questar Gas typically asks for PSC approval twice yearly to adjust rates to reflect changing supply costs, which are passed on to customers with no markup. “The price we’re paying for supplies on the open market is higher than current rates cover,” said Alan Allred, Questar Gas president and CEO. “This request is being made now so we can keep up with higher prices this winter.

“Without our company-owned gas, our customers would be facing a 24 percent increase at this time,” said Allred. “About half the natural gas we provide customers comes from Questar Gas-owned reserves and is delivered to our customers at ‘cost-of-service’ pricing, which means the costs of producing the gas instead of market prices. Our ownership of gas reserves makes us unique in the industry. The cost to develop and produce this gas is considerably lower and more stable than the cost of gas we need to purchase from third-party suppliers.”

About two-thirds of a customer's bill reflects the cost of the gas itself. The other third consists of non-gas costs such as system maintenance and other expenses related to delivering gas to customers.

The company is encouraging its customers to do a few things to help cope with fluctuating gas prices. "We encourage customers look for energy-saving tips on our Web site, Questargas.com, and to enroll in our Budget Plan. It is designed to help spread the annual cost of natural gas service evenly throughout the year," said Allred.

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