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# News Release

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## **Questar Gas requests rate decrease**

SALT LAKE CITY -- Questar Gas today asked the Utah Public Service Commission (PSC) to approve a \$28.3 million decrease in its natural gas rates. This change is proposed to go into effect Feb. 1, 2006.

The decrease results from lower projected purchased-gas prices. Questar purchases about half of the gas it provides customers from outside suppliers. The rest comes from Questar Gas-owned reserves that are delivered to customers at “cost-of-service” pricing. This company-owned gas is currently significantly less expensive than gas purchased from outside suppliers.

“Questar Gas typically asks for PSC approval twice yearly to adjust rates to reflect the changing costs of natural gas that we buy 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, prices have recently fallen as Gulf Coast facilities and supplies have been restored. Also, demand is lower because winter temperatures have been above normal and Americans have conserved. Normally, we would wait and make this request in the spring, when the full impact of falling prices will be more clear. But we want to lower rates now so bills reflect falling gas prices as soon as possible.

“We understand the public’s frustration with high energy prices. But markets are working,

natural gas prices are coming down, and rates in Utah – already the lowest in the country – are also coming down.”

If this request is approved by the PSC, it will decrease the monthly bill for the typical residential customer about 2.5 percent. Because of increases in gas costs in 2005, the typical Equal Pay customer will still pay more for gas service than last February, based on the same usage.

This proposed decrease is in addition to an earlier \$10.2 million rate decrease proposed in December by Questar Gas, the Utah Division of Public Utilities and Utah Clean Energy. The PSC is now considering that proposal for a Conservation-Enabling Tariff that, if approved, has the potential to result in additional savings of \$19 million for Questar Gas customers.

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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