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## News Release

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### **Questar Gas asks Utah PSC to cut natural gas rates by about 9%; sixth-straight rate cut brings utility's rates back to 2004 levels**

SALT LAKE CITY — The cost of heating a Utah home is going down again this winter. Questar Gas today asked the Public Service Commission of Utah (PSC) to reduce natural gas rates for the sixth time in two years. If approved, the latest rate cut of \$89.6 million would lower the typical homeowner's annual bill by about 9 percent, beginning Nov. 1.

"We've got good news for our Utah customers," said Alan Allred, president and CEO of Questar Gas. "For the second winter in a row our natural gas costs are down, so we're passing the savings on to our customers. With this proposed rate cut, natural gas rates for our Utah customers will be back to about where they were in 2004."

"The wholesale price of natural gas spiked to record levels in 2005 after hurricanes knocked out 20 percent of U.S. natural gas production," Allred said. "Questar Gas, like other utilities across the country, had to increase its rates to cover the higher cost of buying natural gas on the wholesale market.

"But the market is working. High prices have stimulated higher investment in natural gas supply development in the Rockies. Regional natural gas production – primarily from public lands – is up. Our customers stand to benefit – higher production is driving prices back down," Allred added.

Combined, the six rate reductions will result in a \$262, or about 29 percent, annual savings for the typical Utah household when compared to the winter of 2005.

Questar Gas also has asked state regulators to continue to support the company's energy-

conservation programs. “Our conservation initiative is working – our customers are finding ways to reduce their use of natural gas. The PSC is reviewing our program and will decide whether it should be continued. We’ve urged them to do so,” said Allred.

“Our rates are consistently among the lowest in the U.S. These rate cuts and new conservation programs help us keep them among the lowest,” said Allred. However, he cautioned customers that, although national forecasts suggest stable natural gas prices through the winter, in the long term, natural gas prices will remain volatile. Prices are affected by supply interruptions and changes in demand due to weather and the economy. Regional prices are likely to go up once a major new pipeline is completed early next year,” he said.

For energy-saving tips, information about rebates or to enroll in our Budget Plan, please see our Web sites, [Questargas.com](http://Questargas.com) or [ThermWise.com](http://ThermWise.com),” Allred added.

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