



News Release

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October 3, 2007
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Questar Gas asks Wyoming PSC to cut rates by 9.07 percent; natural gas utility's rates now back to 2004 levels

SALT LAKE CITY — Questar Gas today asked the Wyoming Public Service Commission (PSC) to reduce natural gas rates for the fourth time in two years. If approved, the latest rate cut of \$3.6 million would lower the typical homeowner's annual bill by over 9 percent, beginning Nov. 1.

"We've got good news for our southwestern Wyoming customers. 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, our natural gas rates for our Wyoming customers will be back to about where they were in 2004," said Alan Allred, president and CEO of Questar Gas. "The wholesale price of natural gas spiked to record levels in 2005 after hurricanes knocked out 20 percent of U.S. natural gas production. 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 last four rate reductions will result in a \$274, or about 26 percent, annual savings for the typical southwestern Wyoming household when compared to the winter of 2005.

"Our rates are consistently among the lowest in the U.S. These rate cuts help us keep

them among the lowest,” said Allred. However, he cautioned customers that, although national forecasts are for 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. The regional oversupply will likely decrease after new pipelines begin service in 2008.

“As always, we encourage our customers to conserve. For energy-saving tips, or to enroll in our Budget Plan, please see our Web site, [Questargas.com](http://www.questargas.com),” Allred added.

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For more information, visit Questar’s Internet site at: <http://www.questar.com>.