



News Release

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RECORD COLD SNAP, RECORD NATURAL GAS DELIVERIES COULD MEAN RECORD BILLS

SALT LAKE CITY – Record cold on the Wasatch Front has resulted in a record for Questar Gas. Twenty consecutive days of sub-freezing temperatures during the first three weeks of January will go down as the highest three-week delivery period in Questar Gas’s 75-year history. Another result will be gas bills significantly higher than this time last year for some of the company’s 760,000 customers.

“Most customers know they will be paying more to stay warm as temperatures drop,” said Questar Gas President Alan Allred. “But when they start making year-to-year comparisons, they may not take into account other factors impacting their winter bills. If you remember, January 2003 was warm -- 25 percent warmer than normal. So far, this January has been about 24 percent colder than normal. In addition, increases in the cost of gas on the open market have led to rates about 21 percent higher than last January. Unfortunately for our customers, those facts all add up bills that could be about 60 percent higher than last year, depending on individual usage.”

Seventy-five years ago this month, Questar Gas predecessors began construction on the pipeline that has been delivering gas to the Wasatch Front since August 1929. The system has been making deliveries ever since without fail, but there has never been a sustained three-week test like this.

“Questar Gas’s distribution system is performing flawlessly despite the strain of record

volumes. It's designed to move about a billion cubic feet of natural gas per day, and we've got the supplies to deliver that much to customers if we have a peak-day event. During most years there are a few days that stretch the system, but it has been running at near capacity for the past three weeks. This performance is a credit to the Questar Gas employees who design, maintain and operate our system to reliably serve our Wasatch Front customers," said Allred.

Questar Gas bills by the heat content in the natural gas it delivers. On a customer's bill, the amount used is expressed in "decatherms." The typical Utah residential customer uses about 19 decatherms of gas in a typical January. Last year, because of warmer weather, average usage was 15 decatherms. This year, extreme temperatures should push the average residential usage to about 23 decatherms.

Natural gas prices have also been climbing. Last year a decatherm of delivered gas cost \$5.60; this year the same amount costs \$6.85. That cost would be \$7.67 if not for Questar Gas's unique company-owned reserves.

"About half of 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 and transporting the gas instead of market prices," said Allred. "These reserves make us unique in the industry. The cost to develop and deliver this gas is considerably lower and more stable than the cost of gas we need to purchase from third-party suppliers."

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