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# News Release

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May 5, 2004  
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## **Questar Gas Requests Rate Increase**

SALT LAKE CITY — Questar is requesting a five percent increase in its Utah natural gas rates to reflect higher gas-supply costs. If approved by the Utah Public Service Commission (PSC), the monthly bill for the typical residential customer will increase by about \$3.38 on June 1.

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. This change, combined with previous gas-cost changes during the last 12 months, will result in the typical customer paying about the same for gas as last summer, based on the same usage.

“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 Alan Allred, Questar Gas president and CEO. “Our ownership of gas reserves makes 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.”

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. As a percentage of household budgets, the annual bill for a typical customer in 2004 is still about what it was 15 years ago.

Still, the company is encouraging its customers to do a few things to help cope with fluctuating gas prices. “We encourage customers to enroll in our Equal Payment Program (EPP). It is designed to help spread the annual cost of natural gas service evenly throughout the year. July is the best month to sign up and customers can find more information in their June bills,” said Allred.

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For more information, VISIT QUESTAR'S INTERNET SITE at: <http://www.questar.com>.