



May 6, 2005
(UT)
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Questar Gas Requests Rate Increase

SALT LAKE CITY — Questar Gas is requesting a 14 percent increase in its Utah natural gas rates to reflect higher gas-supply costs. If this request is approved by the Public Service Commission of Utah (PSC), the monthly bill for the typical residential customer will increase by about \$11 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. “Demand for natural gas continues to grow due to its efficiency, cleanliness and reliability,” said Alan Allred, Questar Gas president and CEO. “However, the U.S. is still not adequately developing our most environmentally friendly fuel to keep pace with demand. The result is we’re paying higher prices for gas supplies than current rates cover.

“Without our company-owned gas, our customers would be facing a 35 percent increase at this time,” said Allred. “About half the natural gas we provide comes from Questar Gas-owned reserves and is delivered to our customers at ‘cost-of-service’ pricing, which means the costs of producing the gas instead of market prices. Our ownership of gas reserves makes us unique in the industry. The cost to develop and produce this gas is considerably lower and more stable than the cost of gas we need to purchase from third-party suppliers.”

Two-thirds of a customer's bill reflects the cost of the gas itself. The remainder consists of non-gas costs such as system maintenance and other expenses related to delivering gas to 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, for energy-saving tips and to enroll in our Budget Plan. The plan is designed to help spread the annual cost of natural gas service evenly throughout the year. This is the best time of year to sign up. Customers can find more information in their June bills," said Allred.

"But even more important in the long run will be support for a national energy policy. America is not running out of natural gas, and we're not running out of places to look for natural gas in this country. However, we are running out of places where we are *allowed* to look for gas. The truth that must be confronted is that, as a matter of policy, this country has chosen not to develop much of its natural gas resource base. Many of our customers are unaware that this choice has been made on their behalf.

"The question for Congress is this: Can we afford policies that leave vast amounts of our domestic natural gas resource base untested and undeveloped? If the consequences of these policies were understood, we believe most of our customers would answer 'no'," said Allred.

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