

Exhibit 2.7

To: Charles Darling

From : Roger Swenson

Date: 2/21/06

Subject: Questar business arrangements meeting

CC: Susan Davis, Questar
Bruce Rickenbock, Questar

I met with Susan Davis and Bruce Rickenbock on 2/15/06 to get an update on how the business arrangements would work concerning the compressor station upgrade we have been discussing for the improved service to Desert Power. The following is my understanding of where the issues stand at this time. I have copied Susan Davis and Bruce to make sure I have captured the essence of the business deal completely and accurately.

The first thing that was discussed was the credit that Questar could provide based on the projected non-gas revenues that would be paid by Desert Power. In previous discussion up through last spring that credit was equal to 30 months of the projected non-gas revenue. Susan indicated that there had been a change in perspective on whether or not Desert Power should deserve any credit as this was not a main line extension but rather a compressor station upgrade. She said that she was able to persuade management that this was in effect so similar that there should be consideration given based on usage. She said that they have a new model that shows that the utility should now only provide 24 months worth of non-gas revenue as the credit towards the upgrade at this time.

She said that they have run the projected usage of 3,350,000 Dths per year through their rates and determined that that would provide them with \$502,948 per year in revenue. The new economic model built by their tax department to determine what credit that they would now allow. Their model now will allow a credit based on 2 years of projected non-gas revenue, which is equivalent to \$1,005,896. They said that this is the amount of credit they could provide based on the model providing their allowed rate of return over a 10-year period. I asked Susan for a copy of this model so that I may try to understand the basis for the calculation and was told that would not be possible. She suggested that I build my own model and if the numbers come out differently than their model they will explain what I am doing wrong.

It is hard to know whether it would be productive to build the model as Susan suggested given that the \$1,000,000 credit is all she feels like the company is willing to go for on the credit side.

As part of the conditions for receiving the credit there would be a take or pay requirement associated with the usage as projected. If there is a shortfall in take you would be required to pay the shortfall volume times the prevailing transport rate. I suggested that it would make more sense to me to use a monetary value as a basis for the take or pay. She suggested that may be something we could propose back.

There would also be an LC required in the amount of the credit that would need to be in place for the first 2 years. This would assure them that they get their money back for their contribution in any event.

On operating cost Susan suggested that they would expect that if we went with the electric compressor we would need to pay for all operation cost. If we went to the gas their would not be any additional costs. I believe that the fair approach may be to agree that if there was a difference that could be borne by Desert Power. I believe that the maintenance costs for the electric compressor will be much lower than the costs for the gas reciprocating engine alternative and that should also be taken into account.

Concerning the reliability of the system, the degree of “Firmness” of the service would be conditioned on the compressor station operation. If there was a problem with the compressor then they would only use commercially reasonable efforts to keep your supplies coming through.

She also suggested that we continue to look at other alternatives such as the propane air or compressed natural gas or LNG for a back-up for interruptible service.