Customer and Gas Demand Forecast

Temperature Adjusted Decatherm Sales and Throughput Comparison – 2006 IRP and Actuals [For Utah and Wyoming Territories]

On a temperature-adjusted basis, Questar Gas' actual natural gas sales during 2006 totaled 107 million decatherms. This compares with the 104 million decatherms that were projected in last year's IRP. Average Utah GS-1 usage per customer ended the year at 112.0 decatherms compared to last year's base case forecast of 110.6 decatherms.

Temperature-adjusted-system throughput (decatherm sales plus decatherms transported) was 142 million decatherms in 2006 compared to last year's IRP forecast of 151 million decatherms for the same period. This decatherm difference from forecast can be attributed to the transportation rate schedule customers' electric generation plants not coming on line as originally anticipated.

Temperature Adjusted Decatherm Sales and Throughput Comparison – 2007 IRP and 2006 IRP

This year's forecast of system sales is anticipated to increase from 105 million decatherms in 2007 to 110 million decatherms in 2016. Last year's forecast projected system sales increasing from 105 million decatherms to 120 million decatherms for the same period. This slower long-term growth in system sales from this year's forecast compared to last year's is due to lower Utah GS-1 usage per customer. Last year's forecast for 2016 showed system GS year-end customers at 1,075,500 and annual Utah GS-1 usage per customer near 100.5 decatherms. This year's forecast for 2016 shows system GS year-end customers at 1,092,293 and annual Utah GS-1 usage per customer at 90.6 decatherms.

System throughput in this year's forecast grows from 167 million decatherms in 2007 to 174 million decatherms in 2016. Last year's forecast projected system throughput growing from 210 million decatherms to 212 million decatherms for the same period. In the 2006 IRP, the throughput forecast included "contracted" take-or-pay volumes for electric generation, which are needed for revenue calculations. In the 2007 IRP, the throughput forecast includes only the "expected" volumes for these electric generation customers. This results in a decrease in throughput volumes in the forecast of 58 million decatherms. This year's long term forecast uses Global Insight's published U.S. Energy Outlook as one of the inputs.

GS Base Case Usage Per Customer and Customer Additions

The Company primarily used two different models to derive long-term forecasts of usage per customer and number of customers. These two models are (1) the "Proxy Model" in which some of the model's key inputs include: a natural gas price term,

appliance life, appliance efficiencies, and appliance saturations; and (2) the "Forecast Pro Model" which uses trend analysis on customers and usage.

Temperature-adjusted Utah GS-1 usage per customer for the twelve months ended December 2005 was 112.3 decatherms; for the twelve months ended December 2006 it was 112.0 decatherms. The "Utah GS-1 Temp Adj Dth per Meter" graph shows that over the last 25 years the average annual usage per customer has dropped 57.5 decatherms or 34%. This year's forecast reflects this long-term trend. Utah GS-1 usage per customer for year-end 2007 is forecast to be 109.7 decatherms, and continues declining to 89.3 decatherms by 2017.

Utah GS-1 customer additions continue to be strong. It is anticipated that over 25,000 customers will be added in 2007 and approximately 23,000-24,000 customers in subsequent years of the 10-year forecast.

Temperature-adjusted Wyoming GS-1 usage per customer for the twelve months ended December 2005 was 142.4 decatherms; for the twelve months ended December 2006 it was 142.7 decatherms. Wyoming general service usage per customer for year-end 2007 is forecast to be 144.5 decatherms and declines to 142.6 by 2017.

Wyoming GS-1 year-end additions during the last 15 years have averaged 264 customers. With the recent increases in oil and gas exploration in southwest Wyoming, this year's IRP forecast has customer additions at 392 for 2007, then averaging 275 additions in subsequent years of the 10-year forecast.

Non-GS Base Case Gas Demand

System Non-GS Gas Demand changes slightly over the 10-Year Forecast period, growing from 72 million Dth in 2007 to 75 million Dth in 2017. The Forecast was derived first, by separating historical data into three sub-groups: Commercial, Industrial and Electric Generation. Then, regional natural gas sales growth rates from the Global Insight's "2006 U.S. Energy Outlook" were applied to each sector. Finally, known and measurable changes for these customers was gathered from Questar Gas' Marketing Representatives and included in the forecast.

Electric Generation is always difficult to forecast. It is closely tied to commodity pricing and its corresponding spark spread (difference between the market price of electricity and its cost of production) and temperatures during the summer months. In addition, in Utah one large new customer was added to the Non-GS Base Case Demand Forecast. This new customer is contracted to use approximately fifty percent more volumes annually than the System Total Non-GS of 48 million Dth seen in 2006.

Firm Customer Design-Day Gas Demand

As in prior years, the design-day demand projections are based on a one-in-twenty year (five occurrences in 100 years) weather event. More specifically, the design-day firm customer gas demand projection is based on a theoretical day where the mean temperature is –5 degrees Fahrenheit at the Salt Lake Airport weather station and correspondingly cold (one in twenty) temperatures are seen coincidentally across the Company's service territory.

Wind speed, appliance stock data, and prior days' temperatures are factors that have been statistically significant in predicting daily gas send-out during the peak of the winter heating season. These factors are also employed in making the forecast of daily gas sales to firm customers. The design-day demand projections distinguish between firm sales customers and firm transportation customers for gas supply and system capacity planning purposes.

The firm customer design-day gas supply projection for the 2007-2008 heating season is 1.163 million decatherms. This year's design-day projection grows to level of 1.205 million decatherms in the winter of 2016-2017.

The Utah and Wyoming Economic Outlook

Below is a review of recent history and the current economic outlook:

Summary of Utah Economy
Annual Percentage Change

Description	2001 – 2006	2006 - 2007	2006 - 2011	2006 – 2014
Population	1.9%	1.8%	1.8%	1.8%
Personal Income	5.6%	6.5%	5.9%	5.7%
Construction & Mining Employment	7.7%	7.4%	3.3%	1.6%
Manufacturing Employment	-0.2%	1.3%	0.2%	-2.8%
Non-Manufacturing Employment	2.4%	3.3%	2.4%	2.2%
Total Employment	2.1%	3.1%	2.2%	2.0%
Average Single-Family & Multi-Family Dwelling units	21,678	22,200	21,517	21,233

Summary of Wyoming Economy
Annual Percentage Change

Description	2001 – 2006	2006 - 2007	2006 - 2011	2006 – 2014
Population	0.7%	0.3%	0.3%	0.3%
Personal Income	6.8%	6.3%	5.7%	5.4%
Construction & Mining Employment	19.8%	5.0%	0.7%	1.0%
Manufacturing Employment	-0.1%	2.0%	0.4%	0.2%
Non-Manufacturing Employment	2.3%	2.5%	1.4%	1.1%
Total Employment	2.2%	2.5%	1.3%	1.0%

The U.S. Economic Outlook

Below is a review of recent history and the consensus economic outlook:

U.S. MACROECONOMIC FORECAST
Source: GLOBAL INSIGHT Review of the U.S. Economy

						Forecast	
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Real Gross Domestic Product 1/	0.8	1.6	2.5	3.9	3.2	3.3	2.1
GDP Price Index - Chain Wt. 1/	2.4	1.7	2.1	2.8	3.0	2.9	2.5
CPIU 1/	2.8	1.6	2.3	2.7	3.4	3.2	2.1
Real Disposable Income 1/	1.9	3.1	2.2	3.6	1.2	2.6	3.2
Pre-tax Profits 1/	-8.5	8.6	18.2	26.0	32.7	19.2	3.8
Unemployment Rate 3/	4.7	5.8	6.0	5.5	5.1	4.6	4.8
Housing Starts 4/	1.6	1.7	1.9	1.9	2.1	1.8	1.4
3-month Treasury Bills 3/	3.4	1.6	1.0	1.4	3.1	4.7	4.9
30-Year Treasury Bond Yield 3/	7.0	6.5	5.8	5.8	5.9	6.4	6.3
Trade Balance 2/	-389	-472	-528	-665	-792	-857	-806
Vehicle Sales – Total 4/	17.1	16.8	16.6	16.9	16.9	16.5	16.4
Real Non-Res Fixed Investment 1/	-4.2	-9.2	1.0	5.9	6.8	7.2	3.0
Industrial Production 1/	-3.5	0.0	1.1	2.5	3.2	4.0	1.8

1/ Annual Rate of Change (Percent)
2/ Billions of 1996 chained dollars
3/ Percent
4/ Million Units

Long-term U.S. Economic Outlook
Source: **GLOBAL INSIGHT** Review of the U.S. Economy

	2008	2009	2010	2011	2012	2013	2014
Real Gross Domestic Product 1/	2.8	3.3	3.1	2.6	2.5	2.4	2.6
GDP Price Index - Chain Wt. 1/	1.9	2.0	2.0	2.1	2.1	2.0	1.9
CPIU 1/	1.9	2.0	1.9	2.0	1.9	1.9	1.8
Real Disposable Income 1/	3.4	3.7	3.6	3.2	2.8	2.7	2.8
Pre-tax Profits 1/	2.6	1.2	-0.6	0.0	2.3	3.7	4.4
Unemployment Rate 3/	4.9	4.7	4.5	4.4	4.5	4.7	4.7
Housing Starts 4/	1.5	1.6	1.7	1.7	1.7	1.7	1.7
3-month Treasury Bills 3/	4.9	4.9	4.9	4.9	4.7	4.7	4.7
30-Year Treasury Bond Yield 3/	6.6	6.9	7.0	7.0	6.9	6.9	6.9
Trade Balance 2/	-804	-827	-822	-821	-782	-738	-708
Vehicle Sales - Total 4/	16.6	16.8	17.2	17.5	17.8	17.9	18.0
Real Non-Res Fixed Investment 1/	4.2	5.2	4.4	3.9	3.3	3.2	3.8
Industrial Production 1/	2.1	2.9	2.8	2.4	2.3	2.5	2.9

1/ Annual Rate of Change (Percent)
2/ Billions of 1996 chained dollars
3/ Percent
4/ Million Units

High Gas Demand and Low Gas Demand Case Scenarios for the General Service Customer Class

The high and low gas demand case 10-year forecast scenarios are included in the 2007 IRP. They were developed after reviewing the results of the Proxy Model, the Forecast Pro Model and a price elasticity model.

The General Service (GS) forecast for the high gas demand case is the result of the price elasticity model. The natural gas price forecast utilized in this model comes from Global Insight. Utah GS-1 usage per customer for year-end 2007 is forecast to be 111.6 decatherms, and continues declining to 106.4 by 2017.

The GS forecast for the low gas demand case is the result of a lower confidence interval used in the Forecast Pro Model which, as previously stated, uses trend analysis on customers and usage. The Forecast Pro Model used Box-Jenkins analysis due to the low irregularity of the historical data. Utah GS-1 usage per customer for year-end 2007 is forecast to be 109.3 decatherms, and continues declining to 81.3 by 2017.

Non-GS Low Gas Demand and High Gas Demand Case Scenarios

The Non-GS portion of the High Gas Demand Case incorporates a few modifications from the Base Case. Global Insight's Base Case growth factors were increased by one-half, and the one large electric generation customer's demand was increased by almost 14 million Dth annually, starting in 2009, with new plant additions.

The Non-GS portion of the Low Gas Demand Case also incorporates a few modifications to the Base Case. Global Insight's Base Case growth factors were reduced by half, and the one large electric generation customer's demand was reduced by almost 4 million Dth annually.

Forecast Exhibits

The following charts summarize the 10-year customer and gas demand forecast. All charts contain temperature-adjusted data.