

EXECUTIVE SUMMARY

Questar Gas Company (Questar Gas or Company) is a regulated natural gas utility company providing retail natural-gas-distribution service to more than 880,000 customers in Utah, southwestern Wyoming and several towns in southeastern Idaho. The Company is regulated by the Utah Public Service Commission (Utah Commission) and the Public Service Commission of Wyoming (Wyoming Commission).

Although the customer service base of Questar Gas continues to experience growth percentages that exceed industry averages, its retail natural gas rates are among the lowest in the nation. A primary contributing factor is the availability of cost-of-service natural gas supplies produced pursuant to the Wexpro Agreement.¹ Also contributing to these low rates are per-customer operating-and-maintenance costs that are lower than industry averages.

Questar Gas engages in an annual integrated resource planning (IRP) process. At the core of this process is the assessment of available resources through the utilization of a cost-minimizing linear-programming computer model. This report is a summary of the most recent annual IRP process.

This planning document, for the operating year extending from May 1, 2008 to April 30, 2009, is submitted to the Utah Commission in accordance with the following: 1) Modified IRP Guidelines for Questar Gas Company filed in Docket No. 97-057-06, April 17, 1998, and 2) the Report and Order issued in Docket No. 07-057-01, December 14, 2007. This document is also submitted to the Wyoming Commission pursuant to its Order issued in Docket No. 30010-GI-14.

The IRP process this year has resulted in the following pertinent planning guidelines:

1. A design-day firm demand of approximately 1.196 million decatherms (Dth) at the city gates for January 2009.
2. Approximately 51.6 million Dth of cost-of-service natural gas is planned assuming normal weather conditions, forecasted market prices for purchased gas, and the completion of new development drilling projects as planned.
3. A balanced portfolio of approximately 65.3 million Dth of purchased gas is projected.
4. Questar Gas should maintain flexibility in purchase decisions pursuant to the planning guidelines listed herein, because actual weather and load conditions will vary from normal conditions in the modeling simulation.

¹ See the "Cost-of-Service Gas" section of this report.

5. Questar Gas should undertake price stabilization measures for purchased gas contracts to help mitigate the risk of volatility in the marketplace.
6. Questar Gas should continue to monitor and manage producer imbalances.
7. In Utah, Questar Gas should continue in the identification and implementation of cost-effective demand-side-management (DSM) measures in conjunction with approval of the Conservation Enabling Tariff (CET)/DSM Pilot Program.

The following report is the eighteenth IRP to be prepared by Questar Gas and filed with Utah and Wyoming state regulatory agencies. Numerical data and qualitative information, including comments and suggestions, have come from many sources. Questar Gas acknowledges the contributions of all who have participated in the IRP process this year. Should there be questions, comments or requests for additional information, please direct them to:

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