

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 910,000 customers in Utah, southwestern Wyoming and two communities in southeastern Idaho. The Company is regulated by the Utah Public Service Commission (Utah Commission) and the Public Service Commission of Wyoming (Wyoming Commission).

Questar Gas and its predecessor companies have been providing natural gas service to residential, commercial and industrial customers since August of 1929 when an interstate pipeline transporting supplies from southwestern Wyoming was first connected to existing manufactured-gas distribution systems. Those manufactured-gas distribution systems were initially put in place to provide fuel for gas lamps, not heating. Since the arrival of natural gas in 1929, the uses for this clean, safe and abundant fuel have grown remarkably.

The conveyance of natural gas supplies from underground reservoirs to end-use customers involves relatively complex technologies. When coupled with the uncertainty of weather-driven demand, extensive planning processes are required by the Company in the provision of natural gas service.

During the 1980s, primarily in response to rapidly escalating electric costs, the concepts of integrated resource planning, least cost, avoided cost, and demand-side resources began to be articulated and clarified. It was a natural evolution to transfer these concepts from the electric industry to the natural gas industry. Questar Gas has been filing integrated resource plans with regulatory agencies since the early 1990s.

In recent years, both the Wyoming Commission and the Utah Commission have revisited the rules and guidelines governing integrated resource planning within their jurisdictions (see the Introduction and Background section of this report). Questar Gas submits this planning document, for the operating year extending from June 1, 2011 to May 31, 2012, to the Utah Commission in accordance with the following: 1) the Report and Order issued March 31, 2009 in Docket No. 08-057-02, 2) the Report and Order issued March 22, 2010 in Docket No. 09-057-07, and 3) the Report and Order issued October 27, 2010 in Docket No. 10-057-06. The first Utah order established new integrated resource planning guidelines and the second and third Utah orders clarified certain planning requirements. Since the issuance of these orders, the Company has met on numerous occasions with Utah regulatory agencies and interested parties to discuss and further clarify these new planning requirements. The Company agrees with the Utah Commission that this Integrated Resource Plan (IRP) process is “ongoing” and “is expected to evolve over time.”

This document is also submitted to the Wyoming Commission pursuant to the following: 1) the Order issued May 21, 1992 in Docket No. 30010-GI-14, and 2) the Rule 253 of the Commission Procedural Rules and Special Regulations Regarding Integrated Resource Planning, approved May 12, 2009 by the Wyoming Commission in Docket No.

90000-107-XO-09. (Additional information on integrated resource planning in Wyoming is also contained in the Introduction and Background section of this report.)

The IRP process this year has resulted in the following key findings:

1. A design-day firm demand of approximately 1.28 million decatherms (Dth) at the city gates for the 2011 to 2012 heating season;
2. A cost-of-service natural gas production level of approximately 70.1 million Dth assuming the completion of new development drilling projects;
3. A balanced portfolio of natural gas purchases of approximately 45.2 million Dth;
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 assumed conditions in the modeling simulation;
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; and
7. In Utah and Wyoming, Questar Gas should continue to incorporate cost-effective energy-efficiency measures.

The preparation of this planning document is dependent on information from many sources. Questar Gas acknowledges the contributions of all who have participated in the IRP process this year. In the event there are questions, comments or requests for additional information, please direct them to:

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