

Questar Pipeline Company

Open Season Southern System Main Line No. 104 Extension Project

Open season to allow Existing Firm Shippers to permanently amend receipt points to Fidlar Hub Area on QPC's southern system.

Questar Pipeline Company (QPC) is holding an open season to solicit binding support for construction of 23 miles of 24-inch pipeline, along with additional compression, in order to extend its Main Line No. 104 from the Green River Block Valve to the Fidlar Compressor Station. This proposed project will increase receipt point flexibility on the Southern System and provide existing firm shippers with the ability to permanently amend their primary receipt points to Fidlar from any receipt points between QPC's Fidlar Hub Area and QPC's Goshen delivery point into Kern River Gas Transmission.

The proposed project will provide receipt point amendment capability of about 100,000 Dth/day to those shippers who hold capacity between Fidlar and Goshen with Goshen and Wasatch Front delivery points and shippers who hold capacity between Goshen and Fidlar with delivery points on QPC's northern system and TransColorado.

The specific facilities required will be determined based on the response to this Open Season. **Questar anticipates that new facilities can be in service by 4th quarter 2010.**

RATES AND TERM

For Shippers with discounted transportation rates, the minimum acceptable rate is the QPC maximum tariff rate indicated below.

For those Shippers with receipt points between Fidlar and Goshen with delivery at Goshen, the rate shall be QPC's maximum rates as stated in its FERC Gas Tariff, First Revised Volume No. 1, Statement of Rates, are as follows:

SSXP Reservation Charge Maximum	\$ 7.82712 /Dth/month
Usage Charge and ACA 100 % Load Factor Rate Maximum	\$ 0.00457 /Dth \$0.2619/Dth

For those Shippers with receipt points between Goshen and Fidlar with delivery points on QPC's Northern System, to the Wasatch Front, or to TransColorado, the rate shall be QPC's maximum rates as stated in its FERC Gas Tariff, First Revised Volume No. 1, Statement of Rates, are as follows:

System wide Reservation Charge Maximum	\$5.28804/Dth/month
Usage Charge	\$0.00267/Dth
100% Load Factor Rate Maximum	\$0.17652/Dth

These rates do not include fuel or Lost and Unaccounted for (L&U) charges. Amendment requests must be for a minimum ten year term extension from the original term end date of the existing firm agreement.

LENGTH OF OPEN SEASON

The open season will begin at 8:00 a.m., MCT, on December 15, 2008 and conclude 5:00 MCT, on January 30, 2008.

SUBMISSION OF RECEIPT POINT AMENDMENTS

Existing firm shippers must request receipt point amendments through the submission of the attached Firm Transportation Service Amendment Form. Completed amendments must meet the requirements for rate and term extension. The usage charge, ACA, fuel reimbursement and any other applicable charges will be in addition to the reservation charge. Please contact your marketing representative if you require assistance in completing the Firm Transportation Service Amendment Form.

AWARDING OF CAPACITY

Bids will be ranked based on the following present value calculation:

$$(\text{Monthly Reservation Charge per unit}) \times \frac{[1-(1+i)^{-n}]}{i} = \text{Present Value per unit}$$

Where: i = interest rate per month, i.e., overall rate of return divided by 12 months
n = term of the agreement, in months

However, Questar Pipeline may give priority to Bids that maximize available pipeline capacity and optimize pipeline operating efficiencies.

If the calculations yield a present value which is the same for two or more shippers and capacity is insufficient to serve the requests of those shippers, Questar Pipeline will allocate the available capacity based upon the date of receipt with the earlier Bid receiving all of its requested capacity and any remaining capacity going to the later bidder. If all Bids are received on the same day, the capacity will be allocated pro rata based upon volumes requested by those shippers.

Based on the Bids received during the open season, if Questar Pipeline determines that it will proceed with this project, Shippers with the highest value ranking will be notified by February 13, 2009. The Bids will provide the basis for securing the necessary authorizations for construction. Questar Pipeline will notify the FERC and upon receipt of all approvals, construction will commence. Questar Pipeline specifically reserves the right to decline to pursue any project regardless of the terms of the Bids it receives.

CONDITIONAL BIDS

Questar Pipeline will evaluate all Bids to determine whether they meet Questar Pipeline's economic requirements for this project. Questar Pipeline shall have no obligation to accept Bids from Shippers containing conditions or modifications which, in its sole discretion, are unacceptable to Questar Pipeline. Acceptance of Bids that do not meet Questar Pipeline's minimum economic requirements shall be at Questar Pipeline's sole discretion.

If you need additional information or have a question about the open season please call Tom Myrberg at (801)324-2978 or Martin Anderson at (801)324-2017 or visit the Questar web site at <http://www.questarpipeline.com>.

If you are unable to open the PDF files and would like us to fax a copy, please call Derby Flygare at (801)324-2041.

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