

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report - August 1, 2003

(Date of earliest event reported)

QUESTAR GAS COMPANY

(Exact name of registrant as specified in charter)

STATE OF UTAH

(State of other jurisdiction of
incorporation or organization)

1-935

(Commission File No.)

87-0155877

(I.R.S. Employer
Identification No.)

P.O. Box 45360, 180 East 100 South Street, Salt Lake City, Utah 84145-0360

(Address of principal executive offices)

Registrant's telephone number, including area code (801 324-5555)

Not Applicable

(Former name or former address, if changed since last report)

Item 5. Other Events and Regulation FD Disclosure.

On August 1, 2003, the Utah Supreme Court issued an order reversing a decision made by the Public Service Commission of Utah (PSCU) in August of 2000 concerning certain processing costs incurred by Questar Gas Company (Questar Gas or the Company). Specifically, the court ruled that the PSCU did not comply with its statutory responsibilities and regulatory procedures when approving a stipulation in the general rate case that the Company filed in December of 1999. This stipulation permitted Questar Gas to reflect \$5 million in rates per year to recover costs incurred to reduce carbon dioxide in gas volumes delivered to the Company's customers. The Utah court's order was issued in response to an appeal taken by the Committee of Consumer Services, a Utah state agency that opposed the PSCU's decision approving the stipulation.

Regulatory treatment of processing costs has been an issue of contention for the past four years. See the Company's Annual Report on Form 10-K for 2002, Items 1. and 2. Business and Properties, "Regulation," for a discussion of cases and regulatory proceedings involving such costs.

Questar Gas, in order to ensure customer safety and give its customers additional time to adjust the combustion settings of appliances to handle lower Btu-gas, determined in 1998 to enhance the heating value of gas volumes by contracting with an affiliate to have carbon dioxide removed and agreeing to pay the costs associated with this activity. The PSCU refused to allow the Company to include such costs in pass-through cases, but subsequently approved the stipulation described above. The Utah Supreme Court, in an order issued in October of 2001, determined that the PSCU was not precluded from considering such processing costs in pass-through proceedings. The PSCU subsequently permitted the Company to recover processing costs incurred prior to the effective date of the stipulation.

The Company strongly believes that it acted prudently and in the best interests of its customers to incur the processing costs and will pursue legal and regulatory avenues to recover processing costs incurred historically and to collect such costs in future rates. Pending such actions, Questar Gas and its parent, Questar Corporation, are recording an after-tax reduction of \$13.6 million to previously reported results for the three- and six-month periods ending June 30, 2003. Recording the liability will have no material impact on cash, credit or liquidity of Questar or Questar Gas.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUESTAR GAS COMPANY
(Registrant)

August 4, 2003

/s/ Alan K. Allred

Alan K. Allred
President and Chief Executive Officer

End of Filing