QUESTAR GAS CO

FORM 10-Q
(Quarterly Report)

Filed 08/07/08 for the Period Ending 06/30/08

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended June 30, 2008

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

QUESTAR GAS COMPANY

(Exact name of registrant as specified in its charter)

STATE OF UTAH	**333-69210**	**87-0155877**
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

180 East 100 South Street, P.O. Box 45360 Salt Lake City, Utah 84145-0360
(Address of principal executive offices)
Registrant's telephone number, including area code **(801) 324-5555**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X] (Do not check if a smaller reporting company)	Smaller reporting company	[ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

On July 31, 2008, 9,189,626 shares of the registrant's common stock, $2.50 par value, were outstanding. All shares are owned by Questar Corporation.

Registrant meets the conditions set forth in General Instruction H (1) (a) and (b) of Form 10-Q and is filing this form with the reduced disclosure format.

Questar Gas Company
Form 10-Q for the Quarter Ended June 30, 2008

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

QUESTAR GAS COMPANY
STATEMENTS OF INCOME
(Unaudited)

	3 Months Ended June 30,		6 Months Ended June 30,		12 Months Ended June 30,	
	2008	2007	**2008**	2007	**2008**	2007
			(in millions)			
REVENUES						
From unaffiliated customers	**$159.5**	$141.7	**$549.7**	$548.2	**$929.1**	$958.5
From affiliated companies	**2.3**	2.1	**4.3**	3.2	**6.0**	5.9
Total Revenues	**161.8**	143.8	**554.0**	551.4	**935.1**	964.4
OPERATING EXPENSES						
Cost of natural gas sold (excluding operating expenses shown separately)	**116.8**	101.4	**409.6**	412.4	**684.4**	725.1
Operating and maintenance	**19.5**	16.2	**41.3**	37.3	**77.4**	72.1
General and administrative	**10.5**	11.1	**21.0**	22.6	**43.9**	44.1
Depreciation and amortization	**10.3**	9.6	**20.5**	19.1	**40.2**	37.8
Other taxes	**3.6**	3.6	**7.1**	7.2	**11.4**	11.5
Total Operating Expenses	**160.7**	141.9	**499.5**	498.6	**857.3**	890.6
Operating Income	**1.1**	1.9	**54.5**	52.8	**77.8**	73.8
Interest and other income	**1.6**	2.1	**3.0**	4.0	**6.4**	7.6
Interest expense	**(6.1)**	(5.9)	**(11.7)**	(11.9)	**(23.6)**	(23.6)
Income (Loss) Before Income Taxes	**(3.4)**	(1.9)	**45.8**	44.9	**60.6**	57.8
Income taxes	**(1.4)**	(0.8)	**17.2**	16.9	**22.6**	21.5
Net Income (Loss)	**($2.0)**	($1.1)	**$28.6**	$ 28.0	**$38.0**	$ 36.3

See notes accompanying the financial statements

QUESTAR GAS COMPANY
CONDENSED BALANCE SHEETS

	June 30, 2008	June 30, 2007	December 31, 2007
	(Unaudited)		
		(in millions)	
ASSETS			
Current Assets			
Cash and cash equivalents			$ 4.1
Note receivable from Questar		$16.8	
Accounts receivable, net	**$54.0**	41.0	76.1
Unbilled gas accounts receivable	**12.2**	7.6	78.2
Accounts receivable from affiliates	**2.3**	2.5	2.7
Gas stored underground	**34.2**	33.5	42.9
Materials and supplies	**11.5**	11.3	9.3
Regulatory assets	**13.9**	7.4	9.4
Prepaid expenses and other	**1.1**	3.5	4.5
Purchased-gas adjustment	**12.0**		
Total Current Assets	**141.2**	123.6	227.2
Property, plant and equipment	**1,596.9**	1,460.6	1,539.2
Accumulated depreciation and amortization	**(644.6)**	(612.7)	(630.3)
Net Property, Plant and Equipment	**952.3**	847.9	908.9
Regulatory assets	**18.5**	19.0	19.1
Goodwill	**5.6**	5.6	5.6
Other noncurrent assets	**7.9**	6.2	6.9
Total Assets	**$1,125.5**	$1,002.3	$1,167.7
LIABILITIES AND COMMON SHAREHOLDER'S EQUITY			
Current Liabilities			
Checks outstanding in excess of cash balances	**$2.3**	$3.8	
Notes payable to Questar	**51.4**		$ 72.9
Accounts and other payables	**58.2**	56.2	134.6
Accounts payable to affiliates	**47.7**	31.2	32.6
Customer-credit balances	**9.0**	16.4	34.1
Purchased-gas adjustment		54.1	58.1
Current portion of long-term debt		53.0	43.0
Total Current Liabilities	**168.6**	214.7	375.3
Long-term debt, less current portion	**370.0**	270.0	270.0
Deferred income taxes	**134.5**	119.8	123.0
Other long-term liabilities	**66.2**	53.4	58.7
COMMON SHAREHOLDER'S EQUITY			
Common stock	**23.0**	23.0	23.0
Additional paid-in capital	**147.3**	116.3	116.7
Retained earnings	**215.9**	205.1	201.0
Total Common Shareholder's Equity	**386.2**	344.4	340.7
Total Liabilities and Common Shareholder's Equity	**$1,125.5**	$1,002.3	$1,167.7

See notes accompanying the financial statements

QUESTAR GAS COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	6 Months Ended June 30,	
	2008	2007
	(in millions)	
OPERATING ACTIVITIES		
Net income	**$28.6**	$28.0
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	**22.3**	21.0
Deferred income taxes	**16.2**	1.1
Share-based compensation	**0.6**	0.3
Changes in operating assets and liabilities	**(39.1)**	42.9
Net Cash Provided From Operating Activities	**28.6**	93.3
INVESTING ACTIVITIES		
Capital expenditures	**(82.3)**	(57.5)
Cash used in asset dispositions	**(3.0)**	(0.3)
Proceeds from asset dispositions	**0.1**	1.2
Affiliated-company property, plant and equipment transfers		(0.6)
Net Cash Used In Investing Activities	**(85.2)**	(57.2)
FINANCING ACTIVITIES		
Checks outstanding in excess of cash balances	**2.3**	3.8
Change in notes receivable from Questar		(16.8)
Change in notes payable to Questar	**(21.5)**	(13.2)
Long-term debt issued, net of issuance costs	**148.4**	
Long-term debt repaid	**(93.0)**	
Equity contribution	**30.0**	
Dividends paid	**(13.7)**	(13.5)
Net Cash Provided From (Used In) Financing Activities	**52.5**	(39.7)
Change in cash and cash equivalents	**(4.1)**	(3.6)
Beginning cash and cash equivalents	**4.1**	3.6
Ending Cash and Cash Equivalents	**$ -**	$ -

See notes accompanying the financial statements

Note 1 – Nature of Business

Questar Gas Company (Questar Gas or Company) is a wholly-owned subsidiary of Questar Corporation (Questar). The Company provides retail natural gas distribution in Utah, southwestern Wyoming and a small portion of southeastern Idaho. Questar Gas is regulated by the Public Service Commission of Utah (PSCU) and the Public Service Commission of Wyoming (PSCW). The Public Utility Commission of Idaho has contracted with the PSCU for rate oversight of Questar Gas's Idaho operations.

Note 2 – Basis of Presentation of Interim Financial Statements

The interim financial statements were prepared in accordance with U.S. generally accepted accounting principles (GAAP) and with the instructions for quarterly reports on Form 10-Q and Regulations S-X and S-K. The interim financial statements reflect all normal, recurring adjustments and accruals that are, in the opinion of management, necessary for a fair presentation of financial position and results of operations for the interim periods presented. Interim financial statements do not include all of the information and notes required by GAAP for audited annual financial statements. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. Certain reclassifications were made to prior-period financial statements to conform with the current presentation.

The preparation of the financial statements and notes in conformity with GAAP requires that management make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from estimates. The results of operations for the three, six and twelve months ended June 30, 2008, are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

Note 3 – Financing

In February 2008, Questar Gas filed a shelf registration with the Securities and Exchange Commission to sell up to $150 million of debt securities and to use the net proceeds to repay intercompany demand notes, to repay debt maturing in early 2008 and to finance certain capital expenditures as well as for general corporate purposes, including working capital. In March 2008, Questar Gas sold $50 million of 10-year notes with a 6.3% interest rate and $100 million of 30-year notes with a 7.2% interest rate.

Note 4 – Questar Gas Equity Issue

In the first quarter of 2008, Questar Gas received $30.0 million of common equity from Questar and used the proceeds to repay $30.0 million of notes payable due to Questar.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion updates information as to Questar Gas's financial condition provided in its previous Form 10-K filing, and analyzes the changes in the results of operations between the three-, six- and twelve-month periods ended June 30, 2008 and 2007. For definitions of commonly used terms found in this Form 10-Q, please refer to the "Glossary of Commonly Used Terms" provided in the Company's 2007 Form 10-K.

RESULTS OF OPERATIONS

Questar Gas, which provides retail natural gas distribution services in Utah, Wyoming and Idaho, reported a net loss of $2.0 million in the second quarter of 2008 compared with a loss of $1.1 million in the second quarter of 2007. Net income was $28.6 million in the first half of 2008 compared with $28.0 million in the first half of 2007. Net income for the 12 months ended June 30, 2008, was $38.0 million compared with $36.3 million in the 12 months ended June 30, 2007. Operating income decreased $0.8 million in the second quarter of 2008 compared to 2007. First-half 2008 operating income increased $1.7 million due primarily to higher revenues from new-customer growth. Operating income for the 12 months ended June 30, 2008, was $77.8 million compared with $73.8 million for the 12 months ended June 30, 2007. Following is a summary of Questar Gas financial and operating results:

	3 Months Ended June 30,			6 Months Ended June 30,			12 Months Ended June 30,		
	2008	2007	Change	**2008**	2007	Change	**2008**	2007	Change
Operating Income									
REVENUES									
Residential and commercial sales	**$142.0**	$128.2	$13.8	**$518.0**	$520.4	($2.4)	**$874.2**	$904.9	($30.7)
Industrial sales	**3.1**	2.3	0.8	**6.0**	5.1	0.9	**10.8**	10.6	0.2
Transportation for industrial customers	**2.1**	2.3	(0.2)	**4.4**	4.6	(0.2)	**9.7**	8.3	1.4
Service	**1.6**	1.6		**3.2**	3.4	(0.2)	**5.7**	6.3	(0.6)
Other	**13.0**	9.4	3.6	**22.4**	17.9	4.5	**34.7**	34.3	0.4
Total Revenues	**161.8**	143.8	18.0	**554.0**	551.4	2.6	**935.1**	964.4	(29.3)
Cost of natural gas sold	**116.8**	101.4	15.4	**409.6**	412.4	(2.8)	**684.4**	725.1	(40.7)
Margin	**45.0**	42.4	2.6	**144.4**	139.0	5.4	**250.7**	239.3	11.4
OTHER OPERATING EXPENSES									
Operating and maintenance	**19.5**	16.2	3.3	**41.3**	37.3	4.0	**77.4**	72.1	5.3
General and administrative	**10.5**	11.1	(0.6)	**21.0**	22.6	(1.6)	**43.9**	44.1	(0.2)
Depreciation and amortization	**10.3**	9.6	0.7	**20.5**	19.1	1.4	**40.2**	37.8	2.4
Other taxes	**3.6**	3.6		**7.1**	7.2	(0.1)	**11.4**	11.5	(0.1)
Total Other Operating Expenses	**43.9**	40.5	3.4	**89.9**	86.2	3.7	**172.9**	165.5	7.4
Operating Income	**$ 1.1**	$1.9	($0.8)	**$54.5**	$52.8	$1.7	**$77.8**	$ 73.8	$ 4.0
Operating Statistics									
Natural gas volumes (MMdth)									
Residential and commercial sales	**19.2**	15.1	4.1	**69.1**	61.0	**8.1**	**114.2**	104.2	10.0
Industrial sales	**0.5**	0.4	0.1	**0.9**	0.8	**0.1**	**1.7**	1.6	0.1
Transportation for industrial customers	**13.4**	11.0	2.4	**29.4**	20.9	**8.5**	**62.3**	40.6	21.7
Total Industrial	**13.9**	11.4	2.5	**30.3**	21.7	**8.6**	**64.0**	42.2	21.8
Total Deliveries	**33.1**	26.5	6.6	**99.4**	82.7	**16.7**	**178.2**	146.4	31.8
Natural gas revenue (per dth)									
Residential and commercial sales	**$7.41**	$8.51	($1.10)	**$7.50**	$8.53	($1.03)	**$7.65**	$8.68	($1.03)
Industrial sales	**6.92**	5.88	1.04	**6.75**	6.39	0.36	**6.38**	6.64	($0.26)
Transportation for industrial customers	**$0.16**	$0.21	($0.05)	**$0.15**	$0.22	($0.07)	**$0.16**	$0.20	($0.04)
Colder (warmer) than normal temperatures	**31%**	(16%)	47%	**16%**	normal	16%	**11%**	2%	9%
Temperature-adjusted usage per customer (dth)	**16.4**	16.8	(0.4)	**65.6**	65.4	0.2	**111.0**	110.5	0.5
Customers at June 30, (thousands)	**881.5**	862.1	19.4						

Margin Analysis

Questar Gas margin (revenues less gas costs) increased $2.6 million in the second quarter of 2008 compared to the second quarter of 2007, $5.4 million in the first half of 2008 compared to the first half of 2007, and $11.4 million in the 12 months ended June 30, 2008 compared to the 12-months ended June 30, 2007. Following is a summary of major changes in Questar Gas margin:

	Change in margin		
	3 Months Ended June 30, 2008 to 2007	**6 Months Ended June 30, 2008 to 2007**	**12 Months Ended June 30, 2008 to 2007**
New customers	**$0.9**	**$2.9**	**$5.0**
Conservation-enabling tariff	**(1.2)**	**(2.3)**	**(2.0)**
Change in usage per customer		**2.8**	**4.9**
Demand-side management cost recovery	**0.4**	**1.6**	**2.2**
Recovery of gas-cost portion of bad-debt costs	**1.5**	**0.6**	**1.1**
Other	**1.0**	**(0.2)**	**0.2**
Increase	**$2.6**	**$5.4**	**$11.4**

At June 30, 2008, Questar Gas served 881,505 customers, up from 862,053 at June 30, 2007. New-customer growth increased margin by $2.9 million in the first half of 2008, and $5.0 million in the 12 months ended June 30, 2008.

Temperature-adjusted usage per customer decreased 2% in the second quarter of 2008, and increased slightly in both the first half of 2008, and the 12 months ended June 30, 2008 compared to the same periods of 2007. The impact on the Company margin from changes in usage per customer has been mitigated by a pilot conservation-enabling tariff (CET) that was approved by the PSCU beginning 2006. The CET resulted in a margin decrease of $2.3 million in the first half of 2008, partially offsetting the $2.8 million increase in margin resulting from usage per customer.

Weather, as measured in degree days, was 31% colder than normal in the second quarter of 2008, 16% colder than normal in the first half of 2008 and 11% colder than normal in the 12 months ended June 30, 2008. A weather-normalization adjustment on customer bills generally offsets financial impacts of moderate temperature variations.

Expenses

Cost of natural gas sold increased 15% in the second quarter of 2008 due to increased sales volumes. Cost of natural gas sold declined 1% in the first half of 2008 and declined 6% in the 12 months ended June 30, 2008 compared to the 2007 periods. Lower expenses per dth more than offset a 13% increase in volumes sold in the first half of 2008. Questar Gas accounts for purchased-gas costs in accordance with procedures authorized by the PSCU and the PSCW. Purchased-gas costs that are different from those provided for in present rates are accumulated and recovered or credited through future rate changes. As of June 30, 2008, Questar Gas had a $12.0 million under-collected balance in the purchased-gas adjustment account representing costs incurred that exceeded costs recovered from customers.

Operating and maintenance expenses increased 20% in the second quarter of 2008, 11% in the first half of 2008 and 7% in the 12 months ended June 30, 2008 compared to the same periods of 2007. The increase in operating and maintenance expense was due primarily to higher bad-debt costs. General and administrative expenses decreased 7% in the 2008 first half. Operating, maintenance, general and administrative expenses per customer were $71 in the first half of 2008 compared to $69 in the first half of 2007.

Depreciation expense increased 7% in the second quarter of 2008, 7% in the first half of 2008 and 6% in the 12 months ended June 30, 2008 compared to the 2007 periods. The increase in depreciation expense was primarily the result of plant additions from customer growth and system expansion.

General Rate Case

In December 2007, Questar Gas filed a general rate case in Utah requesting an increase in rates of $27.0 million, including an authorized return on equity of 11.25%. The Company subsequently modified its request to $22.2 million to reflect a change in test year ordered by the PSCU and the impact of tax law changes on rate base. In the second quarter of 2008, Questar Gas received an order from the PSCU increasing rates by $12.0 million. The PSCU reduced the Questar Gas’s allowed return on equity from 11.2% to 10.0%. The new rates will be effective in mid-August 2008.

Forward-Looking Statements
This quarterly report may contain or incorporate by reference information that includes or is based upon "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, prospective services or products, future performance or results of current and anticipated services or products, exploration efforts, expenses, the outcome of contingencies such as legal proceedings, trends in operations and financial results.

Any or all forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining actual future results. These statements are based on current expectations and the current economic environment. They involve a number of risks and uncertainties that are difficult to predict. These statements are not guarantees of future performance. Actual results could differ materially from those expressed or implied in the forward-looking statements. Among factors that could cause actual results to differ materially are:

- the risk factors discussed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2007;
- general economic conditions, including the performance of financial markets and interest rates;
- changes in industry trends;
- changes in laws or regulations; and
- other factors, most of which are beyond the Company's control.

Questar Gas undertakes no obligation to publicly correct or update the forward-looking statements in this quarterly report, in other documents, or on the Web site to reflect future events or circumstances. All such statements are expressly qualified by this cautionary statement.

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures.
The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of June 30, 2008. The effectiveness of the Company's internal control over financial reporting was assessed using criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework.* Based on such evaluation, such officers have concluded that, as of June 30, 2008, the Company's disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to the Company's reports filed or submitted under the Exchange Act. The Company's Chief Executive Officer and Chief Financial Officer also concluded that the controls and procedures were effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management including its principal executive and financial officers or persons performing similar functions as appropriate to allow timely decisions regarding required disclosure.

This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Controls.
There were no changes in the Company's internal controls over financial reporting that occurred during the quarter ended June 30, 2008, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS.

a. The following exhibits are filed as part of this report:

Exhibit No.	Exhibits
31.1.	Certification signed by Alan K. Allred, Questar Gas Company's President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2.	Certification signed by S. E. Parks, Questar Gas Company's Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certification signed by Alan K. Allred and S. E. Parks, Questar Gas Company's President and Chief Executive Officer and Vice President and Chief Financial Officer, respectively, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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 7, 2008

/s/Alan K. Allred
Alan K. Allred
President and Chief Executive Officer

August 7, 2008

/s/S/ E. Parks
S. E. Parks
Vice President and Chief Financial Officer

Exhibits List

Exhibit No.	Exhibits
31.1.	Certification signed by Alan K. Allred, Questar Gas Company's President and Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2.	Certification signed by S. E. Parks, Questar Gas Company's Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certification signed by Alan K. Allred and S. E. Parks, Questar Gas Company's President and Chief Executive Officer and Vice President and Chief Financial Officer, respectively, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.1.

CERTIFICATION

I, Alan K. Allred, certify that:

1. I have reviewed this report of Questar Gas Company on Form 10-Q for the period ended June 30, 2008;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2008

/s/Alan. K. Allred
Alan K. Allred
President and Chief Executive Officer

Exhibit 31.2.

CERTIFICATION

I, S. E. Parks, certify that:

1. I have reviewed this report of Questar Gas Company on Form 10-Q for the period ended June 30, 2008;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 7, 2008

/s/S. E. Parks
S. E. Parks
Vice President and Chief Financial Officer

Exhibit No. 32.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report of Questar Gas Company (the Company) on Form 10-Q for the period ended June 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the Report), Alan K. Allred, President and Chief Executive Officer of the Company, and S. E. Parks, Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

QUESTAR GAS COMPANY

August 7, 2008

/s/Alan K. Allred
Alan K. Allred
President and Chief Executive Officer

August 7, 2008

/s/S. E. Parks
S. E. Parks
Vice President and Chief Financial Officer