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QUESTAR CORP
Form U-3A-2/A
April 30, 2002

File No. 69-292

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

FORM U-3A-2/A FOR 2001

STATEMENT BY HOLDING COMPANY CLAIMING EXEMPTION
UNDER RULE U-2 FROM THE PROVISIONS OF THE PUBLIC
UTILITY HOLDING COMPANY ACT OF 1935

To Be Filed Annually Prior to March 1

QUESTAR CORPORATION
(Name of Company)

hereby files with the Securities and Exchange Commission, pursuant to Rule 2, its statement claiming exemption as a holding company from the provisions of the Public Utility Holding Company Act of 1935, and submits the following information:

1. NAME, STATE OF ORGANIZATION, LOCATION AND NATURE OF BUSINESS OF CLAIMANT AND EVERY SUBSIDIARY THEREOF, OTHER THAN ANY EXEMPT WHOLESALE GENERATOR (EWG) OR FOREIGN UTILITY COMPANY IN WHICH CLAIMANT DIRECTLY OR INDIRECTLY HOLDS AN INTEREST.

Questar Corporation ("Questar" or the "Company") is a Utah corporation with its principal executive office and principal place of business at 180 East 100 South Street, P.O. Box 45433, Salt Lake City, Utah 84145-0433. On October 2, 1984, the Company filed an initial Form U-3A-2 with the Securities and Exchange Commission following a holding company reorganization in which Questar Gas Company ("Questar Gas") became a subsidiary of Questar. Questar subsequently filed a Form U-3A-2 on March 1, 1985, and on or before each subsequent March 1 to the present time.

As a parent company, Questar provides certain administrative services, e.g., personnel, public relations, communications, tax, financial, and audit, to companies within the consolidated group. Questar has three direct subsidiaries: Questar Regulated Services Company, a Utah corporation ("Regulated Services"); Questar Market Resources, Inc., a Utah corporation ("Market

Resources"); and Questar InfoComm, Inc., a Utah corporation ("Questar InfoComm"). The Company owns 100 percent of the common stock issued by each of these directly held subsidiaries.

Regulated Services has three subsidiaries: Questar Gas, a Utah corporation; Questar Pipeline Company, a Utah corporation ("Questar Pipeline"); and Questar Energy Services, Inc. ("QES"). Questar Gas is engaged in the retail distribution of natural gas in the states of Utah, Wyoming, and Idaho. Questar Gas also transports natural gas for industrial users in Utah and Wyoming. Questar Gas's activities in Utah and Wyoming are subject to regulation by the respective Public Service Commissions in those states. Questar Gas has a contract to sell and transport natural gas to one customer in Colorado. This isolated activity is not subject to the jurisdiction of the Colorado Public

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Utilities Commission. Pursuant to a special contract with the Idaho Public Utilities Commission, Questar Gas's Idaho natural gas service is regulated by the Public Service Commission of Utah. Questar Gas's customers in Idaho are served under the provisions of its Utah tariff. Questar Pipeline currently transports and stores natural gas in interstate commerce in the Rocky Mountain states of Utah, Wyoming, and Colorado. It has several subsidiaries-Questar Transportation Services Company, Questar Southern Trails Company and Questar TransColorado, Inc. Each subsidiary is incorporated in Utah and conducts operating, pipeline or processing operations. QES performs energy management, appliance financing, and other activities.

Questar InfoComm owns data processing, communications, and electronic gas measurement equipment systems, and performs data processing, communications, and gas measurement services for other members of the consolidated group and third parties. It also owns a majority interest in Consonus, Inc., a Utah corporation that is involved in data security and related activities.

Market Resources engages in various businesses not subject to state utility regulation through several subsidiaries: Wexpro Company ("Wexpro"), which conducts oil and gas development and

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production activities on certain producing properties for the benefit of Questar Gas in the Rocky Mountain region; Questar Exploration and Production Company ("QEP"), which engages in oil and gas exploration and related development and production activities throughout the western and Midcontinent portions of the United States and Canada (Canadian operations are conducted by Celsius Energy Resources Ltd.); Shenandoah Energy Inc. ("SEI"), which also engages in oil and gas exploration and production activities, primarily in eastern Utah; Questar Energy Trading Company ("QET"), which conducts energy marketing activities; and Questar Gas Management Company ("QGM"), which is engaged in gathering and field processing activities. Neither Market Resources nor any of its subsidiaries is a "public utility company," as such term is defined in the Act. All companies owned by Market Resources except SEI have their principal offices at 180 East 100 South Street, Salt Lake City, Utah. SEI has its principal office at 475 17th Street, Denver, Colorado.

With the exception of Questar Gas, none of the companies directly or indirectly owned by Questar is a "public utility company" as that term is defined in the Public Utility Holding Company Act of 1935, as amended (the "Act"). Questar's directly held subsidiaries have their principal executive offices at 180 East 100 South, Salt Lake City, Utah. Questar does not have any interest, direct or indirect, in any exempt wholesale generator or foreign utility company.

2. A BRIEF DESCRIPTION OF THE PROPERTIES OF CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES USED FOR THE GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE, OR FOR THE PRODUCTION, TRANSMISSION, AND DISTRIBUTION OF NATURAL OR MANUFACTURED GAS, INDICATING THE LOCATION OF PRINCIPAL GENERATING PLANTS, TRANSMISSION LINES, PRODUCING FIELDS, GAS MANUFACTURING PLANTS, AND ELECTRIC AND GAS DISTRIBUTION FACILITIES, INCLUDING ALL SUCH PROPERTIES WHICH ARE OUTSIDE THE STATE IN WHICH CLAIMANT AND ITS SUBSIDIARIES ARE ORGANIZED AND ALL TRANSMISSION OR PIPELINES WHICH DELIVER OR RECEIVE ELECTRIC ENERGY OR GAS AT THE BORDERS OF SUCH STATE.

Questar Gas, which is a "gas utility company" for purposes of the Act, was distributing natural gas to 731,900 sales and transportation customers (defined as active meters) in Utah,

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southwestern Wyoming, southeastern Idaho, and western Colorado as of year-end 2001. Of these customers, 707,011 were located in Utah, 23,265 were located in southwestern Wyoming, 1,623 were located in southeastern Idaho, and one was located in western Colorado. Questar Gas owns and operates approximately 22,805 miles of street mains, service lines and interconnecting pipelines in its distribution system, including approximately 21,800 miles in its Utah distribution system.

Under the terms of a settlement agreement among Questar Gas, Wexpro and various state parties ending several years of litigation, Questar Gas owns the natural gas produced from gas reservoirs that were productive as of August 1, 1981. Most of these productive reservoirs are located in southwestern Wyoming and northwestern Colorado; most of the gas produced from such reservoirs is distributed to Questar Gas's retail natural gas customers. Gas owned by Questar Gas but produced from reservoirs outside the location of pipelines owned by Questar Pipeline is generally sold to or exchanged with other companies. Gas owned by Questar Gas (including related royalty gas) constituted 44 percent of Questar Gas's total gas supply in 2001 and is reflected in Questar Gas's rates at "cost-of-service" prices.

Questar Gas is directly responsible for all gas acquisition activities. Questar Pipeline transports the gas volumes purchased directly by Questar Gas and transports cost-of-service gas owned by Questar Gas and produced by Wexpro. Questar Gas takes delivery of gas from Questar Pipeline and an unaffiliated interstate pipeline at various points in Utah, Wyoming, and Colorado. Questar Gas does not currently own any interstate transmission lines or gas manufacturing plants. QET markets natural gas and electricity, but does not own any distribution facilities in connection with such activities.

3. THE FOLLOWING INFORMATION FOR THE LAST CALENDAR YEAR WITH RESPECT TO CLAIMANT AND EACH OF ITS SUBSIDIARY PUBLIC UTILITY COMPANIES:

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(a) NUMBER OF KWH OF ELECTRIC ENERGY SOLD (AT RETAIL OR WHOLESALE) AND MCF OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL.

During the 2001 calendar year, Questar Gas sold 94,334 thousand decatherms ("Mdth") of natural gas, including 83,650 Mdth at retail (defined as residential and commercial customers), and transported 54,624 Mdth of natural gas. (Questar Gas generally reports volumes in decatherms ("Dth"); a Dth is equal to ten therms or one million Btu's. In Questar Gas's gas system, each thousand cubic feet of natural gas contains approximately 1.051 Dth.) For purposes of this report, Questar Gas's "retail" customers are general service or residential and commercial customers. The 10,684 Mdth difference between the total sales number and the retail sales number includes sales to industrial customers that are not involved in resale transactions and sales of natural gas to refueling stations that are resold for natural gas vehicles. Questar Gas's total revenues for 2001 were \$704,113,000, of which \$654,422,000 were attributable to its operations in Utah, \$26,178,000 were attributable to its operations in Wyoming, \$121,000 were attributable to its operations in Colorado, and \$1,163,000 were attributable to its operations in Idaho. (Questar Gas's total 2001 revenues included \$22,229,000 in addition to revenues from gas deliveries.) Questar Gas did not distribute any manufactured gas during such calendar year. Questar Gas is the only public utility company among the Company's subsidiaries. Questar itself did not make any sales of natural or manufactured gas during 2001.

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The Company itself did not sell any natural or manufactured gas.

(b) NUMBER OF KWH OF ELECTRIC ENERGY AND MCF OF NATURAL OR MANUFACTURED GAS DISTRIBUTED AT RETAIL OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED.

During the 2001 calendar year, Questar Gas distributed at retail 3,099 Mdth of natural gas outside the state of Utah, it's state of incorporation.

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The Company itself did not distribute at retail any natural or manufactured gas.

(c) NUMBER OF KWH OF ELECTRIC ENERGY AND MCF OF NATURAL OR MANUFACTURED GAS SOLD AT WHOLESALE OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED, OR AT THE STATE LINE.

During 2001, Questar Gas sold 479 Mdth of natural gas outside the state of Utah, or at the state line of such state, to industrial customers and to natural gas refueling stations. Questar Gas, during 2001, also transported 608 Mdth of natural gas to customers outside Utah. Questar Gas did not sell at wholesale any manufactured gas during 2001. Questar itself did not sell at wholesale any natural gas or manufactured gas during 2001.

Questar itself did not sell at wholesale any natural or manufactured gas.

(d) NUMBER OF KWH OF ELECTRIC ENERGY AND MCF OF NATURAL OR MANUFACTURED GAS PURCHASED OUTSIDE THE STATE IN WHICH EACH SUCH COMPANY IS ORGANIZED OR AT THE STATE LINE.

During the 2001 calendar year, Questar Gas purchased 35,976 Mdth of natural gas or approximately 38 percent of its total gas supply outside the state of Utah or at the state line. Questar itself did not purchase any gas volumes.

4. THE FOLLOWING INFORMATION FOR THE REPORTING PERIOD WITH RESPECT TO CLAIMANT AND EACH INTEREST IT HOLDS DIRECTLY OR INDIRECTLY IN AN EWG OR A FOREIGN UTILITY COMPANY, STATING MONETARY AMOUNTS IN UNITED STATES DOLLARS:

(a) NAME, LOCATION, BUSINESS ADDRESS AND DESCRIPTION OF THE FACILITIES USED BY THE EWG OR FOREIGN UTILITY COMPANY FOR THE GENERATION, TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY FOR SALE OR FOR THE DISTRIBUTION AT RETAIL OF NATURAL OR MANUFACTURED GAS.

None. Neither Questar nor any of its affiliates has any interest, direct or indirect, in any exempt wholesale generator or foreign utility company.

(b) NAME OF EACH SYSTEM COMPANY THAT HOLDS AN INTEREST IN SUCH EWG OR FOREIGN UTILITY COMPANY; AND DESCRIPTION OF THE INTEREST HELD.

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None. Questar and its affiliates do not have any interest, direct

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or indirect, in any exempt wholesale generator or foreign utility company.

(c) TYPE AND AMOUNT OF CAPITAL INVESTED, DIRECTLY OR INDIRECTLY, BY THE HOLDING COMPANY CLAIMING EXEMPTION; ANY DIRECT OR INDIRECT GUARANTEE OF THE SECURITY OF THE EWG OR FOREIGN UTILITY COMPANY BY THE HOLDING COMPANY CLAIMING EXEMPTION; AND ANY DEBT OR OTHER FINANCIAL OBLIGATION FOR WHICH THERE IS RECOURSE, DIRECTLY OR INDIRECTLY, TO THE HOLDING COMPANY CLAIMING EXEMPTION OR ANOTHER SYSTEM COMPANY, OTHER THAN THE EWG OR FOREIGN UTILITY COMPANY.

None. Questar does not have any interest, direct or indirect, in any exempt wholesale generator or foreign utility company.

(d) CAPITALIZATION AND EARNINGS OF THE EWG OR FOREIGN UTILITY COMPANY DURING THE REPORTING PERIOD.

None. Questar does not have any interest, direct or indirect, in any exempt wholesale generator or foreign utility company.

(e) IDENTIFY ANY SERVICE, SALES OR CONSTRUCTION CONTRACT(S) BETWEEN THE EWG OR FOREIGN UTILITY COMPANY AND A SYSTEM COMPANY, AND DESCRIBE THE SERVICES TO BE RENDERED OR GOODS SOLD AND FEES OR REVENUES UNDER SUCH AGREEMENTS(S).

None. Questar does not have any interest, direct or indirect, in any exempt wholesale generator or foreign utility company.

UNDERTAKING

Questar hereby undertakes that it will not issue any shares of its authorized preferred stock unless, on a pro forma basis giving effect to such issuance, (1) consolidated earnings of Questar and its subsidiaries available for interest and dividends for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the issuance of such stock, determined in accordance with generally accepted accounting principles, would be at least one and one-half times the sum of the annual interest requirements on consolidated long-term debt of Questar (including current maturities and excluding interest charges on indebtedness to be retired by the application of proceeds from the issuance of such shares or in connection with the transaction in which such shares

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are issued) and the annual dividend requirements on shares of preferred stock of Questar and its subsidiaries; (2) the aggregate outstanding long-term debt (including current maturities) of Questar and its subsidiaries on a consolidated basis is less than or equal to 60 percent of the capitalization of Questar and its subsidiaries on a consolidated basis; and (3) Questar's common stock represents at least 35 percent of the capitalization of Questar and its subsidiaries on a consolidated basis. For purposes of the foregoing, consolidated earnings of Questar and its subsidiaries available for interest and dividends shall be determined on an after-tax basis and shall be the sum of income before extraordinary items and interest expense; pro forma income available for interest and dividends and pro forma interest charges shall include income and interest charges of businesses acquired, or proposed to be acquired, in conjunction with the issuance of Questar preferred stock, for the pro forma periods, regardless of whether the company acquired shall be accounted for on a pooling-of-interests basis or otherwise, provided that such earnings available for interest and dividends is determinable for the acquired business

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in accordance with generally accepted accounting principles; and consolidated capitalization shall include long-term debt (including current maturities), preferred stock and any premium thereon, and the sum of the common equity accounts of the company, all as prepared in accordance with generally accepted accounting principles.

Questar has not issued any shares of its authorized preferred stock and has no current plans to do so.

EXHIBIT A

A CONSOLIDATING STATEMENT OF INCOME AND SURPLUS OF THE CLAIMANT AND ITS SUBSIDIARY COMPANIES AS OF THE CLOSE OF SUCH CALENDAR YEAR, TOGETHER WITH A CONSOLIDATING BALANCE SHEET OF CLAIMANT AND ITS SUBSIDIARY COMPANIES AS OF THE CLOSE OF SUCH CALENDAR YEAR.

The following exhibits are attached to and made a part of this filing:

Exhibit A-1.1	Consolidating Statement of Income of Questar Corporation and Subsidiaries as of December 31, 2001
Exhibit A-1.2	Consolidating Statement of Income of Questar Market Resources, Inc. and Subsidiaries as of December 31, 2001

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Exhibit A-2	Consolidated Statement of Common Shareholders' Equity, Questar Corporation and Subsidiaries as of December 31, 2001.
Exhibit A-3.1	Consolidating Balance Sheet, Questar Corporation and Subsidiaries as of December 31, 2001.
Exhibit A-3.2	Consolidating Balance Sheet, Questar Market Resources, Inc. and Subsidiaries as of December 31, 2001.

EXHIBIT B

AN ORGANIZATION CHART SHOWING THE RELATIONSHIP OF EACH EWG OR FOREIGN UTILITY COMPANY TO ASSOCIATE COMPANIES IN THE HOLDING-COMPANY SYSTEM.

Not applicable. The Company does not have an interest in any exempt wholesale generator or foreign utility company.

The above-named Claimant has caused this statement to be duly executed on its behalf by its authorized officer on this 29th day of April, 2002.

[corporate seal]

QUESTAR CORPORATION

Attest:

/s/ Connie C. Holbrook

By /s/ S. E. Parks

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Connie C. Holbrook
Secretary

S. E. Parks
Senior Vice President, Treasurer and
Chief Financial Officer

Name, title and address of officer to whom notices and correspondence concerning this statement should be addressed:

Connie C. Holbrook
Senior Vice President, General Counsel & Secretary
Questar Corporation
180 East 100 South, P.O. Box 45433
Salt Lake City, Utah 84145-0433

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EXHIBIT A-1.1
QUESTAR CORPORATION AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2001
(Unaudited)

	Questar Market Resources Consolidated	Questar Regulated Services -----				Questar and Open
		Questar Gas	Questar Pipeline Consolidated	Other	Questar InfoComm Consolidated	
(In Thousands)						
Revenues						
From unaffiliated customers	\$645,867	\$701,150	\$49,402	\$4,603	\$37,682	\$
From affiliated companies	100,530	2,963	75,491	1,463	29,158	
TOTAL REVENUES	746,397	704,113	124,893	6,066	66,840	
Operating expenses						
Cost of natural gas and other products sold	324,124	498,545		2,204	25,949	
Operating and maintenance	112,087	103,427	47,244	3,665	36,930	
Exploration	6,986					
Depreciation, depletion and amortization	92,678	35,030	15,407	213	7,700	
Abandonment and impairment of oil and gas properties	5,171					
Other expenses	46,010	8,729	2,920	67	215	
Total operating expenses	587,056	645,731	65,571	6,149	70,794	
Operating income (loss)	159,341	58,382	59,322	(83)	(3,954)	
Interest and other income	17,618	5,158	5,950	5,374	1,547	1
Income (loss) from unconsolidated affiliates	1,265		(1,106)			
Debt expense	(22,872)	(23,777)	(16,908)	(572)	(1,589)	(1
Income tax	(54,218)	(13,890)	(17,517)	(1,888)	1,161	(
Net income	\$101,134	\$ 25,873	\$29,741	\$2,831	(\$2,835)	\$

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EXHIBIT A-1.2

QUESTAR MARKET RESOURCES, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2001

(Unaudited)

	Questar Exp & Prod Consolidated	Shenandoah Energy Inc. Consolidated	Wexpro Company	Questar Energy Trading Con.	Questar Gas Management	Qu M Re
(In Thousands)						
Revenues						
From unaffiliated customers	\$252,041	\$28,535	\$12,465	\$332,863	\$19,963	
From affiliated companies		807	88,936	195,383	12,125	
TOTAL REVENUES	252,041	29,342	101,401	528,246	32,088	
Operating expenses						
Cost of natural gas and other products sold	2,548			517,552	566	
Operating and maintenance	58,900	11,988	18,207	3,555	19,616	
Exploration	6,960	61	(35)			
Depreciation, depletion and amortization	62,231	9,657	15,051	713	5,026	
Abandonment and impairment of oil and gas properties	4,919	252				
Other expenses	21,551	785	23,148	96	430	
Total operating expenses	157,109	22,743	56,371	521,916	25,638	
Operating income (loss)	94,932	6,599	45,030	6,330	6,450	
Interest and other income	14,311	(46)	847	1,269	1,236	1
Income from unconsolidated affiliates	213			288	764	
Debt expense	(14,010)	(4,192)	(1,789)	(1,968)	(912)	(1
Income tax	(32,273)	(1,082)	(15,847)	(2,270)	(2,746)	
Net income	\$ 63,173	\$ 1,279	\$28,241	\$ 3,649	\$ 4,792	

EXHIBIT A-2

QUESTAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMMON SHAREHOLDERS' EQUITY

(Unaudited)

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	Common Stock			Note
	Shares	Amount	Retained Earnings	Receivable from ESOP
	(Dollars in Thousands)			
BALANCES AT JANUARY 1, 1999	82,632,078	\$298,888	\$535,460	(\$3,95
Issuance of common stock	488,302	8,124		
Purchase of common stock	(1,701,527)	(28,575)		
1999 net income			96,852	
Payment of common stock dividends of \$.67 per share			(55,328)	
Income tax benefit of dividends paid to ESOP			38	
Collection of note receivable from ESOP				3,95
Other comprehensive income				
Unrealized loss on securities available for sale, net of income tax benefit of \$13,193				
Foreign currency translation adjustment, net of income taxes of \$327				
BALANCES AT DECEMBER 31, 1999	81,418,853	278,437	577,022	
Issuance of common stock	958,232	11,764		
Purchase of common stock	(1,558,811)	(25,543)		
2000 net income			149,477	
Payment of common stock dividends of \$.685 per share			(55,084)	
Income tax benefit associated with exercise of nonqualified options and premature dispositions		3,972		
Other comprehensive income				
Unrealized loss on securities available for sale, net of income tax benefit of \$16,767				
Foreign currency translation adjustment, net of income tax benefit of \$949				
BALANCES AT DECEMBER 31, 2000	80,818,274	\$268,630	\$671,415	
Issuance of common stock	705,576	23,316		
Purchase of common stock	(443)	(12,488)		
2001 net income			158,186	
Payment of common stock dividends of \$.705 per share			(57,193)	
Income tax benefit associated with exercise of nonqualified options and premature dispositions		2,839		
Other comprehensive income				
Unrealized gain on energy hedging transactions, net of income tax benefit of \$57,048				
Unrealized loss on securities available for sale, net of income tax benefit of \$6,565				
Unrealized loss on interest rate swapes, net of income tax benefit of \$235				
Foreign currency translation adjustment,				

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net of income tax benefit of \$1,304

BALANCES AT DECEMBER 31, 2001

81,523,407

\$282,297

\$772,408

EXHIBIT A-3.1

QUESTAR CORPORATION AND SUBSIDIARIES

CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2001

(Unaudited)

	Questar Corporation Consolidated	Intercompany Transactions	Questar InfoComm Consolidated	Corporate and Other Operations	Questar Gas
(In Thousands)					
CURRENT ASSETS					
Cash and cash equivalents	\$ 11,300		\$ 2,666	\$ 1,541	\$4,366
Notes receivable from affiliates	(\$408,200)	2,400	395,100		
Accounts and notes receivable	205,457	(37,660)	7,995	13,929	107,886
Federal income taxes receivable	3,593		477	(1,024)	363
Hedging receivable	50,270				
Inventories, at lower of average cost or market	49,128		207		27,023
Prepaid expenses and other	16,136		792	1,469	1,097
Purchased gas adjustment	8,296				8,296
TOTAL CURRENT ASSETS	344,180	(445,860)	14,537	411,015	149,031
PROPERTY, PLANT AND EQUIPMENT	4,089,407		63,967	11,054	1,144,455
Less accumulated depreciation, depletion and amortization	1,524,309		37,452	4,603	489,583
NET PROPERTY, PLANT AND EQUIPMENT	2,565,098		26,515	6,451	654,872
INVESTMENT IN UNCONSOLIDATED AFFILIATES	144,928	(1,664,555)		1,114,462	
SECURITIES AVAILABLE FOR SALE, approximates fair value	13,623		4,916	8,707	
CASH ESCROW DEPOSITS	6,838		441	6,000	
LONG-TERM NOTES RECEIVABLE	9,122	(5,000)		5,000	
GOODWILL	90,927		18,228		5,876
OTHER ASSETS	60,995		9,513	1,109	24,065
	\$3,235,711	(\$2,115,415)	\$74,150	\$1,552,744	\$833,844

CURRENT LIABILITIES

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Short-term loans	\$530,246		\$1,746	\$428,500	
Notes payable to affiliates		(\$408,200)	18,800	16,600	\$ 66,600
Accounts payable and accrued expenses	200,855	(37,660)	10,540	9,355	74,324
Interest payable	13,193			438	5,570
Other taxes payable	33,694		176	370	8,539
Deferred income taxes	3,153				3,153
TOTAL CURRENT LIABILITIES	781,141	(445,860)	31,262	455,263	158,186
LONG-TERM DEBT, less current portion	997,423			132	285,000
LONG-TERM NOTES PAYABLE		(5,000)	5,000		
OTHER LIABILITIES	27,286		219	10,355	452
DEFERRED INVESTMENT TAX CREDIT	4,966				4,960
DEFERRED INCOME TAXES	324,309		(768)	(823)	79,317
MINORITY INTEREST	19,805		11,436		
COMMON SHAREHOLDERS' EQUITY					
Common stock	282,297	(34,349)	277	282,535	22,974
Additional paid-in capital		(937,583)	7,705	5,206	121,875
Retained earnings	772,408	(669,784)	19,019	774,000	161,080
Other comprehensive income	26,076	(22,839)		26,076	
TOTAL COMMON SHAREHOLDERS' EQUITY	1,080,781	(1,664,555)	27,001	1,087,817	305,929
	\$3,235,711	(\$2,115,415)	\$74,150	\$1,552,744	\$833,844

EXHIBIT A-3.2
QUESTAR MARKET RESOURCES INC. AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2001
(Unaudited)

	Questar Market Resources Consolidated	Intercompany Eliminations	Questar Market Resources	Wexpro Company	Questar E & P Consolidated
(In Thousands)					
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,270	\$ -	\$ 1,084	\$ (441)	\$ 1,204
Notes receivable from affiliates	9,500	(237,500)	237,500		
Federal income taxes receivable	8,426		2	(592)	10,045
Accounts and notes receivable	89,877	(38,807)	5,950	20,046	53,127
Hedging receivable	50,270		(627)		35,346
Inventories, at lower of average cost or market	19,372			2,306	1,318
Prepaid expenses and other	11,661		20	1,446	4,937

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TOTAL CURRENT ASSETS	191,376	(276,307)	243,929	22,765	105,977
PROPERTY, PLANT AND EQUIPMENT	1,979,164			405,783	958,097
Less accumulated depreciation, depletion and amortization	731,330			207,410	453,773
NET PROPERTY, PLANT AND EQUIPMENT	1,247,834			198,373	504,324
INVESTMENT IN UNCONSOLIDATED AFFILIATES	23,829	(524,141)	524,141		316
LONG-TERM NOTES RECEIVABLE		(370,000)	370,000		
GOODWILL	66,823				
OTHER ASSETS	3,279		1,606		1,617
	\$ 1,533,141	\$ (1,170,448)	\$ 1,139,676	\$ 221,138	\$ 612,234
=====					
CURRENT LIABILITIES					
Short-term loans					
Notes payable to affiliates	\$275,100	(\$237,500)	\$237,500	\$4,600	\$15,100
Accounts payable and accrued expenses	103,346	(38,807)	1,093	13,995	49,129
Interest payable	4,805		4,767		38
Other taxes payable	24,902			14,204	8,777
Current portion of long-term debt	1,696				1,696
TOTAL CURRENT LIABILITIES	409,849	(276,307)	243,360	32,799	74,740
LONG-TERM DEBT, less current portion	402,226		370,000		32,226
LONG-TERM NOTES PAYABLE		(370,000)		84,200	189,780
DEFERRED CREDITS	11,244		204	1,341	7,105
DEFERRED INCOME TAXES	175,024		(317)	27,935	64,876
MINORITY INTEREST	8,369				
COMMON SHAREHOLDER'S EQUITY					
Common stock	4,309	(28,516)	4,309	22,517	5,999
Additional paid-in capital	116,027	(324,783)	116,027		143,499
Retained earnings	383,254	(147,612)	383,254	52,346	74,578
Comprehensive Income	22,839	(23,230)	22,839		19,431
TOTAL COMMON SHAREHOLDER'S EQUITY	526,429	(524,141)	526,429	74,863	243,507
	\$ 1,533,141	\$ (1,170,448)	\$ 1,139,676	\$ 221,138	\$ 612,234
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