

QUESTAR CORP  
Form 424B5  
December 08, 2010

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**CALCULATION OF REGISTRATION FEE**

| <b>Title of Each Class of Securities to be Offered</b> | <b>Maximum Aggregate Offering Price</b> | <b>Amount of Registration Fee(1)</b> |
|--|---|--------------------------------------|
| <u>2.75% Senior Notes due 2016</u>                     | \$250,000,000                           | \$17,825                             |

(1) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act of 1933, as amended.

**Filed Pursuant to Rule 424(b)(5)  
Commission File No. 333-169702**

PROSPECTUS SUPPLEMENT  
(To Prospectus dated September 30, 2010)

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**\$250,000,000**

**Questar Corporation**

**2.75% Senior Notes due 2016**

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We are offering \$250 million aggregate principal amount of our 2.75% Senior Notes due 2016. We will pay interest on the notes on February 1 and August 1 of each year, commencing on August 1, 2011. The notes will mature on February 1, 2016. We may redeem the notes, at any time in whole or from time to time in part, at the redemption prices described in this prospectus supplement.

The notes will be our unsecured senior obligations, will rank equally in right of payment with all of our existing and future unsecured senior debt and will rank senior in right of payment to all of our existing and future unsecured subordinated debt.

*Investing in the notes involves risks. See "Risk Factors" beginning on page S-9 of this prospectus supplement and on page 5 of the accompanying prospectus.*

|   | <b>Per Note</b> | <b>Total</b>   |
|---|-----------------|----------------|
| Public offering price                         | 99.831%         | \$ 249,577,500 |
| Underwriting discount                         | 0.600%          | \$ 1,500,000   |
| Proceeds, before expenses, to us <sup>1</sup> | 99.231%         | \$ 248,077,500 |

<sup>1</sup> Plus accrued interest, if any, from December 14, 2010, if delivery occurs after such date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The notes will be ready for delivery in book entry form through The Depository Trust Company and its direct and indirect participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about December 14, 2010.

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*Joint Book-Running Managers*

**Barclays Capital**

**J.P. Morgan**

**Deutsche Bank Securities**

**Wells Fargo Securities**

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*Co-Managers*

**BBVA  
Securities**

**BofA Merrill  
Lynch**

**Mitsubishi UFJ  
Securities**

**US Bancorp**

Prospectus Supplement dated December 7, 2010.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a universal shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission (SEC). Under the shelf registration process, we may offer and sell securities in one or more offerings from time to time. In the accompanying prospectus, we provide you a general description of the securities we may offer from time to time under our shelf registration statement. This prospectus supplement describes the specific details regarding this offering, including the price, the aggregate principal amount of debt being offered and the risks of investing in our securities. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, the notes being offered and other information you should know before investing.

**You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we may provide you in connection with this offering. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. We have not, and the underwriters have not, authorized any other person to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference herein and therein are accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.**

**INCORPORATION BY REFERENCE**

The SEC allows us to "incorporate by reference" into this prospectus supplement information that we file with them. This permits us to disclose important information to you by referring you to documents filed with the SEC. Any information incorporated by reference is considered part of this prospectus supplement, and any information filed by us with the SEC subsequent to the date of this prospectus supplement will automatically be deemed to update and supersede this information. We incorporate by reference (excluding information deemed to be furnished and not filed with the SEC) the following documents which we have filed with the SEC:

our Annual Report on Form 10-K and 10-K/A for the fiscal year ended December 31, 2009 (as amended by Amendment No. 1 on Form 10-K/A filed on November 15, 2010, and as updated by our Current Report on Form 8-K filed on September 30, 2010);

our Quarterly Reports on Form 10-Q and 10-Q/A for the quarterly periods ended March 31, 2010, June 30, 2010 (as amended by Amendment No. 1 on Form 10-Q/A filed on August 19, 2010) and September 30, 2010; and

our Current Reports on Form 8-K and 8-K/A filed on May 20, 2010 (as amended by Form 8-K/A filed on June 17, 2010), May 28, 2010, June 16, 2010, June 28, 2010, July 1, 2010, July 8, 2010, September 30, 2010, September 30, 2010, November 1, 2010 and November 3, 2010.

In addition, all documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (Exchange Act), subsequent to the date of this prospectus supplement shall be deemed to be incorporated in this prospectus supplement and to be a part hereof from the date of filing of such documents with the SEC (other than any portions of any such documents that are furnished rather than deemed "filed" under the Exchange Act).

You may request a copy of our filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing or calling us at Questar Corporation, 180 East 100 South, P.O. Box 45433, Salt Lake City, Utah 84145-0433 (telephone number (801) 324-5699). These filings may also be obtained from our website at [www.questar.com](http://www.questar.com). Information on our website does not constitute a part of this prospectus supplement or the accompanying prospectus.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus 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 (Securities Act), and Section 21E of the Exchange Act. 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," "may," 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, 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 inaccurate. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our 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, and there are no guarantees about the performance of any securities offered by this prospectus supplement. 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 this prospectus supplement, in the accompanying prospectus or, from time to time, in any document incorporated by reference herein;

changes in general economic conditions, including the performance of financial markets and interest rate changes;

changes in industry trends;

changes in laws or regulations; and

other factors, most of which are beyond our control.

All forward-looking statements in this prospectus supplement are made as of the date hereof, and you should not place undue reliance on these statements without also considering the risks and uncertainties associated with these statements and our business that are discussed in this prospectus supplement, the accompanying prospectus and our other filings with the SEC. Although we believe that in making such statements our expectations are based on reasonable assumptions, such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected.

We do not undertake any obligation to publicly correct or update any forward-looking statement if we later become aware that it is not likely to be achieved. You are advised, however, to consult any further disclosures we make on related subjects in reports filed with the SEC.

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**SUMMARY**

*This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand the notes. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. You should read "Risk Factors" beginning on page S-9 of this prospectus supplement and on page 5 of the accompanying prospectus for more information about important risks that you should consider before making a decision to purchase notes in this offering.*

*Except in "The Offering" below and in "Description of Notes" herein and unless the context requires otherwise, references in this prospectus supplement to "Questar," the "Company," "we," "us" and "our" refer to Questar Corporation and its direct and indirect subsidiaries on a consolidated basis.*

**Questar Corporation**

We are a Rockies-based integrated natural gas holding company with three subsidiaries and complementary lines of business:

Questar Gas Company (Questar Gas) provides retail natural gas distribution in Utah, Wyoming and Idaho;

Questar Pipeline Company (Questar Pipeline) operates interstate natural gas pipeline transportation and storage facilities in the western United States;

Wexpro Company (Wexpro), develops and produces cost-of-service natural gas on behalf of Questar Gas Company.

We are headquartered in Salt Lake City, Utah and our common stock trades on the New York Stock Exchange (NYSE:STR).

We are a holding company, as that term is defined in the Public Utility Holding Company Act of 2005 (PUHCA 2005), because our subsidiary Questar Gas is a natural gas utility company. However, we have an exemption and waiver from provisions of PUHCA 2005 applicable to holding companies. We conduct all operations through subsidiaries and we perform certain management, legal, tax, financial, administrative and other services for our subsidiaries.

Our corporate structure and major subsidiaries are set forth below:

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**Questar Gas *Retail Gas Distribution***

Questar Gas distributes natural gas as a public utility in Utah, southwestern Wyoming and a small portion of southeastern Idaho. In the 12 months ended September 30, 2010, Questar Gas generated approximately 23% of the Company's income from continuing operations. As of September 30, 2010, Questar Gas served approximately 900,000 sales and transportation customers. Questar Gas is the only non-municipal gas-distribution utility in Utah, where 97% of its customers are located. The Public Service Commission of Utah (PSCU), the Public Service Commission of Wyoming (PSCW) and the Public Utility Commission of Idaho have granted Questar Gas the necessary regulatory approvals to serve these areas. Questar Gas also has long-term franchises granted by communities and counties within its service area.

Questar Gas growth is tied to the economic growth of Utah and southwestern Wyoming, where Questar Gas provides over 90% of the residential space heating and water heating in its service area. In the 12 months ended September 30, 2010, Questar Gas added approximately 14,000 customers, a 1.6% increase.

Questar Gas faces the same risks as other local-distribution companies. These risks include revenue variations based on seasonal changes in demand, sufficient gas supplies, declining residential usage per customer, adequate distribution facilities and adverse regulatory decisions. Questar Gas's sales to residential and commercial customers are seasonal, with a substantial portion of such sales made during the heating season. The typical residential customer in Utah (defined as a customer using 80 decatherms per year) consumes over 77% of total gas requirements in the coldest six months of the year. Questar Gas, however, has a weather-normalization mechanism for its general-service customers. This mechanism adjusts the non-gas portion of a customer's monthly bill as the actual heating-degree days in the billing cycle are warmer or colder than normal. This mechanism reduces dramatic fluctuations in any given customer's monthly bill from year to year and reduces fluctuations in Questar Gas gross margin.

In October 2006, the PSCU approved a pilot program for a conservation enabling tariff (CET) effective January 1, 2006, to promote energy conservation. Under Questar Gas's prior rate structure, non-gas revenues declined when average temperature-adjusted usage per customer declined while non-gas revenues increased when average temperature-adjusted usage per customer increased. Under the CET, Questar Gas's non-gas revenues are decoupled from the temperature-adjusted usage per customer. The tariff specifies a margin per customer for each month with differences to be deferred and recovered from customers or refunded to customers through periodic rate adjustments. These adjustments are limited to five percent of distribution non-gas revenues. Under the CET, Questar Gas recorded a \$4.0 million revenue decrease in 2009 compared with a \$1.0 million increase in 2008. In April 2010, the PSCU approved a continuation of the CET program for an indefinite future time period.

In January 2007, the PSCU approved a demand-side management program (DSM) effective January 1, 2007. Under the DSM, Questar Gas encourages the conservation of natural gas through advertising, rebates for efficient homes and appliances, and energy audits. The costs related to the DSM are deferred and recovered from customers through periodic rate adjustments. Questar Gas received revenues for recovery of DSM costs amounting to \$26.9 million in 2009 compared with \$6.6 million in 2008. As of September 30, 2010, Questar Gas had a regulatory asset of \$44.0 million for DSM costs to be recovered from customers.

Questar Gas reduces gas supply risk with cost-of-service natural gas reserves. During 2009 Questar Gas satisfied 51% of its supply requirements with cost-of-service gas volumes. Wexpro produces cost-of-service gas, which is transported by Questar Pipeline. See Item 2 of Part I of Questar's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (as supplemented by Notes 10 and 16 to the recast consolidated financial statements included in Item 8 of Part II of Exhibit 99.1 of

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Questar's Current Report on Form 8-K filed on September 30, 2010) for more information on the Company's cost-of-service proved reserves. Questar Gas also has a balanced and diversified portfolio of gas-supply contracts for volumes produced in Wyoming, Colorado, and Utah.

Questar Gas has designed its distribution system and annual gas-supply plan to handle peak design-day demand, which is defined as the estimated volume of gas that firm customers could use when the weather is extremely cold. For the 2009-2010 heating season, Questar Gas had an estimated peak design-day demand of 1,256 million decatherms (MMdth).

Questar Gas has long-term contracts with Questar Pipeline for transportation and storage capacity at Clay Basin and three peak-day storage facilities. Questar Gas also has transportation contracts to take deliveries at several locations on the Kern River Pipeline.

Questar Gas currently does not face direct competition from other distributors of natural gas for residential and commercial customers in its service area. Natural gas has historically enjoyed a favorable price comparison with other energy sources used by residential and commercial customers with the notable exceptions of electricity from coal-fired power plants and occasionally fuel oil when oil prices are low. Questar Gas provides transportation service to industrial customers who buy gas directly from other suppliers. Questar Gas earns lower margins on this transportation service than firm-sales service and faces the risk that it could lose customers to its competitor, Kern River Pipeline.

**Questar Pipeline *Interstate Gas Transportation and Storage***

Questar Pipeline provides natural gas transportation and underground storage services in Wyoming, Utah and Colorado. Questar Pipeline and its subsidiaries generated approximately 35% of the Company's income from continuing operations in the 12 months ended September 30, 2010. As a "natural gas company" under the Natural Gas Act of 1938, Questar Pipeline and certain subsidiary pipeline companies are regulated by the Federal Energy Regulatory Commission (FERC) as to rates and charges for storage and transportation of natural gas in interstate commerce, construction of new facilities, and extensions or abandonments of service and facilities, accounting and other activities.

Questar Pipeline and its subsidiaries own 2,568 miles of interstate pipeline with total firm capacity commitments of 4,666 thousand decatherms (Mdth) per day. Questar Pipeline's core-transportation system is located near large reserves of natural gas in six major Rocky Mountain producing areas. Questar Pipeline transports natural gas from these producing areas to other major pipeline systems and to the Questar Gas distribution system. In addition to this core system, Questar Pipeline, through wholly-owned subsidiaries, owns and operates the Overthrust Pipeline in southwestern Wyoming and the eastern segment of Southern Trails Pipeline, a 488-mile line that extends from the Blanco hub in the San Juan Basin to just inside the California state line. An additional 96 miles of Southern Trails Pipeline in California is not in service. Questar Pipeline owns 50% of White River Hub in western Colorado, which was placed in service in the fourth quarter of 2008. These facilities connect with six interstate pipeline systems and a major processing plant near Meeker, Colorado.

Questar Pipeline owns and operates the Clay Basin storage facility, the largest underground-storage reservoir in the Rocky Mountain region. Through a subsidiary, Questar Pipeline also owns gathering lines and processing facilities near Price, Utah, which provide gas-processing services for third parties.

Questar Pipeline's transportation system is nearly fully subscribed. The weighted-average remaining life of firm contracts on Questar Pipeline was 11.7 years as of September 30, 2010. All of Questar Pipeline's storage capacity is fully contracted with a weighted-average remaining life of 6.6 years as of September 30, 2010. Questar Pipeline faces the risk that it may not be able to recontract firm capacity when contract terms expire.



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Questar Pipeline's largest transportation customer is Questar Gas. During the 12 months ended September 30, 2010, Questar Pipeline transported 117.2 MMdth for Questar Gas compared to 117.6 MMdth in the 2009 period. Questar Gas has reserved firm-transportation capacity of 901 Mdth per day under long-term contracts. Questar Pipeline's primary transportation agreement with Questar Gas will expire on June 30, 2017.

Questar Pipeline also transported 633.2 MMdth during the 12 months ended September 30, 2010, down 1% from the 2009 period, for nonaffiliated customers to pipelines owned by Kern River Pipeline, Northwest Pipeline, Colorado Interstate Gas, TransColorado, Wyoming Interstate Company, Rockies Express Pipeline and other systems. Rocky Mountain producers, marketers and end-users seek capacity on interstate pipelines that move gas to California, the Pacific Northwest or Midwestern markets. Questar Pipeline provides access for many producers to these third-party pipelines.

Questar Pipeline competes for market growth with other natural gas transmission companies in the Rocky Mountain region and with other companies providing natural gas storage services. Some parties are building gathering lines that allow producers to make direct connections to competing pipeline systems.

**Wexpro *Cost-of-Service Gas and Oil Production***

For the 12 months ended September 30, 2010, Wexpro generated approximately 47% of the Company's income from continuing operations. Wexpro develops and produces cost-of-service reserves for Questar Gas under the terms of the Wexpro Agreement, a long-standing comprehensive agreement with the states of Utah and Wyoming. Pursuant to the Wexpro Agreement, Wexpro recovers its costs and receives an unlevered, after-tax return of approximately 20% on its investment base. Wexpro's investment base is its investment in commercial wells and related facilities, adjusted for working capital and reduced for deferred income taxes and depreciation. The term of the Wexpro Agreement coincides with the productive life of the gas and oil properties covered therein. Wexpro's investment base totaled \$445.6 million at September 30, 2010.

Wexpro delivers natural gas production to Questar Gas at a price equal to Wexpro's cost-of-service. Cost-of-service gas satisfies about half of Questar Gas's annual supply requirement. Wexpro sells crude-oil production from certain oil-producing properties at market prices with the revenues used to recover operating expenses and to provide Wexpro a return on its investment. Any operating income remaining after recovery of expenses and Wexpro's return on investment is divided between Wexpro and Questar Gas, with Wexpro retaining 46%.

Wexpro operates in the Rocky Mountain region of Wyoming, Utah and Colorado on a finite set of properties to develop an inventory of drilling locations on 158,000 gross acres, primarily in the Greater Green River Basin of western Wyoming. Wexpro conducts an infill development drilling program on resource play reserves characterized by continuous, aerially extensive hydrocarbon accumulations in tight sand reservoirs. Since the existence and distribution of hydrocarbons in infill drilling resource plays is well understood, we believe that development of these accumulations has lower risk than conventional discrete hydrocarbon accumulations. Resource plays typically require many wells, drilled at high density, to fully develop and produce. Development of resource play accumulations requires expertise in drilling large numbers of complex, highly deviated or horizontal development wells to depths sometimes in excess of 13,000 feet and application of advanced well stimulation techniques including hydraulic fracture stimulation to achieve economic production.

Wexpro had 676.3 billion of cubic feet equivalent (Bcfe) of estimated proved reserves as of December 31, 2009, including approximately 495.5 Bcfe of proved developed reserves. Natural gas comprised about 96% of total proved reserves at year-end 2009. For the 12 months ended September 30, 2010, 91% of Wexpro's revenues were from Questar Gas.

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**Principal Executive Offices**

Our principal executive offices are located at 180 East 100 South, P.O. Box 45433, Salt Lake City, UT 84145-0433 and our telephone number is (801) 324-5000.

**Recent Developments**

***Spinoff of QEP Resources, Inc.*** On June 30, 2010, we distributed all of the shares of QEP Resources, Inc. (QEP) (formerly Questar Market Resources, Inc.) common stock held by us to our shareholders as a tax-free, pro rata dividend, which we refer to as the Spinoff. Each of our shareholders received one share of QEP common stock for each share of Questar common stock held at the close of business on the record date for the Spinoff, including fractional shares. In connection therewith and prior to the Spinoff, QEP distributed Wexpro Company, its then wholly-owned subsidiary, by means of a dividend to us. In addition, we made a capital contribution of \$250 million to QEP prior to the Spinoff.

***Senior Credit Facilities.*** On June 30, 2010, we entered into a \$350 million senior unsecured revolving credit agreement with a scheduled maturity date of July 1, 2013, with an option for us to extend the term for two successive one-year periods, and a \$60 million letter of credit sub-facility. We also have an option to request increases in the aggregate commitments to an aggregate amount not to exceed \$450 million. On June 30, 2010, we also entered into a \$250 million 364-day senior unsecured revolving credit agreement.

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**The Offering**

The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes, please refer to the section entitled "Description of Notes" in this prospectus supplement and the section entitled "Description of Debt Securities" in the accompanying prospectus. For purposes of this section of the summary and the "Description of Notes" included in this prospectus supplement, references to "Questar," the "Company," "we," "us" and "our" refer only to Questar Corporation and do not include its direct or indirect subsidiaries.

|                            |  |
|----------------------------|--|
| <b>Issuer</b>              | Questar Corporation.   |
| <b>Notes offered</b>       | \$250,000,000 aggregate principal amount of 2.75% Senior Notes due 2016.   |
| <b>Maturity</b>            | February 1, 2016.  |
| <b>Interest rates</b>      | Interest will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing August 1, 2011 at the rate of 2.75% per year.  |
| <b>Ranking</b>             | <p>The notes will be our unsecured senior obligations and will rank equally in right of payment with our other unsecured and unsubordinated indebtedness from time to time outstanding and senior in right of payment to our unsecured subordinated indebtedness from time to time outstanding. Since we are a holding company, the claims of creditors of our subsidiaries will have priority over the claims of holders of the notes with respect to the assets of those subsidiaries. At September 30, 2010, our subsidiaries had approximately \$831.1 million of outstanding indebtedness (excluding intercompany indebtedness). The indenture does not restrict the amount of indebtedness that we or our subsidiaries may incur.</p> <p>As of September 30, 2010, on an as adjusted basis after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom as set forth under "Use of Proceeds," we would have had total consolidated indebtedness of approximately \$1.2 billion (none of which would have been secured).</p> |
| <b>Optional redemption</b> | We may redeem the notes, at any time in whole or from time to time in part, at the redemption price described in this prospectus supplement. See "Description of Notes Optional Redemption" in this prospectus supplement.   |
| <b>Covenants</b>           | We will issue the notes under an indenture containing covenants for your benefit. These covenants will restrict our ability, and our ability to permit our subsidiaries, with certain exceptions, to incur debt secured by liens. These covenants will also restrict our ability, with certain exceptions, to merge or consolidate with another entity.  |

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| <b>Use of proceeds</b>                             | We estimate that the net proceeds from this offering, after deducting the underwriting discount and our estimated offering expenses, will be approximately \$247.6 million. We intend to use the net proceeds from this offering to repay short-term debt. See "Use of Proceeds" in this prospectus supplement.   |
| <b>Absence of established market for the notes</b> | We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system. Currently, there is no public market for the notes.  |
| <b>Form and denomination</b>                       | <p>The notes will be represented by registered global securities registered in the name of Cede &amp; Co., the nominee of the depository, The Depository Trust Company ("DTC"). Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme.</p> <p>The notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.</p> |
| <b>Risk factors</b>                                | Investing in the notes involves substantial risks. See "Risk Factors" and other information in this prospectus supplement and the accompanying prospectus and the documents incorporated or deemed to be incorporated by reference herein or therein for a discussion of factors you should consider carefully before deciding to invest in the notes.  |
| <b>Trustee</b>                                     | Wells Fargo Bank, National Association.   |
| <b>Governing law</b>                               | The notes and the indenture related to the notes will be governed by New York law.  |

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The table shown below presents our summary consolidated continuing operations financial information as of the dates and for the periods indicated. The summary recast results reflect Questar's continuing operations after giving effect to the Spinoff. Consolidated financial information as of and for each of the years ended December 31, 2009, 2008 and 2007 has been derived from our audited consolidated financial statements. The summary financial information for the 12 months ended September 30, 2010 and 2009 has been derived from our unaudited consolidated financial statements, which, in the opinion of management, have been prepared on the same basis as the audited financial statements and include all adjustments necessary for a fair statement of the information. The results for the 12-month period ended September 30, 2010, are not necessarily indicative of the results that may be expected for the year ended December 31, 2010.

This information is qualified in its entirety by reference to, and should be read together with (i) our Annual Report on Form 10-K for the year ended December 31, 2009 (as supplemented by our recast consolidated financial statements included our Current Report on Form 8-K filed on September 30, 2010) and (ii) our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2010 as recast, June 30, 2010 and September 30, 2010, all of which are incorporated herein by reference.

| (in millions)   | 12 Months Ended<br>September 30, |                  | Year Ended December 31, |                  |                  |
|---|----------------------------------|------------------|-------------------------|------------------|------------------|
|   | 2010<br>(recast)                 | 2009<br>(recast) | 2009<br>(recast)        | 2008<br>(recast) | 2007<br>(recast) |
|   | (unaudited)                      |                  |                         |                  |                  |
| <b>Results of continuing operations</b>               |                                  |                  |                         |                  |                  |
| Revenues  |                                  |                  |                         |                  |                  |
| Questar Gas   | \$ 891.5                         | \$ 955.8         | \$ 918.9                | \$ 994.2         | \$ 927.6         |
| Questar Pipeline                                      | 190.0                            | 171.2            | 173.2                   | 176.6            | 131.0            |
| Wexpro  | 23.4                             | 13.3             | 17.8                    | 31.1             | 21.6             |
| Total revenues  | 1,104.9                          | 1,140.3          | 1,109.9                 | 1,201.9          | 1,080.2          |
| Operating income                                      | 335.4                            | 319.8            | 328.2                   | 307.3            | 257.2            |
| Income from continuing operations before income taxes |                                  |                  |                         |                  |                  |
|   | 294.0                            | 276.5            | 284.9                   | 266.6            | 225.1            |
| Income from continuing operations                     |                                  |                  |                         |                  |                  |
|   | 184.0                            | 178.3            | 180.5                   | 172.2            | 145.8            |
| <b>Cash flow from continuing operations</b>           |                                  |                  |                         |                  |                  |
| Net cash provided by operating activities             |                                  |                  |                         |                  |                  |
|   | \$ 370.5                         | \$ 429.4         | \$ 428.8                | \$ 271.5         | \$ 334.0         |
| Net cash used in investing activities <sup>1</sup>    |                                  |                  |                         |                  |                  |
|   | (529.4)                          | (301.0)          | (249.8)                 | (357.0)          | (494.7)          |
| Net cash provided by (used in) financing activities   |                                  |                  |                         |                  |                  |
|   | 165.2                            | (128.4)          | (167.5)                 | 74.0             | 167.1            |
| <b>Continuing operations financial position</b>       |                                  |                  |                         |                  |                  |
| Total assets  | \$ 3,167.1                       | \$ 3,024.5       | \$ 3,189.7              | \$ 3,115.7       | \$ 2,809.7       |
| Long-term debt, less current portion                  | 649.1                            | 831.2            | 831.2                   | 871.8            | 623.2            |
| Total common shareholders' equity                     | 974.4                            | 1,065.9          | 1,136.6                 | 992.5            | 985.1            |

1

For the 12 months ended September 30, 2010, net cash used in investing activities includes a \$250 million capital contribution to QEP prior to the Spinoff.



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**RISK FACTORS**

*This section describes some, but not all, of the risks of purchasing notes in this offering. The accompanying prospectus also contains a "Risk Factors" section beginning on page 5 thereof. You should carefully consider these risks, in addition to the risk factors and other information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus, including matters discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009 and in our Current Report on Form 8-K filed with the SEC on June 16, 2010. You should carefully review the factors discussed below and the cautionary statements referred to in "Special Note Regarding Forward-Looking Statements." If any of the risks and uncertainties described below or incorporated by reference in this prospectus supplement actually occur, our business, financial condition or results of operations could be materially adversely affected.*

**Risks Relating to the Notes**

***The notes will be unsecured and effectively subordinated to our and our subsidiaries' existing and future secured indebtedness.***

The notes will be general unsecured senior obligations ranking effectively junior in right of payment to all existing and future secured debt of ours and that of each of our subsidiaries to the extent of the value of the collateral securing the debt. As of September 30, 2010, neither we nor our subsidiaries had any secured indebtedness.

If we or a subsidiary is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of ours or that subsidiary will be entitled to be paid in full from our assets or the assets of the subsidiary, as applicable, securing that debt before any payment may be made with respect to the notes. Holders of the notes will participate ratably in our remaining assets with all holders of our unsecured indebtedness that does not rank junior to the notes, including all of our other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

***Because we are a holding company, our ability to pay our debts depends upon the ability of our subsidiaries to pay dividends and to advance funds to us. In addition, our ability to participate in any distribution of our subsidiaries' assets is generally subject to the prior claims of our subsidiaries' creditors.***

Because we conduct our business primarily through our subsidiaries, our ability to pay our debts depends upon the earnings and cash flow of our subsidiaries and their ability to pay dividends and advance funds to us. Contractual and legal restrictions applicable to our subsidiaries could limit our ability to obtain cash from them. Our rights to participate in any distribution of our subsidiaries' assets upon their liquidation, reorganization or insolvency generally would be subject to the prior claims of the subsidiaries' creditors. As a result, any debt we may issue will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries. At September 30, 2010, our subsidiaries had approximately \$831.1 million of outstanding indebtedness (excluding intercompany indebtedness). The indenture does not restrict the amount of indebtedness that we or our subsidiaries may incur.

***In addition to our currently outstanding indebtedness, we may be able to borrow substantial additional unsecured indebtedness in the future.***

We may be able to incur substantial additional indebtedness in the future. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could increase. As of September 30, 2010, on an as adjusted basis after giving effect to the issuance and sale of the notes and the application of the net proceeds therefrom as set forth under "Use of Proceeds," we would have had total consolidated indebtedness of approximately \$1.2 billion (none of which would have been secured)

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and the ability to borrow up to \$452.6 million under our existing senior credit facilities. Our level of indebtedness may prevent us from engaging in certain transactions that might otherwise be beneficial to us by limiting our ability to obtain additional financing, limiting our flexibility in operating our business or otherwise. In addition, we could be at a competitive disadvantage against other less leveraged competitors that have more cash flow to devote to their business. Any of these factors could result in a material adverse effect on our business, financial condition, results of operations, business prospects and ability to satisfy our obligations under the notes.

***Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.***

The notes are a new issue of securities for which there is no established public market. We do not intend to have the notes listed on a national securities exchange. Therefore, we cannot assure you that an active market for the notes will develop or, if developed, that it will continue. Although the underwriters have informed us that they intend to make a market in the notes after completion of the offering, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. Any such market-making will be subject to the limitations imposed by the Securities Act and the Exchange Act.

We also cannot assure you that the market, if any, for the notes will be free from disruptions that cause price volatility or that any such disruptions may not adversely affect the prices at which you may sell your notes. In addition, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

***The value of the notes could be substantially affected by various factors.***

The value of the notes will depend on many factors, which may change from time to time, including:

prevailing interest rates, increases in which may have an adverse effect on the value of the notes;

general economic and financial market conditions;

our financial condition, performance and prospects as well as our competitors' financial condition, performance and prospects;

changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;

changes in our credit ratings;

actual or anticipated variations in quarterly operating results;

adverse market reaction to any securities we may issue or additional debt we incur in the future;

speculation in the press or investment community; and

the realization of any of the other risk factors included in or incorporated by reference in this prospectus supplement and the accompanying prospectus.

In addition, many of the factors listed above are beyond our control. These factors may cause the market price of the notes to decline, regardless of our financial condition, results of operations, business or prospects. It is impossible to assure investors that the market price of the



notes will not fall in the future, and it may be difficult for investors to resell the notes at prices they find attractive, or at all.

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*A downgrade in our credit rating could negatively impact our cost of and ability to access capital and the market value of the notes.*

Credit rating agencies rate our debt securities on factors that include our operating results, actions that we take, their view of the general outlook for our industry and their view of the general outlook for the economy. We cannot assure you that our credit ratings will not be downgraded in the future. A downgrade in our credit ratings or placement on a watch list for possible future downgrading could negatively impact our cost of capital or our ability to effectively execute aspects of our strategy and could have a material adverse effect on the market value of the notes. If we were to be downgraded, it could be difficult for us to raise debt in the public debt markets and the cost of any new debt could be much higher than our outstanding debt.

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#### **USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting the underwriting discount and our estimated offering expenses, will be approximately \$247.6 million. We intend to use the net proceeds from this offering to repay short-term commercial paper debt. As of December 6, 2010, the weighted average interest rate of our short-term commercial paper debt to be retired was approximately 0.36% and our outstanding commercial paper balance was \$452 million, with maturity dates ranging from one to 45 days. This debt was incurred for working capital purposes and to fund our capital contribution to QEP prior to the Spinoff.

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**CAPITALIZATION**

The following table sets forth our capitalization as of September 30, 2010:

on a consolidated unaudited historical basis; and

on a pro forma basis to give effect to the issuance and sale of \$250.0 million in aggregate principal amount of notes in this offering and application of the estimated net proceeds thereof as described in "Use of Proceeds."

You should read this table in conjunction with our consolidated unaudited financial statements, including the notes to such financial statements, set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2010, which is incorporated herein by reference.

**As of September 30, 2010**

**Historical      Pro Forma**