PREFILED REBUTTAL TESTIMONY

Of

ROGER J. SWENSON

On behalf of US Magnesium LLC

In the Matter of the Application of Questar Gas Company for a General Increase in Rates and Charges

Utah Public Service Commission Docket No. 02-057-02

October 4, 2002

Q. Please state your name and address.

A. My name is Roger J. Swenson. My Address is 1592 East 3350 South Salt Lake City, Utah 84116.

Q. By whom are you employed and in what capacity

A. I am a consultant for E-Quant Consulting LLC working in this matter on behalf of US Magnesium LLC.

Q. Did you file direct testimony in this proceeding?

A. Yes I did.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide rebuttal to certain testimony filed on behalf of the Committee of Consumer Services and the Division of Public Utilities concerning Cost of Service issues and issues related to CO2 cost recovery. I will also comment concerning the proposed changes made by Kevin Higgins to the administrative charge for transportation customers and the testimony of David Nichols.

Q. Mr. Yankel in his testimony provides a comparison between rates of Arizona – SW Gas and Questar Gas. Do you agree with the conclusions he reaches from the comparison?

A I do not agree with the conclusions Mr. Yankel draws from his comparison. The problem with making such comparisons is that if both rates are based on cost of service principles, then it is simply the cost structure derived from cost causation that drives the differences. A gas system designed to meet the needs of customers in a desert climate will have different cost causality for residential usage rates than a cost structure for a system such as Questar's. The SW Gas cost of service rates may have a very high portion of water heater-only type of load, given the different appliance make-up based on climate. Also, the industrial transport load that the SW Gas transport rate is derived from may have a poor load factor and this could drive the cost of service rate to reflect higher costs. Mr. Yankel admits that changes in rate spread and rate design should not be solely based upon his comparisons. I would argue that, unless you can factor in all of the specific cost causal differences between systems, you cannot make any rational changes to rate design or rate spread based on such comparisons.

Q. Are there any conclusions that you can draw from the comparisons of the rates of six Gas Utilities that Mr. Yankel provides in his testimony?

A. Yes, what jumps out at me is that the residential rates are all higher than Questar's. What also is clear is that transportation rates are so high on those other systems that many of the clients I represent would be out of business or would have by-passed the utility. The conclusion I can conjecture is that reasonable transportation rates help keep large high load factor industrial customers on the system, which helps to keep all customers' rates lower.

Q. Mr. Yankel also discusses issues associated with feeder lines that seem to be in place dedicated to only one or two entities. Do you agree with his recommendation that the costs associated with these services should not be allocated to all other customers?

A. I agree in principle, but I totally disagree with Mr. Yankel's application of the principle. Ultimately, Mr. Yankel's testimony reflects that he does not understand the basis for costs associated with these extensions. The more supportable conclusion is that the benefits that these industrial customers provide to the system are not fully reflected in their rates.

Mr. Yankel has hit upon a very interesting circumstance. Each of the customers that he uses as an example has paid substantial amounts of the up-front costs to receive service. The industrial customers that initially drew these feeder lines out either guaranteed to pay a certain amount of construction costs up front or agreed to pay established minimum annual payments or both. These customers essentially footed the bill to pull services that other ratepayers now receive benefit from.

For example, the contract to extend the main line (Feeder Line 38) out to the predecessor of US Magnesium says that Questar may serve other customers off of the line without liability so long as such additional service does not adversely affect Questar's ability to serve US Magnesium's requirements. The contracts for both of the other lines that Mr. Yankel calls out as examples have similar provisions that allow Questar to serve others from the extension. This is true even though the extension costs were paid for by the large industrial consumers, Great Salt Lake Minerals and Morton Thiokol. Another clear example of an industrial customer providing significant benefits to other customers is the WECCO main extension. WECCO paid a substantial portion of the costs for a main extension from Cedar City to its facility. That line that WECCO paid for is also used as a secondary supply delivery line into Cedar City from Kern River Pipeline. Many customers in Southern Utah receive benefits from this extension paid for by a single industrial transport customer.

Q. Mr. McFadden in his testimony discusses the nature of interruptible service. Do you have any comments concerning his testimony on this matter?

A. Yes, Mr. McFadden asserts that distribution planners do not design the system to provide capacity to serve interruptible loads. I agree that the system is designed for the peak "design day" capacity requirement. This design requirement to meet the peak "design day" needs means that there will be at least some excess capacity on all days but the "design days." The interruptible customers use this spare capacity that otherwise would not be used. This helps the system be used more efficiently. By using this spare capacity and by paying more than the variable cost to serve this load, interruptible customers lower costs for firm service customers.

Q. Mr. McFadden states that because interruptions are infrequent they actually receive firm service. Do you agree with this statement?

A. I am astounded by his conclusion. In his own testimony on page 14, just 8 lines preceding this statement, he acknowledges that interruptions have occurred in the previous two winter heating seasons. It is absurd to state that these customers actually receive firm service.

Q. What do you believe he is trying to do with this argument?

A. He appears to be simply searching for an excuse to shift costs from the firm service customers that he represents to interruptible customers that he does not. There is no justification for his proposal. Interruptible customers are interruptible and will not be taking service on peak design day events.

Q. Mr. McFadden provides testimony on the CO2 cost recovery issue. What comments do you have concerning his testimony?

A. Mr. McFadden states that a separate rider should be established and that the basis for charges should be derived based on annual throughput, resulting in a proposed charge of $.0365 per Dth to all customers. He asserts: "Since gas quality affects all customers, not just firm sales customers, the costs should be evenly apportioned among all customers." (CCS 6.0 pg18 line 6) I completely disagree that "gas quality affects all customers;" many customers, including US Magnesium, have no problem burning lower quality gas.

Q. Why do you say that gas quality is not an issue for US Magnesium and other customers?

A. Attached as Exhibit 1 is an excerpt from a document provided by Solar Turbines regarding Gas Turbine Fuels. This document describes the successful development of turbines burning fuels with heating values using medium BTU gas in the range of 200 – 600 BTU per cubic foot. Turbines and other industrial equipment can easily accommodate much lower BTU conditions than that produced by the CO2 processing plant. The affect on gas quality of the CO2 plant is of no consequence, safety or otherwise, to usage within US Magnesium's facilities.

Q. Mr. McFadden also states that because the Commission allowed QGC to recover these costs associated with the CO2 to address safety concerns, it is unreasonable that the costs should largely be borne by just one rate class. Do you agree with this statement?

A. I would only agree that the costs should be borne by all customers who receive a direct benefit from this solution in resolving safety concerns, and that those who do not need this safety concern resolved for them should not bear the cost for those who do.

Q. Mr. Hansen has also filed testimony representing the Division of Public Utilities discussing the CO2 cost recovery issue. Do you have any comments concerning his position in this matter?

A. Yes, I do. As I understand Mr. Hansen's logic, he concludes that a major reason for the CO2 plant is the open access policy of FERC because FERC policy requires QGC to take pipeline quality gas, even if it is unsafe for use in appliances in the Salt Lake Valley. He also concludes that a goal of open access is lower prices and since all customers benefit from lower prices, it is reasonable to assign costs that result from open access to all. I simply cannot agree with Mr. Hansen's logic or conclusions. In particular, the "cause" of the problem addressed by the CO2 plant is not open access market efficiency. Rather, the cause of the problem is appliance orifices that are not safe, based on the BTU content allowed under Questar's gas quality specifications for gas it accepts into its interstate pipeline.

Q. Mr. Hansen goes on to discuss the economics of this high CO2 supply source for QGC. Do you agree with his conclusion?

A. I agree that having more supply than demand on the Questar pipeline system provides a price differential to downstream pipelines. If we have a greater supply given a set demand, we will have lower prices. I believe that most parties in this proceeding would generally agree with this concept. Mr. Hansen apparently concludes that, because we have this plant, we have lower costs and that the costs are approximately $.13 per Dth lower. If that were the case, I would suggest that we get busy and build even more of these plants so that we can drive costs even lower. But that is not what the CO2 plant does. The supply and demand balance from all sources of gas on the QPC system creates the economic circumstances we see. The CO2 plant allows customers that have a safety issue with burning this lower BTU gas to actually use this gas. These are the customers that benefit from the plant and the lower costs associated from continuing to accept QGC gas on the southern system into the gas supply mix.

Q. What would be the effect of Mr. Hansen's proposal to a company like US Magnesium?

A. US Magnesium, as it struggles to get back to full operation, should be using over 5,000,000 Dths per year. At Mr. Hanson's proposed rate increase of $.039 per Dth for CO2 costs alone, roughly $200,000 per year of these costs would be paid by US Magnesium toward a safety issue that has no bearing on the industrial equipment using gas at the US Magnesium facility. Not only would that result be unfair and unreasonable, it could have a major negative impact on US Magnesium's chances of survival.

Q. What would you recommend concerning CO2 cost recovery based on the testimony you have reviewed?

A. As acknowledged by Mr. McFadden, the Commission approved a settlement among several of the parties in Docket No. 99-057-20, finding that the resulting cost allocation was just and reasonable. In exchange for other considerations (such as stable rates for a time), even those customers that receive no benefit from the CO2 processing plant were forced to bear a small portion of the costs. That consideration has now been withdrawn by the parties to this case and as such no CO2 costs should be assigned to industrial transportation customers.

Q. Mr. Higgins proposes a reduction in the Administrative Charge. How do you respond to his proposal?

A. I do not have sufficient data to properly analyze the change suggested by Mr. Higgins. In general, I support rate design that properly assigns customer charges on a per-customer basis, other fixed costs on a fixed charge basis, and only variable costs on a variable charge basis. In this respect, I agree with Mr. Hanson's testimony (page 4 line 6) that the "customer charge should be based on the costs that are caused by each customer each month." Moreover, I support similar rate design for all customer classes. Accordingly, if the IT/FT administrative charge is appropriate for those classes, other transportation classes (such as I2 and I4) should also have administrative charges that collect a level of fixed customer charges comparable to the IT/FT tariffs. Because neither the I2 nor the I4 tariff has a comparable administrative fee, one can understand Mr. Higgins' view that administrative charges may be used by Questar to prevent customers from selecting economic alternatives rather than to reflect sound rate design.

For all customer classes, if the existing rate design recovers more or less in customer charges, fixed charges or variable charges than the relevant costs associated with the service, the rate design should be changed. I simply do not have sufficient data to recommend any particular changes at this time.

Q. Do you have any comments concerning the testimony of Mr. Nichols?

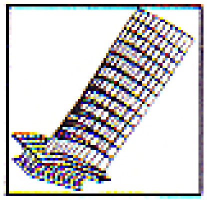
A. Yes, I do. Mr. Nichols in his testimony sponsored by the Utah State Energy Office discusses the comments of the Governor of the State of Utah that we should cultivate an ethic of conservation and efficiency. Mr. Nichols goes on to say that a change in rate design is needed so customers are given the economic signal to discourage usage. I am not sure exactly what he is implying, but I do not believe that the Governor meant that we should just increase costs. In fact, I have attached as Exhibit 2 to this rebuttal testimony, two separate Resolutions passed by the Utah State Legislature that recognize the importance of considering potential negative impacts on the business community in taking any action through passage of laws and through state agency rulemaking.

It is not clear to me from Mr. Nichols' testimony how cost of service principles come into play with the flat or inclining rates that he is recommending. If revenue requirements are based on cost of service, then the rate design should return the same revenues to the company. Unless each customer has a specific rate designed for it, the larger customers in any rate class will pay more than they should. If his intent is to thrust costs on all customers in order to decrease usage, then for the energy intensive industries in this state, he may achieve this goal by driving them out of business.

Q. Does this conclude your testimony?

A. Yes.

Exhibit 1



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W.S.Y. Hung, Ph.D.
Chief Engineer,
Product Emissions

INTRODUCTION

Most industrial gas turbines developed in the United States were originally designed for operation using standard pipeline-quality natural gas, light distillate oil, or both. Over the years, legislative, environmental and economic factors have led to the development of gas turbine technology which allows the burning of a variety of gaseous and liquid fuels, with a wide range of heating values and other properties.

The successful development and application of small industrial gas turbines (<10 MW) for medium-Btu gaseous fuels was reported in Ref. 1. The capability of small industrial gas turbines to burn various sources of gaseous fuels was summarized in Ref. 2. Current technology of large industrial gas turbines (>10 MW) to burn various gaseous and liquid fuels, including crude and residual oils, was reported in Refs. 3 and 4.

This paper describes the various gaseous and liquid fuels that can be handled by current industrial gas turbine technology. The various types of gaseous and liquid fuels are defined and classified. The fuel characteristics that affect the turbine operation, combustion process, combustion system, and fuel control system are then discussed. Finally, some experiences of industrial gas turbines on alternate fuels are summarized.

FUELS' HISTORY AND OUTLOOK

After World War II, the devastated industrial complex of Europe had extremely limited fuel resources. A wide variety of manufactured gaseous fuels, such as blast furnace gases (Ref. 5), town-gas and other coal-derived or process fuels were common. Thermal energy conversion equipment, including gas turbines, were designed to handle these fuels. At the same time, large quantities of inexpensive oil and natural gas were produced in the United States for industrial and utility use, which halted ongoing research and development in coal gasification or the direct use of coal as a fuel. Consequently, gas turbine design in the United States focused on the use of oil and natural gas.

Development of oil and/or gas reserves in the Middle East, North Africa, South America and the North Sea made inexpensive hydrocarbon fuels available in Europe, which changed the coal-derived town gas economy to natural gas. Tighter control by the oil producing countries, however, resulted in exponential growth of oil and gas prices and increased public awareness of limited fuel resources.

In 1974, the oil embargo caused radical economic changes in the industrial oil consuming nations. The United States, for instance, enacted the Power Plant and Industrial Fuel Use Act in 1979 to force energy conservation, foster more use of coal and alternate fuels, and encourage the use of synthetic gas derived from coal and other sources. Government-sponsored research and development programs in coal gasification and utilization of energy from biomass were initiated. This conservation, accompanied by the economic recession of the early 1980s, substantially reduced oil and gas consumption, which led to a worldwide surplus of oil and natural gas and a significant price reduction in petroleum.

Based upon a worldwide survey of natural gas reserves, production and trade, gas is capturing an increasing share of the world's energy market (Ref. 6). Deregulation of the natural gas price will provide, in the long term, competitively priced gas which may command a small premium because of its ease of transportation, distribution and environmentally clean combustion.

Recent public awareness of the "greenhouse" effect and the concern over nuclear power will result in increased emphasis on burning natural gas in place of coal or liquid fuels.

Energy demand and fuel availability, however, are difficult to project. The use of natural gas from unconventional resources from the gasification of coal, and from nonfossil, renewable energy sources, such as biomass and wastes, is expected to grow as the cost of fossil fuels rises and technological advancements make the production of fuel gas from these sources economically feasible.

GASEOUS FUEL CLASSIFICATION

The heat of combustion of a fuel at constant pressure is a measure of the heat (thermal energy) that is transferred in the Brayton cycle (Figure 1) typical of gas turbine operation. The higher (gross) heating value (HHV) of a fuel represents the total amount of heat that can be transferred from complete combustion. The lower (net) heating value (LHV) represents the amount of heat obtained through combustion, wherein the water formed by combustion remains entirely in the vapor state when exhausted. The difference is the latent heat of vaporization of water at the test temperature. In a Brayton cycle, this latent heat of vaporization of water is not recoverable from combustion. Hence, the LHV of fuel is used throughout this paper.

The volumetric lower heating value (LHV) of a gas is used to classify individual fuels into five distinct classes (Table 1). These classes require different handling, combustion and control systems. As heating values decrease below standard levels shown in Table 1, combustion system resizing is necessary and may require standard

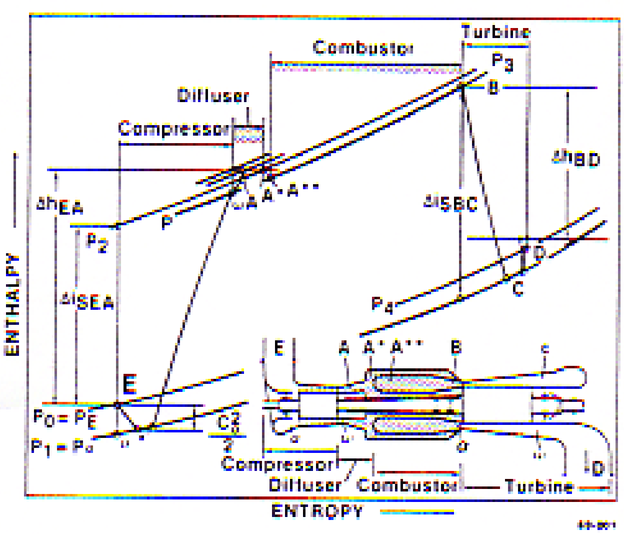

Figure 1. Thermal Energy Transfer in a Brayton Cycle

natural gas or liquid fuel for start-up/shutdown, as well as restrictions for transient load operation.

While it is evident that many unconventional sources of gaseous fuel remain untapped (Refs. 7 through 11), the various known sources of gaseous fuels are:

- Fuel Gases in Oil and Gas Industry
- Fuel Gases in Processing Industries
- "Gob" Gas from Coal Mines
- Fuel Gases from Gasification of Solid Fuel
- Fuel Gases from Biomass

Fuel Gases in Oil and Gas Industry

The typical composition and LHV of various sources of fuel gases from the oil and gas industry are shown in Table 2. Natural gas is primarily a mixture of naturally occurring paraffin hydrocarbons consisting of methane (CH_4), ethane (C_2H_6), propane (C_3H_8), butane (C_4H_{10}), pentane (C_5H_{12}), hexane (C_6H_{14}), and heavier molecular structure compounds. Isomers of these compounds, such as isobutane (iC_4H_{10}) and isopentane (iC_5H_{12}) which have significantly different properties, are also found in natural gas. In addition, other gases such as carbon dioxide, hydrogen sulfide, mercaptans, water vapor and nitrogen are also present in trace quantities.

Table 2 shows that the heating values of raw natural gas can vary significantly from one gas field to another. The heating values of pipeline-quality natural gas used in transportation and distribution are kept fairly constant with less than 10% variation.

Methane – lightest combustible component of natural gas – is generally referred to interchangeably with pipeline-quality gas because it is the major constituent in pipeline-quality natural gas. Mercaptans are typically added to pipeline gas to give a distinctive odor that facilitates gas leakage detection. Natural gas containing hydrogen sulfide (H_2S) is referred to as sour gas. Excessive H_2S creates extensive corrosion problems on fuel-wetted parts; thus, stainless steel and/or coatings are often prescribed as a remedy for equipment handling sour gas (Ref. 12).

Natural Gas Liquids (NGL) is a general classification for those paraffin hydrocarbons heavier than methane, which can be transported and distributed in liquid form. At atmospheric pressure, NGL is in gaseous state. These gases are separated from methane by liquifying them through the process of pressure, absorption, or a combination of both.

Table 1. Classification of Gaseous Fuels

Class	Category	LHV, Btu/scf*	Combustion System	Start-Up, Shutdown	Load Restriction
1	Natural Gas Liquids (NGL) Liquified Petroleum Gas (LPG)	>1600	NGL wide range	same	none
2	High Btu Gas (HBG) Standard Natural Gas	600 - 1600 800 - 1200	Control adjustment Standard	same	none
3	Medium Btu Gas (MBG)	200 - 600	Modified combustor New fuel injector New control	HBG/HBL** (same possible)	transients
4	Low Btu Gas (LBG)	75 - 200	Modified combustor New injectors New control	HBG/HBL	transients no load
5	Ultra Low Btu Gas (ULBG)	<75	New system Catalytic combustor	same bootstrap	transients slow

* Standard cubic foot (scf) is defined at 60°F and 14.696 psia.

** HBG = High Btu Gas
HBL = High Btu Liquid

Table 2. Fuel Gases from Oil and Gas Industry

Source of Fuel Gas	Typical Composition	LHV, Btu/scf	Comments
Raw Natural Gas Used in Gathering and Reinjection	20-100% CH_4, C_2H_6, C_3H_8, C_4H_{10}, C_5H_{12}, C_6H_{14}, CO_2, N_2, He	600-1350	LHV may vary by reservoir and separator operation characteristics
Natural Gas Used in Transportation and Distribution	70-95% CH_4, C_2H_6, C_3H_8, C_4H_{10}, C_5H_{12}, C_6H_{14}, CO_2, N_2, He	850-1050	LHV variations within the same source are kept below ± 10 percent
Natural Gas Liquids or Liquified Petroleum Gas	C_3H_8, C_3H_6, C_4H_{10}, C_4H_8, C_2H_6, C_5H_{12} and mixture	1600-3000	Hydrocarbons heavier than methane from the wet NG which can be transported and distributed in liquid form
Process Natural Gas in Nitrogen Rejection Plants	CH_4/N_2 mixture	300-600	A waste stream of medium calorific value depending on plant design, operation and rejection efficiency
Refinery Waste Gas	40-90% H_2, CH_4, C_2H_6, C_3H_8, C_4H_{10}, C_5H_{12}	400-850	Waste gas, from the platforming process, used to increase the H/C ratio in the refining of liquid fuels
Waste Gas from Tertiary Oil Recovery (Fireflood)	80% N_2, 17% CO_2, CH_4, C_2H_6, C_3H_8, C_4H_{10}, CO	30-100	A low calorific value gas which is an undesirable by-product from enhanced recovery of oil through a fireflood process
Residual Oil Gasification	55-55%, CO, 30-40% H_2, CO_2, N_2, CH_4, H_2O	250-350	Gasification of residual oil into a medium Btu gas of acceptable quality developed by Texaco
Unconventional Natural Gas	Similar to conventional NG	Comparable to conventional NG	Untapped natural gas resources to be recovered from tight sand formation, Devonian shale, aquifiers, hydrate deposits and ultra-deep reservoirs
Abiogenic Gas	—	—	Natural gas of nonbiological origin trapped at great depth in northern latitudes where little or no vegetation existed

During operation on those fuels, no incidents of operational trouble directly attributable to the use of alternate fuels have been experienced.

Table 9. Alternate Liquid Fuels Experience

Year Shipped	Fuel Type	Model	Units
1961	Butane	MD-1000	1
1962	Propane Butane	MD-1000	10
1972	Ethane/Propane Gasoline	MD-1200	6
1972	Ethane Gasoline	MD-1200	14
1974	Propane Gasoline	MD-1200	22
1980	Propane	GSC-4000	1
1980	Ethane/Propane	GSC-1200	17
1981	Ethane/Propane Propane Butane Pentane Gasoline	MD-1200R	12
1983	Propane	GSC-12,000	3
1988	Natural Gas Liquids	GSC-5500	2

SUMMARY

Since changes in legislative, environmental and/or economic factors are difficult to forecast, fuel flexibility in gas turbines is strongly desired. Over the years, development of engineering know-how and technology have paved the way in demonstrating that gas turbines are capable of reliable operation on a variety of standard gaseous and liquid fuels.

Various alternate gaseous fuels, including liquified petroleum gas, refinery waste gas and medium-Btu fuels from sanitary landfills, liquid sewage treatment plants, coal mines, processing plants and offshore platforms have been demonstrated to be suitable for reliable gas turbine operation.

Various alternate liquid fuels, including gasoline, naphtha and natural gas liquids have been successfully used in gas turbines for many years. With proper treatment and maintenance, crude oils and heavy residual fuels have been successfully burned in large industrial gas turbines.

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Exhibit 2

RESOLUTION SUPPORTING BUSINESSES

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Greg J. Curtis

This concurrent resolution of the Legislature and the Governor expresses support for Utah businesses that provide stable jobs and create a healthy Utah economy. The resolution also recognizes the importance of considering the impact of laws and rules on the Utah business community.

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, Utah businesses provide employment for the overwhelming majority of working Utahns;

WHEREAS, the jobs provided by Utah businesses are essential to enable the citizens of Utah to achieve a good quality of life for themselves and their families;

WHEREAS, taxes paid by Utah businesses to state and local governments are essential to provide government services and educate Utah's children;

WHEREAS, healthy businesses relieve the government of some of the burdens associated with providing services to the economically disadvantaged; and

WHEREAS, a healthy and competitive business climate ensure a strong Utah economy:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the Governor concurring therein, expresses support for the business community in the state of Utah and recognizes its important role in creating a healthy economy.

BE IT FURTHER RESOLVED that the Legislature of the state of Utah recognizes the importance of considering the potential negative impact on the Utah business community in its passage of laws and through state agency rulemaking.

BE IT FURTHER RESOLVED that a copy of this resolution be sent to each of Utah's chambers of commerce and other business organizations.

RESOLUTION PROMOTING COOPERATIVE REGULATORY ENVIRONMENT AND ECONOMIC DEVELOPMENT IN UTAH

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Chad E. Bennion

This joint resolution of the Legislature urges Utah state agencies and the Utah business community to work together to develop strategies that balance the need for regulatory protections with the needs faced by the business community in its role in strengthening the economy of the state.

Be it resolved by the Legislature of the state of Utah:

WHEREAS, Utah has a rich heritage in the development of numerous industries;

WHEREAS, individual citizens of Utah, demonstrating extraordinary entrepreneurial acumen, contributed greatly to the state's economic legacy;

WHEREAS, the Utah business community has created hundreds of thousands of jobs for Utah's citizens;

WHEREAS, Utah's strong economy, fueled in part by a strong and successful business community, has greatly enhanced the standard of living and buying power of Utah's families;

WHEREAS, regulation of business, in many instances, plays a vital role in preserving fairness and safety within the free enterprise system for the benefit of citizens and regulated businesses;

WHEREAS, determining what factors may restrict the business community's ability to respond to economic challenges can strengthen Utah businesses and increase the economic stability of the state;

WHEREAS, in providing these needed protections, the regulatory actions of state agencies should provide needed protection to the public without impeding the efforts of businesses to remain economically viable;

WHEREAS, regulatory and other state agencies can play an important role in helping businesses to succeed economically within a regulatory structure;

WHEREAS, regulatory and other state agencies should work with Utah businesses to develop regulations that demonstrate that protecting the public and helping businesses grow and expand are mutually compatible goals; and

WHEREAS, regulations that serve this dual purpose should be pursued with vigor and determination for the benefit of the state's citizens, businesses, and the state's economy:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah urges the state's regulatory agencies and the Utah business community to work together to develop regulatory strategies that enhance the balance between the need for regulatory protections and the economic needs and challenges faced by the business community.

BE IT FURTHER RESOLVED that a copy of this resolution be sent to each department of state government and to each of Utah's Chambers of Commerce.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was mailed, postage prepaid, this 4th day of October, 2002, to the following:

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