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Date: 6/6/2007 9:07 AM
Subject: Utility Hearings

In regards to public involvement in hearings about rate cases and other utility issues, one word alone should justify full access to any consumer, ENRON. ENRON manipulated the availability of electrical supplies so that it could reap extra ordinary profits in California where the price of electricity was deregulated with the assertion that a free market would result in cheaper power. California after ENRON manipulation has the some of the highest electrical rates now because of the manipulations of ENRON and other public utilities.

Peabody Coal had revenues of \$20 a ton for coal sold last year. This means that coal had a price of about one cent a pound. Assuming inefficient generation practice and one pound of coal is used to generate one kilowatt-hour, this means that the raw energy input for one kilowatt hour of electricity is one cent. The average energy cost input is probably less than that, but the large majority of the price to electricity consumers is obviously management costs, profits and capital costs in that order. The raw input energy costs obviously have no actual bearing on the rates charged to the average home consumer.

MONOPOLY is the other word that requires full public participation into the rate making process. There is no other practical energy source for heating for consumers in any town with natural gas service. Heating equipment is bought that cannot easily be converted to any other fuel and large tanks of liquefied gases are prohibited by zoning regulations, furnaces are not made for the average consumer that can be rapidly altered to switch between the two gasses.

The average consumer has no way of influencing the wholesale rate of natural gas, but a large state wide utility can refuse to buy gas at high rates while using its own gas wells and stored gas.

If an actual or near monopoly of gas energy wishes to continue to serve customers, all the information about its operations should be made available to the public and all members of the public should have full opportunity to investigate the facts used to justify rate increases or other changes in operation that affect the general customer.

An investigation into the rates charged for gas to the Home consumer would show that the raw input gas cost to the Utility, like electricity, is a fraction of the price that gas costs to the utility.

It is surprising that the green sticker program has not been presented to the public as what it really is. That is: it is a successful attempt to sell gas to the public that has lower quality and energy than that for which the appliance was designed for, and an effort to sell the substandard gas to the public without informing the public directly of this fact. If the heating equipment has to be checked and modified for the new gas, the standards of the gas has been modified. This lower standard is because the utility wishes to avoid the cost of meeting the prior natural gas standards.

Modern technology available to the gas company allows it to meet any standard as to gas and energy content of the gas put into consumers pipes. Pressure swing absorption and gas liquefaction are processes that are readily available to the utility to regulate the quality of the gas, and again the raw energy price of the gas is still a small fraction of the actual price charged to the consumer.

Coal energy is not an option to the general public especially those already equipped with gas heating appliances. The laws and efforts, of the 1970s to reserve the use of easy to use natural gas to homes and small businesses and prohibit the use of gas for electrical generation and use the more readily available coal, have been eliminated and ignored in the present climate of political correctness and peoples false belief that natural gas combustion is inherently cleaner than coal combustion. The gas monopoly utilities perhaps also fought against these efforts in order to keep their sales and profits high. Natural gas was used in power generation mainly because it was cheaper than coal on an energy content basis and easier to use and could be used in low capital cost small turbine power plants and the highly efficient combined

cycle power plants. The public's cleaner perception of gas turbine plants and their smaller size made them easier to build.

The public did and does not know that the price for gas energy charged to these power plants and the more conventional ones, is a small fraction of the price that they are charged at their meter.

OPEC is the third word that justifies full public participation, The US government sanctioned OPEC monopoly in which the major US oil companies participate and profit, prevents any petroleum fuel from competing with Natural Gas utilities. It has also substantially forced the increase of wholesale and retail natural gas prices. This very day it is cheaper, on an energy content basis, to buy charcoal packaged in bags at your local grocery store than it is to buy gasoline or diesel in unpack-aged bulk at the service station across the street.

The high prices of ordinary fuels has forced the public and industry to look around, Corn is now being used for fuel, indirectly through ethanol, and directly in corn burning stoves similar to wood pellet burning stoves. On a wholesale energy basis corn is much cheaper than charcoal, but speculation the demand for the production of ethanol doubled the price of simple corn products to the people of Mexico.

If the monopoly gas company does not wish to operate under those conditions of public scrutiny, it should sell its operations. Warren Buffet has expressed an interest in purchasing large companies and recently bought Utah Power.

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