

BEAVER COUNTY COMMISSION

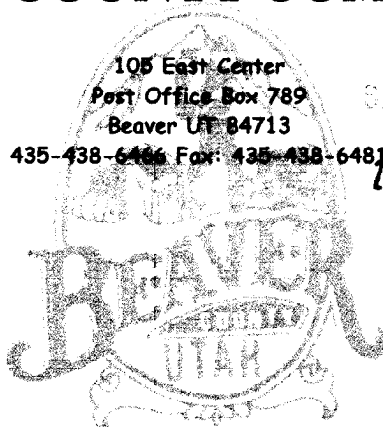
105 East Center
Post Office Box 789
Beaver UT 84713
435-438-6486 Fax: 435-438-6481

UTAH PUBLIC
SERVICE COMMISSION

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Mark S. Whitney
Chairman
William L. Dalton
Commissioner
Chad W. Johnson
Commissioner
Bryan L. Harris
Commission Assistant



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Utah Public Service Commission
P.O. Box 45585
Salt Lake City, UT 84145-0585
Docket 06-057-T04

November 2, 2006

The Beaver County Commission strongly supports the recommendation of a recent task force to remove the GSS and EAC rates from Questar Gas Company's tariff. Beaver County was instrumental in bringing this important issue to the attention of the Commission. It is virtually impossible for a community to succeed in economic development efforts with utility rates significantly higher than neighboring communities. This is the case with current GSS rates and all three Beaver County Communities—Beaver, Milford and Minersville.

A case in point is a paper recycling company that recently investigated locating a plant in the city of Beaver. The GSS rate took the City of Beaver out of contention for this project with gas rates nearly double neighboring communities uninhibited by the GSS rate structure. The project would have added \$50 million to our assessed valuation and created approximately 50 good paying jobs. It was this case that prompted our Economic Development Director to approach the PSC for relief. The result was the forming of the task force that made the recommendation to remove GSS and EAC rates.

Economic development is the lifeblood of rural communities. Without it, they stagnate and export nothing but their youth. The tremendous economic growth that has blessed the Wasatch Front has been a real boon to our state, it is time to allow that growth trend to reach into the more rural and remote reaches of the state. Promoting economic development in rural areas will accrue benefits to the

entire state. To name a few—reduced gridlock through the exporting of jobs off the Wasatch Front, rural cities and counties better able to provide services to visitors to our canyons, mountains and national parks and many more.

The removal of these costs from the existing tariffs will result in a *de minimis* increase (approximately 2/10 of one percent) to the entire rate base. This is a small price to pay given the benefits that will come to some of our poorest communities as a result of this action.

There is adequate precedent for providing this kind of relief to rural areas. As a result of HB180 in 1998, the communities of Panguitch, Cedar Fort and Brian Head are now receiving natural gas service.

We strongly urge the Public Service Commission to immediately adopt the recommendation to remove the GSS and EAC rates from the Questar Gas Services official tariff schedule. In addition we request with this letter permission to provide comments to the commission in a formal setting regarding this issue should the opportunity arise.

Respectfully,



Mark Whitney
Chairman
Beaver County Commission

CC

Committee of Consumer Services
Attn: Reed Warnick
SB Box 146782
Salt Lake City, UT 84114-6782

Division of Public Utilities
Attn: Connie White
SM Box 146751
Salt Lake City, UT 84114

Questar Gas
Attn: Barrie McKay
QB 733
P.O. Box 45360
Salt Lake City, UT 84145