

1 BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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4 TARIFF NAME: )

)

5 Application to Remove )

)

6 GSS and EAC and )Docket No. 06-057-T04

)

7 Implement CET Rates )

)

8 from Questar Gas )

)

9 Company's Tariff )

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13 PUBLIC WITNESS HEARING

14 Taken at the  
15 Beaver County Administration Building  
16 County Commission Chambers  
105 East Center Street  
17 Beaver, Utah

18 On Thursday, February 15, 2007  
19 At 6:30 P.M.

20

21 Richard M. Campbell, Commissioner

22 Ted Boyer, Commissioner

23 Ron Allen, Commissioner

24

25 Reported by: J. Elizabeth Van Fleet, RPR, CSR

1           A P P E A R A N C E S

2   FOR QUESTAR GAS COMPANY:

3   Colleen Larkin Bell, Esq.  
4   Questar Gas Company  
5   180 East 100 South  
6   P.O. Box 45360  
7   Salt Lake City, Utah 84145-0360  
8   801.324.5556

9   FOR ROGER BALL:

10   Roger Ball  
11   1375 Vintry Lane  
12   Salt Lake City, Utah 84121

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1 PROCEEDINGS

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3 MR. CAMPBELL: All right. Welcome. We  
4 are going to go on the record in Docket No.  
5 06-057-T04, application to remove GSS and EAC rates  
6 from Questar's Gas Company's tariff. And we are  
7 here tonight to receive some public witness  
8 testimony, some information from the public here in  
9 Beaver and surrounding areas.

10 With me -- my name is Rick Campbell. I am  
11 chairman of the Utah Public Service Commission.  
12 With me is Commissioner Ted Boyer on my right. And  
13 on my left is Commissioner Ron Allen.

14 As we proceed through this, we don't have  
15 our attorney from the Committee of Consumer  
16 Services here, but I will do my best to qualify you  
17 as witnesses.

18 Now, there are two approaches you can take  
19 in providing testimony to the Public Service  
20 Commission. You can provide sworn testimony or  
21 unsworn testimony. If it's unsworn testimony, we  
22 will put it in the docket and take notice of it.  
23 If you provide sworn testimony, we can use it in  
24 our findings and other parties to the case can  
25 cross-examine your testimony and ask you questions

1 about your testimony. But it's up to you, how you  
2 want to provide that testimony.

3 We have a list here of those who have  
4 noted that they would like to speak. And so we'll  
5 just go down that list in the order listed here.  
6 And we'll begin with it looks like Mayor Mayer of  
7 Milford. If you're here, please come forward and  
8 we'll have you stand here at the podium.

9 Would you like to give a sworn or unsworn  
10 testimony?

11 MR. MAYER: Unsworn.

12 MR. CAMPBELL: Unsworn. Okay. Can you  
13 state your name and spell it for the court  
14 reporter?

15 MR. MAYER: My name is -- the last part?

16 MR. CAMPBELL: Your full name.

17 MR. MAYER: Oh. My full name is Eugene  
18 H. Mayer. I'm the mayor of Milford, Utah.

19 MR. CAMPBELL: All right. And you are  
20 appearing today on your own behalf or on behalf of  
21 your city?

22 MR. MAYER: Well, on behalf of the  
23 citizens of Beaver County.

24 MR. CAMPBELL: All right. Go ahead.

25 MR. MAYER: And the rural area that's

2 MR. CAMPBELL: Okay. Please proceed with  
3 your testimony.

4 MR. MAYER: Okay. Milford City needs to  
5 have the GSS and the EAC surcharges removed from  
6 our natural gas tariff for the following reasons:  
7 They are a significant impediment to our efforts  
8 for industrial development. We have numerous  
9 residents living at or below the poverty line. We  
10 have numerous residents living on fixed incomes.  
11 We have paid these rates longer than any other  
12 community that were on the same type of expansion  
13 financing option. We believe a small increase in  
14 the rates that will be charged all Questar  
15 customers is truly insignificant.

16 We, at Milford City, thank the Division of  
17 Public Utilities, the Committee for Consumer  
18 Services, and Questar for working hard to arrive at  
19 the settlement agreement currently under  
20 consideration. We urge the Public Service  
21 Commission to not allow an extension beyond the  
22 current hearing schedule and decide this manner as  
23 soon as possible. Thank you.

24 MR. CAMPBELL: Thank you very much. The  
25 next one I have on my list is Mack -- I don't know

1 if I dare say it. How do you pronounce your name,

2 sir?

3 MR. OETTING: Oetting.

4 MR. CAMPBELL: Oetting. Do you wish to  
5 provide sworn or unsworn testimony?

6 MR. OETTING: Sworn.

7 MR. CAMPBELL: Okay. If you could raise  
8 your right arm to the square.

9 (Whereupon, MACK OETTING, was sworn and testified  
10 as follows:

11 MR. CAMPBELL: Would you please state your  
12 name for the record?

13 MR. OETTING: My name is Mack Oetting,  
14 O-E-T-T-I-N-G.

15 MR. CAMPBELL: Would you please provide us  
16 with your address.

17 MR. OETTING: P.O. Box 127, Panguitch,  
18 84759.

19 MR. CAMPBELL: And are you appearing on  
20 your own behalf or are you representing someone  
21 else?

22 MR. OETTING: No. I'm representing -- I'm  
23 a school board member of the Garfield County School  
24 Board, and I'm representing Garfield County;  
25 however, the only part of this is in Panguitch.

7

1 They're the only ones that have Questar Gas.

2 MR. CAMPBELL: All right. Please proceed

3 with your testimony.

4 MR. OETTING: When Questar came into  
5 Panguitch, and it was a tremendous asset to the  
6 town of Panguitch; however, we didn't get enough  
7 people to sign up. And the school was asked to  
8 sign up and that way we could bring it into the  
9 school -- I mean, into the town. However, we  
10 didn't -- we had a manager at the time that was  
11 smart enough to keep part of the schools on  
12 propane.

13 What's killing us is not \$30 but the  
14 extension area charge. And I've got the last three  
15 months of our bills. And the extension charge  
16 on -- I'm trying to figure out -- December, the gas  
17 bills were \$10,434. The extension charge was  
18 \$2,530, not the \$30 everybody else is worrying  
19 about. That was for January.

20 MR. BOYER: Is that for the school?

21 MR. OETTING: That's for three schools.  
22 It's three schools, but two of them are powered by  
23 -- half of it is powered by propane. They were  
24 smart enough to keep those there. The main school,  
25 the bill was \$7,000.

8

1 And so you can see out of the 10,000,  
2 7,000 was at the high school, and it's strictly on

3 Questar Gas. In December the bill was \$7,600 and  
4 the high school bill was \$5,118. And of that,  
5 \$1,284 was the extension fee. And it goes on  
6 down. Seven -- no. \$4,928 and of that 1,191 was  
7 the extension fee.

8 I feel that without the school signing up  
9 that we wouldn't have gas there. It's a boom to  
10 our town. It just really is. We've got an  
11 industrial track that's all ready, with the gas up  
12 there, it really is. But it's really created a  
13 hardship with the -- we were paying between 7 and  
14 \$900 a month for coal is what they used before  
15 that, and it was considerably cheaper, but it would  
16 really help to have this extension fee taken off of  
17 it.

18 MR. CAMPBELL: Does that conclude your  
19 statement, your testimony?

20 MR. OETTING: Yes.

21 MR. CAMPBELL: Do you have any questions?

22 MR. ALLEN: Mr. Oetting, just a quick  
23 question. Have you been in Panguitch since the  
24 beginning of this tariff and these changes?

25 MR. OETTING: Yes.

1 MR. ALLEN: And what was your expectation  
2 as far as term of contract agreement? Could you  
3 just give me a little history on what your

4 expectations were as far as how long this would

5 last?

6 MR. OETTING: I was part of the city  
7 council at the time and they put -- I thought all  
8 the fees were going to be \$30. I didn't realize  
9 that 'til I got on the school board that I found  
10 out that this is almost 30 percent of the cost of  
11 the gas. And I was under the impression it was  
12 either for 15 or 20 years that the \$30 would stay  
13 on there.

14 MR. ALLEN: Thank you.

15 MR. OETTING: Now, you probably get a lot  
16 more people here in the summertime when -- my gas  
17 bill this time was \$480, so the 30 bucks doesn't  
18 sound like much. But in the summertime when you  
19 don't have any use of the gas, it is something  
20 that's really quite expensive.

21 MR. ALLEN: Thank you.

22 MR. OETTING: And 40 percent of the town  
23 is made up of retired people on fixed incomes, so  
24 it's a big cost to them. Do you have any more  
25 questions?

10

1 MR. CAMPBELL: Yeah. Any questions from  
2 the parties? Thank you. Thank you.

3 MR. OETTING: Thank you.

4 MR. CAMPBELL: The next witness we have is  
5 Tom Hatch. I guess we should say Senator.

6 MR. HATCH: Have been.

7 MR. CAMPBELL: From your prior life. Do  
8 you wish to provide sworn or unsworn testimony?

9 MR. HATCH: Unsworn, I think.

10 MR. CAMPBELL: Okay.

11 MR. HATCH: I don't want to be grilled by  
12 you guys.

13 MR. CAMPBELL: Why don't you go ahead and  
14 state your name for the record.

15 MR. HATCH: My name is Thomas V. Hatch.

16 MR. CAMPBELL: And are you representing  
17 yourself?

18 MR. HATCH: And for the first time in 22  
19 years I think I'm representing myself rather than  
20 somebody else.

21 MR. CAMPBELL: Okay. Please proceed with  
22 your testimony.

23 MR. HATCH: I appreciate the opportunity  
24 to comment before the Commission, and it's good to  
25 see you guys. I haven't seen you for a while, so

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1 -- you know, the term -- the term "rural" is a  
2 relative term. And Commissioner Allen, I think,  
3 has heard me pontificate on this issue on more than  
4 one occasion.

5 It's true, however, that those that live  
6 in Salt Lake City, those -- they think that people  
7 that live out in Herriman live in rural Utah and  
8 the people in Herriman, they think the people in  
9 south Utah valley live in rural Utah. And, you  
10 know, the people in south Utah County, they think  
11 it's down around Nephi and it goes on and on. I  
12 want to tell you what rural Utah really is.

13 One of the little suburbs of the community  
14 we're in here tonight here in Beaver is  
15 Manderfield. And I've got a good friend that just  
16 built a home out in Manderfield not too long ago.  
17 And I went out to visit him the other day. And,  
18 you know, you drive through -- you guys had an  
19 opportunity to walk around Beaver and kind of see  
20 the -- get a feel for the town. Well, Manderfield  
21 is just a little smaller and a lot less houses and  
22 it's a few miles north of here. But when I went  
23 out to see this friend of mine, there was a note on  
24 the door saying he had gone to the country for the  
25 weekend.

12

1 So, you know, we can argue about what  
2 rural is, but one thing I think that we would all  
3 agree on is that rural economic development has  
4 been a real tough nut to crack. No matter where

5 it's been in the state, it's been a tough thing to  
6 accomplish. And I think one of the obstacles is in  
7 creating economic development opportunities in  
8 rural areas of the state is -- has been the  
9 imposition of the GSS and the ESA rates. It's  
10 really created an uneven playing field when it  
11 comes to recruitment and retention of businesses  
12 into the outlying areas of our state.

13 All areas of our state have unique  
14 challenges. Along the Wasatch Front, keeping ahead  
15 of infrastructure needs, particularly  
16 transportation, has created unique challenges. In  
17 the deserts of southwest Utah, meeting the water  
18 needs is the core front. While at this time out at  
19 Uinta Basin area, an adequate workforce and housing  
20 are very pressing issues. And as a state we have  
21 made decisions to try to solve these challenges as  
22 a state and not leave the problems for the local  
23 areas to come up with a solution.

24 I feel that the removal of the GSS and the  
25 ESA rates will help to spread posterity into

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1 outlying areas of the state, while at the same time  
2 eliminating some of the growth-related problems  
3 which are facing many of our more urban areas.

4 The \$1.7 million in revenue that's  
5 generated by these rates seems pale in comparison

6 to what we have invested as a state in the past to  
7 try to solve many of these other infrastructure  
8 needs.

9 I urge the Commission to act favorable  
10 upon this application. Thank you.

11 MR. CAMPBELL: Thank you for your  
12 testimony.

13 Art Cooper. Do you wish to provide sworn  
14 or unsworn testimony?

15 MR. COOPER: Unsworn, I think.

16 MR. CAMPBELL: Okay. Would you state your  
17 name for the record, please.

18 MR. COOPER: Jed Arthur Cooper.

19 MR. CAMPBELL: And are you representing  
20 yourself or another organization?

21 MR. COOPER: I'm the mayor of Panguitch.  
22 I hope I'm representing all the citizens of  
23 Panguitch.

24 MR. CAMPBELL: All right. Please  
25 proceed.

14

1 MR. COOPER: First, I want to say that we  
2 appreciate the Commission having a hearing down  
3 here in our part of the state. I listened to a  
4 good share of the one that was held a week or so  
5 ago in Salt Lake, but I'm really pleased that you

6 made an opportunity for us to come and speak  
7 without having to travel so far. I think there are  
8 13 people here I counted from Panguitch tonight,  
9 and I'm sure that we're all here having the same  
10 idea about this proposal, this application.

11 I would endorse what Mayor Mayer of  
12 Minersville said, I mean -- not Minersville.

13 MR. MAYER: Milford.

14 MR. COOPER: Milford over there. We have  
15 a lot of the same concerns that he expressed and  
16 also Mr. Oetting in stating a fact that in  
17 Panguitch we have a lot of elderly people, retired  
18 people, and people on the low income scale. And so  
19 when I heard about this application that was being  
20 made to eliminate these particular fees from the  
21 Questar billing, I was absolutely excited about it,  
22 because I don't know anything that would make the  
23 people of Panguitch happier than getting rid of  
24 that \$360 a year extra that they have to pay for  
25 their gas.

15

1 You know, they get the same service as  
2 people that are paying Questar without that  
3 additional fee, get the same kind of gas and one  
4 thing and another. And to me it -- when I learned  
5 that it would cost other subscribers to Questar Gas  
6 less than the cost of a milkshake per year to save

7 these others some \$360 per year, I'm sure that if I  
8 was on the other end of the scale I would be very  
9 willing to pay that less than the cost of a  
10 milkshake per year in order to help these people  
11 that are in the rural parts of the state that  
12 really need this assistance.

13 So I would encourage you, in speaking for  
14 the citizens of Panguitch, encourage you to approve  
15 this application.

16 MR. CAMPBELL: Thank you for your  
17 statement, mayor.

18 MR. COOPER: Thank you.

19 MR. CAMPBELL: Janet Oldham. Do you wish  
20 to provide sworn or unsworn testimony?

21 MS. OLDHAM: I'll go with unsworn.

22 MR. CAMPBELL: Unsworn. Okay. Would you  
23 please state your name for the record.

24 MS. OLDHAM: Janet, J-A-N-E-T, Oldham,  
25 O-L-D-H-A-M.

16

1 MR. CAMPBELL: And are you appearing on  
2 your own behalf or are you representing a group?

3 MS. OLDHAM: I'm representing Panguitch  
4 City as former mayor.

5 MR. CAMPBELL: Okay. Please proceed.

6 MS. OLDHAM: About four and a half years

7 ago, when I was mayor, we had three or four  
8 citizens that informally came to the city and  
9 wanted to know how far along we were on paying off  
10 our extension charge to see if we could get that  
11 debt reduced and off of our gas bill because we  
12 never felt like it would be a long term or forever  
13 charge.

14 At that time, the city manager and I  
15 called Questar and asked them to have a  
16 representative come into the office at their  
17 convenience, which they did. And we started  
18 questioning him on how far we were in paying off  
19 the extension charge so that we could get it off of  
20 our bill and help out a lot of the older people in  
21 town.

22 And at that time, when we had done the  
23 original leg work, we felt like we had enough  
24 people that would sign up for the natural gas to  
25 pay off the extension charge in approximately 15

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1 years.

2 When we talked to him, since most of the  
3 people that said that they were interested did not  
4 sign up at that time nor use gas, our extension  
5 charge, we basically weren't even making the  
6 interest payments on that. So, therefore, to me it  
7 looked like it would become a perpetual charge for

8 life because there would be no way to pay it off.

9 This gives us a chance to be able to pay  
10 that off and possibly do extension charges in other  
11 areas or be able to increase our money flow in  
12 Panguitch just by allowing some of these people to  
13 have extra money a year to spend in the local  
14 economy.

15 MR. CAMPBELL: Does that conclude your  
16 statement?

17 MS. OLDHAM: Yes.

18 MR. CAMPBELL: Thank you very much.

19 MS. OLDHAM: Okay.

20 MR. CAMPBELL: Donald Willden. Do you  
21 wish to provide sworn or unsworn?

22 MR. WILLDEN: Unsworn.

23 MR. CAMPBELL: Okay. Would you please  
24 state your name for the record.

25 MR. WILLDEN: Donald J. Willden,

18

1 W-I-L-L-D-E-N.

2 MR. CAMPBELL: Thank you. And are you  
3 appearing on your own behalf?

4 MR. WILLDEN: On behalf of Beaver County,  
5 Chairman of Beaver County Commission.

6 MR. CAMPBELL: All right. Please  
7 proceed.

8 MR. WILLDEN: And I want to approach this  
9 from a little different standpoint as representing  
10 the taxpayers of Beaver County.

11 You know, I think this is putting a lot of  
12 burden on the taxpayers in Beaver County. We have  
13 a number of facilities; schools, swimming pools,  
14 fire stations, throughout the county that were  
15 expending excessive amounts of dollars, of  
16 taxpayer's dollars, and putting an unburden on the  
17 taxpayers. And I think we could relieve a lot of  
18 the tax.

19 We have that responsibility as a  
20 commission to set the taxes in Beaver County. And  
21 I feel that it's an opportunity now, that you would  
22 take this under advisement, that could support the  
23 taxpayers, and a lot of this money that is being  
24 spent could be used for other things.

25 And I get -- the bottom line is that we

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1 would like to be on a even playing field with the  
2 rest of the government agencies throughout the  
3 state of Utah. And that's the approach that I  
4 would like you to look at that. It's the  
5 taxpayer's dollars that's being spent, not only the  
6 dollars out of their pockets, but the taxpayer's  
7 dollars also.

8 And I'd ask thanks for your opportunity to

9 express my feelings on part of the commission and  
10 the taxpayers and ask for your support in this  
11 consideration.

12 MR. CAMPBELL: Thanks for being here  
13 tonight.

14 Dave Christensen. Would you care to  
15 provide sworn or unsworn testimony?

16 MR. CHRISTENSEN: Unsworn.

17 MR. CAMPBELL: Okay. Would you please  
18 state your name for the record.

19 MR. CHRISTENSEN: David Christensen,  
20 representing Fillmore and Millard County, rural  
21 areas.

22 MR. CAMPBELL: All right. Please  
23 proceed.

24 MR. CHRISTENSEN: All the areas. We  
25 appreciate you allowing us to be here,

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1 Mr. Chairman, and give you our thoughts and  
2 feelings.

3 I wholeheartedly support the proceedings  
4 up-to-date, all the sworn testimonies that I have  
5 record of, and I would like to thank those who have  
6 initiated this.

7 I think it's time that we took off this  
8 special surcharge. I think it's gone on long

9 enough so that they should have recovered most of  
10 the cost of extending this service to most of our  
11 areas.

12 And I would just add that I would hope  
13 that maybe we could look at accelerating the  
14 six-year period to a lesser amount so that it could  
15 be taken off a little sooner, but I appreciate you  
16 letting us give that testimony.

17 MR. CAMPBELL: Thank you for being here,  
18 Mr. Christensen.

19 Alan Henrie. Do you wish to provide sworn  
20 or unsworn testimony?

21 MR. HENRIE: That would be fine.

22 MR. CAMPBELL: Unsworn or sworn?

23 MR. HENRIE: Sworn.

24 MR. CAMPBELL: Right arm to the square.

25 MR. HENRIE: I'm left-handed, sorry.

21

1 (Whereupon, ALLEN HENRIE, was sworn and testified  
2 as follows:

3 MR. CAMPBELL: Thank you. Would you  
4 please state your name for the record.

5 MR. HENRIE: Alan Henrie.

6 MR. CAMPBELL: Could you also please  
7 provide us your address.

8 MR. HENRIE: 160 South Main, Panguitch,  
9 Utah.

10 MR. CAMPBELL: And are you here on your  
11 own behalf or are you representing some group?

12 MR. HENRIE: Representing Panguitch City.

13 MR. CAMPBELL: In what capacity?

14 MR. HENRIE: I am the city manager.

15 MR. CAMPBELL: Okay. Please proceed.

16 MR. HENRIE: I appreciate the Commission  
17 giving us an opportunity to speak without having to  
18 go to Salt Lake City. I thank you for the work  
19 that has already been completed and the agreement  
20 that has been worked out in principle.

21 I have been involved with the natural gas  
22 issue since Panguitch sought permission from the  
23 Commission to obtain the natural gas in the late  
24 1990s. I appreciate the work of Senator Tom Hatch  
25 and others who worked hard to allow natural gas to

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1 come to our community. We did not like the  
2 extension rate any better then than now, but it was  
3 the only way at the time to have this valuable  
4 resource available for our citizens.

5 We have faithfully paid for the \$30  
6 extension charge that's on homes only for many  
7 years. The time has come, however, to end the  
8 extension rate and move on to a more fair process  
9 for those in rural Utah. The extension rate limits

10 economic growth, hurts our low income and elderly  
11 folks, and is generally unfair to the rural  
12 communities of our great state. Through our taxes,  
13 we in rural Utah help supplement the many  
14 development projects on the Wasatch Front, such as  
15 freeways, Olympics and now soccer stadiums.

16 This agreement supports all -- this  
17 agreement supported by all involved is the best way  
18 to solve this issue and to move us forward.

19 In closing, may I say thank you to the  
20 Commission, the Division of Public Utilities and  
21 the Committee for Consumer Services and Questar for  
22 working together. I especially want to thank Rob  
23 Adams whose efforts brought this problem to the  
24 forefront and worked to find a solution to this  
25 unfair problem. Thank you.

23

1 MR. CAMPBELL: Thank you.

2 MR. ALLEN: I just want to ask the same  
3 question, if I may, Mr. Henrie and that is: What  
4 was your basic understanding for the expectation  
5 for the long-term arrangements when you first were  
6 involved with this? Do you remember the details?

7 MR. HENRIE: At the time there was a -- it  
8 was a 15-year agreement. That was if 85 percent of  
9 the citizens signed up. And when they made their  
10 first push through our town, 85 percent of the

11 citizens did sign up. But because of the  
12 extension, the \$30 extension charge, many of the  
13 lower income, the widows who don't use a lot of  
14 gas, it was actually cheaper to stay with other  
15 heating sources, so --

16 MR. ALLEN: How far along are you on that  
17 15 years by your calculation?

18 MR. HENRIE: We're about year eight or  
19 nine, I think.

20 MR. ALLEN: Okay. Thank you.

21 MR. CAMPBELL: Any questions from the  
22 parties? Thank you. Thank you, Mr. Henrie.

23 Okay. The next name I have on my list is  
24 Barry Huntington. Hello. Do you wish -- are you  
25 an attorney in this case?

24

1 MR. HUNTINGTON: I am an attorney. I'll  
2 give unsworn testimony.

3 MR. CAMPBELL: I thought I recognized your  
4 name on the document. Could you go ahead and  
5 please state your name for the record and who you  
6 represent.

7 MR. HUNTINGTON: My name is Barry  
8 Huntington. I'm the Garfield County attorney, the  
9 Panguitch City attorney.

10 MR. CAMPBELL: All right. Please provide

11 your statement.

12 HUNTINGTON: First of all, I'd like to say  
13 I appreciate you coming down, meeting us part way.  
14 And we ask that you meet us part way in this deal  
15 also. It's difficult for us to travel to Salt  
16 Lake, and we appreciate you being here tonight.

17 I'm sure when this deal was worked out  
18 with Panguitch City many years ago, the  
19 anticipation was that a lot of people would sign up  
20 and that the growth would happen, and it's just not  
21 happening.

22 If you'll drive through Panguitch City,  
23 you'll see a lot of antennas on top of houses, and  
24 the reason for this is because people cannot afford  
25 cable and gas, and they choose to have their homes

25

1 heated, rather than watch the Jazz game. And  
2 that's an unfortunate thing. The Jazz are good  
3 this year, so it's unfortunate this year.

4 The reality is that the people of  
5 Panguitch and Garfield County are hard working  
6 citizens. They're people that are mostly husbands  
7 and wives work, they work full-time jobs. And most  
8 of the jobs in that area pay minimum wage because  
9 it's a resort type of an area. And they simply  
10 can't afford these rates. And it's unfortunate  
11 that it's gone this long. And we ask that you

12 please honor the deal that we've made, the  
13 stipulation, and that you remove these rates so  
14 that people don't have to choose between basic  
15 cable and heating their homes. Thank you.

16 MR. CAMPBELL: Thank you.

17 Mike McCandless.

18 MR. McCANDLESS: I don't wish to speak at  
19 this time.

20 MR. CAMPBELL: Right. You already had a  
21 chance. Sam Kerk -- you'll need to --

22 MR. KERKSIEK: All right.

23 MR. CAMPBELL: I have a hard time reading  
24 that.

25 MR. KERKSIEK: Sam Kerksiek.

26

1 MR. CAMPBELL: Thank you. Do you wish to  
2 provide sworn or unsworn?

3 MR. KERKSIEK: Sworn.

4 MR. CAMPBELL: Okay.

5 (Whereupon, SAM KERKSIEK, was sworn and testified  
6 as follows:

7 MR. CAMPBELL: Thank you. Would you  
8 please state and spell your last name for the  
9 record.

10 MR. KERKSIEK: Sam Kerksiek. It's  
11 K-E-R-K-S-I-E-K. We run the Beaver Nursery here.

12 MR. CAMPBELL: Okay. Could you please  
13 give us your address.

14 MR. KERKSIEK: 612 South Main, Beaver,  
15 Utah.

16 MR. CAMPBELL: And you are here appearing  
17 on your own behalf or representing a group?

18 MR. KERKSIEK: Own behalf.

19 MR. CAMPBELL: Okay. Please proceed.

20 MR. KERKSIEK: We have a business here in  
21 town, the Beaver Nursery. We market plants  
22 throughout the state. And it's been very hard for  
23 us to compete when our gas rates are so high.  
24 Sometimes the months it will climb to 3 and 4,000  
25 even out over each month. And when we have to

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1 compete with other growers that are on a cheaper  
2 rate, it makes it very hard for us to compete. And  
3 so we appreciate you being here and listening to  
4 us. We'd like to thank you for having natural gas  
5 in town, but it would help our business if we could  
6 have the lower rate.

7 MR. CAMPBELL: Okay. Does that conclude  
8 your statement?

9 MR. KERKSIEK: Yes.

10 MR. CAMPBELL: Okay. Any questions?  
11 Thank you very much.

12 MR. KERKSIEK: Thank you.

13 MR. CAMPBELL: Bryce Haderlie. Do you

14 wish to provide sworn or unsworn?

15 MR. HADERLIE: Sworn, please.

16 (Whereupon, BRYCE HADERLIE, was sworn and testified

17 as follows:

18 MR. CAMPBELL: Thank you. Would you

19 please state and spell your last name for the

20 record.

21 MR. HADERLIE: H-A-D-E-R-L-I-E, Haderlie.

22 MR. CAMPBELL: It's Bryce. And your --

23 please provide us your address.

24 MR. HADERLIE: Good heavens. My work

25 address is 56 North Highway 143, Brian Head, Utah.

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1 MR. CAMPBELL: Okay. And would you -- are

2 you here appearing on your own behalf or

3 representing an organization?

4 MR. HADERLIE: I'm here representing Brian

5 Head Town as the town manager.

6 MR. CAMPBELL: All right. Please proceed.

7 MR. HADERLIE: I came to Brian Head Town

8 as a manager two years ago. And one of the topics

9 that came up as I started there was about this gas

10 rate and the charge that was being imposed.

11 It's my understanding, in talking to many

12 of the citizens, that when the opportunity came,

13 many of them chose not to hook up to the gas at  
14 that time because of the understanding of this \$30  
15 rate that would go on when they tried to ask for a  
16 time period that it would be imposed, it was very  
17 loosely stated that it would, you know, be flexible  
18 based on how many people signed up. And because of  
19 that open-ended statement, many property owners  
20 chose not to.

21       It's my understanding in talking to  
22 Questar, that Brian Head Town would be imposed  
23 until 2014 at the current rate of use. Brian Head  
24 is a unique community. We have about 1,200 single  
25 family or multi-family dwelling units within the

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1 town, but we only have about 118 permanent  
2 residents of that community, which means that most  
3 people are vacationers that come in to use those  
4 properties.

5       As such, this fee is very hard on the  
6 local residents who don't enjoy the same prosperity  
7 as the people who come there to vacation. And that  
8 \$30 rate is a hardship, as I've spoken to those  
9 people, and they would very much appreciate that  
10 relief.

11       We also feel that relieving us would help  
12 the developments that are looking at Brian Head,  
13 that would entice them to come even more, to build

14 more units, which, as a recreational community, we  
15 continue to build the sales tax that is being  
16 brought into the state as people come to recreate.  
17 So we hope you'll consider that.

18 I took this to the Brian Head town council  
19 at the beginning of this process. We submitted a  
20 letter signed by Mayor Deutschlander expressing the  
21 desire to have this fee removed for the benefit of  
22 the community.

23 The one thing that I know, as I've looked  
24 at this fee and understanding, that depending on  
25 how many people sign up is how long people pay. As

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1 a building inspector, when impact fees first came  
2 into use, the way they're done is that each home  
3 was assessed an amount and you paid that amount and  
4 then you had paid for it.

5 And the way this system works now, the  
6 people who signed up at the first are imposed the  
7 heaviest fee because they pay for whatever period  
8 of time it may take. And so it's disproportionate  
9 based on when you sign up. And so I hope that  
10 would be considered to.

11 And if this fee is able to be removed, I  
12 would hope that more of our residents would choose  
13 to sign up and use the gas and benefit Questar. I

14 would like to thank the Commission for holding this  
15 meeting here and giving us an opportunity to come  
16 and express our feelings in southern Utah. Thank  
17 you.

18 MR. CAMPBELL: Thank you. Any questions  
19 of the parties? Okay. Thank you.

20 I have a question for Questar. We've got  
21 a Questar witness here that's -- that has -- is  
22 already under oath, Mr. Robinson.

23 MR. ROBINSON: Yeah.

24 MR. CAMPBELL: Does the EAC fee differ  
25 from the GSS based on volume in the sense that we

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1 have -- or are they the same? I'm thinking in  
2 terms of the schools.

3 MR. ROBINSON: Yeah.

4 MR. CAMPBELL: The whole discussion up to  
5 this point has been in term of \$30 and now we're  
6 hearing that three schools are paying 2,500.

7 MR. ROBINSON: The GSS rate is obviously a  
8 volumetric rate the entire time. On the EAC  
9 charges, there is a \$30 fixed charge for the first  
10 45 decatherms for the first block of the GS1 rate.  
11 Once a customer, like a school, the larger  
12 commercial customers, get beyond the 45 decatherms,  
13 then they also pay, in addition to the \$30, they  
14 pay a volumetric rate.

15 MR. CAMPBELL: Is it similar to the GSS

16 rate or is it more or less?

17 MR. ROBINSON: It's higher than the GSS

18 rate.

19 MR. CAMPBELL: All right. Roger Ball. Do

20 you wish to provide sworn or unsworn testimony?

21 MR. BALL: Sworn testimony, please,

22 chairman.

23 (Whereupon, ROGER BALL, was sworn and testified as

24 follows:

25 MR. CAMPBELL: Thank you. Would you

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1 please provide us -- I think Roger Ball is easy

2 enough to spell. Could you provide us your

3 address.

4 MR. BALL: 1375 Vintry Lane, Salt Lake

5 City, 84121.

6 MR. CAMPBELL: Would you please let us

7 know who you're representing?

8 MR. BALL: I'm here on my own behalf.

9 MR. CAMPBELL: Okay. Please proceed.

10 MR. BALL: And possibly representing the

11 interests of 825,000 other customers in Utah who

12 pay the unembellished GS1 rate.

13 Chairman, I really rise to inform the

14 Commission that I grew up in an economically

15 depressed area. Four of my mother's five siblings  
16 immigrated to North America in the twenties. My  
17 father had to leave the area in the thirties and  
18 join the British Army in order to find reasonable  
19 employment.

20 Like many people in Utah, I, myself, had  
21 to leave the area that I grew up in to go away to  
22 university. There was no university within two  
23 hours of where I lived. And I've never been back  
24 except for vacations. And I miss the place. Now,  
25 of course, I'm 5,000 miles away from it. This is a

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1 beautiful area, and I'm glad to be here. I  
2 wouldn't want it to be any different way.

3 I feel great sympathy for the folks who  
4 are paying these high charges. I genuinely do.  
5 For the first years of my life, we lived in a house  
6 with no utilities whatsoever. My mother had to  
7 fetch cold water from a tap outside that we shared  
8 with the house next door. She had to carry the  
9 waste water out and tip it down a drain. There was  
10 no bathroom. The privy was at the bottom of the  
11 garden. Later, things improved.

12 I was fortunate enough with my wife to be  
13 able to bring our five children up in a modern home  
14 with most of the conveniences. We lived in a  
15 community of about a thousand people. And

16 Mr. Hatch made the point earlier that rural is  
17 whatever you think it is wherever you live. Where  
18 we were, we thought it was rural. We were  
19 surrounded by fields with cows and various things  
20 like that. The nearest big city wasn't nearly as  
21 far away as the nearest big city is to Beaver,  
22 however.

23       There was no natural gas service to our  
24 community or to any of the communities around us.  
25 And so the kids were brought up in a house that was

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1 heated with oil. And similarly to propane, you had  
2 to keep an eye on the tank gauge, especially in the  
3 coldest months of the year, so that you ordered  
4 more before you ran out. So I understand the  
5 practical, the convenience advantages of having  
6 piped metered natural gas to my home.

7       However, all the remarks that have been  
8 made this evening suggest that there are really no  
9 losers here, that all the Commission has to do is  
10 sign off on an agreement which has been -- which  
11 Questar, the Division of Public Utilities, the  
12 Committee of Consumer Services, and the economic  
13 development agencies, the rural governmental  
14 agencies have all worked hard over an extended  
15 period to bring about and everything will be

16 wonderful.

17 I'd like to remind the Commission that  
18 that isn't the whole picture. The 8,600 or so  
19 customers that will immediately benefit from the  
20 disappearance of the GSS and EAC rates will do so  
21 at the expense of 825,000 other Questar customers,  
22 who, as a result, will pay more. In a sense, this  
23 is a zero sum game. Everybody doesn't win.

24 Now, some of those folks are hard pressed  
25 to keep their homes warm and to pay all the bills

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1 that they need to pay just as many of the folks in  
2 the rural areas are. And I would ask the  
3 Commission and I would ask those that are  
4 advocating before the Commission here from the  
5 rural areas tonight just to be sensitive to that  
6 situation and to understand that my purpose in  
7 intervening in this proceeding is not to be -- is  
8 not to try and be some kind of grinch but just to  
9 try and make sure that the Commission has the full  
10 range of the reality of the situation they're being  
11 asked to decide in front of them. Thank you,  
12 chairman.

13 MR. CAMPBELL: Thank you. Any questions  
14 on that testimony? All right. Thank you.

15 MR. KANELL: I have a question.

16 MR. CAMPBELL: Are you a party to the

17 case?

18 MR. KANELL: I'm Leo Kanell. I'm the  
19 attorney from Milford City.

20 MR. CAMPBELL: Go ahead and ask your  
21 question.

22 MR. KANELL: I guess my question was: You  
23 indicated that you represented yourself; is that  
24 right?

25 MR. BALL: Yes.

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1 MR. KANELL: And then you said you may  
2 represent 825,000 others.

3 MR. BALL: Yes.

4 MR. KANELL: Is there any real basis for  
5 that or are you just saying that as you think you  
6 have their interest at heart?

7 MR. BALL: The Commission has before it,  
8 and they're listed in the docket index on the  
9 Commission's web site, a letter and a number of  
10 e-mails from various people indicating sentiments  
11 much like mine. In fact, just a day or two ago,  
12 they received an e-mail from a gentleman, whose  
13 name I can't immediately call to mind, essentially  
14 saying quote, "I agree with Mr. Ball." There are a  
15 number of other individuals who have spoken to me  
16 privately who have indicated that their sentiments

17 are much like mine.

18 MR. KANELL: What's the number of those  
19 e-mails?

20 MR. BALL: Oh, my goodness. If you want  
21 an exact number, I can either pull my book out and  
22 count them, and I can do it afterwards.

23 MR. KANELL: Can you give me just an  
24 estimate?

25 MR. BALL: Somewhere between -- somewhere

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1 around ten, I think.

2 MR. KANELL: Ten?

3 MR. BALL: About that. We're just talking  
4 about the e-mails that have been sent to the  
5 Commission; right?

6 MR. KANELL: Right. So you might  
7 represent ten people who may have asked you to --

8 MR. BALL: I don't purport to represent  
9 those ten people any differently than anybody  
10 else. I'm -- I started out by saying I'm here  
11 representing myself. I may represent the interests  
12 of many other people. I don't know.

13 MR. CAMPBELL: Maybe to short circuit this  
14 conversation, we have granted Mr. Ball intervention  
15 on his own behalf.

16 MR. KANELL: Okay. Thank you. I think  
17 that's pretty clear. You don't represent the 8,600

18 people that are petitioning. You probably agree

19 with that, don't you?

20 MR. BALL: I believe that the Commission

21 is very clear what the situation is.

22 MR. KANELL: Thank you very much.

23 MR. CAMPBELL: Okay. Thank you. Any

24 other questions from the attorneys? Are you --

25 MR. OETTING: Yeah. I'd just like to ask

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1 him: Do you know how much it's going to cost

2 annually for these 800,000, people as opposed to

3 \$360 annually for the people in the rural area?

4 MR. BALL: Every dollar that the 8,000 --

5 MR. OETTING: I didn't ask you that.

6 MR. BALL: May I finish?

7 MR. CAMPBELL: I need to understand --

8 first of all, this is a legal proceeding. And I

9 need to understand if you have any standing to ask

10 the question. I didn't bring my full docket with

11 me, but is Panguitch City --

12 MR. HUNTINGTON: They're an intervener.

13 MR. CAMPBELL: Do they have an attorney

14 that represents them?

15 MR. HUNTINGTON: That's me.

16 MR. CAMPBELL: I mean, typically what we

17 would do is have Mr. Huntington ask the question as

18 the attorney.

19 MR. OETTING: Would you ask him if he  
20 knows how much the annual fee is?

21 MR. HUNTINGTON: I can ask you this: How  
22 much would it cost you each month?

23 MR. BALL: It's probably going to be -- my  
24 understand -- well, most of the records in the case  
25 so far indicate that it's going to cost somewhere

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1 around I think the number is \$2.77. However, the  
2 testimony at last Thursday's hearing in Salt Lake  
3 City indicated that it would be closer to \$4 a  
4 year.

5 MR. HUNTINGTON: So \$4 a year versus \$30 a  
6 month; is that correct?

7 MR. BALL: In some instances, yes.

8 MR. HUNTINGTON: I have no further  
9 questions.

10 MR. BALL: May I just add, chairman? As  
11 we have seen with the school board that testified  
12 before, that's -- that sort of 3, \$4 number is  
13 merely a typical number. It doesn't by any means  
14 represent every case.

15 MR. HUNTINGTON: Isn't it safe to say,  
16 then, that 19 cents might be an accurate number  
17 also, then?

18 MR. BALL: Nineteen cents, I believe, was

19 the annual -- the original annual number, that \$2,  
20 whatever the number, was divided by 12. That's all  
21 that is.

22 MR. HUNTINGTON: Okay. Thank you.

23 MR. BALL: It's worth bearing in mind as  
24 well, though, that all of the \$1.7 million that  
25 would be forgiven the 8,600 customers, all of it

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1 would be picked up by the 825,000 customers.

2 MR. CAMPBELL: Are there any other  
3 questions for Mr. Ball? All right. Thank you,  
4 Mr. Ball.

5 MR. BALL: Thank you, chairman.

6 MR. CAMPBELL: Paul Barton. Do you wish  
7 to provide sworn or unsworn testimony?

8 MR. BARTON: Sworn.

9 (Whereupon, PAUL BARTON, was sworn and testified as  
10 follows:

11 MR. CAMPBELL: Thank you. Would you  
12 please -- Paul Barton, would you please state your  
13 address for the record.

14 MR. BARTON: My work address is 105 East  
15 Center Street, Beaver, Utah. In fact, that's my  
16 office right next door here.

17 MR. CAMPBELL: Are you here representing  
18 your own self or are you representing --

19 MR. BARTON: I'm representing Beaver  
20 County. I'm the Beaver County clerk and the Beaver  
21 County auditor.

22 MR. CAMPBELL: All right. Please proceed  
23 with your testimony.

24 MR. BARTON: I was asked by Rob Adams to  
25 go through and just pull one of our utility -- one

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1 of our bills from Questar Gas just to analyze it to  
2 see what it would do. And in going through this,  
3 at the risk of adding on an additional charge on --  
4 we just recently expanded our jail. And on the  
5 south part of our jail we're being charged the GSS  
6 rate of approximately 10.1 decatherms -- 10.1  
7 dollars per decatherm. We expanded to the north.  
8 We have another meter. And we're being charged  
9 right now a UTGS1 rate, which is about 7.4  
10 decatherms.

11 So maybe I'm going to get an additional  
12 bill here, I don't know, but that seems to me like  
13 approximately one-third more than what we're  
14 currently paying. This bill right here, we paid  
15 \$27,377. That was for gas service from January 14  
16 through -- or December 14 through January 16.  
17 That's the most recent bill.

18 And as near as I can come up with, I think  
19 we're going to -- if this changes goes through, we

20 would have saved approximately \$7,000 just in one  
21 month. Now, granted, that's the -- probably the  
22 coldest time of the year, so we're not going to  
23 have that as an annual savings, but that's a  
24 considerable savings to Beaver County.

25 One of my other duties is to administer

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1 the circuit breaker and indigent tax, property tax,  
2 relief programs for the county. And we have senior  
3 citizens that live on Social Security only. And  
4 some of them live on less than \$5,000 a year down  
5 in this country. We have many of them that live on  
6 less than \$10,000 a year. And I know that this --  
7 that every little bit would really help them.

8 Also, I've lived in Beaver most of my  
9 life. When I was growing up, we had two places  
10 where we could go buy clothing. We don't have a  
11 clothing store in Beaver anymore.

12 Rob Adams is our economic development  
13 director, and he's been struggling, trying to  
14 locate businesses here. We had one business that  
15 was looking at it and they were a big natural gas  
16 user and this fee would have added a million  
17 dollars a year onto their -- onto their operating  
18 cost.

19 And so we -- we would really appreciate

20 getting something like this reduced so that we can  
21 afford to compete. We can't compete with some of  
22 these other things in the area that we're at. And  
23 we're struggling to staff our jail right now,  
24 trying to come up with -- to pay wages so we can  
25 attract people to work at our jail right now. And

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1 that's been really the only economic development  
2 we've had here in the last few years is trying to  
3 do it ourselves.

4 So we would really appreciate anything you  
5 could do to allow us to save money so that we can  
6 invest it in our communities.

7 MR. CAMPBELL: Any questions?

8 MR. ALLEN: Just a quick question,  
9 Mr. Barton. So what I just heard you say, if I  
10 understand you correctly, is you believe that the  
11 tariff, as it presently stands, is being -- you  
12 have evidence, in at least one case, it's being  
13 inconsistently applied?

14 MR. BARTON: Well, I don't know whether  
15 they've just given -- whether they've just charged  
16 the wrong rate or if that's the difference, but  
17 that's -- that's the only thing I can conclude.  
18 We've got two meters out at the jail. One of them  
19 is \$10.1 per decatherm and the other one is \$7.44  
20 per decatherm and it's a different rate. So I

21 would assume one is being applied with this  
22 surcharge and one without is the only thing I can  
23 think of. And that's a considerable difference.  
24 It's 25 percent difference in the rates. That's a  
25 lot of money.

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1 MR. ALLEN: Thank you.

2 MR. CAMPBELL: I'm afraid no good deed  
3 goes unpunished. I'm looking over at Questar and  
4 they --

5 MR. BARTON: If we can get this through,  
6 then all of our service will be provided. And I  
7 also had one more comment. The gentleman that was  
8 here, I have -- I have sympathy for anyone who is  
9 going to receive an increase, but if you take  
10 approximately 8,600 customers and you spread them  
11 out over 800,000 customers, the increase -- the  
12 increase in the cost to those other 800,000  
13 customers is going to be minimal in comparison to  
14 the savings that the communities in southern Utah  
15 are going to be receiving as a result of this  
16 action, so --

17 MR. CAMPBELL: Any questions?

18 MR. BALL: I have one, chairman.

19 Mr. Barton, are you now or have you ever been a  
20 socialist?

21 MR. CAMPBELL: That's out of order. That  
22 was -- it's a joke. It's supposed to be a joke.  
23 Thank you, Mr. Barton.

24 MR. BARTON: All right. Thank you.

25 MR. CAMPBELL: Is there any other

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1 testimony from the public? All right. We thank  
2 you for being here, and we're going to adjourn.

3 (Thereupon, the hearing was  
4 adjourned at 7:18 P.M.)

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REPORTER'S CERTIFICATE

STATE OF UTAH )  
                  ) ss  
COUNTY OF WASHINGTON )

I, J. ELIZABETH VAN FLEET, Registered Professional Reporter, do hereby certify that I took down in Stenotype all of the proceedings had in the before-entitled matter at the time and place indicated and that thereafter said shorthand notes were transcribed into typewriting at and under my direction and supervision and that the foregoing transcript constitutes a full, true and accurate record of the proceedings had.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in my office in the County of Washington, State of Utah, this \_\_\_\_\_, day of \_\_\_\_\_, 2007.

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J. Elizabeth Van Fleet, RPR, CSR

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