

From: "Jim Craig"
To: <mlivingston@utah.gov>
Date: 12/26/2008 9:23 AM
Subject: CNG Vehicles

UTAH PUBLIC
SERVICE COMMISSION

From: James M. Craig

2008 DEC 29 A 7 30

159589

RECEIVED

December 26, 2008

RE: "DOCKET NO. 07-057-13 - In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges to Make Tariff Modifications. As Filed by the Commission on Monday, December 22, 2008

Dear Commissioners:

Pursuant to Utah Code § 63-46b-12, an aggrieved party may file, within 30 days after the date of this Report and Order, a written request for rehearing or reconsideration by the Commission.

As an aggrieved party I would request that the commission reconsider its ruling. Driving a car is different than heating your home as it is not a necessity of life. However it is not so different from choosing a gas dryer over an electric, or a gas stove over a wood stove. The biggest difference is that these are main stream, if you were going to meter a furnace separate from all the other appliances in a home there would be public outcry, but by enlarge CNG for vehicles are foreign to general public.

I have 1 dedicated NGV, and agree that I have benefited from extremely low fuel prices. I also recognized that currently Questar might be subsidizing the additional cost of compressors, maintenance, and fuel compression for vehicular CNG. I am not opposed to raising rates to match these added costs and including a healthy profit (around 10%), similar to the cost plus that Questar gets for other infrastructure. As these costs are specific to NGV's they should be separated from the costs associated with home fuel delivery. It would be my hope that this would encourage Questar to improve the CNG infrastructure as a money making venture, while at the same time maintaining a fuel price that would also encourage individuals to continue to operate and invest in CNG vehicles. This would have the effect of wider spread adoption and improve air quality, which benefits us all.

Questar is a monopoly, and your commission is tasked with keeping them profitable, but also protecting the public. I ask you to provide the same protection to NGV's as you have done for furnaces, dryers, water heaters, fireplaces, and ovens. We all know that there are alternatives to natural gas for heating our home or cooking a meal, but we receive price protection because of the special circumstances surrounding utilities. With public price protection removed many would still be using coal burning stoves instead of clean gas furnaces, obviously that would not have been good for public health. As they say hindsight is 20/20, seeing the consequences of our actions is much more difficult. You could be at one of the critical decisions, pushing people back into their gasoline vehicles if you allow unchecked prices on vehicular CNG.

My fear is that pricing CNG at market prices, which don't reflect Questar's costs, will result in the collapse of the NGV market in Utah. As a vehicle owner I went through the process of weighing pros and cons before buying a CNG vehicle. NGV have the positive effect of reducing pollution and currently have lower fuel costs, however they have many drawbacks as well like: reduced range (80-200 miles per tank depending on pressure), significantly increased repair costs, few vehicle choices, few mechanics, and few stations (so vacations are out of the question). If CNG prices become volatile and/or significantly higher, then the biggest motivator (fuel savings) will be lost in this equation, thereby losing the biggest benefit (air quality). FYI, I have spent way more on my CNG vehicles than I have saved. My hope is that over the life of the vehicles I can break even with fuel savings. If I even get close it will be worth it to know

that I did my part to help protect this planet for my children.

This is a difficult decision that could have lasting ramifications. CNG is currently the only viable alternative to gasoline; electric was close 10 years ago and still isn't here. Make no doubt about it, if people believe that CNG fuel could become nearly as expensive or more expensive than gasoline there will be a fire sale on CNG vehicles as people flood back to their gasoline vehicles. Then we can all wait another 5-10 years for electric vehicles or 10-30 years for hydrogen fuel cells. We can put off what we could do now for what might be in the future. A future that will never come if government discard viable alternatives and push individuals willing to change, back into their gas guzzlers.

I hope there can be a middle ground where Questar is treated right, the environment is protected, and government allows individuals to have a viable cost effective alternative.

Respectfully

James M. Craig