

Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah
84114

UTAH PUBLIC
SERVICE COMMISSION

2009 JAN -5 A 7 21

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Dear Commissioners,

I am concerned with the recent decision with regards to the CNG pricing. This decision seems to reflect a high-level of lobbying by those who stand to make extensive profits by the rapid and dramatic price increase and removal of controls.

Please consider the backdrop to which you are making this decision:

- 1) During the previous year's \$4.00/gallon regular gas crisis, many people went to CNG. The increase in CNG vehicle count makes for a larger (more lucrative) group to pursue than in the past.
- 2) The cost to do a reputable CNG conversion is \$6000 (there are cheaper offerings but handling gas at 3000 PSI should be handled by trusted experts and not the back garage guy--see news of recent children almost killed by bad CNG installation).
- 3) The lower price of CNG fuel and environmental benefits combined last year to make CNG a reasonable decision; however, you are fundamentally changing the numbers under which these vehicles were purchased.
- 4) Many people purchased CNG vehicles in the past year. My CNG Honda Civic cost me \$10,000 more than a regular Civic. The cost of fuel was calculated into my budget. You could literally force people like myself into a financial crisis as the much higher monthly payment for a CNG car combined with your proposed huge fuel cost increases would be catastrophic. We all made plans for reasonable changes but this proposed change is so beyond the historical trends none of our plans could have expected this.
- 5) We are now in the throws of a crashing economy. Are the high fuel costs of only 2 months ago now forgotten because of the crash in fuel prices? The push for alternative fuels now no longer matters because gas is below \$2.00 per gallon? To take this step at this time suggests the most short sighted financial opportunism in the favor of lobbyists desires that I have seen in a very long time.
- 6) As a native Utahn, I have been part of the fundamental funding that developed the Wexpro gas reserves. Everyone I have met at the CNG stations is just like me. To say that the CNG consumers are not part of the funding base for development of these reserves is absolutely false by any measurement given the monopoly Questar has in home heating along the wasatch front.

- 7) Home pumping solutions that would give consumers access to Questar home pricing are a monopoly and heavily controlled by interests that stand to benefit by the increase in natural gas prices. There is currently only one provider of home-pump fuel compressors. Due to the monopoly, the pumps themselves cost \$5000. Installation costs around \$1000 to \$2000 and they have to be replaced or rebuilt every 3000 gallons at similar expense. Why is this significant? It shows that consumers have no options and thus the public service commission must remain in control of these rates.
- 8) It is my understanding that the public service commission was instituted to assure that monopolies do not unfairly damage the consumer and economy of our great state.
- 9) **Utah has been viewed as a leader in Natural Gas policy and if this decision stands it will set Utah back and destroy the future of CNG in Utah--relegating it to a niche for the rich liberals as it is in OTHER states.** This decision destroys natural gas as a practical solution for the "rest of us" and makes me regret the day that I purchased my CNG vehicle. It is NOT incumbent upon Utah consumers to be priced on the whims and national costs that do NOT reflect the reality here in Utah.

We were faced with an energy crisis two months ago of such proportions that every level of government and policy making was applauding ANY solution that decreases dependence on foreign oil. CNG was listed high on the list of viable and implementable solutions and Utah was considered a leader in this area. If the current decision of the public service commission is left unchanged, it will state plainly that Utah bows to lobbyists money that ensures our on-going dependence on foreign oil.

If this decision actually goes into affect do you feel the typical \$500/month CNG Civic payment would not be replaced by a \$250/month payment on a much cheaper regular gas burning car? No regular person is going to pay a \$10,000 premium for a car that costs MORE per gallon to drive--even if it is good for the environment. Only the wealthy liberals will consider it. This decision ensures that the thousands of regular Utahns who have converted to CNG over the past couple of years will abandon it. Thousands of CNG cars will be sold or repossessed because the costs will be too high.

Sincerely,

Michael Ekstrom

From: Mike Ekstrom
To: <mlivingston@utah.gov>
Date: 1/4/2009 11:19 PM
Subject: CNG in Utah...
Attachments: CNG letter.pdf; Part.002

The following PDF letter is being faxed as well as mailed tomorrow. It is critical that this is addressed quickly. Additional clarifying letters will also follow to the governor's office and my legislators.

Thank you for your time in processing my concerns.

Mike Ekstrom

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