

From: Julie Orchard
To: Livingston, Merilee
Date: 1/27/2009 12:21 PM
Subject: Fwd: Re:Inquiry from John Gillespie

UTAH PUBLIC
SERVICE COMMISSION

>>> Constituent Services <constituentservices@utah.gov> 1/27/2009 9:49 AM >>>
fyi

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John Kent Gillespie

RECEIVED

Email Address: john.gillespie@sirsidynix.com

SUBJECT:

To: Utah Public Service Commission
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84114
Phone: 801-530-6716
Fax: 801-530-6796

From: John K. Gillespie

January 12, 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 Â§ 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.

Iâ€™m an aggrieved party writing to request a rehearing. Iâ€™m also a Questar customer who used natural gas to heat my home, heat my commercial enterprises, warm my water and now run a vehicles. I understand the last use will no longer considered â€œtraditionalâ€œ under 08-057-13 and will be charged a rate based on international, not local market prices.

Before finalizing this ruling I would ask you to consider a number of factors-

Timing, Timing, Timing:

I would hope that you would reconsider this proposed change in these economic times. Much more could be said â€œ but the timing is really not at the optimum.

I think it would be best to table this rate change until all parties can have a chance to review and consider the possibilities and the consequences.

Plan, Plan, Plan:

What is the best interest of the state and the country? I was lead to think that Utah was interested in virtually showing the rest of the nation and the world the best way to run their vehicles and their economy. By having the price of Natural Gas at lower but still profitable rates â€œ many people within the state were seeking and learning more about NGVâ€™s as an option. There was a great interest in this form of transportation. By removing the low prices â€œ there is little incentive to seek this type of transportation. As far as increasing the cost and then expecting a larger inter-structure to develop I think this is highly speculative, and I take as an example other states â€œ where the price of Natural Gas is just below that of unleaded gas, yet the number of stations is less than what we have in Utah.

What is really wanted?

Profit, Profit Profit:

I think it important that Questar and others make a profit â€œ from their last quarterly report and an 80% profit that sounds like a sufficient profit margin. When this price increase was floated in December â€œ it really seemed to be a surprise for Questar, I am not

sure of all of the aspects of who said what, but from the reporting it sounded like the Public Service Commission was more interested in seeing Questar make its profit margins from CNG than from other forms of business.

Role, Role, Role:

I certainly, do not envy your job. I have read how you regulate so that Questar is only making a 10-15% profit margin in the state of Utah and yet Questar reports the 80% earnings. I am not sure how the books are kept and how you can regulate it in this way. Also, with the limited number of people that seem to be on the PSC and the many companies that you are providing oversight of and their high number of employees it just seems like a tremendous task.

I just do not understand how it all works if I wanted to have a CNG station do I work with you, with Questar, with both it just seems a bit complicated, it is no wonder that some of business is stagnant.

Growth, Growth, Growth:

It just seems natural that Questar and these other companies would be very happy and profitable in the area, just because of the growth of the area being number one in the nation for growth, seems to equate to profit, just from the increase of numbers. If I have a monopoly and my customer base continues to rise, then so must my profits without any need for adjusting the price. It is certainly kind of God to have provided for us these natural resources and for him to have done it for free can we not balance that beauty with some gratefulness on the business side as well?

Govt, Govt, Govt:

It was nice to see the state government backing this alternative form of vehicle, by means of their tax credits. I strongly felt that these incentives were helpful in steering a direction that the state was interested in pursuing. However, this raise in natural gas prices for vehicles would severely limit the interest in NGVs for me and others in the future. In these economic times I would be wonderful to leave the pricing of natural gas at status quo. It seems that Questar was as surprised at your offer as everyone else this certainly does not bode well for the Public Service Commission.

I would hope that any pricing change would stay with a cost plus direction to have it move to an open market would not be in the best interest of the state or of the nation. The fact that we have these resources and that the citizens can utilize them at a fair rate is certainly better than what we have experienced with the purchase of oil overseas. A drastic pricing change at this point will dramatically affect the small but growing community of NGV owners and repair facilities. I firmly believe that it would be in the states best interest, to not make any drastic changes to this market as it develops and helps Questar, the state and the nation.

Sincerely,

John K. Gillespie