

# MORGAN GAS & OIL COMPANY

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PUBLIC  
SERVICE COMMISSION  
January 5, 2009

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Mr. Ted Boyer  
Chairman  
Public Service Commission  
160 East 300 South, 4th Floor  
Salt Lake City, Utah 84111

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Dear Mr. Boyer:

I could hardly believe it, when I read that the Utah Public Service Commission ruled that the price of a gallon of equivalent compressed natural gas for vehicles will be raised by 188% by next summer.

Did you know that America is sending between \$700 billion and \$1 trillion dollars per year to the Middle East and Africa to buy their dirty oil which contains great amounts of CO<sub>2</sub> gas? The Salt Lake Valley has poor enough air quality right now. But it doesn't have to be that way.

We can have clean air with natural gas.

But even more important, America is dangerously dependent upon foreign oil. We could be cut off at any time (as we were in 1973), and America would be almost helpless.

We should become energy independent in this Country. And we can get there through alternative sources of energy and natural gas.

We have huge reserves of natural gas in this Country. And by the use of wind, sun, natural gas and nuclear, we can become energy independent.

Let's not punish natural gas producers. Let's make it so that we can switch over to natural gas and wind and solar and nuclear. (It is so important to America that we become energy independent, and it is so important to Utah.)

Did you know that a great deal of our natural gas is under Utah State-owned lands, where the royalties and the rentals go to the schools, the school kids, and the school teachers of Utah? And it could be much more so, if we could promote the use of natural gas to power our cars and trucks and busses in this State and in this Country.

I haven't been too much of a supporter of Rocky Anderson in the past. But I am with him 100% in this deal.

Mr. Ted Boyer  
January 5, 2009  
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This is a Free Enterprise deal, which would put thousands of people to work – right here in Utah – switching over to natural gas.

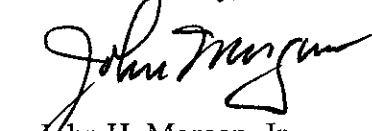
President-Elect Obama recognizes the vital importance of becoming energy independent; and I feel sure that Governor Huntsman feels the same way about it.

Is there any chance of getting some kind of a rehearing, so that those of us who have not been able to get our point over – can have a chance? What have we got to lose. We have a chance to really help our State and really help our Country.

Will you kindly let me know your opinion?

Thank you very much.

Most Sincerely,



John H. Morgan, Jr.  
Chairman, President & CEO

JHM/mb

P.S. I don't know if you have heard about T. Boone Pickens. He has an Army of more than 1 million people, who are volunteering their time and money to help America gain Energy Independence through the use of Natural Gas and alternative sources of Energy.

Senator Hatch is working hard to get America off their addiction to foreign oil, through the use of Natural Gas to power their cars, trucks, busses, etc. And giving economic benefits to switching over to Natural Gas. These are people who love America, and are deeply concerned about America's addiction to foreign oil.

But the Public Service Commission of Utah has just flat not caught the picture, as far as we are concerned.

Will you kindly analyze the situation a little more; and give us a chance to present our side of the argument. I am sure you want what is best for Utah and for America.

Thank you very much.

cc: Governor JOn M. Huntsman, JR.  
Mr. T. Boone Pickens  
Senator Orrin G. Hatch  
Former Mayor Rocky Anderson

ORRIN G. HATCH  
UTAH

JACE JOHNSON  
CHIEF OF STAFF

104 Hart Senate Office Building

TELEPHONE: (202) 224-5251  
TDD (202) 224-2849  
FAX: (202) 224-6331

Website: <http://www.senate.gov/~hatch>

# United States Senate

WASHINGTON, DC 20510-4402

## COMMITTEES:

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JOINT COMMITTEE  
ON TAXATION

October 14, 2008

Mr. John H. Morgan, Jr.  
Morgan Gas & Oil Company

Dear John:

I just wanted to thank you for your most recent letters on natural gas for vehicles and your oil shale holdings. These are both areas on intense interest to me.

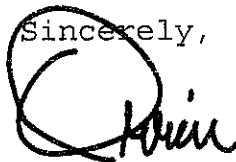
I'm am very supportive of using natural gas as a transportation fuel. I may have mentioned to you in the past that I was the author of the CLEAR ACT. The CLEAR ACT was included in the Energy Policy Act of 2005 which is now law. The CLEAR ACT provides the existing tax credit for natural gas when it is used in vehicles, for natural gas filling stations, and for dedicated natural gas vehicles. I consider it very unfortunate that more automakers have not been producing natural vehicles recently. Next Congress I plan to work on solving that problem.

I also hope to do more to encourage natural gas corridors in our nation, where liquid and compressed natural gas is available to truckers and drivers of passenger vehicles. I look forward to working with you on that idea.

As you know, I fully agree with you on the importance of developing our domestic supplies of oil shale. The resource holds huge potential for our transportation sector. And, as you point out, the oil shale on our state lands could prove very beneficial to Utah's school children.

It's great to hear from you. Keep up all the amazing things you do.

Sincerely,



Orrin G. Hatch  
United States Senator

OGH:jjb



Former Salt Lake City Mayor Rocky Anderson tops off the tank of his natural-gas vehicle at the filling station at Questar Gas in Salt Lake City on Friday. BRIAN NICHOLS

# Paying more at the pump

*Clean-air advocates object to natural-gas hike*

**By Jason Lee**  
Deseret News

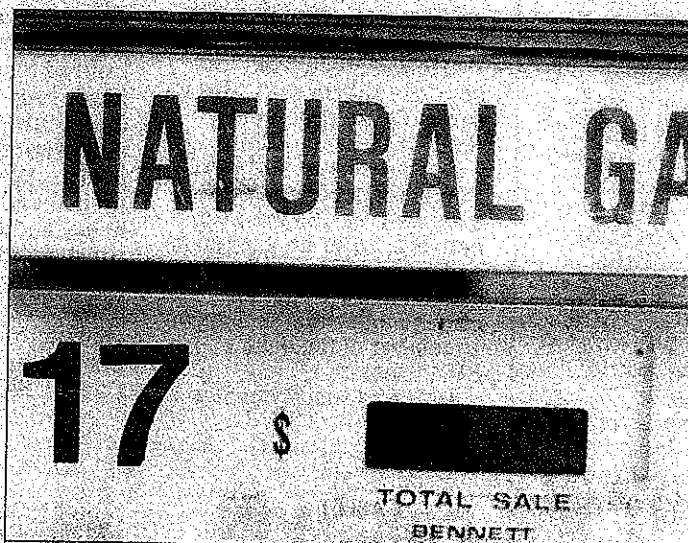
The Utah Public Service Commission's recent decision to increase the price of compressed natural gas for vehicles has drawn the ire of many alternative-fuel advocates, including former Salt Lake City Mayor Rocky Anderson.

The commission late last month issued an order that will increase the price of a gallon equivalent of compressed natural gas for vehicles by 188 percent by next summer. The order called for the hike

to take place in two phases.

The first phase would increase the price of compressed natural gas to \$1.14 per gallon beginning immediately, up from 80 cents last month. The second increase would come on July 1 and would push the price up to \$1.43 per gallon.

Commission spokeswoman Julie Orchard said that the ruling came following lengthy talks regarding proposed changes in pricing between natural gas for residential use and natural-gas fuel designed for transportation. The order arose



The price of a gallon equivalent of compressed natural gas for vehicles increase by 188 percent by next summer. The hike will take place in t BRIAN NICHOLS

from a rate case that Questar had submitted in December of last year, when the utility had asked the commission to set separate rate structures for residential natural gas and compressed natural gas used for transportation fuel.

The company contended that residential and industrial customers

were paying higher rates unfairly "subsidizing" the that natural-gas vehicle d were paying at the pump.

But Anderson on Friday the commission's order "example of how decision-

*Please see*