

**From:** Julie Orchard  
**To:** Livingston, Merilee  
**Date:** 1/14/2009 5:49 PM  
**Subject:** Fwd: Re:Inquiry from William Popadich

UTAH PUBLIC  
SERVICE COMMISSION

>>> Constituent Services <constituentservices@utah.gov> 1/12/2009 3:27 PM >>>  
Below is an inquiry which was received by the Governor's Office of Constituent Services on 1/12/2009. Please respond directly to the constituent and reply to this email with a copy of your response by 1/26/2009.

2009 JAN 14 P 5:57

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William Milan Popadich

RECEIVED

**SUBJECT:**  
Issue:  
Increase of natural gas prices for running automobiles as proposed by the PUC.

The concern is: Our dependence on foreign oil, the cost of foreign oil and how we could influence movement of the people of Utah to natural gas instead of gasoline.

I e-mailed the three Commissioners who decided to increase the cost of natural gas for vehicles in the state of Utah. I have attached the letter sent to each Commissioner. I note that Commissioner Ted Boyer's term expires on 3/1/2009. I ask that you appoint a Commissioner favorable to the cause and to use your influence to change their current thinking.

Letter Attached:

January 8, 2009

William Popadich

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

Attention: Ron Allen, Chairman

Dear Mr. Allen:

I was surprised and disappointed by the PSC decision to increase the price of natural gas by 80% percent by midyear.

I ordered a natural gas Honda Accord on May 1, 2008, and took delivery on December 16, 2008. I did this because I am concerned about the environment and the US dependency on foreign oil. Your recent decision has changed the incentive to purchase a natural gas vehicle. Your surprise decision has penalized me and many people that have invested in your program of moving people from foreign oil to natural gas.

We have lost the incentive to run natural gas as an alternative fuel source.

I will outline some recent items I have read or noted about our dependency on foreign oil and why we should support the movement from gasoline to alternative energy sources:

Last July, oil was at about \$147 per barrel, gasoline at the pump was \$4.11, and we were importing about 70 percent of the oil we use. Today, oil is \$100 per barrel less, but we are still importing about 70 percent of our oil.

Why is this important? This is because we are still at the mercy of foreign governments and unstable areas of the world for our oil supply.

It is still a crisis, but it's also an opportunity for us to fix it.

Look at the headlines from just the past couple of days:

Oil up \$5 on OPEC cuts.

Russia cut off natural gas supplies to Ukraine.

Iran calls for oil embargo for supporters of Israel.

Just before the holidays, OPEC met to try to raise oil prices. OPEC delivers 40 percent of the daily oil supply. They decided to cut their output by 2.2 million barrels per day to try and get the price back in the \$70 range.

If consumption runs short of supply, then the only way to balance the books is by raising the price. What have we seen? Gasoline at the pump has jumped back over \$2 per gallon in many areas and is moving back up.

Next headline: On New Year's Day, Russia cut off natural gas supplies to Ukraine in a dispute over prices and payments.

According to Reuters news service, "That has hit natural gas supplies to countries in eastern and southern Europe facing freezing temperatures and has worried European countries, which get one-fifth of their gas through pipelines that cross Ukraine."

Think about that: The Russian government is willing to force its customers to pay whatever price it sets by cutting off supplies; not threatening to cut off supplies, but by actually doing it in the coldest part of winter.

We don't rely on Russia for our natural gas. We don't import any of it, and we have plenty of our own natural gas supply.

The problem comes from that second headline "what happens if Iran and other Mideast and African countries decide to use oil as a weapon against us like Russia is using natural gas as a weapon against Ukraine?"

I'm not making this up. Here is what the Iranian News Agency reported over the weekend:

"Pointing at Westerners' dependence on the Islamic countries' oil and energy resources, [Iranian leaders] called for cutting the export of crude oil to the Zionist regime's supporters the world over."

Iran understands how to leverage our over-dependence on foreign oil. OPEC understands how to manage output. We are left without any weapons in this price war.

Our dependence on foreign oil forms the intersection of the three most critical issues America currently faces: the economy, the environment and our national security.

I am convinced that much of our current economic crisis was caused by the transfer of US money to foreign countries.

Your decision has reduced, if not eliminated, incentives to use natural gas instead of remaining on foreign oil and to protect the environment. This decision has financially penalized me and many others who you were encouraging to use natural gas.

I ask you to reconsider your recent decision.

Thank you.

Sincerely,

William Popadich