

From: Julie Orchard
To: Livingston, Merilee
Date: 1/8/2009 1:45 PM
Subject: Fwd: Re:Inquiry from Scott Raine

UTAH PUBLIC
SERVICE COMMISSION

>>> Constituent Services <constituentservices@utah.gov> 1/8/2009 12:14 PM >>>
Below is an inquiry which was received by the Governor's Office of Constituent Services on 01/08/2009. Please respond directly to the constituent and reply to this email with a copy of your response by 1/22/2009.

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RECEIVED

Scott Raine

Email

SUBJECT:

I am deeply concerned about the pending rules changes that will dramatically raise the cost of CNG for NGV's. Utah has become the leader in this alternative energy source through the state's income tax incentives to purchase NGV's, along with the huge benefits of cleaner air and lower cost energy costs for consumers. The recent PSC ruling is flawed because some of the financial claims made by Questar cannot be substantiated. Furthermore, why is the PSC allowing Questar to base CNG for NGV's on national pricing and not based on their actual costs.

I am also surprised that there was no real public hearing on this matter. Why did the PSC not require Questar to post notices at all of the statewide refueling facilities to inform the users of CNG for NGV's that this change was under consideration and to advise the public as to when and how they could express their views and listen to the "evidence".

It's my understanding that this rate change applies only to commercial CNG refueling stations and does not apply to governmental and home CNG rates. If this rule goes into effect, I would hope the Governor would look at having the State build and open more CNG facilities throughout the state at places like SUU in Cedar City, Dixie College in St. George, etc. This could allow the creation of a network of refueling stations for Utah residents who could buy their CNG through the state at governmental prices. The state could even charge a small service charge to pay for the cost of the infrastructure.

If this rule is implemented, a fair number of businesses involved with the CNG industry will probably go out of business as the demand for NGV's dies.

Also, if this rule goes into effect, I predict that in less than a year, Clean Energy will come into the state and take over the public refueling centers. The problem with Clean Energy is that they care about maximizing their profits and less about the benefits that CNG provides for the environment. Just look at other locations where CE operates -- their CNG prices don't fluctuate based on the cost of CNG, but rather they are based on the local retail price for gasoline -- CE just prices CNG slightly below gasoline.

Thanks for listening.