

From: Taiga Rohrer
To: <mlivingston@utah.gov>
Date: 1/4/2009 9:51 PM
Subject: RE: Comment on PSC DOCKET NO. 07-057-13 NGV CNG rates
Attachments: PSC_NGV_letter.doc

CC: Carol
Please enter into your records me and my wifes comments (attached) on 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, as aggrieved parties.

Thank you,
Taiga S. Rohrer

UTAH PUBLIC
SERVICE COMMISSION
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UTAH PUBLIC
SERVICE COMMISSION

2009 JAN -5 A 7 56

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From: Taiga and Carol Rohrer

RECEIVED

January 2, 2009

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 § 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.

My wife and I are aggrieved parties. We buy the gas that heats our home from Questar. We also buy the gas that runs both of our Natural Gas Vehicles (NGV) from Questar. We purchased a 2008 Honda Civic GX (DEDICATED NGV) in December of 2007 for the fuel mileage coupled with low fuel cost, the clean emissions, no dependence on foreign oil, avoiding sending money to middle eastern countries and terrorists (in fact it is a local resource which helps the Utah economy), and avoiding highly volatile and arbitrary gasoline and diesel pricing. We think that helping the environment and doing our part for energy independence is a good thing for the country and the state of Utah. Your statement "***we find it important for the public to understand the costs and benefits of CNG when making a vehicle choice decision***", is completely hypocritical because with this ruling you have completely changed the rules and environment for informed decision making in the state of Utah, anyone who purchased a NGV prior to 12/22/2008 operated under a completely different rule set. We did extensive research into various options available on the market for efficient economy vehicles. We chose the Honda Civic GX because with natural gas prices remaining steady and the best emissions and total footprint of vehicle manufacture and fuel it made the most sense for my 124 mile commute. Indeed the choice of a regular economy car such as the Hyundai Sonata at 38 mpg would have cost \$12,000 less, and the choice of the Toyota Prius at 45mpg would have been the same cost, but both have greater footprints on the environment and do nothing besides higher fuel mileage to reduce our dependence on foreign oil. My choice was to choose a vehicle which would limit the use of my vehicle due to the lack of fueling locations and deal with the inconvenience of having to refuel daily, not to mention very limited range, lack of storage space, no local servicing options and high servicing cost, lack of vehicle options, and if I run out of fuel the only options are to tow it to one of two CNG stations in all of SW Utah. I knew that the supposed \$0.50 'subsidy' would not last, but still was the best choice in energy independence and was doing good for the environment. This vehicle was a

substantial personal investment in a dedicated clean vehicle, and additionally we purchased a 2003 Chevy Cavalier dual-fuel vehicle this year for my wife to provide the same advantages. After the extensive research that showed Utah as the most progressive state for alternative fuels and NGVs, now in one fell swoop you have completely destroyed our investments in these vehicles, making the Honda Civic NGV absolutely worthless. This ruling is a dis-incentive from purchasing or continuing to own a NGV or any other alternative fuel vehicle in the state of Utah. How can any trust be put into alternative fuels when arbitrary rulings are made from a governing board that can torpedo investments? We cannot buy our fuel from any other sources; there are no alternatives, because it is a monopoly. Yet, your ruling says that we now have to pay the highest possible rate for CNG for my car – even though I am a rate payer with Questar.

We find your ruling arbitrary and capricious as well as contrary to the best interest of the people of Utah. The first statement ***'we do not find it appropriate to include the benefits of Questar's Wexpro gas resource in the pricing of this non-traditional utility service, especially since CNG is available to the general public and is not limited to Questar Gas Company customers'***, is completely arbitrary and capricious. This statement is the very heart of the problem here, because we should be able to benefit from locally developed natural gas supplies just like everyone else! – instead you wish to eliminate our access to this and you have absolutely no sound justification to do so! First of all most of the people who use the NGV fueling stations in Utah are Utahans (in case you haven't noticed there is little ability to drive on CNG anywhere other than Southern California to or from Utah) and I am not aware of any other company who provides natural gas in Utah other than Questar. Secondly what part of using gas in a NGV makes it unfair to use the local gas resources that are Wexpro? The majority of CNG users have paid for the Wexpro resources – how convenient for you and Questar to say that the supposed 'subsidy' dollars comes solely out of the Wexpro, or because a minority of non-Questar customers have used the CNG stations that nullifies the majority. That statement is akin to saying we shouldn't allow people from outside Salt Lake County to use the SLC airport because they didn't directly pay for the building of it. Perhaps the PSC should enforce increasing gasoline and diesel prices to match or exceed the Gulf Coast since Utah did not pay for the ports and infrastructure in that area and 57% of the nation's petroleum comes through those ports, regardless of any oil production locally.

The second statement ***'Second, we observe that during the pendency of this case the cost per gallon spread between gasoline and CNG fuel has dramatically decreased and that our decision brings the price of CNG close to that of regular gasoline. As the prices of both of these commodities have demonstrated extreme volatility in the past and will likely do so in the future, the relative price spread of the two fuels will continue to vary through time. In addition, for those who have purchased a CNG-fueled vehicle to address energy security and/or air quality concerns, the contribution to resolving these issues remains regardless of the price of CNG. We are compelled by the broader public interest, however, to completely eliminate the subsidy discovered in this rate case, which has kept the price of CNG artificially low at the expense of other ratepayers, sooner rather than later...'***, actually argues against your own ruling. First using the broader public interest as a mantra would be contrary to what you are doing, because the cost spread between CNG and gasoline has dramatically decreased, there is even greater reason not to raise the cost of CNG for the broader public interest – unless your broader public interest is to raise gas and oil company profits,

destroy alternative fuels, promote gas guzzling vehicles, increase dependence on foreign oil, increase pollution, etc. Secondly, natural gas prices have NOT the demonstrated extreme volatility that oil derived fuels have where supply is heavily manipulated by those corporations and countries which we have no recourse with, this is one of the attractions of natural gas being local. Thirdly to dismiss the point of addressing energy security and air quality by stating that these issues remain regardless of the price of CNG is true folly – it IS ALL ABOUT PRICE! In one fell swoop with this decision you will cripple the practicality of owning an NGV in Utah, because it is a disincentive to do so – the cost makes ALL the difference! The cost of oil is what made us energy dependent in the first place! You cannot encourage energy independence and improve air quality unless it is cost efficient to do so. We and fellow NGV owners are not opposed to paying road use taxes and some money toward increasing the infrastructure for NGVs, or even removing the supposed 'subsidy', even though this **'subsidization' is completely appropriate, reasonable, and necessary for the state and even federal government to help increase the use of alternative fuels to reduce emissions and our dependence on foreign oil.** It is capricious to approve a subsidy for CNG to attract investors in alternative energy and then pull the rug out after investment is starting to happen saying that now it is not fair and in the public interest. Considering the amount of Clean Air Act non-attainment areas in Utah and stricter EPA standards, this alone should make you rethink your decision. But the subsidization issue is not even the primary argument against this PSC decision – barring local NGV owners from local Wexpro gas prices even though we are rate-payers and the overwhelming majority of NGV owners are as well!

Why are NGV owners being singled out? You don't charge extra for people who heat large houses! They can use fuel any way they see fit. You don't charge extra for people that have drafty houses! They can have huge drafts coming in under doors or through windows and not pay extra. You don't charge extra if they set their thermostats at 72 degrees all winter long. You don't charge extra if their furnace is so ancient that it is only 52% efficient. But you penalize us if we decide to run our car or truck on CNG. You want to charge us a rate that has nothing to do with Questar's actual cost of fuel. You want to charge us the highest possible cost. Does this also mean that any new residential Questar gas customers as of 12/22/2008 should be charged the national price for natural gas as well and be eliminated from the Wexpro prices, and does that hold true for Wyoming and Colorado as well? – after all they apparently did not pay for Wexpro either, so what is good for the goose is good for the gander in the public's best interest of course!

Every Questar rate payer benefits by the cleaner air I make (or the filth I prevent).
Every Questar rate payer gets benefit by reducing our dependence on foreign oil.
Every Questar rate payer gets the benefit of ME spending MY HARD EARNED MONEY ON A VEHICLE THAT SOLVES PROBLEMS.
Every Questar rate payer gets the benefit of our money going into the local economy.
Every Questar rate payer gets the benefit of having a CNG infrastructure being developed for the day that they too might want to get an NGV.
Every Questar rate payer would benefit knowing the cost of natural gas is dependent on the amount used – not how it is used.

As some of my fellow NGV drivers have pointed out, your December 22, 2008 ruling flies in the face of all that is right. It was slipped in just before the holidays - when hopefully for you no one was paying attention. It not only fails to protect the public -

it harms them. All it does is pave the way for Questar to charge higher rates at my expense. It makes it less likely that any private company will EVER put together private filling stations – because Questar can charge them the national rate which is substantially higher than what they pay. You fatten Questar's bottom line and charge us twice the going rate for NGV fuel (even though I am a rate payer who has helped pay the cost of WEXPRO development).

All your ruling guarantees is that alternative fuels will become a less viable means of fueling a vehicle because your ruling unfairly penalizes me for doing what Governor Huntsman asked me to do, and set the example by doing himself. The Governor urged the people of Utah to shift to cleaner fuels. He wants cleaner air, and Congress has mandated it. We as NGV owners take the plunge and what do we get? – penalized for doing the right thing!

The logic you use in your ruling is flawed. The vast majority of people buying CNG for their NGV are in fact RATE PAYERS who deserve to pay Questar's cost including the WEXPRO fuels. They do not deserve to pay just the higher part that MAY at some point come from a non-Questar well.

We urge you revisit your findings and revise your ruling to treat rate payers equally. What you are doing is totally and completely unfair. It is bad for the public and bad for Utah and unfair to rate payers. We suggest that you work with the governor and the legislature and UDAQ to make a better decision of what is truly in the public's best interest, I think you find that the state government will not only support local Wexpro prices, but will also support a subsidy for CNG!

Finally, we wish to emphasize that we are aggrieved parties to this ruling, because it substantially affects us as NGV owners, Questar rate payers, and tax payers and we had no opportunity to comment prior to the ruling and no outreach to the affected parties (NGV owners and operators) was conducted. Because we made a well researched choice of a dedicated NGV, we are stuck with whatever decisions you make – capitalism and free market do not play into these decisions since Questar and the PSC decisions are a monopoly for natural gas in Utah. We cannot simply switch fuels like persons driving dual or bi-fuel vehicles; additionally we cannot simply sell a dedicated NGV and get a gasoline vehicle to play under a free market system, because this ruling basically makes dedicated NGVs worthless. It is ironic that the state and federal government provides tax credits to encourage the use of alternative fuels in vehicles such as NGVs, and energy dependence and global warming/pollution are major issues of the election year, but at the same time the Utah "Public Service Commission" decides to make a contrary ruling in the "best interest of the public". We urge you to reconsider the ramifications of such a decision, we are not against a fair increase in rates even equivalent to paying the same rate as we do for residential gas, but would also caution you that it is not in the best public interest to eliminate incentives for NGVs at this time. At minimum please reopen DOCKET NO. 07-057-13 for public comment and remove the NGV rate decision until the broader policy issues of DOCKET NO. 08-057-21 are decided on, and ensure WEXPRO gas be continued to be included in the NGV/CNG rate calculations.

Respectfully submitted,

Taiga S. Rohrer & Carol A. Rohrer