

Utah Public Service Commission
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160 East 300 South
Salt Lake City, UT 84114

Complaint concerning the price increase for vehicle natural gas
Steve Wilcox

UTAH PUBLIC
SERVICE COMMISSION

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Greetings commissioners:

I am writing to request that you re-open Docket 07-057-13 for public comment, and to remove the NGV rate decision until the broader policy issues of Docket 08-057-21 are resolved. Also, that the "Wexpro" gas should continue to be included in NGV rate calculations.

I purchased a natural gas Honda nearly a year ago and have benefited greatly from the reduced cost of fuel and feel like I'm doing my part to reduce the pollution that severely plagues our valley. I spent several months researching many aspects of the natural gas issue before I purchased the car. The car was not what I would have purchased without the CNG option and was much more expensive as well. My decision was based in large part on information I received from Questar indicating that they had been in this business for 20 years and had no intention of changing the rates or structure.

I would like to make several points to support my opposition to the rate increase:

1. In my research before purchasing the car, I received the following email in response to an inquiry about natural gas rates from Gordon Larsen at Questar:

"Steve. The CNG price has been between .58 and 1.23 since 1988. There currently is a Federal excise tax credit on the fuel that nets a .32 discount which may or may not go off a year from October. Without that the current price would be 93.8. Natural Gas prices are going up like all energy. We are regulated by the UPUC so we can not raise or lower are prices as we please. Even if prices go up and the tax credit does not get renewed we should always be well below gasoline. Questar has always had the lowest CNG rate in the nation. As well as the gas in our homes. We own our own wells and 50%. Of the gas we sell comes from those wells that by law we have to sell that gas to our retail customers at cost of service. Gordon"

According to this email from Questar, there is a net 32 cent per gallon federal excise tax credit for vehicle natural gas that is in effect until October 2009 and maybe longer. I was under the impression that this subsidy was offsetting the difference between the natural gas for homes and the natural gas for vehicles. In the articles I have read about the commission's decision, I only hear how homeowners are making up the difference. What happened to the federal excise tax credit? Will it be forfeited? If not, where will it be credited?

2. For the past 20 years, Questar has been committed to providing low cost natural gas for vehicles to encourage environmentally friendly transportation. The articles I have read suggest that the Commission made this decision without the request or support of Questar gas.

3. The Division of Public Utilities was created to make certain that utility companies serve the Utah community and do what is in the best interest for Utah. Utah already has a severe pollution problem – and the cost of controlling pollution increases every year. An increase in the natural gas for vehicles will suffocate this positive pollution-decreasing option that has really started to pick up momentum.

4. In this time of global energy turmoil, encouraging use of local resources is absolutely essential. Natural gas vehicles promote energy-efficiency, lessen dependence on foreign oil, and most importantly they boost UTAH state resources, jobs, and economy. This would include the production and distribution of the compressed natural as well as the dealers who sell and convert the vehicles to run on natural gas. Raising the price of this up-and-coming fuel alternative will suffocate this positive growth.

5. As far as I can tell, the Commission made no effort to request input from the public whose interest they protect or even the utilities they support. Decisions were made behind closed doors with no notification or input from the community. This was not a hot issue, in fact I haven't heard one complaint about the low price of vehicle natural gas. Why would the commission even consider changing a system that is working well and receives no complaints?

6. As the natural gas price goes up, owners will start selling their natural gas vehicles. The demand for new vehicles and the fuel to run them will go down drastically. Questar's huge investment in the filling station infrastructure will be used less frequently and their return on investment will be negative, causing an increased cost which will then be passed on to all Questar's customers anyway.

I strongly suggest this rate increase be reevaluated. If the decision stands, many people like me will look for the soonest opportunity to sell their natural gas car and go back to the high-polluting gas-guzzlers. In the end, what benefit will your decision have made?

- To Questar – a negative effect since the filling station infrastructure will be used less frequently by fewer customers
- To CNG vehicle owners, a negative effect because the cost of driving their vehicle will nearly double without any positive benefit
- To the other customers of Questar, the reduction in the cost of natural gas will probably not even be noticeable. Also, the cost of the filling station infrastructure which won't be used as much will need to be passed on to the other customers. And remember - these are customers who have never complained about "subsidizing" the vehicle natural gas.
- To Utah – lost revenue from CNG-related business such as car sales and repair and most importantly more pollution as CNG drivers switch back to gas vehicles.

Please reconsider your decision! Thank you for taking the time to read my comments.

Steve Wilcox