

Preserving Equity and Competition in the NGV Fueling Industry

Concerns with Senate Bill 275

Submitted by: Blu (Transfuels, LLC)

This document is submitted by Blu in response to the Utah Public Service Commission's call for public participation and input into an investigative docket concerning the implementation of Utah Senate Bill 275 (SB275). While, as a builder and operator of both Compressed (CNG) and Liquefied (LNG) Natural Gas fueling stations, we are encouraged by Utah lawmakers' recognition of Natural Gas as an important aspect of Utah's and the Nation's energy future, we are concerned about the effect certain aspects of the bill (particularly those concerning the construction of public fueling stations) will have on private-enterprise.

Lines 95-109 of SB 275 read: *“The commission shall find that a gas corporation's(Questar)expenditures for the construction, operation, and maintenance of natural gas fueling stations and appurtenant natural gas facilities for use by the state, political subdivisions of the state, and the **public** are in the public interest and are just and reasonable . . . A gas corporation **may seek the recovery of expenditures** under Subsection (1) through a mechanism designed to track and collect the expenditures between general **rate cases**.”*

We are concerned that this aspect of the bill puts Questar Gas in a position to utilize their ratepayer base to fund the construction of publicly accessible NGV fueling stations **without risk**. This will likely create unfair advantages for Questar and diminish the private sector's ability to compete. Private sector companies, like Blu, that are actively building and operating fueling stations could be put out of business.

Again, we welcome the efforts of the Utah legislature to create an inter-local agency to promote and facilitate the adoption of alternative fuel vehicles. Our concern is that the sections of the bill allowing Questar alone to fund the construction of fueling stations via rate increases will create unfair competition in the market. Private companies are actively building the infrastructure required to meet NGV fueling demands. The Government action proposed in SB 275 has the potential to interfere in the free market by creating disincentives and stifling competition.