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Todd R. Campbell, MEM, MPP
Vice President, Public Policy and Regulatory Affairs



August 1, 2013

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

Re: Reply Comments on the Implementation of S.B. 275 – Docket No. 13-057-02

Clean Energy appreciates the ability to respond to the initial comments that have been submitted by various companies and organizations. By the sheer number of comments submitted, it is clear that there is significant interest and concern about the passage and ultimate implementation of S.B. 275.

Response to Blu LNG, Utah Office of Consumer Services, AARP, Trillium CNG, Utah Association of Energy Users, and Claire Geddes

Clean Energy agrees with the comments submitted by the above parties. Many of the comments are very similar to one another and show the concern with using ratepayer dollars to fund the compressed natural gas (CNG) refueling services of Questar, a utility with monopoly powers, to unfairly compete in a private market. More details on this can be found in Clean Energy's initial comments submitted on July 3, 2013. The other large concern is that while S.B. 275 imposed a \$5 million annual cap on Questar Gas investment for these fueling facilities, it also contained provisions that (a) allowed the Commission to waive the cap, and (b) eliminate the cap altogether effective July 1, 2018, which will put ratepayers at the mercy of the utility. This is bad public policy and will hinder the growth of the natural gas refueling industry because private firms do not want to enter a market that is controlled by a monopoly like Questar.

Response to Questar's Comments

Questar states more than once in their comments, "Questar Gas is concerned that significant investment could create a burden on its customers and, it would adversely impact Utah's economic development." This should be a serious red flag to the Utah Public Service Commission, and it further validates the concerns of the various organizations that have raised this issue. Additionally, it is one of many reasons why Questar's claim, "Questar Gas is Best Suited to Construct and Operate More CNG Fueling Stations," is erroneous. Questar is not an ideal entity to provide CNG fueling stations. Rather, private firms that have years of experience in providing refueling services to multiple markets, like Clean Energy and our several competitors, are the best entities to build CNG stations and offer refueling services to the state of Utah. Why should Questar be able to use ratepayer money when private companies are willing and able to use shareholder dollars to provide the same service with better performance? Instead, private companies are



blocked from the market because they cannot compete with Questar. This leaves customers that want CNG for their vehicles with a very limited option for refueling services. Furthermore, with their stronghold on the market, Questar has no incentive to provide the highest quality in performance of their services because they can undercut anyone on cost alone. They do not have to compete in the same way that private firms would in a free market.

Clean Energy would again like to thank the Public Service Commission with the opportunity to reply to comments submitted by other organizations, and we look forward to working with the Commission on this Docket going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Campbell", written over the word "Sincerely".

Todd Campbell
Vice President, Public Policy and Regulatory Affairs