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From: Carol Revelt <crevelt@utah.gov>
 Date: Wed, Jul 3, 2013 at 1:09 PM
 Subject: Fwd: Ref: Docket 13-057-02
 To: "Harvey, John" <jsharvey@utah.gov>

REVIEWED BY COMMISSIONERS

RON ALLEN 

DAVID R. CLARK 

THAD LeVAR 

John,

My name is Kim Hugie. I am the sole owner of a small business named "CNG America" I have been in the Compressed Natural Gas (CNG) business as a shop converting vehicles for 7 years and as an owner of publically used CNG Stations for almost two years. I currently have 4 Publically used CNG Stations in Utah. They are located in Clearfield, Tremonton, Lehi and the newest station to be completed in August of this year in "Down Town" Salt lake City.

As a surprise to some, I feel I should thank Questar Gas for what they have accomplished in the Utah CNG Market. Without them and a very active Clean Cities of Utah organization, Utah would not be at the top of the list of 50 states in CNG stations and CNG Vehicles per capita. Also, I should recognize the Division of Air Quality and the program they have that give owners of CNG vehicles and conversions State tax credits that help subsidize the cost of CNG conversions.

I disagree with comments made by other CNG Companies that Questar is deterring the growth of CNG in the State. It is quite the opposite, due to the low prices of CNG in Utah we have a very strong CNG market compared to the rest of the US. For CNG to be successful, we need a good balance of CNG fuel Prices and subsidies to convert vehicles. We have that combination now and it is working. Recent passage of Senate Bill 96 by the Governor will also help grow the CNG market.

My business is proof that you can be a successful retailer of CNG in the Utah market. I welcome all competition including Questar Gas. It is healthy and good as long as the playing field remains the same or neutral. This is my concern. How can any company compete with Questar when they are subsidized \$5,000,000 a year. I think Questar was put in a difficult situation of basically being a tax collector for the state with a guarantee of getting the 5 million dollars a year to subsidize CNG Stations at the expense to Questar Gas customers. Probably with good intentions this bill was passed, but it gives an unfair advantage to any company. I'm not even sure it is legal.

Trust me, I understand when Questar tells us how expensive it is to build a CNG Station. I have done it 4 times. I think it is good that the State of Utah is trying to help businesses develop the CNG infrastructure. More infrastructure will equate to more clean burning CNG vehicles. I think this is what everyone wants.

I believe the **solution is simple**. Give the \$5,000,000 or so to a nonprofit agency (Clean Cities of Utah) or a state office such as the Division of Air Quality and have them administer the funds as grant monies to any business that qualifies. Both of these agencies have the experience and programs in place to administer these funds fairly. Sharing these funds would be fair and good for a CNG related business.

As a side note, I also hope that the State of Utah will put up for bid any CNG Stations that it intends on building for

UTA or any other agency. They should keep with the fair practices it uses on any other construction project.

Thank you,

Kim Hugie

(Sole Owner of CNG America)