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UTAH PUBLIC
SERVICE COMMISSION

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From: Art Brothers Jr.

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Delivered by e-mail and fax

Dear Commissioners,

Please vacate Docket 07-053-13 or rehear and remove any reference to CNG for vehicles for the following reasons:

- 1.) Any reference to CNG for vehicles in Docket 07-053-13 should be removed until Docket 08-057-21 is competed. "21" was specifically designed to hear issues rising around CNG for vehicles. By completing "13" ahead of the end of comment on "21" and including decisions impacting CNG for vehicles, the commission severely limits the scope of the remaining docket. That is unfair. It is wrong. In order to more fully shape the regulatory climate surrounding CNG for vehicles, comment should be heard on all issues. They should not be limited by premature approval of a few small aspects of "13." It is senseless to allow the CNG for vehicles portions of 07-053-13 to stand. They must be removed and decided later – after 08-057-21 is fully heard. Removing this small portion of the docket will harm no one and allow the issues to be decided fairly and in full light of day without limit of scope imposed by "13."
- 2.) Pursuant to Utah Code § 63-46b-12, an aggrieved party may file, within 30 days after the date of a Report and Order, a written request for rehearing or reconsideration by the Commission. It being January 21st, the 30th day since the report was filed, I hereby pray you rehear and reconsider Docket 07-053-13. Insofar as I have been able to find out, it is not clear under Utah law or administrative procedure whether a member of the public can or cannot claim to be an "aggrieved party" and request a rehearing. However the absence of an affirmative right under law or rule does not automatically mean that the action is unlawful or that it should be denied. Our society succeeds because it thrives in possibility – not infinite permissions. In any case, it is clear that the public in general and ratepayers especially are, as a class, considered in the original hearings and are thus party to the original hearings. The public is a special class that the commission is sworn to protect in a balanced and fair fashion. If there is no way for an aggrieved member of a special or class or party to beg reconsideration by the commission, the commission fails to serve the very party

they are called to serve and protect. Therefore absent a ruling from a court of competent jurisdiction, there is ample room argue that members of the public constitute a member of a special class that MUST be heard if such a request is made. To be fair, it could well be argued that such a rule could allow individual ratepayers to cause the power of the commission to be held hostage by a single aggrieved party. However, a more moderate - or middle of the road - approach to this issue would allow the commission to consider an “aggrieved party rehearing” where more than one comment to the commission from that class is submitted – or where in the judgment of the commission, the argument of a single individual is sufficiently compelling to merit a rehearing. Such an approach would vouchsafe the power of the commission from an administrative perspective and keep it from being held hostage, while also granting members of the public room to make thoughtful comments for the benefit of the commission. I beg the commission to adopt such a stance in the face of the outpouring of letters protesting the effects of Docket 07-053-13. Reopen and rehear the docket.

- 3.) It is clear that the political will of the people and the leaders of the State of Utah are moving toward clean air. Governor Huntsman has called on Utahans to switch to CNG as an automotive fuel. The findings of Docket 07-053-13 violate the essence of the political will and the general desire of the people of the state of Utah. Therefore the docket must be vacated or reheard in order to serve the larger public good.
- 4.) I am a ratepayer with Questar – yet Docket 07-053-13 denies me the opportunity to enjoy the benefit of WEXPRO pricing when I refuel vehicles using gas that the Governor said I should switch to. Gas I have paid to develop as a ratepayer. Docket 07-053-13 finds that WEXPRO pricing should not be available to those who are not ratepayers. But what about ratepayers? Rational analysis must conclude that 99% or more of the people buying CNG vehicles are Questar ratepayers. The range of these vehicles is short (typically about 180 miles per tank). It is silly to assume that people are traveling to Utah to buy our gas when they don't live here. It is ratepayers who are being deprived of the benefit of the investment built on the backs of our gas payments. This is unfair. Some may argue that CNG for vehicles was not a use that was anticipated, but this begs the question of what anticipated uses are. If I have a larger house to heat is that anticipated? What if I have a larger heat bill because I like it warmer in my home does that merit a surcharge? What if I have a gas fireplace? (At one time that was a novelty.) What exactly does “anticipated use” mean? Does it mean that heat is OK but that using gas to run an air conditioner is not? My two CNG cars are equipped with both heaters and air conditioners. If they cannot use WEXPRO gas because they have wheels, can people living in trailers? The whole argument of anticipated use is specious – it is arbitrary and capricious by nature. It refuses to see that anticipated uses are not found in prohibiting specific uses but in embracing what is in the best interest of continually changing public. It is clearly in the best interest of the public to help clear the air along the Wasatch Front. CNG vehicles help do that. WEXPRO gas must not and cannot be artificially

severed from the cost of providing CNG for vehicles without depriving ratepayers of the rate to gas they have helped develop.

- 5.) Docket 07-053-13 further orders that actual “cost of delivery” be mandated so that the recovery of any costs associated with delivering CNG for vehicles be specifically associated with that use and no other. This flies in the face of protecting the larger public interest. In the 1930’s when telephones were a relative rarity in rural communities and becoming more common in larger cities government mechanisms were put into play that allowed monopolies to share revenue with each other so that a nationwide telecommunications network could be created. It was deemed to be in the public interest to have phone service nationwide. Fifty years later, in 1984 when Judge Greene broke up the Bell System monopoly, I began working for the NECA - the group charged to carry on the complex system of cross-subsidy used to even out the cost of phones nationwide – from New York City to Salt Lake City or Newark, NJ to Neola, Utah - and further. Even then – some fifty years after the system was born - only NYNEX was a net-payer into these shared revenue pools. Each of the other six remaining Bell operating companies (and all other so-called independent phone companies) were net RECEIVERS of money that originated with the people of New York, New Jersey and Connecticut served by NYNEX. Clearly, there is a longstanding and positive benefit to using a system of shared revenues in a monopoly utility system. But the idea of using one part of business to subsidize another is NOT limited to regulated monopolies. It is common everywhere. Every business that expands into new areas uses revenues from one operation to finance growth in another. It is counter productive to artificially stop growth and service from continuing to expand by decreeing that every new branch on a tree is to support itself without any kind of call on the developed root system. Yet this is what Docket 07-053-13 calls for. Commissioners, it is counter-productive, counter-intuitive and backward. If there are certain special interests which argue the narrow view that NO new service should incur a cost to older, established customers, they must be held in check by rational consideration of the larger public good. To do otherwise is to allow the triumph of weak-minded and simplistic rhetoric over reason. It makes a mockery of any ability to judge with equity and insight. When CNG is adapted for use in vehicles it benefits every breathing ratepayer. All parties are benefited by those who shoulder the cost of converting their vehicles. Children begin to breath easier. Health costs are reduced. Tourism increases. Commerce increases and our impact on the earth is diminished. We become good stewards by using CNG for vehicles. Is it fair that all should benefit from the efforts of so few? The air from the exhaust pipes of these cars or trucks is much cleaner than the air you are breathing in the inversion we’ve seen for the past couple of weeks. It is clearly in the larger public interest to allow the entire investment in plant used to deliver CNG for vehicles NOT be separated in any way shape or form from the larger plant and equipment used to deliver natural gas to ratepayers homes. It is only fair to leave it a part of the larger rate base. To separate these costs and demand “cost of service” for CNG will dramatically increase its cost at the pump. Prices could eclipse that of

gasoline. Whereas the move to specific “cost of delivery” may save the average ratepayer a \$0.42 to 0.44 cents. But it will make CNG an oddity instead of a commodity and effectively end any meaningful attempt to increase clean air through CNG for vehicles. That \$0.42 some-odd cent difference will cost every ratepayer clean air they might have breathed. CNG for vehicles is in its infancy. It needs your support. If you do not reopen and rehear this case it will strangle the baby in the crib.

In conclusion, I ask you to reconsider Docket 07-053-13. Please remove any reference to CNG for vehicles and let these issues be decided after Docket 08-057-21 is fully heard and all the facts are in. Please support the initiatives for better air quality invited and supported by Governor Huntsman plea to switch to CNG. Please ignore the grumblings of those who urge you to mine the fools gold of saving consumers half a buck at the expense of air quality. Please don't nail the coffin shut and kill CNG for vehicles. This can be a marvelous boon for the people of Utah. It can help clean the air. As gasoline prices rise again (and they will) it will save businesses that have switched to CNG huge amounts of money. This will help keep transport costs stable and improve employment. Greater tax revenues will result. Government programs won't need to be cut. But more than that, by improving air quality we will also be creating a climate ripe with innovation. Inventors and investors will develop novel approaches to using gaseous fuels.

I can see the day when small-solar installations on garage rooftops are used to electrolyze water and create hydrogen (and off-gas pure Oxygen). I can see the day when a fully developed gaseous fuels network will actually allow 100% hydrogen fueled cars to operate locally – without use of any foreign oil. I can see the day when Utah's innovators will be leaders in this field and reap worldwide acclaim – because you had the vision to take this tiny step today.

The commission should reopen and rescind all items in Docket 07-053-13 directly impacting the cost of offering CNG for vehicles.

Finally, I have faith. I know you can do it commissioners, please find a way to do so.

Respectfully submitted,

Art Brothers Jr.