

From: Julie Orchard
To: Livingston, Merilee
Date: 1/12/2009 12:10 PM
Subject: Fwd: Re:Inquiry from Sam Packer

UTAH PUBLIC SERVICE COMMISSION

Another. JPO

2009 JAN 12 P 12:15

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>>> Constituent Services <constituentservices@utah.gov> 1/12/2009 10:24 AM >>>
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RECEIVED

Sam Packer

SUBJECT:

I am a Questar residential customer who uses natural gas for domestic purposes, and also to fuel our family's NGV, an Inherently Low Emissions Vehicle, as qualified by the federal EPA. I understand the latter use will no longer be considered "traditional" under 08-057-13 and will be charged a rate based on international, not local market natural gas prices. Consider this my request for reconsideration of this matter.

There is no need to subsidize the cost of CNG for the NGV owners who purchase from Questar stations. As the costs increase to extract Natural Gas and deliver it to our NGVs the pricing should move accordingly. There is however no valid reason why international rates should apply to an inherently local issue.

According to the website CNGPrices.com, Utah and Wyoming have the lowest CNG prices in the nation. The current cost of CNG is significantly lower than that of regular gasoline. The cost differential is the main reason why many NGV owners sold their regular gasoline vehicles for a NGV. At the time when many NGV owners made the switch, NGVs were being sold at a premium. This premium would be justified due to lower fuel costs and the NGV would repay itself over time.

A new Honda Civic DX retails for just over \$15,000 USD. The new Honda Civic GX (NGV) retails for just over \$25,000 USD. Until December 22nd, many Utahns have purchased new GX models at a premium from local dealers. Such a cost differential is common for NGV owners in our state. It was not uncommon for NGVs to be sold at twice the market value of the vehicle. This was most popular when CNG prices were under 70 cents while Gasoline was over \$3.50. We have also seen new businesses emerge offering to convert existing vehicles to run on CNG.

DOCKET NO. 07-057-13 is a genuine attempt to resolve the issue of allowing Questar to not subsidize the cost of offering CNG to the public. These costs never should have been subsidized and never should be. Questar does not likely pay International commodity rates on Natural Gas, and neither should NGV owners. Your Energy Advisor recommends that the NGV rate be increased by no more than 50 percent of cost of service, and I wholly support that recommendation. Questar has the right to make a fair profit on any services they offer.

Utah was recently visited by the EPA and Utah is not currently meeting Federal Air Quality standards. This price increase will decrease the number of NGVs on the road and also any bi-fuel vehicles will simply not use the CNG. This ruling will not help our state in our efforts to clean up our environment.

I am furthermore appalled and feel insulted that a Public Services Commission would be looking out for the regulated monopoly before the Public. By your name alone, your mandate is to serve the public and not Keith Rattie. By allowing the current ruling to stand and forcing Utahns to pay abstract and inflated rates on CNG, the PSC will be doing a disservice to the Public whom they have been entrusted to serve.

There needs to be a reason to keep CNG flowing into cars. It would be fantastic if there was a sustained cost benefit to running a NGV. If the subsidy goes away and the rates go anywhere near regular gas prices, CNG use will go away completely (the fueling stations are few and far between and it can take anywhere from 5 to 30mins of waiting to get a spot at the pump, and by then the pressure left in the tanks is barely enough to get you home).

HELP!!