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To: <mlivingston@utah.gov>
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Subject: Dockets 07-057-13 and 08-057-21
Attachments: Letter to PSC.docx; Letter to PSC.doc

UTAH PUBLIC
SERVICE COMMISSION

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RECEIVED

From:

Mark Larsen

January 5, 2009

RE: "DOCKET NO. 07-057-13 – In the Matter of the Application of Questar Gas Company to Increase Distribution Non-Gas Rates and Charges to Make Tariff Modifications. As Filed by the Commission on Monday, December 22, 2008

Dear Commissioners:

Pursuant to Utah Code § 63-46b-12, an aggrieved party may file, within 30 days after the date of this Report and Order, a written request for rehearing or reconsideration by the Commission.

I am very concerned with the rate increases you have stipulated for Compressed Natural Gas (CNG) sold for use by so-called "Non-traditional" users of Natural Gas Vehicles (NGVs). My wife and I recently purchased a bi-fuel CNG car for several reasons:

1. To save some money which helps defer the cost of buying and owning a CNG car over time, but only if the savings remains constant over many years.
2. To limit our dependence on the volatile gasoline market. CNG prices were, until now, much more stable and dependable.
3. To keep our energy dollars here at home versus buying gasoline from countries that don't always have our best interests in mind.
4. To do our part in limiting pollution generated by our driving. Northern Utah is growing quickly and will only get worse as far as pollution is concerned.

It seems that the Public Service Commission thinks that NGV owners will simply swallow the additional cost. Our CNG tank is smaller than its

gasoline counterpart. This is often the case for bi-fuel cars. Since fueling on CNG requires more stops and has fewer stations available, it is inherently less convenient.

If the cost differential is not enough, I will simply fill with gasoline. The cost differential is often the primary reason NGV owners purchased their vehicle. Without that differential, the infant CNG / NGV industry in Utah will end. CNG conversions are very expensive and with a smaller 2009 tax credit, few if any people will make the costly leap. The entire industry of CNG conversions will quickly die.

NGVs have been around as long or longer than "Traditional" users of natural gas. NGV users should benefit from Wexpro like all other Utah consumers of natural gas. Are we being singled out, because we are a relatively small group of people?

I fail to see how the rate increases will serve the public. There won't be additional money to build up infrastructure, because bi-fuel NGV owners will simply switch back to gasoline – its just more convenient. Plus, far fewer new NGV owners will enter the alternative fuel world since the incentive to switch won't be big enough to make the switch.

The increases in pollution will not serve the public. The increased dependence on foreign oil will not serve the public. I understand that there needs to be a balance between keeping Questar profitable (they most definitely are) and the need to regulate rates that this monopoly can charge. The decision to hike rates so dramatically is definitely one-sided in Questar's favor.

Maybe a cost-plus plan would work with much smaller rate hikes that allow for the industry to survive, while providing Questar with funds and some profit that they would be required to use for NGV infrastructure.

Please keep the public's best interest in mind before single-handedly killing the Utah NGV industry.

Respectfully,

Mark Larsen