

**From:** "BRIAN HELEN OSTLER"  
**To:** <mlivingston@utah.gov>  
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**Subject:** PSC CNG Filing

UTAH PUBLIC  
SERVICE COMMISSION

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Dear Mr. Livingston:

Please use your influence to keep CNG (Compressed Natural Gas) prices tied to a "cost-basis" and not tied to something as volatile as "market" prices--in our circumstances that may mean tying the price structure to Questar's "Wexpro" system. Below, please find a relevant experience and rebuttal viewpoints to ideas outlined in the recent Public Service Commission filing.

After diligently looking for two months last spring, we finally located on the east coast a CNG van for my husband's work. While driving this dedicated natural gas vehicle home, my husband and I were amazed to learn that although the state of Pennsylvania had made significant initiatives to establish CNG refueling sites and the use of natural gas in vehicles 15 - 20 years ago, the Pennsylvania CNG infrastructure has dwindled from 14 or 15 operating stations to 1 operating station. Apparently this occurred as state-subsidized programs and enthusiasm for potential vehicle use of natural gas dwindled, and, of course, as regular gasoline prices seemed reasonable. It's really questionable today if, and if so for how long, that one remaining station in Washington, Pennsylvania will function--the equipment is old, weather-worn and very rarely used.

In Utah this fall interest in natural gas vehicles seemed to rise and fall with the price of gasoline. Note occurrences as gasoline prices dropped below \$4.00 a gallon. 1. An NGV dealer and friend confided that his sales of natural gas vehicles stopped. 2. I observed that participation in the CNG chat site dropped substantially. 3. Had our vehicle purchase occurred in September instead of April, we may have opted for a conventional gasoline car. Although a very large motivation in our personal purchase of a dedicated natural gas vehicle was the desire to do what little I could to help my nation become less energy-dependent upon countries who I perceive nurture attitudes and beliefs which support the goals or ideals of terrorists, without the lower cost of fuel to help off-set the cost of the purchase, we would not have purchased a CNG vehicle--personal economic factors in the current financial climate simply being too great. I was so grateful to be in a position to "vote" with my dollars in the choice of a vehicle, and in this choice our strong desire was NOT to have precious financial resources going to foreign countries that hate us.

From these observations I am forced to conclude that interest in CNG vehicles grew substantially due to just one factor--the rising cost of gasoline--something which seems to conflict with conclusions in the Public Service Commission's recent filing. In Docket No. 07-057-13 currently before the Utah Public Service Commission, "The Committee contends [I believe erroneously] the tremendous interest in NGVs and increased demand removes any need to support this market by providing a jump start through subsidized rates." and that the "industry now cannot further develop unless the rates reflect a full cost of service." (see page 36) From my own consumer experiences this proves to be a false conclusion, first from simple feedback, and second from the somewhat substantiated theory that establishing the use of natural gas vehicles and of alternative fuels will require a longer term outlook--more like running a marathon than running a sprint. This effort is in its infancy and needs continued support and commitment (tax incentives, coupons or rebates, reduction of inspection cost, good public relations--anything to keep this possibility alive in the minds of those who drive). I have to ask, "Who is going to benefit from the passage of Docket No. 07-057-13? Whose greed is so great as to compromise the tremendous potential benefits to our state and nation? Air quality, reduction of gasoline consumption with all the accompanying costs financially and nationally, security for our nation--these seem worth the investment.

I find these statements in the docket either disjointed from reality or illogical: From page 37, "... that the NGV rate should reflect market, not Wexpro, prices." "Also, we do not find it appropriate to include the

benefits of Questar's Wexpro gas resource in the pricing of this non-traditional utility service, especially since CNG is available to the general public and is not limited to Questar Gas Company customers" With rare exceptions CNG vehicles are "commuter" cars due to their limited driving range. Therefore, the same people driving these "commuter" cars also heat their homes with Questar's natural gas. Believe you me, it's a very, very rare exception, indeed when an out-of-state CNG traveler refuels at a Utah refueling site. [Traveling in a dedicated CNG vehicle takes hours of preparation--sometimes days while account applications and correspondence makes its deliberate way through the postal system.] It seems just as unfair that CNG purchases should subsidize the heating of homes as it does to mandate that money made heating homes should be used to subsidize fuel purchases to run vehicles.

I'm appreciative of the alternative fuel vehicle tax incentive and of the state's opening their refueling network to the public. To date Questar's work and the work of states like Utah and Oklahoma has provided a small part of the answer to our country's need for energy independence. What a comfort it was to be able to purchase fuel reasonably this summer when gasoline prices jumped to their highest-ever levels. We were able to conduct our own business and assist family members with needed travel without undue hardship. I hope Utah will move forward--not backward--with the use of CNG. I hope we can escape a fate like Pennsylvania's. Can we really afford to ignore the possibility that regular gasoline may not always be readily available at an affordable price?

Should you have questions about the content of my letter, do not hesitate to contact me either by phone or email. Thank you for your time and attention.

Sincerely,

Helen M. Ostler