

From: Chubbeehubbee <chubbeehubbee@yahoo.com>
To: <mlivingston@utah.gov>
Date: 1/10/2007 9:58:32 AM
Subject: Comments re: Questar Request Regarding Rural Communities

UTAH PUBLIC
SERVICE COMMISSION

I have attached comments. My contact information is as follows:

Ed Meyer
Director, Kanab Area Chamber of Commerce
950 East Country Club Drive
Kanab, UT 84741

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(435) 644-5439

This is my personal email account. My business account was not working this morning. That email address is ed@kanabchamber.com.

Thank you.

My name is Ed Meyer. I am currently a director of the Kanab Area Chamber of Commerce. Prior to my retirement in 2005, I served for 23 years as director of the rural economic development programs from the Utah Department of Community and Economic Development and, in the my final year of service, for the newly created Governors Office of Economic Development. The purpose of this communication is to provide input regarding Questar's proposal for rate payers statewide to absorb the costs of natural gas extensions to certain rural communities.

First, I want to comment on the site selection process used by most companies in determining where to locate a new site. It is critical to understand that site selectors are initially not looking for a reason to locate in a community. Since they have thousands of communities courting their firm, they are looking for reasons to exclude a candidate. Typically this involves the use of a simple matrix there they list selection factors and exclude communities that do not meet basic requirements. Natural gas at a reasonable price is often one of these factors. If you meet their qualifying standard, your community is given further consideration. If not, you are dropped from the list of possible candidates. There is no discussion of alternatives such as propane or the need of the community. The impact on rural communities not served by natural gas or with elevated natural gas costs is obvious.

Secondly, I want to comment on the impact of natural gas surcharges for the extension of natural gas lines on senior citizens and low income families. Most rural community leaders will reluctantly support natural gas surcharges for economic development purposes. The vitality of their local economies and the need for a strong local tax base to support services in the community drive their decision. However, senior citizens on fixed incomes and low income families suffer when such surcharges are imposed. The inequity of low income individuals in one area of the state paying less for basic services simply because their economy is stronger is certainly not equitable and the Public Service Commission should take steps to assure these inequities are addressed.

To this end, I have two recommendations regarding the case in question:

1. The remaining costs for the extension of natural gas to rural communities currently paying a surcharge should be absorbed in the rates paid by consumers statewide, but only after Questar documents actual costs and amounts paid by the impacted communities since the surcharges were imposed.
2. For any benefit from a statewide rate adjustment to become permanent, Questar should be required to invest in additional natural gas extensions to underserved communities. I, for example, live in Kanab which is one of the fastest growing counties in rural Utah, but is not served with natural gas.

Thank you for this opportunity to provide input on this important issue and thank you for the important service you provide to the people of the State of Utah.