



State of Utah

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*Lieutenant Governor*

Governor's Office of Economic Development

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UTAH PUBLIC  
SERVICE COMMISSION

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November 30, 2006

Utah Public Service Commission  
P.O. Box 45585  
Salt Lake City, UT 84145-0585

Re: Docket 06-057-T04

Dear Commissioners,

It has come to our attention there has been a proposal to remove GSS and EAC rates from Questar Gas Company's tariff in rural Utah communities.

According to our information, the GSS and EAC rates were established to allow the cost of extending natural gas services in rural areas to be paid over a period of time. Some rapidly growing areas have been able to repay the costs in full, whereas other communities are still hindered by the price they still must pay each month.

High volume natural gas users in these areas may pay up to \$5.00 more per Decatherm each month, and they will continue to pay these higher rates for several more years. This cost is a hindrance to economic development, as it deters businesses from building in the higher rate areas. Beaver County has already lost one business directly because of the natural gas costs in competing areas.

We believe that all of Utah benefits from expanded economic development opportunities in rural areas. As we work on other methods to finance needed utilities in rural areas we need to remove the GSS and EAC rate structures that are a real deterrent to our rural areas. This proposal would spread the remaining costs to all of Utah gas users, so that a monthly gas bill would increase .22%, or in other words, a monthly bill of \$69.00 would increase \$ .15.

We believe that the removal of GSS and EAC rates will benefit economic development in rural Utah as well as the State as a whole. We appreciate your consideration of this matter.

Respectfully,



Gayle F. McKeachnie  
Rural Development Director

Copies

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