Five County Association of Governments

1070 West 1600 South, Building B
St. George, Utah 84770

Fax (435) 673-3540

SOUTHWEST UTAH

Post Office Box 1550
St. George, Utah 84771

Office (435) 673-3548

February 13, 2013

Senator Ralph Okerlund
248 S. 500 W.
Monroe, UT 84754

via email to: rokerlund@le.utah.gov

Dear Senator Okerlund:

The Five County Association of Governments is concerned about the extremely high cost of extending electricity and natural gas lines to remote developments in rural Utah. This problem is greatly exacerbated by regulations that push these costs to artificially high levels - levels which are often two to three times higher than their real cost. This is especially true for natural resource developments located long distances from main utility corridors. Southwestern Utah local officials can point to vast expanses of lands still not accessed by natural gas because of the unrealistic barrier to development posed by these costs.

The Steering Committee of the Five County Association of Governments urges legislative and Public Service Commission support for:

A "post-performance" state tax incentive for business investments to extend electric and natural gas lines and related utility infrastructure to serve their projects.

An update to state utility statute that would allow natural gas customers to competitively bid line extensions rather than use the regional bidding incorporated in the existing tariff. This would include allowing end-users to have the option of the competitive bidding process to install smaller (3/4") service lines to homes, farms and businesses.

These approaches will allow competitive market processes to stabilize and reduce the cost of extending utility infrastructure to private industry, and will also provide cost savings to utility customers and taxpayers as the cost of infrastructure extension is reduced and shared by the private sector. Additionally, our communities and economies will benefit from increased jobs and new tax revenue as existing obstacles to development are alleviated.

Sincerely,

James A. Matson
Chairman

cc:	Representative Mike Noel	mnoel@kanab.net
	Representative Brad Last	blast@le.utah.gov
	Representative John Westwood	jwestwood@le.utah.gov
	Representative Don Ipson	dipson@le.utah.gov
	Representative V. Lowry Snow	vlsnow@le.utah.gov
	Senator Evan Vickers	evickers@le.utah.gov
	Senator Stephen Urquhart	surquhart@le.utah.gov