

NGV Questions

Presentation to
Pennsylvania PUC AFV Forum

May 31, 2012

NGV Questions

Q1: Beyond the incremental vehicle costs, what is the primary obstacle to the success of the natural gas vehicle (NGV) market?

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A1: Fueling infrastructure, information and Number of models.

NGV Questions

Q2: What impact would further development of NGVs have on demand for natural gas and the long-term price of natural gas?

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A2: Minimal.

NGV Questions

Q3: How will increased demand resulting from NGVs affect utility infrastructure?

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A3: Probably not much.

NGV Questions

Q4: To what extent will utility investment in infrastructure be necessary to address demand for NGVs?

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Q4: To what extent will utility investment in infrastructure be necessary to address demand for NGVs?

A4: It depends.

NGV Questions

Q5: What lessons have been learned from prior NGV endeavors?

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A5: Lots.

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Q6: What kinds of cost recovery/tariffs are appropriate to support the NGV market?
Are current tariffs adequate?

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Are current tariffs adequate?

A6: Depends on the meaning of “appropriate.”

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Q7: Will there be sufficient competition to ensure fair pricing and adequate service by non-regulated NGV fueling stations?

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Q7: Will there be sufficient competition to ensure fair pricing and adequate service by non-regulated NGV fueling stations?

A7: Eventually, yes.

NGV Questions

Q8: How do we create a level playing field for utilities, retail natural gas suppliers, and fueling stations?

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Q8: How do we create a level playing field for utilities, retail natural gas suppliers, and fueling stations?

A8: Market forces coupled with smart and thoughtful regulation

NGV Questions

Q9: Who should undertake the retail sales of NGV fuel – utilities or non-regulated utility affiliates?

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Q9: Who should undertake the retail sales of NGV fuel – utilities or non-regulated utility affiliates?

A9: Both – if they want.

NGV Questions

Q10: How could regulatory lag keep utilities from adjusting to swings in market prices and make them less competitive?

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Q10: How could regulatory lag keep utilities from adjusting to swings in market prices and make them less competitive?

A10: Smart and thoughtful regulation