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DIRECTOR'S OFFICE
ID DEPT. OF AGRICULTURE

July 27, 2017

Mr. Brian J. Oakey
Deputy Director
Idaho State Department of Agriculture
2270 Old Penitentiary Road
PO Box 790
Boise, Idaho 83701

**RE: Rules for Weights and Measures - Diesel and Gasoline Gallon
Equivalents for Natural Gas; Negotiated Rulemaking Notice Dated June
8, 2017**

Dear Mr. Oakey:

Matheson, Inc. wishes to express its support for the proposed diesel gallon equivalent and gasoline gallon equivalent standards for natural gas.

Matheson, provides short and long haul trucking services with its primary customer being the U.S. Postal Service. Of its total fleet of 286 tractors, 64 are natural gas powered vehicles with 17 of those based within the State of Idaho. Matheson also operates natural gas vehicles throughout numerous other States that travel through ID. Additionally, Matheson, Inc. continues to transition its fleet from diesel to natural gas.

The Idaho Department of Agriculture by notice issued on June 8, 2017 has proposed adoption of the GGE and DGE standards for natural gas. The proposed definitions and standards are consistent with those adopted in 2016 by the National Conference on Weights and Measures and now recognized in NIST Handbooks 44 and 130 (2017 edition).

Adoption of these standards would add consistency through the use of uniform standards across the country to Matheson for the purpose of comparing the value of natural gas purchased and for presenting these costs to our customer the US Postal Service. We are required to complete a detailed cost statement related to our proposal and request for compensation. It is our understanding that the GGE unit has been in place for more than 20 years. The DGE more recently has



been embraced and supported by retailers and commercial users of natural gas as a standard for larger vehicles that mostly use diesel fuel. In the absence of any standards for how to sell LNG for the transportation market, the industry several years ago began selling LNG in DGE units but there was a lack of uniformity as to how to define the DGE for LNG. That issue was resolved in 2016 with the adoption of the DGE unit by the NCWM.

The GGE and DGE also are now recognized nationally for tax purposes by the U.S. Federal Government, the International Fuel Tax Agreement Association, and a growing majority of state taxation authorities. Recognizing these units as the legal method of sale will facilitate tax compliance by providing greater alignment between the units used for sale and the units used for taxation.

We urge the Idaho Department of Agriculture to finalize this action incorporating the GGE and DGE into its standards for natural gas.

Very truly yours,



Charles J. Mellor
Chief Operating Officer
General Counsel

Cc: M. Matheson
C. Pawlus