

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to
Consider Alternative-Fueled Vehicle
Programs, Tariffs, and Policies.

R.13-11-007
(Filed November 14, 2013)

**RESPONSE OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) TO THE
ORDER INSTITUTING RULEMAKING TO CONSIDER ALTERNATIVE-
FUELED VEHICLE PROGRAMS, TARIFFS, AND POLICIES**

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December 13, 2013

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**I.
Introduction**

In accordance with Rule 6.3 of the California Public Utility Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure, Southern California Gas Company (“SoCalGas”) hereby submits these comments in response to the Commission Order Instituting Rulemaking to Consider Alternative-Fueled Vehicle Programs, Tariffs, and Policies.

**II.
Comments on Rate Design Policy**

SoCalGas is encouraged by the Commission’s continuing effort to establish policies and regulations to advance the adoption of low-emission Alternate Fuel Vehicles (“AFVs”) in California and determine how utilities can best support AFV goals. SoCalGas believes that, with proper program design, there are many ways in which utilities can actively support market development for AFVs that provide ratepayer benefits. Such offerings can be the difference between success and failure in nascent markets, and can also provide greater customer choice and Commission policy advancement in markets that are developing well. SoCalGas looks forward to participating in this proceeding and to helping advance AFV goals. Herein, SoCalGas

addresses one of the questions posed in the scoping memo: 5.2.6 (NGV Rates).

Question 5.2.6 asks: What changes if any are needed to tariffs related to compressed natural gas vehicles?

SoCalGas submits that, in general, the special rates to effectively encourage NGV use at SoCalGas, including both commercial (G-NGV) and residential home refueling (G-NGVR) rates, are currently in place and functioning well. However, compressed natural gas (“CNG”) vehicles in California are impacted by both natural gas tariffs for procuring and transporting natural gas used to create CNG vehicle fuel and electrical tariffs that provide the power necessary to compress natural gas at CNG vehicle refueling facilities.

SoCalGas submits that the Commission should adopt a policy to apply any special AFV electric rates developed for commercial and residential charging of “refueling” applications to NGV fueling equipment, which typically consumes a significant amount of electric power to drive compressors. Some utilities, such as SDG&E and PG&E, allow consumers that install and operate CNG home refueling appliances to use AFV residential electrical tariffs regarding the electricity consumed by the operation of electric drive gas compressors used to refuel NGVs. SoCalGas believes all utilities should provide consumers with a similar option. Further, to the extent that AFV commercial electrical tariffs are developed in the future, operators of commercial CNG refueling stations should be eligible for the same rates.

CNG vehicle refueling stations generally fall into two categories: “fast fill” stations and “time fill” stations. Fast fill stations use larger electric drive compressors and on-site storage to provide individual CNG vehicles with a refueling time comparable to gasoline and diesel stations (several minutes). Time fill stations use smaller electric drive compressors to provide overnight refueling when CNG vehicles are parked. Fast fill CNG stations often operate during electrical “on peak” periods to provide fuel on demand. Time fill CNG stations typically are scheduled to operate during electric “off peak” periods to take advantage of the lower cost of electricity due to flexibility in the vehicle fueling schedule. The cost of electricity can account for up to 13% of the pump price of CNG. Since natural gas vehicles have the potential to positively and

simultaneously address regional air pollution, greenhouse gas emissions, energy security, and fleet operating costs, SoCalGas urges the Commission to allow any special AFV electric rates to be made available to operators of electric drive NGV fueling equipment, both commercial and residential.

**III.
Conclusion**

SoCalGas appreciates the opportunity to submit this response.

Dated in Los Angeles, California, this 13th day of December, 2013.

Respectfully submitted,

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