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California Energy Commission

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RE: Docket No. 13-IEP-1C Comments of Southern California Gas Company for the 2013 IEPR Workshop on Revised Electricity and Natural Gas Demand Forecast 2014-2024

Southern California Gas Company (SoCalGas) appreciates the opportunity to comment on the workshop on Revised Electricity and Natural Gas Demand Forecast held by the California Energy Commission (CEC) on October 1, 2013. Although the Integrated Energy Policy Report's (IEPR) primary focus is on factors impacting electricity supply and demand, it is valuable for the CEC to examine the factors impacting supply and demand of all energy resources. SoCalGas believes that natural gas is an important energy resource for California because it provides a low cost, efficient, and reliable source of clean energy. Natural gas use will continue to be a preference for businesses and consumers as future natural gas prices are expected to stay reasonably low with widespread supply availability. Therefore, it is critical that California evaluate the many drivers that can impact supply availability and demand for natural gas in California.

Natural Gas Demand Forecast

The 2013 IEPR Adjusted gas demand forecasts for SoCalGas' service territory appear reasonable. SoCalGas compared these 2013 IEPR gas demand forecasts with those in the 2012 California Gas Report and found the long-term growth rates (slightly negative) to be comparable. The assumed gas prices underlying the gas demand forecast are also reasonable.

The CEC defines adjusted demand forecast as the Baseline demand forecast with achievable energy efficiency savings subtracted out. Achievable energy efficiency is the new terminology used to describe what was known as uncommitted energy efficiency. The Baseline demand forecast is the forecast that the CEC develops incorporating committed energy efficiency savings.

It is important to note that this gas demand forecast, developed by the CEC's Demand Analysis Office, captures the end-users' gas demand forecast and does not include gas demand for electric generation from gas-fired plants and combined heat and power units. This forecast, therefore, does not reflect total gas demand, either at the state-wide or utility service territory level. However, the gas demand forecast for electric generation is available as the CEC's Electricity Analysis Office develops this forecast. SoCalGas requests that the gas demand forecast for electric generation be added to the end-user demand forecast, at least for the mid (expected) case, to get the total gas demand picture.

Energy Efficiency

SoCalGas supports the use of the Potential study as a base for determining the Energy Efficiency scenarios in the IEPR forecast. SoCalGas has been providing feedback to the CPUC consultant to develop a more robust potential model for natural gas and any likely adjustments from 2010-12 impact evaluation studies results.

Yours sincerely,