

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



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Order Instituting Rulemaking on the Commission's own motion to consider alternative-fueled vehicle tariffs, infrastructure and policies to support California's greenhouse gas emissions reduction goals.

Rulemaking 09-08-009  
(Filed August 20, 2009)

**REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND  
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) ON PROPOSED DECISION**

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Dated June 15, 2010

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**I.  
INTRODUCTION**

Pursuant to the Commission's Rules of Practice and Procedure, Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") (collectively the "Sempra Utilities" or "SEU") hereby offer their limited Reply Comments in response to certain comments made on the Proposed Decision ("PD") in the above-captioned proceeding.

**II.  
COMMENTS**

SEU disagrees with Clean Energy's assertion that "...to strike a regulatory policy balance which properly errs on the side of promoting the rapid development of fully competitive 'after the meter' refueling and recharging markets requires that the energy utilities be precluded from ratebasing such 'behind the meter' investment"<sup>1</sup>. SDG&E believes that just the opposite is true and will be shown to be so in Commission workshops. In this regard, SEU urge the Commission use its workshops and parties participation therein to aid the Commission to better determine the role of the utilities in owning and operating both electric and natural gas vehicle fueling and charging infrastructure for both residential and commercial/public facilities.

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<sup>1</sup> See, Opening Comments of Clean Energy on Commissioner Ryan's Proposed Decision, p.2.

PEV market growth is currently in its formative stages of market development; a stage that must be nurtured carefully and predictably to achieve sustainable market growth. During this stage of market development if consumers do not show a strong demand for these vehicles, the market runs the risk of not achieving sustainable growth. The availability of charging stations is a key factor in a consumer's decision to purchase a PEV. The lack of availability of charging stations could cause consumers to not purchase PEVs and will lead to a negative ownership experience for those that do if those purchasers are not able to conveniently charge their vehicles. The Commission should keep all charging station ownership options open at this time until the market develops and becomes sustainable. For these reasons, it is simply too early for the Commission to preclude any potential market participants from entering the PEV market in any capacity.

SDG&E remains open to exploring the various ways charging investments can be made to help enable the rapid growth of electric transportation. As SDG&E and SoCalGas noted in their Opening Comments to Commission's Order Instituting Rulemaking filed on October 5, 2009, "...regarding investments necessary to supplement market development, especially ensuring the availability of adequate infrastructure, utilities can be authorized to own and operate public refueling and charging facilities in a manner that does not stifle market competition while ensuring early availability of infrastructure. Whether utilities should be authorized to provide additional charging facilities in the future should be evaluated in the future after the maturity of the market has been evaluated."

SEU note that PG&E shares a similar perspective when it states that utilities should be authorized "...to make capital investments in electric vehicle charging infrastructure, including meters, submeters, external "bridging" communications devices, Electric Vehicle Service Equipment ("EVSE"), related wiring upgrades, back-office information technology ("IT") and billing system hardware and software to support the infrastructure, and other equipment and devices needed to provide utility customers and vehicle owners with "end-to-end" convenient and efficient electric vehicle charging services. The capital investments should be recoverable in utility rate base."<sup>2</sup>

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<sup>2</sup> See Opening Comments on Commission's Order Instituting Rulemaking filed October 5, 2001 at p.7

SDG&E finds merit in number of PG&E's ideas regarding methods to "...ensure robust competition and innovation..." through competitive procurement methods targeted to help grow the PEV market through the various vendors advancing to support this market. Such methods can help create a thriving electric transportation market early on.

SEU disagrees with PG&E statement that "...the PD would allow parties to argue that utilities are legally barred from a CPUC regulated role in investing in and providing EV charging infrastructure and devices on a standardized, inter-operable, coordinated and integrated basis, thus hindering the streamlining and standardization of EV charging equipment installation and customer support..."<sup>3</sup> The Commission allows utilities to invest in, own and operate NGV refueling stations and there is no reason to prohibit, a priori, utilities from investing in, owning and operating electric vehicle charging facilities. While SEU disagree with PG&E's interpretation, SEU nevertheless urge the Commission to clearly state in its decision in this proceeding that utilities are not precluded from ownership of electric vehicle charging or natural gas vehicle refueling stations.

Consistent with the comments SoCalGas and SDG&E have submitted to and made on the record, SEU continue to urge the Commission to conduct workshops to aid it in better determining the role of the utilities in owning and operating both electric and natural gas vehicle fueling and charging infrastructure for both residential and commercial/public facilities. SEU believe that Commission regulatory policies and utility initiatives should be designed to promote low-emission, alternate transportation fuel use through adoption of evenhanded policies that avoid the creation of policy preferences that advance or hinder one AFV technology or service provider relative to another in ways not tied to economic and environmental benefits and correcting well identified market gaps.

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<sup>3</sup> See Opening Comments on PG&E's on Commissioner Ryan's Proposed Decision, p.7-8

Dated June 15, 2010.

Respectfully submitted,

By           /s/ Steven D. Patrick            
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**CERTIFICATE OF SERVICE**

Pursuant to the Commission's Rules, I hereby certify that I have this day served a copy of the foregoing **REPLY COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) ON PROPOSED DECISION** on all parties of record in **R.09-08-009** by electronic mail and by U.S. mail to those parties who have not provided an electronic address to the Commission.

Copies were also sent via Federal Express to Administrative Law Judge Regina DeAngelis and Commissioner Nancy Ryan.

Dated at Los Angeles, California, this 15<sup>th</sup> day of June, 2010.

                  /s/ Marivel Munoz                    
Marivel Munoz

**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**Service Lists: R.09-08-009 - Last changed: June 11, 2010**

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