



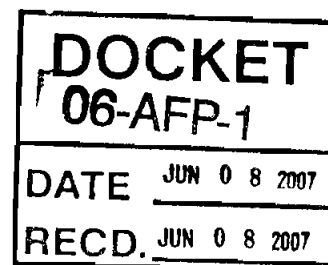
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June 8, 2007

California Energy Commission
Docket Office, MS-4
Attn: Docket 06-AFP-1
1516 Ninth Street
Sacramento, CA 95814-5512



Subject: Alternative Transportation Fuels Plan

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E) would like to thank the California Energy Commission (CEC) for this opportunity to offer comments on the AB 1007 Alternative Transportation Fuels Plan analysis presented by CEC staff during the May 31st workshop.

SoCalGas and SDG&E are hopeful the final plan under development will expand our understanding of the potential that natural gas and electric drive technologies have to reduce petroleum dependency in the state of California. To that end, SoCalGas and SDG&E offer the following comments on the presentation and analysis provided for natural gas fuel technologies:

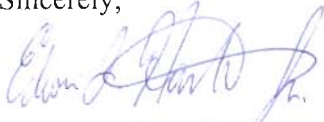
1. In the "Natural Gas Scenario" presentation provided by CEC staff, there was an error which understated the greenhouse gas reductions from heavy-duty natural gas vehicles. The greenhouse gas reduction from using natural gas (as opposed to diesel fuel) was shown as a maximum of 10% when it should have reflected a 21% reduction. This error appears to come from a CEC report¹ that shows a "GHG Impact" range of 0% to -10% for heavy-duty natural gas vehicles. However, when the "Natural Gas" data on Page A-6 of the CEC report was consulted, a range of -9% to -21% was calculated. This discrepancy must be corrected to reflect the actual GHG impact for heavy-duty natural gas vehicles. Please note, SoCalGas provided comments on this issue in a letter submitted to the CEC on March 2, 2007 (see attachment).
2. SoCalGas and SDG&E are supportive of the projections developed by CEC staff which shows that natural gas vehicles can substantially reduce petroleum use in the state. Even under the most "aggressive case", which projects that natural gas can eventually provide up to 19% of the transportation fuel in the state, SoCalGas and SDG&E do not believe there will be any long-term natural gas supply constraints.

¹ Page 3-20, Table 3-11, Publication CEC-600-2007-004-D, "Full Fuel Cycle Assessment: Well to Wheels Energy Inputs, Emissions and Water Impacts"

SoCalGas and SDG&E encourage the CEC to endorse state policies which will continue to promote natural gas and electric drive technologies as viable alternative fuels that can economically reduce petroleum dependency, improve regional air quality, and reduce greenhouse gas emissions.

SoCalGas and SDG&E hope that these comments will help to improve the accuracy and completeness of the final AB 1007 plan currently under development. If you have any questions or comments, please feel free to contact me at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read "Edwin T. Harte, Jr.", written over a faint, illegible printed name.

Edwin T. Harte, Jr.
Low Emission Vehicle Program Manager
Southern California Gas Company
San Diego Gas & Electric

Attachment