



AMERICAN PUBLIC GAS ASSOCIATION

February 8, 2018

California Public Utilities Commission
Energy Division
505 Van Ness Avenue
San Francisco, CA 94102

**Re: APGA Comments of Draft Resolution G-3536, Emergency Order
Directing Southern California Gas Company to Implement a Moratorium on New
Natural Gas Service Connections**

The American Public Gas Association (APGA) has closely followed the CPUC's proposal to implement a moratorium on new commercial and industrial natural gas service connections in Los Angeles County. As we followed the proceeding, several critical statements directed at natural gas and its direct use were made that APGA will respond to in this letter.

APGA, the national association for publicly owned natural gas distribution systems, is in a unique position to offer testimony on this matter because of its members' proximity to the consuming public. APGA represents over 740 public gas systems in almost 40 states. Publicly-owned gas systems are not-for-profit, retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that own and operate natural gas distribution facilities in their communities. Public gas systems' primary focus is on providing safe, reliable, and affordable natural gas service to their customers.

At the most basic level, APGA represents the views of American natural gas consumers. Our members serve homeowners, small businesses and manufacturers that rely upon affordable natural gas to heat their homes and water, cook their meals, dry clothes, power restaurants, schools and hospitals, and produce the products we use every day.

Over the past several years, we have seen groups that were once very supportive of the direct use of natural gas change their position. Unfortunately, these groups use misleading information based on incorrect data. One prime example is the common misconception that natural gas distribution systems "leaks" impair air quality and impact human health. These stale talking points demonstrate a lack of understanding about how a natural gas utility operates; and, unfortunately discredits the incredible work the women and men in our industry perform every day.

It is these types of positions and error-riddled narratives that create much confusion and could lead to energy policies that hurt both the consumer and the local environment.

The U.S. has successfully utilized natural gas for well over 100 years. As an industry, we believe safety is our absolute number one priority. Along with safety, reliability is also critical. We pride ourselves on the highly efficient delivery of natural gas to the home when a family needs hot water or heat, to the restaurant when the chef prepares your favorite meal or when a local manufacturing plant is turning on their boilers. The direct use of natural gas today provides relief for our congested and stressed electrical infrastructure as well as primary energy for on-site, back-up generators during grid outages. Often lost in the dialogue about the nation's energy resiliency is the fact that diversity of delivery mechanisms (pipelines and electric transmission) and fuel sources is critically key to ensuring overall system reliability.

Natural gas customers enjoy a reliable energy resource that very much compliments the environmental policies of California. Many times the direct use of natural gas is viewed as a barrier or in competition with renewable energy. The environmental benefits associated with the direct use of natural gas have been well documented. Increasing the direct use of natural gas reduces greenhouse gas emissions while increasing overall energy efficiency on a full fuel cycle basis.

Grid maintenance and expansion costs are rising at a rapid rate and massive investments are needed to meet future generation supply as the system transitions to a grid reliant on distributed and renewable resources. Policies that continue to artificially skew the energy market will be counterproductive to many of the State's environmental and economic goals. Forcing consumers to, as some have suggested, an all-electric energy future will lead to massive infrastructure costs that every consumer will have to shoulder and a dramatic increase in both hazardous air pollutants as well as climate impacting emissions.

As the Commission considers this and many other important energy policy matters, we urge you to ensure that consumers have the ability to decide what energy source best serves their needs, economic situation or ideology.

Sincerely,

A handwritten signature in black ink, appearing to read "Bert Kalisch". The signature is fluid and cursive, with the first name "Bert" and last name "Kalisch" clearly distinguishable.

Bert Kalisch
President & CEO