From: Farber, John (DOS) [mailto:john.farber@state.de.us]
Sent: Thursday, June 13, 2013 2:19 PM
To: Helm, M. Gary
Cc: Howatt, Robert (DOS); Greg Carmean; Kim Jones; Patricia Poli
Subject: RE: Gas Electric EIPc study

Gary,

Thanks for providing the Scope of Work (SOW) for the subject study for review.

The current SOW includes this section 6.7 (below) regarding the customers' end use requirements for natural gas. Would it be possible to expand this section to include the availability of gas to end use customers by PPA (although state info would be extra helpful), i.e., identify the number of end use customers that have access to both natural gas and electricity versus only access to electricity. For those customers with no access to natural gas, would it be possible to identify the infrastructure (and cost) necessary to increase the availability of natural gas to end use customers? Essentially, would the cost to make natural gas available to more customers be justified by the benefits that could be achieved by increased use of natural gas for end use thermal requirements, e.g., water heating, cooking, space heating, etc.? What would be the net effect of end use fuel switching for the electric generation as well as gas delivery sector? Information regarding natural gas availability and viability for end use customers would be essential in developing potential policies regarding the (increased) use of natural gas.

From page 12/20 —

6.7. Develop Gas Demands for the RCI Sector

For the same five and ten year planning horizon, develop and document the assumptions used to develop forecasts for the Residential, Commercial and Industrial (RCI) sector natural gas demands under similar Reference and High Gas Demand Cases (and Low Gas Demand Case option) assumption sets. The development of the RCI sector's Reference and High Gas Demand Cases gas consumption should take into account the following:

6.7.1 Evaluate LDC load growth and its impact on electric generation needs as well as identify the conditions where those two uses of gas would compete for priority on the natural gas system(s).

6.7.2 New (major) RCI projects that may compete for existing or new gas supply and/or transportation.

6.7.3 Expansion of LDC service and growth due to conversions from fuel oil to natural gas for space heating. LDC growth should also account for potential growth due to an increased forecast for Combined Heat and Power (CHP) development.

6.7.4 Potential reductions in overall natural gas demand within the RCI sector due to economics and/or state or federally mandated natural gas sector EE, DSM, and DR programs.

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