

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



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In the Matter of the Application of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) to Expand Existing Off-System Delivery Authority.

A.08-06-006

COMMENTS OF THE INDICATED PRODUCERS

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February 28, 2011

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COMMENTS OF THE INDICATED PRODUCERS

Pursuant to Rule 14.3 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Indicated Producers¹ (IP) submit these opening brief comments on the Proposed Decision (PD) issued February 7, 2011.

The PD appropriately approves expanded off-system delivery (OSD) authority in a form that minimizes adverse impacts on on-system customers. By adopting a 1.5 cent/dth interruptible OSD price floor that ensures recovery of short-run marginal costs and restricting discounts to the firm OSD price, the PD precludes shifts in OSD service costs to on-system customers. The PD also requires OSD services to be curtailed where they increase Southern System costs and requires OSD shippers to balance imbalances occurring after Cycle 4 within three business days. By doing so, the PD limits the ability of OSD services to be provided in a manner that will have adverse operational impacts. Finally, the PD adopts a definition of "similarly-situated" customer and requires posting of

¹ Member companies include Aera Energy LLC, BP Energy Company, BP America Inc. (including Atlantic Richfield Company), ConocoPhillips Company, Chevron U.S.A. Inc., and Occidental Energy Marketing Inc.

affiliate OSD transactions within 24 hours to preclude preferential treatment of affiliates.

The OSD services proposed in the PD will appropriately limit adverse impacts on on-system customers and should be adopted without any changes to these protective measures.

February 28, 2011

Respectfully submitted,
Alcantar & Kahl LLP

A handwritten signature in black ink, appearing to read "Seema Srinivasan". The signature is written in a cursive, flowing style.

Evelyn Kahl
Seema Srinivasan
Counsel to the Indicated Producer

CERTIFICATE OF SERVICE

I, Amie Burkholder, hereby certify that I have on this date caused the foregoing document, Comments of The Indicated Producers to be served on all known parties by electronic mail, to each party named in the official service list obtained from the Commission's website, attached hereto, and pursuant to the Commission's Rules of Practice and Procedure.

Dated February 28, 2011, at San Francisco, California.

A handwritten signature in cursive script that reads "Amie Burkholder". The signature is written in black ink and is positioned above a horizontal line.

Amie Burkholder

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