BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Application of San Diego Gas & Electric Company (U 902-M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.	Application 10-12-005 (Filed December 15, 2010)
Application of Southern California Gas Company (U 904-G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.	Application 10-12-006 (Filed December 15, 2010)

RESPONSE OF THE UTILITY REFORM NETWORK TO THE JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY TO ESTABLISH MEMORANDUM ACCOUNTS

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January 25, 2011

RESPONSE OF TURN TO THE JOINT MOTION OF SDG&E AND SOCALGAS TO ESTABLISH MEMORANDUM ACCOUNTS

Pursuant to Rule 11.1(e) of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) responds to the motion of San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) seeking permission for each utility to establish a memorandum account that would permit the authorized test year 2012 revenue requirements to go into effect on January 1, 2011, even if the final decision setting those revenue requirements does not issue until after that date. TURN supports the relief requested in the motion as an important component of establishing a reasonable procedural schedule in this proceeding, and therefore urges the Commission to grant that relief.

The Commission should reject the SDG&E and SoCalGas logic that the initial schedule should seek to achieve a final decision issued before the end of 2011, and establishing the memorandum account should not create "an expectation of delay."

> While SDG&E and SoCalGas believe that all parties can and should make every effort to adhere to the Commission's Rate Case Plan in this proceeding, establishing a GRC memorandum account is a prudent and necessary safeguard in the event of unforeseen circumstances which could delay a final decision beyond the start of the test year. However, establishment of this safeguard should not create an expectation of a delay in the procedural schedule set forth by the Rate Case Plan. Timely implementation of test year rates is still a critical and reasonable expectation on the part of SDG&E, SoCalGas, and their ratepayers, and was a determining factor in the timing of the Notices of Intent to file their GRCs (August 2010) and subsequent filing of their GRCs (December 2010).[1]

[1] SDG&E and SoCalGas Motion for Memorandum Account, p. 2.

First, applying the Rate Case Plan to the December 15, 2010 application date for the Sempra Utilities would appear to achieve a final decision after January 1, 2011.[2] Factor in the likely impact of Southern California Edison Company's application for a Test Year 2012 GRC,[3] and it is easy to understand why the ALJ Ruling issued January 7, 2011 recognized and embraced the goal of staging the processing of the three GRC applications in a manner that avoids conflict or interference between the two proceedings.[4]

Therefore, TURN urges the Commission to grant the SDG&E and SoCalGas motion with the express recognition that it is doing so to enable establishment of a procedural schedule that minimizes the conflict or interference between the two GRC proceedings.

Date: January 25, 2011

Respectfully submitted,

By: _____/s/_____
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[2] The proposed schedule in the utilities' applications does not propose specific dates for any event after submission of rebuttal testimony, so it is difficult to understand how the utilities contend they comply with the Rate Case Plan. One obvious example of a reduced period, though, is the period between parties' filing reply briefs and the ALJ issuing a proposed decision. The maximum period under the SDG&E and SoCalGas schedule is sixty-one days (assuming 9/1/11 reply briefs and a 10/31/11 proposed decision). SDG&E Application, p. 13. In D.07-07-044, the Rate Case Plan appears to provide ninety-six days for a PD. (Appendix A, p. A-3.)

[3] SDG&E and SoCalGas make a footnoted reference to the SCE GRC: "While [the SCE Test Year 2012 GRC] alone does not necessarily signal a delay in the procedural schedule, it does increase the likelihood that certain parties may request delays in key procedural dates prior to the issuance of the scoping memo as well as during the course of the proceeding." SDG&E and SoCalGas Motion for Memorandum Account, p. 2, fn. 2.

[4] *ALJ Ruling,* p. 3.

CERTIFICATE OF SERVICE

I, Larry Wong, certify under penalty of perjury under the laws of the State of California that the following is true and correct:

On January 25, 2011, I served the attached:

RESPONSE OF THE UTILITY REFORM NETWORK TO THE JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY TO ESTABLISH MEMORANDUM ACCOUNTS

on all eligible parties on the attached list **A.10-12-005 and A.10-12-006** by sending said document by electronic mail to each of the parties via electronic mail, as reflected on the attached Service List.

Executed this January 25, 2011, at San Francisco, California.

/S/
Larry Wong

Service List for A.10-12-005 and A.10-12-006

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