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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) to Establish an Advanced Meter Opt-Out Program.

Application 12-05-016
(Filed May 11, 2012)

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This Scoping Memo and Ruling (Scoping Memo) sets forth the category, need for hearing, issues to be addressed and schedule of the proceeding, and designates the presiding officer pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure.

1. Background

On February 1, 2012, the Commission issued Decision (D.) 12-02-014, which modified Pacific Gas and Electric Company's (PG&E) SmartMeter Program to include an option for those residential customers who did not wish to have a wireless smart meter.¹ Similar decisions were issued for San Diego Gas & Electric Company (SDG&E) in D.12-04-019 and for Southern California Edison Company (SCE) in D.12-04-018.² The Opt-Out Decisions adopted interim fees for

¹ As used in this proceeding, a wireless smart meter is a digital electric or gas meter that transmits customer usage data through radio transmission.

² D.12-02-014, D.12-04-018 and D.12-04-019 are collectively referred to as the "Opt-Out Decisions."

those customers electing to participate in the opt-out option and directed that a separate phase (Phase 2) be initiated to consider cost and cost allocation issues associated with the opt-out option. The decisions also directed that Phase 2 consider whether the opt-out option should be extended to communities, such as local governments and residents of apartment buildings or condominium complexes.

On May 11, 2012, Southern California Gas Company (SoCalGas) filed the instant application, requesting Commission approval of an opt-out option for its residential customers who do not wish to have a wireless gas smart meter. The proposed option would be consistent with the options adopted for the other Investor Owned Utilities (IOUs) in the Opt-Out Decisions. SoCalGas also stated its intent to participate in Phase 2 and proposed that those residential customers electing the opt-out option be assessed the same interim fees and charges adopted in the Opt-Out Decisions until Phase 2 is completed.

The Consumers Power Alliance (CPA) filed a timely protest. A duly noticed prehearing conference (PHC) was held on June 29, 2012.

2. Scope

SoCalGas states that the scope of this proceeding is to consider whether the Commission should approve its proposed Advanced Meter Opt-Out Program and the proposed interim charges, consistent with the opt-out options adopted for the other IOUs. The proposed opt-out option is provided on pages 2-4 of SoCalGas's application. SoCalGas proposes the same interim charges as those adopted for the other IOUs, namely:

For Non-CARE Customers:

Initial Fee	\$75.00
Monthly Charge	\$10.00/month

For CARE Customers:

Initial Fee	\$10.00
Monthly Charge	\$5.00/month

CPA does not oppose offering an opt-out option for SoCalGas residential customers. Its protest focuses on the level of the interim fees and the impact on those customers in the overlapping SoCalGas and SCE service territories.³ CPA argues that although SoCalGas proposes the same interim fees that were adopted for PG&E, SDG&E and SCE, customers in the overlapping service territories would pay opt-out fees to two utilities to opt-out of gas and electric smart meters during the interim period before permanent opt-out fees are adopted. In contrast, CPA notes that customers in PG&E and SDG&E's service territories pay only an opt-out fee to a single utility to opt-out of both gas and electric smart meters during this same interim period. Given the interim nature of the fees, CPA argues that it is discriminatory and unfair to require customers in the overlapping SoCalGas and SCE territories to pay more.⁴

Based on the filings and discussion at the PHC, the scope of the proceeding is:

1. Should SoCalGas's proposed opt-out option, which is similar to the options adopted for the other IOUs in the Opt-Out Decisions, be approved?

³ CPA notes that this impact only occurs once the tariffs for SCE and SoCalGas are in effect and the opt-out fees are charged by both utilities.

⁴ The arguments raised by CPA only concern the interim fees. Since the cost and cost allocation issues that are under consideration in Phase 2 will ultimately adopt opt-out fees that are utility-specific, customers will likely pay different opt-out amounts once Phase 2 is concluded.

2. Should SoCalGas’s proposed interim charges for those residential customers who elect the opt-out option be approved?

3. Schedule

The only disputed issue in this proceeding is whether it is fair for those SoCalGas customers who are served by both SoCalGas and SCE to pay higher interim fees to opt-out of gas and electric smart meters than customers who are served by PG&E or SDG&E. Parties agree that this issue could be resolved without evidentiary hearings, since it concerns a policy determination and not disputed facts. Parties further agree that, to the extent possible, this proceeding should be resolved before SoCalGas commences deployment of its advanced meters. To that end, parties have agreed that there will be a single round of briefing to address the disputed issue and a reduction in the comment period on a proposed decision.

It is the desire of this Commission to encourage parties to settle disputed issues. SDG&E and CPA have agreed to discuss whether a compromise concerning the interim fees can be reached. Therefore, the schedule includes a mandatory settlement conference.

The schedule for the proceeding shall be:

EVENT	DATE
Opening Briefs	July 27, 2012
Reply Briefs	August 17, 2012
Anticipated Settlement Conference	No later than August 31, 2012
Proposed Decision Mailed	September/October 2012
Comments on Proposed Decision	No less than 7 days after mailing
Reply Comments on Proposed Decision	No less than 3 days after Opening Comments
Anticipated Final Commission Decision	October 2012

The assigned Commissioner or Administrative Law Judge (ALJ) may modify the schedule as necessary. In any event, we anticipate this proceeding will be resolved within 18 months from the date of this Scoping Memo, pursuant to the requirements of Pub. Util. Code § 1701.5.

4. Filing, Service and Service List

The official service list was created at the June 29, 2012 PHC and is now on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Electronic service is now the standard under Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded that, when serving copies of documents, the document format must be consistent with the requirements set forth in Rule 1.10(a).

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Other documents, including prepared testimony, are served on the service list but not filed with the Docket Office. We will follow the electronic service protocols adopted by the Commission in Rule 1.10, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the appearance or state service list member did not provide an

e-mail address. If no e-mail address was provided, service should be made by United States mail. Additionally, parties shall serve paper copies of all filings on the presiding officer and Assigned Commissioner.

5. Categorization and Need for Hearings

Resolution ALJ 196-3294 preliminarily categorized this proceeding as ratesetting and determined that hearings were necessary. This Scoping Memo confirms the Commission's preliminary categorization. This determination is appealable under the provisions of Rule 7.6. This Scoping Memo finds that hearings are not necessary.

6. Ex Parte Communications

In ratesetting proceedings, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors and the ALJ are only permitted as described in Public Utilities Code Section 1701.3(c) and Rules 8.2, 8.3 and 8.5.

7. Intervenor Compensation

A party who intends to seek an award of compensation pursuant to Pub. Util. Code §§ 1801-1812 should file and serve a notice of intent to claim compensation no later than 30 days after the June 29, 2012 PHC.⁵ Under the Commission's Rules, future opportunities may arise for such filings but such an opportunity is not guaranteed.

In this proceeding, parties intending to seek an award of intervenor compensation must maintain daily record keeping for all hours charged and a sufficient description for each time entry. Sufficient means more detail than just

⁵ Pub. Util. Code § 1804(a)(1).

“review correspondence” or “research” or “attend meeting”. In addition, intervenors must classify time by issue. When submitting requests for compensation, the hourly data should be presented in an Excel spreadsheet.

As reflected in the provisions set forth in Pub. Util. Code § 1801.3(f) and § 1802.5, all parties seeking an award of intervenor compensation must coordinate their analysis and presentation with other parties to avoid duplication.

8. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or who has questions about the electronic filing procedures should contact the Commission’s Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Presiding Officer

Pursuant to Public Utilities Code Section 1701.3 and Rule 13.2, ALJ Amy Yip-Kikugawa is designated as the presiding officer.

IT IS RULED that:

1. This proceeding is categorized as ratesetting. This ruling is appealable within 10 days under Rule 7.6.
2. The Commission’s preliminary determination that hearings are necessary is modified to determine that no hearings are necessary.
3. The issues to be resolved in this proceeding are listed in Section 2 of this Scoping Memo and Ruling.
4. The procedural schedule is listed in Section 3 of this Scoping Memo and Ruling.

5. Administrative Law Judge Amy C. Yip-Kikugawa is designated the presiding officer for this proceeding.

6. Rules 8.2, 8.3 and 8.5 governing *ex parte* communications apply to this proceeding.

Dated July 13, 2012, at San Francisco, California.

/s/ MICHAEL R. PEEVEY

Michael R. Peevey
Assigned Commissioner