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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

(NOT CONSOLIDATED)

In the Matter of the Application of San Diego Gas & Electric Company (U902G) and Southern California Gas Company (U904G) for Authority To Revise Their Rates Effective January 1, 2013, in Their Triennial Cost Allocation Proceeding

Application 11-11-002
(Filed November 1, 2011)

**ASSIGNED COMMISSIONER'S RULING
MODIFYING SCHEDULE TO ALLOW OPERATORS TO
RESPOND TO CONSUMER PROTECTION AND SAFETY DIVISION
REPORTS AND PROVIDING FURTHER DIRECTION ON
THE REASSIGNMENT OF CERTAIN REASONABLENESS,
COST ALLOCATION, AND COST RECOVERY ISSUES FROM
THE RULEMAKING TO ANOTHER PROCEEDING**

Responses To Safety Division Reports

The November 2, 2011 Amended Scoping Memo and Ruling of the Assigned Commissioner scheduled reports from the Commission's Consumer Protection and Safety Division (Safety Division) on the proposed gas pipeline safety implementation plans submitted by Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and Southwest Gas Company (Southwest Gas). The

PG&E report is due on December 21, 2011, with the reports on the other gas operators' plans scheduled for January 3, 2012.

On January 13, 2012, PG&E, SDG&E, SoCalGas, and Southwest Gas may file and serve responses to their respective Safety Division report.

Transferring Reasonableness and Ratemaking Review of SDG&E's and SoCalGas' Implementation Plan

Upon further review, I now believe that the pending Triennial Cost Allocation Proceeding recently filed as Application (A.) 11-11-002 is the most logical proceeding for the SDG&E and SoCalGas reasonableness and ratemaking review. That proceeding deals with cost allocation and rate design and therefore it would be beneficial to reassign the implementation plans to it to take advantage of the evidentiary record and policy decisions emerging there. Therefore, on January 13, 2011, parties should comment on the question of reassignment of the reasonableness and ratemaking issues to the Cost Allocation Proceeding versus the pending or a future general rate case.

Southwest Gas

We have two options concerning the reasonableness and ratemaking review of Southwest Gas' implementation plan: to consider this issue concurrently with either PG&E or with SDG&E and SoCalGas. We believe it will be most efficient to address the Southwest Gas issue on the same schedule as PG&E's schedule, but also allow parties to address this point on January 13, 2012.

IT IS RULED that:

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, Southwest Gas Company, and all other parties may file and serve written comments on the Safety Division reports no later than January 13, 2012.

2. Parties should focus their January 13, 2012 comments on the question of reassigning reasonableness and ratemaking review of San Diego Gas & Electric Company's and Southern California Gas Company's Implementation Plan to Cost Allocation Proceeding, Application 11-11-002, rather than the pending or a future general rate case. Comments remain due on January 13, 2012.

3. In their January 13, 2012 comments, parties should also address whether to consider the reasonableness and ratemaking review of Southwest Gas Company's Implementation Plan concurrently with Pacific Gas and Electric Company in this rulemaking.

Dated December 21, 2011, at San Francisco, California.

/s/ MICHEL PETER FLORIO
Michel Peter Florio
Assigned Commissioner

/s/ DOUGLAS LONG for
Maribeth A. Bushey
Administrative Law Judge

/s/ DOUGLAS LONG
Douglas Long
Administrative Law Judge