



FILED

02-22-12

03:37 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) to establish a Compression Services Tariff.

Application 11-11-011
(Filed November 3, 2011)

ASSIGNED COMMISSIONER RULING AND SCOPING MEMO

1. Summary

This Ruling and Scoping Memo sets forth the procedural schedule and issues to be addressed, designates the principal hearing officer, and addresses other procedural issues which will facilitate the efficient processing of this proceeding.

2. Background

On November 3, 2011, Southern California Gas Company (SoCalGas) filed Application 11-11-011 (Application) requesting Commission authority to offer “a new tariff service to meet the current and future needs of non-residential customers requiring natural gas compression above the standard line pressure for customer end-use applications.”¹ The Application stated that in offering this service SoCalGas “will not, however, conduct activities beyond the point of the customer’s receipt of compression service and, as a consequence, will neither

¹ Application at 1.

own, operate, or maintain facilities nor conduct business operations beyond the point of service delivery.”²

On December 1, 2011 Resolution ALJ 176-3285 reached a preliminary determination that this proceeding was ratesetting and that hearings would be necessary.

On December 15, 2011, the Division of Ratepayer Advocates (DRA), Clean Energy Fuels Corporation (Clean Energy), and Integrys Transportation Fuels, LLC (Integrys Fuels) each filed protests. In addition, the Southern California Generation Coalition (SCGC) filed a response to the Application.

On December 27, 2012, SoCalGas filed a Reply to the protests.

On January 6, 2012, Mansfield Gas Equipment Systems Corporation (MGESC) filed a motion for party status.³

On January 23, 2012, a pre-hearing conference (PHC) was held in San Francisco to address the issues concerning the management of this proceeding, including proposals concerning the scheduling of the proceeding.

3. Interested Parties to the Proceeding

The applicant is SoCalGas. SCGC, Integrys Fuels, DRA, Clean Energy, MGESCs are parties to this proceeding. All parties (including the applicant) shall comply with the requirements of this ruling.

4. Categorization and the Need for Hearings

This ruling confirms the Commission’s preliminary categorization in Resolution ALJ 176-3285 (December 1, 2011) of this proceeding as ratesetting and

² *Id.* at 1-2.

³ At the January 23, 2012 PHC, the Administrative Law Judge (ALJ) made MGESC a party to this proceeding. *See* TR PHC-1 at 2:23-25.

its determination that evidentiary hearings are necessary. This ruling, only as to categorization, is appealable under the provisions of Rule 7.6 of the Commission's Rules of Practice and Procedure (Rules).

5. Ex Parte Rules

Since this is a ratesetting proceeding, *ex parte* communications with the decision makers are generally prohibited. The limited exceptions to this prohibition are described at Pub. Util. Code § 1701.3(c) and in Article 8, particularly Rules 8.2, 8.3(c), and 8.4 of the Commission's Rules of Practice and Procedure.

6. Scope of Proceeding

The scope of the proceeding includes the issues presented in the application and the refined issues growing out of the parties' protests and the PHC.

At the PHC, the ALJ summarized the principal issues identified in the filings as follows:

1. Is the Application and proposed service consistent with policies adopted by the Commission, or do Commission policies preclude the provision of this service by SoCalGas?
2. Are the terms of the tariff-anti competitive, as alleged by protestants? Does the tariff cover the service costs?
3. Are the proposed rates just and reasonable, so as to warrant the granting of the Application?

In addition to these three critical questions, the PHC also revealed disparate understandings of what services SoCalGas proposed to offer.

In summary, the scope of the proceeding includes both policy issues concerning whether offering the service is consistent with Commission policies

and factual issues concerning whether the proposed tariff is priced at a level that is anticompetitive and whether the terms of proposed tariff for this service are reasonable in relation to the cost of the service.

7. Schedule

At the PHC, the parties discussed the details of scheduling with the ALJ.

The following schedule is adopted, but may be modified by the ALJ:

Event	Date
Intervenor Testimony served	May 15, 2012
Rebuttal Testimony served	May 29, 2012
Evidentiary Hearings	June 19 and 20, 2012 at 9:30 a.m. in Commission Offices, San Francisco
Opening Briefs and Requests for Final Oral Argument filed	August 1, 2012
Reply Briefs and Replies to Requests for Final Oral Argument filed	August 29, 2012
Projected Proposed Decision	November 1, 2012
Projected Commission Consideration	early December, 2012

In any event, consistent with Pub. Util. Code § 1701.5, this proceeding should be resolved within 18 months from the issuance of this scoping memo.

8. Intervenor Compensation

The PHC in this matter was held on January 23, 2012. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation shall file and serve a notice of intent to claim compensation on or before February 22, 2012.

9. Final Oral Argument

Motions for a final oral argument, if any, shall be filed and served concurrently with opening briefs.⁴ The motion shall state the request, subjects to be addressed, amount of time requested, recommended procedure and order of presentations, and anything else relevant to the motion. If more than one party plans to file such a motion, parties shall use their best efforts to present a joint motion, including a joint recommendation on procedure, order of presentation, anything else relevant to the motion. A response to the motion may be filed concurrently with the reply briefs.

10. Settlements

Any settlements between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

11. Presiding Officer

Pursuant to Pub. Util. Code § 1701.3, ALJ Timothy J. Sullivan is designated as the presiding officer in this proceeding.

⁴ See Rule 13.13(b)

12. Service List/Filing and Service of Documents

The official service list for this proceeding is attached to this ruling. The parties shall notify the Commission's Process Office of any address, telephone, or electronic mail (e-mail) change to the service list.

Parties shall file and serve all pleadings as set forth in Article 1 of the Commission's Rules of Practice and Procedure. All documents shall be served electronically, as set forth in Rule 1.10. Testimony shall be served, but not filed.

IT IS RULED that:

1. The final categorization of this proceeding is ratesetting and hearings will be required.
2. *Ex parte* communications, if any, shall comply with Article 8 of the Commission's Rules of Practice and Procedure.
3. The scope of the proceeding is as set forth above.
4. The schedule is as set forth above unless amended by the assigned Commissioner or Administrative Law Judge.
5. Parties shall follow the procedure stated above in making any request for final oral argument.
6. Any settlements reached between parties shall be served in writing as discussed above.
7. Administrative Law Judge Timothy J. Sullivan is the presiding officer in this proceeding.

8. The service list for filing and service of documents and service of testimony in this proceeding is as set forth above.

Dated February 22, 2012, at San Francisco, California.

/s/ TIMOTHY ALAN SIMON

Timothy Alan Simon
Assigned Commissioner