

MP6/ek4 7/24/2015

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

Order Instituting Rulemaking to Adopt Rules and Procedures Governing Commission-Regulated Natural Gas Pipelines and Facilities to Reduce Natural Gas Leakage Consistent with Senate Bill 1371.

Rulemaking 15-01-008 (Filed January 15, 2015)

#### SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

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#### SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

#### Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),<sup>1</sup> this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the Prehearing Conference held on June 8, 2015.

#### 1. Background

On January 22, 2015, the Commission opened Rulemaking (R.) 15-01-008 to implement the provisions of Senate Bill (SB) 1371 (Statutes 2014, Chapter 525). SB 1371 requires the adoption of rules and procedures to minimize natural gas leakage from Commission-regulated natural gas pipeline facilities consistent with Pub. Util. Code § 961(d), § 192.703(c) of Subpart M of Title 49 of the Code of Federal Regulation, the Commission's General Order (GO) 112-F, and the state's goal of reducing greenhouse gas (GHG) emissions. SB 1371 also requires the gas corporations to file an annual report about their natural gas leaks, and their leak management practices. (Consistent with SB 1371 and preliminary scoping memo requirements, respondents named in this proceeding filed a report on May 15, 2015.)<sup>2</sup> SB 1371 directs the Commission, in consultation with the California Air Resources Board (CARB), to achieve the goals of the Rulemaking.

<sup>&</sup>lt;sup>1</sup> All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at <a href="http://docs.cpuc.ca.gov/WORD\_PDF/RULES\_PRAC\_PROC/136861.pdf">http://docs.cpuc.ca.gov/WORD\_PDF/RULES\_PRAC\_PROC/136861.pdf</a>.

<sup>&</sup>lt;sup>2</sup> Order Instituting Rulemaking (OIR) at 7-9.

SB 1371, which became effective on January 1, 2015, added Article 3 to the Public Utilities Code.<sup>3</sup> Article 3, which is entitled Methane Leakage Abatement, consists of §§ 975, 977, and 978.

In Section 1(e) of SB 1371, the Legislature declares in part that "Reducing methane emissions by promptly and effectively repairing or replacing the pipes and associated infrastructure that is responsible for these leaks advances both policy goals of natural gas pipeline safety and integrity and reducing emissions of greenhouse gases."

As stated in the OIR, the purpose of the proceeding is to:

- 1. In consultation with the State Air Resources Board (CARB), considering and adopting rules and procedures governing the operation, maintenance, repair, and replacement of commission-regulated gas pipeline facilities that are intrastate transmission and distribution lines to minimize leaks as a hazard to be mitigated consistent with § 961, and reducing emissions of natural gas from such facilities to advance the state's goals of minimizing GHG's;
- 2. The adoption of such rules and procedures are to be consistent with the requirements set forth in § 975(e);
- 3. Addressing the requirement in § 975(c) that the gas corporations file a report;
- 4. Addressing the requirement in § 975(f) that each gas corporation incorporate the § 975 adopted rules and procedures into its safety plans, and that the adopted rules and procedures be incorporated into the applicable GOs;
- 5. Ensuring that the § 975 adopted rules and procedures are not inconsistent with the regulations and procedures adopted by the state and federal entities that are relevant to the issues raised by SB 1371; and

<sup>&</sup>lt;sup>3</sup> Unless stated otherwise, all code section references are to the Public Utilities Code.

6. Determining whether any of the considerations in § 977 need to be addressed in the rules and procedures to be adopted pursuant to § 975 in this proceeding, or whether the § 977 considerations should be addressed in the context of the utility's rate case proceeding.<sup>4</sup>

The OIR, however, did not establish a precise scope. In the OIR, parties were not directed to file initial comments responding to the guidance provided in the OIR. Instead, respondents were asked to file the SB 1371 mandated May 15, 2015 annual report. Following the issuance of the OIR, parties were then directed by the assigned ALJ to file comments on the Commission's Safety Enforcement Division's (SED's) staff report on a "Survey of Natural Gas Leakage Best Practices" dated March 17, 2015. These reports, along with stakeholder comments on the staff report and an initial workshop, would then serve as a basis for developing a more precise scope of the proceeding.

An initial workshop on the SED staff report was held on April 6, 2015. A Prehearing Conference (PHC) was held on June 8, 2015.

At the PHC on June 8, 2015, parties requested the opportunity to file post-PHC comments regarding a preliminary draft of scoping questions and schedule presented to parties by the Administrative Law Judge (ALJ) at the PHC. On June 26, 2015, comments were timely filed by: Southern California Gas Company, San Diego Gas & Electric Company, Pacific Gas and Electric Company (PG&E), and Southwest Gas Corporation (Southwest Gas) (collectively "Utilities"); Southern California Edison (SCE)<sup>5</sup>; Lodi Gas Storage L.L.C. and

<sup>&</sup>lt;sup>4</sup> OIR at 12-13.

<sup>&</sup>lt;sup>5</sup> In its post-PHC comments (at 1-2), SCE asked that it be removed as a respondent in this proceeding because it delivers propane, and not methane. Referring to the unique

Central Valley Storage, L.L.C.; Environmental Defense Fund (EDF); Coalition of California Utility Employees, The Utility Reform Network (TURN); and the Office of Ratepayer Advocates (ORA).

# 2. Scoping Memo

Interested parties were provided an opportunity to provide input on the proceeding at the PHC and through post-PHC comments. After considering comments filed in response to a preliminary draft of scoping questions and timeline, we shall resolve the proceeding in two phases. The first phase will develop the overall policies and guidelines for a natural gas leak abatement program consistent with SB 13716 and include the following program development activities: 1) information gathering, measurement, and best practices; 2) targets, compliance, and reporting; and 3) training and enforcement.

The second phase will develop ratemaking and performance-based financial incentives associated with the natural gas leak abatement program and will be subject to the development of a second scoping memo depending on the outcome of Phase 1 activities.

#### **Phase 1: Policies and Guidelines**

The first phase of this proceeding shall consider the following issues:

1. For purposes of this proceeding, what is the proper definition of a leak based on the language in SB 1371? Is there any reason to change the current Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) definition or SED Staff's

characteristics of SCE's Catalina Gas Utility operations, SCE operates a "small, distribution only, relatively low pressure propane system on Catalina Island."

<sup>&</sup>lt;sup>6</sup> OIR at 3.

proposed leak definition in its March 17, 2015 Staff Proposal?

- a. For releases that do not impact public safety, can SB 1371's climate change goal be met with new requirements without changing the PHMSA definitions?
- b. Should this proceeding establish a new category (i.e. "emission sources") to identify intentional, non-hazardous releases associated with safe operation of the natural gas system and unintentional, "minor" releases?
- c. As to questions of law, what does it mean under SB 1371 to be "consistent with" existing safety regulations and that "nothing in this article shall compromise or deprioritize safety as a top consideration?" Do any of the proposed changes to definitions or new requirements have an unintended consequence of deprioritizing safety?
- 2. As set forth in Pub. Util. Code § 975(e), the rules and procedures adopted in this proceeding, among other things must be "technologically feasible, cost effective, and use best practices." What are the appropriate objective criteria to achieve and balance these goals and achieve "best value for ratepayers"? How should the Commission take into account Pub. Util. Code § 977's cost consideration (i.e. "affordability of gas service for vulnerable customers") before adoption of Pub. Util.

Code § 975(b)(2)'s climate change purpose?

- a. How should "cost-effective" be defined for purposes of this proceeding? What methodology should be used to determine cost-effectiveness?
- b. How should "technologically feasible" be defined for purposes of this proceeding? Should best practices be limited to commercially available technologies?
- c. Should technological feasibility and cost-effectiveness be established before requirements to use best practices

- and technologies are adopted in this proceeding? How should best practices, technologies, and costs be vetted in this proceeding?
- d. Is it appropriate to allow different utilities to have different approaches or best practices for leak management?
- e. Should objective criteria in order to determine cost-effectiveness be established per utility, by groups of utilities (e.g., large utilities versus small utilities) or some other approach?
- 3. Should the gas leak ("1-2-3") grading and repair timelines be changed to reflect SB 1371? What alternative approaches should be considered? What issues exist with a "uniform" approach and how should they be addressed?
  - a. Should the repair timelines for Grade 2 leaks be prioritized by the amount of gas escaping from the leak. If so, how should the repair timeline requirements be determined?
  - b. Should the repair timelines for Grade 3 be prioritized by the amount of gas escaping from the leak. If so, how should the repair timeline requirements be determined?
- 4. How should utilities manage expanded leak surveys and/or more frequent surveys to include their entire gas system including all equipment and facilities? (e.g., compressor stations, terminal vents)?
  - a. Should there be a new category of leaks to identify intentional, non-hazardous leaks associated with safe operation of natural gas system (i.e. "emission sources")?
- 5. Should the Commission require specific methods and technologies to detect and measure leaks? What best practices should be required?
  - a. What protocols and procedures should be used to quantify methane emissions from the natural gas system (e.g., 1996 Gas Research Institute/U.S. EPA

Emission Factors, Washington State University's Emission Factors)? How should these protocols be used?

- 6. How should preventive maintenance and operations and other efforts be employed to prevent leaks and other emissions, including third-party dig-ins?
- 7. What are the respective roles of the Commission and CARB in accomplishing key milestones in this proceeding and in ongoing efforts to reduce GHG emissions? How should the Commission and CARB coordinate with each other? Should the Commission coordinate with local air agencies as appropriate to ensure successful program outcomes?

Refer to following functions with "lead agency" listed first, if functions are shared between the two agencies.

- a. Consultation w/Utilities (CPUC, CARB)
- b. Reporting (CPUC, CARB)
- c. Data Analysis, Quantification Protocol, Trends (CARB)
- d. Best Practices (CPUC, CARB)
- e. Targets/Limits (CARB)
- f. Training and Enforcement (CPUC, CARB)
- g. Audits and Verification (CPUC, CARB)
- 8. What baseline year should be used to measure program progress? Current legislation only requires 2013 and 2014 data. However, SED's January 9, 2015 Data Request required that the May 15, 2015 report cover leak data beginning in 2009. (Gas corporations, who are respondents in this proceeding, may wish to document positive progress in leak detection and management since this year.)
  - a. Is the available data sufficient to establish a baseline year? How should this baseline be coordinated with other emission targets and state policy?
- 9. What, if any, target emission levels should be set by year in the foreseeable future? If so, on what basis is the

- appropriate time frame for these targets and related timetable for improvement? How should these targets be coordinated with other emission targets and state policy?
- a. How should emissions levels, if any are set, interact with the utilities' natural gas safety plans and other gas pipeline work?
- 10. How can standardized annual reporting be best designed and streamlined to ensure all of the appropriate information is included in a manageable and understandable format geared toward the understanding of the methane emissions while avoiding unnecessary reporting duplication? (Much of the required information in the annual reports duplicates PHMSA, CARB, Commission, and local Air Quality Management District reporting requirements.) Should California standards be more stringent than other federal and/or state standards? Can a consistent and reasonable approach to calculating and reporting be developed, given the utilities' different system components, equipment, facilities, and materials?
- 11. Based on feedback to the May 15, 2015 report, what are the appropriate scope, content, and format for subsequent reports beginning in May 2016? What definitions, formulas, protocols, or methodologies need to be clarified to ensure a consistent and accurate approach to data gathering? What spreadsheet "columns" or "rows" need to be added (e.g., knowledge of factors contributed to leaks) or subtracted and why?
- 12. Are there "California-specific" conditions that should be factored into performance metrics, including reporting activity factors (AF) that are transparent and complete, and emission factors (EF) that reflect California conditions including seasonality?
- 13. What enforcement methods should be used to ensure compliance with SB 1371? How flexible should the Commission be in its requirements for best management practices and tools to optimize emission reductions?

- 14. Based on potential security and market competitiveness concerns, etc., what, if any, information in the annual report should be considered confidential? How can parties access confidential data, if any (i.e., via non-disclosure agreements)?
- 15. Should the annual May 15, 2015 report be different for larger gas corporations versus smaller gas corporations? How should future compliance requirements take into account size, risk profiles and other unique characteristics of Commission-regulated gas corporations?
- 16. How do we ensure an adequate work force and funding to carry out SB 1371 objectives? In what proceeding (e.g., OIR, GRC) should this be resolved?
- 17. What are the proper elements of a training program that ensure that personnel are proficient in the use of leak survey equipment? To what extent should training focus on technology, leak surveys, leak repair, identification of leak grades, and other elements? In what proceeding (e.g., OIR, GRC) should this be resolved?
- 18. How should this proceeding be coordinated with other proceedings (e.g., Decision 15-06-044 *Decision Adopting Revised General Order* 112-F, GRC's, SB 705 Gas Safety Plans, Pipelines Safety Enhancement Plans (PSEP), Decision 14-12-025 in R.13-11-006 *Rulemaking to Develop a Risk-Based Decision-Making Framework*))?<sup>7</sup> If issues between proceedings "overlap," how should they be resolved?
- 19. Pursuant to § 975(f), how should rules and procedures, including best practices and repair standards developed in the proceeding, be incorporated into the safety plans required by § 961 and the applicable general orders (e.g. GO 112-F) adopted by the Commission?

<sup>&</sup>lt;sup>7</sup> For a more comprehensive list, see OIR at 11-12.

It is anticipated that Phase 1 will be primarily resolved through a series of workshops and the formation of stakeholder working groups, along with written comments and replies. Please see Section 4, "Workshop Topics" for more detail.

## Phase 2: Ratemaking and Performance-Based Financial Incentives

The policies and guidelines developed in Phase 1 of this proceeding shall influence the analysis of Phase 2 of this proceeding. Therefore, we cannot establish a precise scope or schedule for this phase at this time. The second phase of this proceeding shall consider, at a minimum, the following issues:

- 20. How should the Commission encourage GTD&S corporations (Generation, Transmission, Distribution, and Storage corporations) to develop capital improvement plans to upgrade their systems with equipment and modifications that have been approved as best practices? In what proceeding (e.g., OIR GRC) should this be resolved?
- 21. What Commission guidance is appropriate for treatment of expenditures as being an item of expense or a capital investment? In what proceeding (e.g., OIR, GRC) should this be resolved?
- 22. In the accounting for and paying for "lost gas," how should ratepayer and shareholder financial incentives be aligned? In what proceeding (e.g., OIR, GRC) should this be resolved?<sup>8</sup>
  - a. How should "lost gas" be defined for purposes of this proceeding? Is lost gas a relevant portion of a utility's total methane emissions for purposes of this proceeding?

A subsequent Phase 2 scoping memo shall be issued to provide further detail on this phase of the proceeding.

<sup>&</sup>lt;sup>8</sup> As an example, see Ken Costello, "Lost and Unaccounted-for Gas: Practices of State Utility Commissions, "National Regulatory Research Institute (NRRI), June, 2013.

## 3. Workshop Topics

According to the OIR, "pursuant to § 975(g) and consistent with § 961(e), the Commission is to facilitate the "robust ongoing participation of the workforce of gas corporations and those state and federal entities that have regulatory roles of relevance in all aspects of the proceeding to ensure that the rules and procedures it adopts are not inconsistent with the regulations and procedures adopted by those agencies."

This proceeding will hold workshops to discuss the leakage issues and the types of activities and metrics that are currently used or should be developed to detect, monitor, and repair such leaks. The workshops could also discuss potential ratemaking treatments to facilitate minimizing these leaks. These workshops will be led by the Commission's Safety and Enforcement Division (SED), in cooperation with CARB. As reflected in the proceeding schedule, workshops could then be followed by a workshop report, followed by proposals of SED staff, the respondents and interested parties on the types of rules and procedures the Commission should adopt. The assigned Commissioner and ALJ will decide which processes should be utilized to gather ideas and proposal about the rules and procedures to be adopted by the Commission. As necessary, the schedule will remain flexible so that additional workshops can be added depending on developments in the proceeding.

Following is a preliminary list of workshops and specific topics that will be addressed:

<sup>9</sup> OIR at 11.

- 1. Workshop on May 15 Leak Reports (Phase 1, Items 2 & 3) SED Staff will organize and facilitate at workshop to review major issues from the initial reports and solicit ideas for improvements to future reports:
  - Discuss current approaches used to estimate emissions including the system-wide gas leak rate equation;
  - Characterization of leaks and where they are located; and
  - Quantification of methane emissions from distribution and transmission systems.

## 2. Working Group Workshop on Best Practices

(Phase 1, Items 5 & 6) – Based on "target" emission sources, best practices to identify, measure, avoid and repair leaks discuss:

- Best practices to identify leaks;
- Best protocols, methods and procedures to quantify methane emissions and leaks;
- Best preventive maintenance and operations practices to avoid and prevent leaks, emissions from blowdowns, operational emissions and other emissions, including third-party dig-ins; and
- Best practices to repair leaks (e.g. customer meters are a major source of leaks. What is a cost effective way to repair those?)

# 3. <u>CPUC/CARB Workshop on Targets, Compliance, and Enforcement</u>

(Phase 1, Items 2 & 3) – Based on best means of determining emissions estimates discuss:

- Determining and establishing targets;
- Means of reporting;
- Ability to comply; and
- Enforcement options.

### 4. <u>Working Group Workshop on Ratemaking and</u> Performance-Based Incentives

(To be addressed in a future Phase 2 scoping memo)

As described above, working groups and possibly sub-groups (comprised of technical representatives of utilities, SED, CARB, ORA, TURN, EDF, and union groups) will be established to help accomplish proceeding milestones. During Phase 1, a working group will be formed to confer on best management practices. During Phase 2, a working group will be formed to confer on ratemaking and performance-based incentives. SED staff will help coordinate activities of working groups, such as proposal development, in cooperation with respondents and interested parties.

# 4. Air Resources Board Jurisdiction and Role<sup>10</sup>

According to SB 1371, the Public Utilities Code specifies that this proceeding is to be conducted "in consultation with the State Air Resources Board (CARB)." Pub. Utilities Code § 975(d). Thus, the Commission will consult with CARB as it conducts the regulatory development process, including seeking CARB's views on data submitted to the Commission in this proceeding, and CARB's views on potential regulatory designs. This consultation also includes developing and coordinating reporting and data-sharing duties for regulated entities as feasible, *see id.* § 975(e)(5)-(6). CARB staff and the Commission will conduct these consultations under a non-disclosure agreement, but the results of the consultation, including (as appropriate) separate statements of CARB's views, will be presented in the staff reports shared for comment and further

<sup>&</sup>lt;sup>10</sup> See June 8, 2015 PHC Transcript at 5-8 and Appendix.

discussion with parties to this proceeding. The parties should also note that the statute preserves CARB's authority to develop its own regulations for GHG's, including for this sector. *See id.* § 975(h).

CARB will take the lead role in quantifying and evaluating emissions, analyzing trends, and developing quantification protocols. CARB expects that its feedback and recommendations to the Commission will be examined in the public process for the Commission proceeding to the extent that the Commission proposes to adopt or rely upon them. As part of this role, CARB will utilize its expertise in GHG emissions to:

- Compare the data collected under SB 1371 with the Mandatory Reporting Regulation;
- Analyze incoming data to determine potential mitigation priorities based on emissions. For example, older pipelines of any material may have more leaks or pipelines of a certain material may have more leaks;
- Identify any remaining data gaps;
- Establish procedures for the development and use of metrics to quantify emissions; and
- Review and evaluate the operation, maintenance, repair, and replacement of natural gas pipeline facilities to determine if existing practices are effective in reducing methane leaks and where alternative practices maybe required.

Given the importance of these reductions on the overall Assembly Bill 32 goals, CARB will use and continue to monitor the emissions information over time to inform related climate change regulations and policies including the GHG inventory, the Low Carbon Fuel Standard, and other programs needed to meet CARB's obligation under SB 1371 and AB 32. CARB will also continue with its independent rulemaking on methane emissions from upstream oil and gas

production sources, including transmission compressors and underground storage.

CARB will work with the Commission to determine the best management practices and other mitigation technologies for achieving GHG reductions.

CARB will collaborate with the Commission and provide GHG expertise throughout the proceeding. The two agencies will ensure, on ongoing bases, that both the public safety and the State's climate change goals will be achieved.

#### 5. Categorization

This scoping memo confirms the Commission's preliminary categorization in R.15-01-008 that the category of this proceeding is quasi-legislative and that hearings are not necessary. However, we may re-evaluate the need for hearings after parties have submitted comments about the proposed rules and procedures the Commission should adopt throughout the course of the proceeding.

### 6. Proceeding Schedule

Each of the two tracks will require different types and degrees of public participation depending on the scoping memo issue, workshop topics, and working group commitments. At the same time, issues to be considered in each of the tracks are interrelated and a decision in the first track will affect consideration of issues in the second track.

The schedule below is adopted for this proceeding and may be modified by the Commissioner and/or ALJ as required to promote the efficient and fair resolution of identified issues. If it is later determined that evidentiary hearings, testimony, and briefs, are needed to establish a record, then the schedule may be delayed approximately two to three months. Due the complexity and unique nature of this proceeding, including the relationship with CARB activities, this

proceeding will require more than 18 months to conclude. Therefore, this proceeding shall conclude within 24 months of the date of this Scoping Memo.

# Milestones/Schedule

# (if no evidentiary hearings held)

Timeline	Date
Phase 1 - Policies and Guidelines	
Open OIR and issue Preliminary Scoping Memo	January 22, 2015
SED issues data request to utilities	January 9, 2015
ALJ issues SED "Best Practices" Report and solicits comments	March 17, 2015
Initial Comments on Staff Report	March 31, 2015
SED Workshop on SED "Best Practices" Report and related recommendations	April 6, 2015
Reply Comments on Staff Report	April 22, 2015
Gas corporations submit initial May, 2015 report on current gas leaks and leak management practices	May 15, 2015
PHC	June 8, 2015
Post-PHC Statements on Preliminary Scoping Memo Questions and Schedule	June 26, 2015
Scoping Memo	July 27, 2015
SED Hosted Workshop on May 15, 2015 Report	September 23, 2015
<ul><li>a. Initial analysis of leaks</li><li>b. Quantification methods</li><li>c. How to improve future reporting</li></ul>	
Working Group Workshop on Best Management Practices based on "target" emission sources	October, 2015

ALJ Ruling Issuing Staff Summary of May 15, 2015 reports on current gas leaks and leak management practices	November, 2015
Initial and Reply Comments on Staff Summary and Phase 1 Scoping Question #1	December, 2015
Working Group Proposal on Analysis of Leaks and Best Practices	February, 2016
Initial and Reply Comments on Working Group Proposal and Phase 1 Scoping Questions #2-7	February, 2016 (at least 20 days after proposal is filed with Commission via motion)
CPUC/CARB Workshop on Targets, Compliance, and Enforcement	March, 2016
Commissioner/ALJ Ruling Issuing CARB/CPUC Staff Proposal on Targets, Compliance, and Enforcement	June, 2016
Initial and Reply Comments on CARB/CPUC Staff Proposal and Phase 1 Scoping Questions #8-19	July, 2016
Commission issues Phase 1 Decision	Fourth Quarter 2016
Phase 2 – Ratemaking and Performance- Based Financial Incentives	
Phase 2 Scoping Ruling	Fourth Quarter 2016
Initial and Reply Comments on Phase 2 Scoping Ruling and Phase 2 Scoping Questions #20-22	Fourth Quarter 2016
SED/ED/CARB Workshop on Ratemaking/Performance Based Financial Incentives	First Quarter 2017
ALJ Ruling Issuing SED/ED Staff Proposal on Ratemaking/Performance Based Incentives	First Quarter 2017

Initial and Reply Comments on Staff Proposal Following Workshop	Second Quarter 2017
Commission Issues Phase 2 Decision	Third Quarter 2017

#### 7. Intervenor Compensation

The PHC in this matter was held on June 8, 2015. Pursuant to Pub. Util. Code § 1804 (a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation by July 8, 2015. Under the Commission's Rules, future opportunities may arise for such filings but such 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 not just "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 § 1802.5, all parties seeking an award of intervenor compensation must coordinate their analysis and presentation with other parties to avoid duplication.

#### 8. Ex Parte Communications

This proceeding is subject to Article 8 of the Commission's Rules, which specifies the standards to be followed for communicating with a decision maker. Pursuant to Rule 8.3(a), *ex parte* communications are allowed without any restrictions or reporting requirements unless an appeal of the categorization pursuant to Rule 7.6 is successful.

### 9. Assignment of Proceeding

Michael Picker is the assigned Commissioner and Presiding Officer pursuant to Rule 13.2 of the Commission's Rules of Practice and Procedure. Colette E. Kersten is the assigned Administrative Law Judge.

#### **IT IS RULED** that:

- 1. The scope and schedule are set forth in the body of this ruling unless amended by a subsequent ruling of the assigned Commissioner or assigned Administrative Law Judge.
- 2. Southern California Edison Company shall be removed as a respondent in this proceeding and be put on the "information only" list for this proceeding.
- 3. The first phase of this proceeding may be resolved through comments and workshops without the need for evidentiary hearings.
- 4. The Commission's Safety and Enforcement Division shall host a workshop on September 23, 2015 to discuss May 15, 2015 reports and related issues including an initial analysis of leaks, quantification methods, and how to improve future reporting.
- 5. The category of this rulemaking is quasi-legislative as defined in the Commission's Rules of Practice and Procedure Rule 1.3(d). The ruling is appealable within 10 days under Rule 7.6.
- 6. Pursuant to Article 8 of the Commission's Rules of Practice and Procedure, *ex parte* communications in this proceeding are permitted without restriction or reporting requirements.
- 7. Any person expecting to file an intervenor compensation claim for participation in this proceeding shall file a notice of intent to claim intervenor

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compensation consistent with the Commission's Rules of Practice and Procedure Rule 17.1.

8. Pursuant to this Scoping Memo, Michael Picker is the assigned Commissioner and Presiding Officer.

This order is effective today.

Dated July 24, 2015, at San Francisco, California.

/s/ MICHAEL PICKER

Michael Picker

Assigned Commissioner