



FILED

3-09-16

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Gas Company (U904G) and San Diego Gas & Electric Company (U902G) for Authority to Revise their Natural Gas Rates Effective January 1, 2017 in this Triennial Cost Allocation Proceeding Phase 2.

Application 15-07-014
(Filed July 8, 2015)

**ADMINISTRATIVE LAW JUDGE'S RULING
DIRECTING THE APPLICANTS TO SERVE WRITTEN
TESTIMONY REGARDING ALISO CANYON**

Summary

The scope of this proceeding includes, among other matters, setting rates and charges to recover the normal costs for Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") to own and operate Aliso Canyon gas storage field ("Aliso Canyon") that have been approved by the Commission in other proceedings. The scope of this proceeding does not include setting rates and charges to recover any costs incurred by SoCalGas and/or SDG&E in response to the recent gas leak in Aliso Canyon.

This ruling requires SoCalGas and SDG&E (together, "the Applicants") to serve written testimony identifying the normal, previously authorized costs to own and operate Aliso Canyon that the Applicants seek to recover in the rates and charges adopted in this proceeding. The primary intention of this ruling is to require the Applicants to identify all business-as-usual costs for Aliso Canyon that are embedded in Application 15-07-014 but may not be allocated to a single rate, charge, or customer class.

Other parties may serve written testimony that contains some or all of the same information. All parties may serve reply testimony. The dues dates for serving the written testimony and reply testimony are March 28 and April 12, 2016, respectively.

Written Testimony Due on March 28, 2016

On March 28, 2016, the Applicants shall serve written testimony that provides the following information regarding Aliso Canyon:

1. For each of the years 2017, 2018, and 2019, the total amount of normal, previously approved costs to own and operate Aliso Canyon that SoCalGas seeks to recover through the rates and charges adopted in this proceeding (A.15-07-014), including depreciation, rate-of-return, taxes, operations and maintenance, administrative and general, and all other direct and indirect costs to own and operate Aliso Canyon (excluding costs incurred in response to the recent gas leak).
2. A table that shows every rate and charge that SoCalGas asks the Commission to adopt in this proceeding, beginning January 1, 2017, that includes the recovery of SoCalGas's normal, previously approved costs to own and operate Aliso Canyon identified in SoCalGas's response to Item 1, above. The format of the table is depicted below:

SoCalGas's Proposed Rates / Charges and Revenues, With & Without Aliso Canyon							
Rate or Charge	<u>A</u> Proposed Rate/Charge Jan. 1, 2017	<u>B</u> Forecast Volume Jan. 1, 2017	<u>C</u> Total Revenue C = A x B	<u>D</u> Aliso Canyon Costs	<u>E</u> Proposed Rate / Charge on 1/1/17 Without Aliso Canyon E = A - D	<u>F</u> Total Revenue Without Aliso Canyon F = B x E	<u>G</u> Change in Total Revenue without Aliso Canyon G = C - F G = B x D
Residential Baseline Trans. Rate	\$0.31104 per Therm	1,839,570 Mth	\$572,176,000	\$ Per Therm	\$ Per Therm	\$	\$
Rate 2							
Charge 3							
Etc.							

SoCalGas's Proposed Rates / Charges and Revenues, With & Without Aliso Canyon							
Rate or Charge	<u>A</u> Proposed Rate/Charge Jan. 1, 2017	<u>B</u> Forecast Volume Jan. 1, 2017	<u>C</u> Total Revenue C = A x B	<u>D</u> Aliso Canyon Costs	<u>E</u> Proposed Rate / Charge on 1/1/17 Without Aliso Canyon E = A - D	<u>F</u> Total Revenue Without Aliso Canyon F = B x E	<u>G</u> Change in Total Revenue without Aliso Canyon G = C - F G = B x D
Total			\$			\$	\$
The information shown in Columns A - C for the Residential Baseline Transportation Rate is from A.15-07-014, Attachment C, Table 2. The information in Columns D - G will be derived from Columns A - C and SoCalGas's response to Item 1, above.							

SoCalGas may include additional information, rows, and columns in the above table. SoCalGas shall identify all assumptions and source documents used to prepare the table.

3. The same information requested in Items 1 and 2, above, for SDG&E.
4. Application 15-07-014 at Attachment C, Table 8, shows that SoCalGas will receive storage revenue of \$110.585 million in 2017, allocated among core, load balancing, and unbundled storage. These figures appear to be based on written testimony served by the Applicants in the TCAP Phase 1 proceeding (A.14-12-017).
 - a. Please cite the specific Phase 1 testimony that is the source of the storage revenue and allocations shown in Table 8.
 - b. Does SoCalGas seek to admit into the evidentiary record for A.15-07-014 the written testimony from Phase 1 (A.14-12-017) that is cited in SoCalGas's response to Item 4.a?
 - c. Application 15-07-014 at Attachment C, Table 8, does not match Jason Bonnett's testimony at Appendix A, Table 8. Please explain why these two tables are different.

- d. Please provide a detailed explanation of how the storage revenue shown in A.15-07-014 at Attachment C, Table 8, is embedded into the rates, charges, and revenues shown in the other Tables in Appendices C and D of A.15-07-014. The explanation should include cites to the Applicants' testimony for each step of the process that embeds the storage revenue shown in Table 8 of Appendix C into the rates, charges, and revenues shown in the other Tables in Attachments C and D of A.15-07-014.
 - e. Are the costs for Aliso Canyon provided in response to Item 1, above, included in the \$110.585 million of storage revenue shown in A.15-07-014 at Attachment C, Table 8?
5. This proceeding will not set rates and charges to recover costs incurred in response to the recent gas leak in Aliso Canyon. Please state if any such costs are included in the rates and charges that the Applicants ask the Commission to adopt in this proceeding. If the answer is "yes", the Applicants shall revise their previously served written testimony to remove such costs, and serve the revised testimony with and without redline revisions.

Other parties may serve written testimony on March 28, 2016, that provides some or all of the information identified in Items 1 through 5, above. All parties may serve written reply testimony on April 12, 2016.

IT IS RULED that:

1. On March 28, 2016, the Applicants shall serve written testimony that contains the information identified in Items 1 through 5 in the body of this Ruling. Other parties may serve written testimony on March 28, 2016, that contains some or all of the information identified in Items 1 through 5.

2. All parties may serve written reply testimony on April 12, 2016.

Dated March 9, 2016, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge