



FILED

6-17-16

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 SETTLING PARTIES TO SUBMIT
A COMPARISON EXHIBIT AND OTHER INFORMATION**

On May 27, 2016, most parties in this proceeding jointly filed a Settlement Agreement that resolves a majority of the issues in this proceeding. To help the Commission assess the Settlement Agreement, this ruling directs the Settling Parties to prepare, file, and serve a document that provides the following information regarding the Settlement Agreement: (1) a comparison exhibit that contains the information specified in Appendix A of this Ruling, and (2) the information specified in Appendix B of this Ruling. The due date for the document required by this Ruling is July 5, 2016.

IT IS RULED that the Settling Parties shall prepare, file, and serve by July 5, 2016, a document that contains the information specified in Appendices A and B of this Ruling.

Dated June 17, 2016, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

Appendix A
Comparison Exhibit

The comparison exhibit required by this Ruling shall provide the following information:

1. With respect to the Settlement Agreement at Section B.1.c. regarding the core brokerage fee, please provide a table that shows:
 - The current core brokerage fee.
 - The core brokerage fee proposed by the Applicants in Application (A.) 15-07-014 and supporting testimony.
 - The core brokerage fee(s) proposed by other parties.
 - The core brokerage fee adopted by the Settlement Agreement.
 - The percentage difference between the Settlement Agreement and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement and each party's proposal.

2. With respect to the Settlement Agreement at Appendix A regarding long-run marginal costs (LRMC), please provide a table that includes the following:
 - A row for each line in Appendix A.
 - Columns that contain the following for each row:
 - The LRMC proposed by the Applicants in A.15-07-014 and supporting testimony.
 - The LRMC(s) proposed by other parties.
 - The LRMC adopted by the Settlement Agreement.
 - The percentage difference between the Settlement Agreement and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement and each party's proposal.

Appendix A
Comparison Exhibit

3. With respect to the Settlement Agreement at Appendix B regarding Inter-Class Adjustments, please provide a table that includes the following:
 - A row for each line in each Table in Appendix C of the Settlement Agreement affected by the Inter-Class Adjustments in Appendix B of the Settlement Agreement.
 - For each row, the amount of the Inter-Class adjustment in Columns D - F of the affected line of the Table in Appendix C of the Settlement Agreement.

4. For each Table in Appendix C of the Settlement Agreement, please provide a separate table that includes the following:
 - A row for each line in the Appendix C Table, including the rows for the NBL/BL ratio in Table 2 for Southern California Gas Company (SoCalGas) and Table 2 for San Diego Gas & Electric Company (SDG&E).
 - For each row, columns that contain the following:
 - The Applicants' proposal in Exhibit SCG-01, Appendix A, Columns D - F.
 - Columns for each party that presented a proposal in the same format as Exhibit SCG-01, Appendix A, Columns D - F.
 - The Settlement Agreement outcome (i.e., the contents of Columns D - F of each Table in Appendix C of the Settlement Agreement).
 - The percentage difference between the Settlement Agreement outcome and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement outcome and each party's proposal.

Appendix A
Comparison Exhibit

5. With respect to the Settlement Agreement at Appendix D regarding Demand Forecast (Mdth), please provide a table that includes the following:
 - A row for each line of the Table in Appendix D of the Settlement Agreement.
 - Columns that contain the following for each row:
 - The Applicants' demand forecast in A.15-07-014 and supporting testimony.
 - Other parties' demand forecast(s).
 - The Settlement Agreement outcome (*i.e.*, the contents of Appendix D of the Settlement Agreement).
 - The percentage difference between the Settlement Agreement and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement and each party's proposal.

6. With respect to Exhibit SCG-09 at page 16, Tables 14 and 15 (re: core storage allocations by customer class), please provide a table that includes the following:
 - A row for each line of Tables 14 and 15.
 - Columns that contain the following for each row:
 - The Applicants' proposed core storage allocation(s) in A.15-07-014 and supporting testimony.
 - Other parties' proposed core storage allocation(s).
 - The Settlement Agreement outcome.
 - The percentage difference between the Settlement Agreement and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement and each party's proposal.

Appendix A
Comparison Exhibit

7. For embedded transmission costs, please provide a table that includes the following information:
- A row for SoCalGas.
 - A row for SDG&E.
 - Columns that contain the following for each row:
 - The Applicants' proposed embedded cost of transmission in A.15-07-014 and supporting testimony.
 - The Applicants' proposed allocation of the embedded cost of transmission to backbone transmission and local transmission.
 - Other parties' proposed embedded cost(s) of transmission, allocated backbone transmission costs, and/or allocated local transmission costs.
 - The Settlement Agreement outcome.
 - The percentage difference between the Settlement Agreement and the Applicants' proposal.
 - The percentage difference between the Settlement Agreement and each party's proposal.

Appendix B
Information Regarding the Settlement Agreement

The document submitted on July 5, 2016, pursuant to this Ruling shall provide the following information:

1. The total embedded transmission costs, backbone transmission costs, and local transmission costs adopted by the Settlement Agreement at page 11 are higher than the amount of such transmission costs proposed by the Applicants in Exhibit SCG-13, at pages 10 - 12.
 - a. Please explain why this difference is reasonable in light of the record, consistent with the law, and in the public interest.
 - b. Please explain what effects the higher transmission costs adopted by the Settlement Agreement relative to Exhibit SCG-13 have on the revenues (Column F of the Tables in Appendix C of the Settlement Agreement) allocated to core and non-core customer classes.
2. The Settlement Agreement at Appendix B indicates the Settlement Agreement incorporates Inter-Class Adjustments of \$4,000,000 (for SoCalGas) Residential and Core C/I customers. Please explain why there is a difference of less than \$4,000,000 between the Settlement Agreement at Appendix C, Table 3, Column F, Row 26 (for SoCalGas) compared to Exhibit SCG-01, Appendix A, Table 3, Column F, Row 26 for SoCalGas.
3. Please explain why the total revenues shown in the Settlement Agreement at Appendix C, Table 1 (for SoCalGas), Column F, Rows 42 and 43, is higher than Exhibit SCG-01, Appendix A, Table 1 (for SoCalGas), Column F, Rows 42 and 43.
4. Please explain why the total revenues shown in the Settlement Agreement at Appendix C, Table 1 (for SDG&E), Column F, Row 26, is lower than Exhibit SCG-01, Appendix A, Table 1 (for SDG&E), Column F, Row 26.
5. Please explain how the customer charge is reflected in the NBL/BL ratio shown in the Settlement Agreement at Appendix C, Table 2 (for SoCalGas), Row 13, Columns B and E. If the customer charge is reflected differently in Column B versus Column E, please explain the reasons for the differing treatment of the customer charge in the NBL/BL ratio.

Appendix B
Information Regarding the Settlement Agreement

6. Please state whether a Procurement Rate for natural gas is reflected in the NBL/BL ratio shown in the Settlement Agreement at Appendix C, Table 2 (for SDG&E), Row 9, Columns B and E. If “yes,” please state the amount of the Procurement Rate reflected in Columns B and E.
7. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 2 (for SoCalGas) versus Exhibit SCG-01, Appendix A, Table 2 (for SoCalGas) are reasonable in light of the record, consistent with the law, and in the public interest: Column F, Rows 10, 18, 19, and 47.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the revenue in Column F, Row 47, is less in the Settlement Agreement compared to Exhibit SCG-01.

8. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 5 (for SoCalGas) versus Exhibit SCG-01, Appendix A, Table 5 (for SoCalGas) are reasonable in light of the record, consistent with the law, and in the public interest: Column F, Rows 5, 6, 7, 8, 22, 23, and 26.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the revenue in Column F, Row 26, is higher in the Settlement Agreement compared to Exhibit SCG-01.

9. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 6 (for SoCalGas) versus Exhibit SCG-01, Appendix A, Table 6 (for SoCalGas) are reasonable in light of the record, consistent with the law, and in the public interest:

A. Column E, Rows 19, 20, and 37.

B. Column F, Rows 7, 12, 24, 25, 33, 41, and 42.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the revenue in Column F, Row 42, is higher in the Settlement Agreement compared to Exhibit SCG-01.

Appendix B
Information Regarding the Settlement Agreement

10. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 7 (for SoCalGas) versus Exhibit SCG-01, Appendix A, Table 7 (for SoCalGas) are reasonable in light of the record, consistent with the law, and in the public interest:

- A. Column E, Rows 3, 4, 6, 7, 10, 11, 18, 19, 21, 22, 25, 26, 35, 36, 38, 39, 42, 43, 50, 51, 53, 54, 57, and 58.
- B. Column F, Rows 12, 59, and 61.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the revenue in Column F, Row 61, is higher in the Settlement Agreement compared to Exhibit SCG-01.

11. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 8 (for SoCalGas) versus Exhibit SCG-01, Appendix A, Table 8 (for SoCalGas) are reasonable in light of the record, consistent with the law, and in the public interest:

- A. Column E, Rows 2 - 4.
- B. Column F, Row 2.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the revenue in Column F, Row 2, is higher in the Settlement Agreement compared to Exhibit SCG-01.

12. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 2 (for SDG&E) versus Exhibit SCG-01, Appendix A, Table 2 (for SDG&E) are reasonable in light of the record, consistent with the law, and in the public interest: Column F, Rows 7, 35, and 40.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also include an explanation regarding why the total revenue in Column F, Row 40, is less in the Settlement Agreement compared to Exhibit SCG-01.

Appendix B
Information Regarding the Settlement Agreement

13. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 3 (for SDG&E) versus Exhibit SCG-01, Appendix A, Table 3 (for SDG&E) are reasonable in light of the record, consistent with the law, and in the public interest:

A. Column E, Rows 14 - 16 and 20 - 22.

B. Column F, Rows 8, 9, 10, 25, and 28.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the total revenue in Column F, Row 28, is less in the Settlement Agreement compared to Exhibit SCG-01.

14. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 4 (for SDG&E) versus Exhibit SCG-01, Appendix A, Table 4 (for SDG&E) are reasonable in light of the record, consistent with the law, and in the public interest:

A. Column E, Rows 12, 17, 33, and 37.

B. Column F, Rows 6, 20, 28, and 43.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the total revenue in Column F, Row 43, is less in the Settlement Agreement compared to Exhibit SCG-01.

15. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 5 (for SDG&E) versus Exhibit SCG-01, Appendix A, Table 5 (for SDG&E) are reasonable in light of the record, consistent with the law, and in the public interest:

A. Column E, Rows 35 and 36.

B. Column F, Rows 4, 16, 24, 28, 40, 41, and 44.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the total revenue in Column F, Row 44, is higher in the Settlement Agreement compared to Exhibit SCG-01.

Appendix B
Information Regarding the Settlement Agreement

16. Please explain why the following differences between the Settlement Agreement at Appendix C, Table 6 (for SDG&E) versus Exhibit SCG-01, Appendix A, Table 6 (for SDG&E) are reasonable in light of the record, consistent with the law, and in the public interest:

- A. Column E, Rows 3, 4, 7, 8, 11, 12, 20, 21, 24, 25, 28, 29, 38, 39, 42, 43, 46, and 47.
- B. Column F, Rows 14 and 52.

The response should identify the specific parts of the Settlement Agreement that account for the previously identified differences.

The response should also explain why the total revenue in Column F, Row 52, is higher in the Settlement Agreement compared to Exhibit SCG-01.