



**FILED**  
7-06-16  
01:57 PM

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

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2016.

Application 14-11-003  
(Filed November 14, 2014)

And Related Matter.

Application 14-11-004

**RULING REGARDING APPLICANTS’ MOTION ABOUT FORM OF OPENING COMMENTS**

Concurrent with the submission of their June 8, 2016 opening comments on the proposed decision (PD) in the above-captioned proceedings, San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company, (collectively referred to as the “Applicants”) filed a separate motion regarding the “Form of Opening Comments on Proposed Decision” (Motion).

As part of their opening comments on the PD, the Applicants attached the following five appendices:

- Appendix A: List of Proposed Changes to Findings of Fact and Conclusion of Law;
- Appendix B: List of Proposed Changes to Ordering Paragraphs and Miscellaneous Corrections to the PD;
- Appendix C: Tax-Related Corrections to the Results of Operation (RO) Model and other Calculations;
- Appendix D: List of General Corrections to the RO Model; and
- Appendix E: Rate Comparison Table.

The Applicants' Motion requests that their opening comments on the PD, with the five appendices, be accepted for filing. In support of their Motion, the Applicants state the following:

Appendix A is clearly permitted by Rule 14.3. Regarding Appendices B, C, D, and E, Applicants believe that each will further aid the Commission and its staff in preparing an accurate final decision. Moreover, given the broad nature of General Rate Cases and their reliance on complex RO Models [RO Model], it is reasonable that appendices other than the standard list of proposed changes to Findings of Fact and Conclusions of Law would be allowed as part of PD Comments.

A joint response in opposition to the Motion was filed by The Utility Reform Network, San Diego Consumers' Action Network, Utility Consumers' Action Network, Mussey Grade Road Alliance, and the National Asian American Coalition (joint response).<sup>1</sup> The joint response recommends that the Applicants' Motion be denied, and that the additional material included with the Applicants' opening comments be stricken.

The joint response recommends that the Applicants' Motion be denied for four reasons.

The first argument is that the Applicants "fail to even attempt to distinguish the additional materials they seek to include despite the restrictions in Rule 14.3(b)," from other proceedings involving similar circumstances when there were attachments to the comments. (Joint Response, at 2.) In the proceeding referenced in the joint response, the parties who had included additional attachments "argued that the material was all either in the record of the proceeding or based on public information, and had been included for the

---

<sup>1</sup> The five parties who filed the joint response are referred to as the "responding parties."

Commission's convenience." (Joint Response, at 2-3.) In D.07-09-040, the Commission granted the motion to strike the additional attachments in that proceeding because the attachments exceeded the page limits established by the Administrative Law Judge.

The second argument of the responding parties is that the attachments should be excluded due to the quantity of the additional comments. These attachments seek to re-write large portions of the text of the PD, including ordering paragraphs. In addition, Appendix C has ten pages of tables regarding tax-related calculations, and Appendices D and E represent pages in excess of the 25 page limit in Rule 14.3(b). The responding parties contend that it would be patently unfair for other parties to review and reply to these additional pages.

The third argument as to why the Motion should be denied is due to "the inappropriate nature of some of the changes proposed in the non-conforming appendices." (Joint Response, at 3.) Appendix B to the Applicants' comments to the PD seeks to delete from the PD "any meaningful discussion of the Energy Division staff data requests served on the utilities in July 2015 and ultimately the subject of September 21, 2015 ruling and a subsequent round of comments submitted by a number of parties," and that the Applicants have provided no basis for those deletions.

The fourth argument as to why the Motion should be denied is that the attachments "are fundamentally unfair to the other parties," and places them "at a huge disadvantage to receive comments that far exceed the limits set in Rule 14.3(b) for no reason other than the utilities thought the additional material might 'aid' the Commission and its staff." (Joint Response, at 4.)

The Applicants were given permission to file a reply to the Joint Response. In its June 14, 2016 reply, the Applicants contend that Appendix A is permitted by Rule 14.3.

As for Appendices B-E, the Applicants contend these attachments should be allowed because “Rule 1.2 allows for liberal construction of the rules to ‘secure just, speedy, and inexpensive determination of the issues presented’, and ‘for good cause shown ... the Commission may permit deviations from the rules.’” (Reply, at 2.) The Applicants contend that Appendices B-E will assist the Commission and its staff in efficiently and accurately preparing the final decision.

With respect to Appendix B, the Applicants contend that it will alert the Commission to “miscalculations, typographical errors, and factual errors that are more easily understandable in a redline format,” and the language in the PD that should be stricken for the reasons stated in the Applicants’ comments on the PD. The Applicants contend that the intent behind Appendix B is not to rewrite the decision, but instead is to provide “precise and accurate wording” that “will impact Applicants’ implementation and compliance with the final decision.” (Reply, at 2-3.)

The Applicants contend that Appendices C and D should be included as part of their comments on the PD because the “final revenue requirement is an output of a complex RO Model, which includes a variety of interrelated entries,” and “in order for the RO Model results to be accurate, the inputs must be accurate.” (Reply, at 3.) The Applicants further state:

As Applicants prepared their PD Comments, it became clear that the RO Model included a number of errors related to the PD’s tax findings and other more general errors. When these errors were raised to Energy Division staff who had been

working on the RO Model, Applicants were asked to identify such errors with their PD Comments and also to include supporting workpapers with their PD Comments. Accordingly, Applicants prepared Appendices C and D. Appendices seemed like the most logical way to present this detailed information. Indeed, Applicants submitted similar appendices with their PD Comments in the 2012 GRC, without objection.

...The sheer volume of information associated with GRC decisions and the broad nature of the areas they cover often result in RO Model revisions that can be voluminous and extremely detailed, and therefore, not amenable to presentation in the body of comments, as opposed to an appendix. (Reply, at 3.)

Appendix E shows the difference between amortizing the rate change over a 12-month, and a 17-month, period, and compares how the different amortization periods impact average rates.

The Applicants also note in their reply that if the Commission prefers the information contained in Appendices C-E in a different format, that the Applicants will do so.

In deciding whether the Applicants' Motion to allow its comments on the PD to be filed with Appendices A-E, we are guided by Rule 14.3 and Rule 1.2. Rule 14.3(b) provides that the comments on a PD "shall not exceed 25 pages," and that the "appendix setting forth proposed findings of fact and conclusions of law" do not count against the 25-page limit. However, Rule 1.2 provides:

These rules shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented. In special cases and for good cause shown, and within the extent permitted by statute, the Commission may permit deviations from the rules.

Based on Rule 14.3(b), it is clear that the proposed findings of fact and conclusions of law contained in Appendix A of the Applicants' comments on the

PD should be permitted, and the Applicants' Motion with respect to Appendix A should be granted.

Appendix B of the Applicants' comments on the PD propose various changes to the ordering paragraphs and to the text of the PD. Some of the reasoning as to why these changes should be made is set forth in the body of the Applicants' comments on the PD. Rule 14.3 specifically provides that only proposed changes to the findings of fact and conclusions of law are permitted in the appendix to comments on a PD. Rule 14.3 does not mention including proposed changes to the ordering paragraphs or to the text of the decision. Due to Rule 14.3, and because the Applicants have not demonstrated sufficient cause as to why Appendix B should be allowed as part of the Applicants' comments on the PD, the Motion with respect to Appendix B should be denied.

With respect to Appendix C of the Applicants' comments, we recognize that the tax adjustments affect various parts of the RO Model. In Rule 10.3, the Commission refers to the input data, and the output produced by a computer model. In addition, Rule 10.3(b) states that, "If a sponsoring party modifies its computer model or the data base, and sponsors the modified results in the proceeding, such party shall provide the modified model or data to any requesting party...." Since the tax adjustments affect various parts of the inputs to the RO Model, and because those inputs cannot be easily described in the comments, the Applicants have shown good cause as to why the Motion should be granted with respect to Appendix C.

With respect to Appendix D, the only corrections shown are to the marine mitigation costs for SDG&E. The marine mitigation costs are also addressed at page 25 of the Applicants' comments. Since these costs are addressed in the comments, good cause has not been shown as to why Appendix D should be

included as part of the Applicants' comments to the PD. Accordingly, the Applicants' Motion with respect to the inclusion of Appendix D as part of the Applicants' comments on the PD is denied.

In Appendix E, a comparison of the rate impact for a 12-month and 17-month amortization are shown. The amortization schedules are also discussed at page 25 of the Applicants' comments on the PD. Since the amortization schedules have been addressed in the comments, good cause has not been shown as to why Appendix E should be included as part of the Applicants' comments to the PD. Thus, the Applicants' Motion with respect to the inclusion of Appendix E as part of the Applicants' comments on the PD is denied.

Therefore, **IT IS RULED** that:

1. The June 8, 2016 motion of San Diego Gas & Electric Company and Southern California Gas Company "Regarding Form of Opening Comments on Proposed Decision" is denied with respect to the inclusion of Appendices B, D, and E as part of the June 8, 2016 "Opening Comments on the Proposed Decision," and is granted with respect to the inclusion of Appendices A and C as part of their June 8, 2016 Opening Comments on the Proposed Decision.
2. Due to today's ruling, the individual and collective references to Appendices B, D, and E in the text of the June 8, 2016 Opening Comments on the Proposed Decision shall be stricken.

3. San Diego Gas & Electric Company, and Southern California Gas Company are directed within five days of this ruling to re-submit their Opening Comments on the Proposed Decision to reflect the removal of the appendices as described in this ruling, and the references in the comments to the appendices which have been removed.

Dated July 6, 2016, at San Francisco, California.

/s/ JOHN S. WONG

---

John S. Wong  
Administrative Law Judge

/s/ JOHN S. WONG for

---

Rafael L. Lirag  
Administrative Law Judge