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FILED

7-19-16

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 SPECIFIED
INFORMATION REGARDING THE EFFECT OF THE
SETTLEMENT AGREEMENT ON SAN DIEGO GAS & ELECTRIC
COMPANY'S CORE CUSTOMERS**

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 information specified in Appendix A of this Ruling. The due date for the document required by this Ruling is July 27, 2016.

IT IS RULED that the Settling Parties shall prepare, file, and serve by July 27, 2016, a document that contains the information specified in Appendix A of this Ruling.

Dated July 19, 2016, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

Appendix A
Required Information

The document filed and served on July 27, 2016, pursuant to this Ruling shall provide the following information:

1. The Settlement Agreement at Appendix C, Table 1 (for SDG&E) shows Natural Gas Transportation Rate Revenues. Of relevance here, Table 1 shows that on January 1, 2015, Core Residential comprised 79.0% of SDG&E System Total revenues (Column C, Row 2 divided by Column C, Row 26). Under the Settlement Agreement, Core Residential will comprise 84.1% of SDG&E System Total revenues on January 1, 2017 (Column F, Row 2 divided by Column F, Row 26).

The same Table shows that on January 1, 2015, Core Commercial and Industrial (Core C&I) comprised 16.5% of SDG&E System Total revenues (Column C, Row 3 divided by Column C, Row 26). Under the Settlement Agreement, Core C&I will comprise 10.3% of SDG&E System Total revenues on January 1, 2017 (Column F, Row 3 divided by Column F, Row 26).

- a. Please identify and explain the specific factors that cause the percentage of SDG&E System Total revenues allocated to Core Residential to increase under the Settlement Agreement from 79.0% on January 1, 2015 to 84.1% on January 1, 2017.
- b. Please explain why it is reasonable in light of the record, consistent with the law, and in the public interest for the percentage of SDG&E System Total revenues allocated to Core Residential to increase under the Settlement Agreement compared to January 1, 2015.
- c. Please identify and explain the specific factors that cause the percentage of SDG&E System Total revenues allocated to Core C&I to decrease under the Settlement Agreement from 16.5% on January 1, 2015 to 10.3% on January 1, 2017.
- d. Please explain why it is reasonable in light of the record, consistent with the law, and in the public interest for the percentage of SDG&E System Total revenues allocated to Core C&I to decrease under the Settlement Agreement compared to January 1, 2015.

(END OF APPENDIX A)