



FILED

8-15-16

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
GRANTING THE MOTION TO STRIKE**

On July 29, 2016, the Applicants filed a motion to strike those portions of the Southern California Generation Coalition's (SCGC) reply brief filed on July 27, 2016, in which SCGC presents arguments and recommendations about the types of costs that can be recorded in the Aliso Canyon memorandum account (ACMC). The Applicants contend that pursuant to Decision (D.) 16-03-031, the sole matter that parties may address in their briefs regarding the ACMC is the procedure and timeframe for determining whether, and to what extent, the authorized revenue requirement and actual revenues tracked by the ACMC should be refunded to Southern California Gas Company's (SoCalGas) customers.

SCGC filed a response on August 8, 2016. There were no other responses. In its response, SCGC states that the Applicants' motion to strike should be denied. SCGC argues that the portions of its reply brief which the Applicants move to strike constitute a permissible reply to matters raised by other parties in their opening briefs regarding the scope of the costs tracked by the ACMC.

Ruling

In D.16-03-031, the Commission ordered SoCalGas “to establish a memorandum account, effective immediately, to track its authorized revenue requirement and all revenues that SoCalGas receives for its normal, business-as-usual costs to own and operate Aliso Canyon.”¹ These business-as-usual costs “include depreciation, rate-of-return, taxes, operations and maintenance, administrative and general, and all other direct and indirect costs that SoCalGas incurs to own and operate Aliso Canyon in the normal course of business.”²

Decision 16-03-031 states at Ordering Paragraph 4 that the Commission may decide in this proceeding (Application 15-07-014) the procedure and timeframe for determining whether, and to what extent, the authorized revenue requirement and revenues tracked by the ACMC should be refunded to SoCalGas’s customers. The same Ordering Paragraph states that “parties in A.15-07-014 may recommend an appropriate procedure and timeframe in their briefs filed in A.15-07-014... or at such other times as directed by the assigned Commissioner and/or the assigned Administrative Law Judge for A.15-07-014.”

This Ruling finds that the portions of SCGC’s reply brief that contain arguments and recommendations about the types of costs that can be recorded in the ACMC are not explicitly authorized by D.16-03-031 and do not appear to be relevant to the “procedure and timeframe” issue. Therefore, to avoid burdening the record of this proceeding, the Applicants’ motion to strike is granted.

¹ D.16-03-031 at 8, Ordering Paragraph 1.

² D.16-03-031 at 8, Ordering Paragraph 1.

In accordance with the Applicants' motion, the following portions of SCGC's reply brief are stricken:

- The sentence on page 2 (in the un-numbered lead-in discussion) that reads: "SCGC submits this reply brief to clarify the amounts that should be recorded in the ACRMA."
- All of Section I (pp. 2-4).
- All of Attachment A. (pp. 7-10).
- All of Attachment B. (pp. 11-13).
- The following language from SCGC's Conclusion: "For the reasons set forth above, SCGC recommends ~~that the Commission continue to require in its decision in this proceeding that only Aliso Canyon related revenues and not Aliso Canyon "actual costs" be recorded in the ACRMA and that the refunding of the revenues recorded in the ACRMA be considered in the investigatory proceeding that would commence after the SED issues its report on the root causes for the Aliso Canyon leak.~~"

Within 14 days of this Ruling, SCGC shall file a revised reply brief that does not include those portions of the reply brief that are stricken by this Ruling.

The revised reply brief may correct Footnote 14 of the current reply brief that erroneously refers to Attachment B (that is stricken by today's Ruling). It appears that the intended citation in Footnote 14 is D.16-06-054, page 251.

IT IS RULED that:

1. The Applicants' motion to strike filed on July 29, 2016, is granted. Those portions of the Southern California Generation Coalition's reply brief filed on July 27, 2016, identified in the body of this Ruling are stricken.

2. Within 14 days of this Ruling, the Southern California Generation Coalition shall file a revised reply brief that does not include those portions of the reply brief that are stricken by this Ruling. The revised reply brief may correct an erroneous citation in a footnote that is described in the body of this Ruling.

Dated August 15, 2016, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge