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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U902E) for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts.

Application 16-04-018
(Filed April 15, 2016)

**ASSIGNED COMMISSIONER'S RULING AMENDING
SCOPE BY CREATING A SECOND PHASE**

Summary

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules), a Scoping Memo and Ruling was issued on June 14, 2016. It is necessary to issue an amended Scoping Memo and Ruling to create a second phase in this proceeding to determine whether San Diego Gas & Electric Company appropriately calculated the Power Charge Indifference Adjustment charge for pre-2009 vintage Direct Access customers. The changes are set forth below. All other aspects of the original and Amended Scoping Memo and Ruling remain unchanged.

1. Background

On April 15, 2016, San Diego Gas & Electric Company (SDG&E) filed Application (A.) 16-04-018, its *Application of San Diego Gas & Electric Company (U 902 E) for Approval of its 2017 Electric Procurement Revenue Requirement Forecasts and GHG-Related Forecasts* (Application).

On April 21, 2016, Resolution ALJ 176-3376 preliminarily determined that this proceeding was ratesetting and that hearings would be necessary. The Office of Ratepayer Advocates (ORA) filed a protest to the Application on

May 23, 2016. The Alliance for Retail Energy Markets (AReM) and Direct Access Customer Coalition (DACC) filed a response to the Application on May 23, 2016. SDG&E replied to the protest and response on June 2, 2016. On June 6, 2016, a Prehearing Conference (PHC) took place in San Francisco to establish the service list, discuss the scope, and develop a procedural timetable for the management of this proceeding.

On August 23, 2016, the parties to this proceeding informed the Administrative Law Judge (ALJ) that they had reached an agreement to withdraw the only answering testimony on behalf of AReM and DACC.¹ The parties agreed that SDG&E would not file rebuttal testimony on the issue, and that it would be solved through briefing.²

One issue in scope of the current proceeding is whether negative indifference amounts associated with pre-2009 Direct Access customers should be retired along with the expiration of the Department of Water Resources (DWR) Contracts.

A similar issue related to the pre-2009 Power Charge Indifference Adjustment (PCIA) vintage is being contemplated in A.16-05-001 (Southern California Edison Company (SCE)) and A.16-06-003 (Pacific Gas and Electric Company (PG&E)) pending 2017 ERRRA forecast proceedings. In A.16-05-001, the parties are in dispute as to whether the pre-2009 vintaged DA customers should continue to be charged a PCIA with the expiration of the DWR Contracts. In

¹ Mark Fulmer's testimony was submitted on August 8, 2016 on behalf of AReM and DACC. In this testimony AReM and DACC took issue with SDG&E's calculation of the PCIA charge for pre-2009 vintage DA customers.

² SDG&E and AReM/DAAC filed opening briefs on October 3, 2016 and reply briefs on October 14, 2016.

A.16-06-003, PG&E believes that the negative indifference amounts should be retired with the DWR contracts and PG&E has removed the PCIA charge for pre-2009 DA customers.

2. Discussion

The Commission is of the opinion that pre-2009 DA customers and their associated indifference amounts should be treated consistently, while taking into consideration the unique circumstances in each investor-owned utilities' territory. The timely issuances of decisions in ERRRA forecast proceedings are necessary so that revenue requirements and rate proposals can be consolidated with revenue requirements approved in other proceedings so that there are consolidated rate changes on January 1, 2017 for each utility.

In order to afford sufficient time to consider the issue related to the negative indifference amount associated with pre-2009 DA customers, we reserve this limited issue to be resolved in the second phase of this proceeding while maintaining the proceeding schedule as set out in the June 14, 2016 and September 8, 2016 Scoping Memorandums. The Commission anticipates resolving the issue of pre-2009 PCIA vintage and the associated negative indifference for all California DA customers in a consolidated proceeding in 2017.

IT IS RULED:

1. The issue of whether pre-2009 vintaged Direct Access customers should continue to be charged a Power Charge Indifference Adjustment with the expiration of the Department of Water Resources contracts is reserved for Commission resolution in the second phase of Application 16-04-018.

2. All other aspects of the original Scoping Memo and Ruling issued on June 14, 2016 and the Amended Scoping Memo and Ruling issued on September 8, 2016 remain unchanged.

Dated November 1, 2016, at San Francisco, California.

/s/ MICHEL PETER FLORIO

Michel Peter Florio
Assigned Commissioner