Southern California Gas Company, San Diego Gas & Electric Company, and Southern California Edison Company

Omnibus Application

A.06-08-026

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Summary of the Application

- Results from the “Continental Forge” and “Sempra Utilities – SCE” settlements that resolve 2000-01 Energy Crisis claims and market power allegations
- Provides significant benefits to gas and electric customers by:
  - Directly reducing the costs of utility service
  - Increasing transparency
  - Introducing new services
- Resolves more than 10 years of contentious litigation between Sempra Utilities and SCE

The Application Represents a Careful Balancing of Interests

- The Sempra Utilities, Continental Forge plaintiffs and SCE expended significant resources and time to develop the comprehensive and balanced set of proposals contained in the Application
- The package of proposals treats core and noncore customers fairly
- Individual proposals should not be viewed in isolation (e.g., new core balancing rules are closely related to the transfer of minimum flow requirements from core customers to the system operator)
- A number of the proposals are designed to treat the core more like the noncore

Changes Proposed by Intervenors Should be Rejected

- Most parties to this proceeding support elements of the Application, while seeking certain modifications to enhance their interests
- To Applicants, this demonstrates that the settlements achieve the right balance
- Intervenors such as Coral want more more concessions from Sempra Utilities and/or additional market modifications that adversely impact core interests, system operations, and/or utility shareholders
- Changing the proposals presented in the Application will inevitably upset the careful balance represented by the settlements, and harm some other customer group or utility shareholders