



**FILED**

12-23-10

09:11 AM

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

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U902E) for Adoption of its 2011 Energy Resource Recovery Account Revenue Requirement and Competitive Transition Charge Revenue Requirement Forecasts.

Application 10-10-001  
(Filed October 1, 2010)

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

**Summary**

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),<sup>1</sup> this Scoping Memo and Ruling sets forth the procedural schedule, assigns the presiding officer, and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on December 6, 2010.

**Background**

On October 1, 2010, San Diego Gas & Electric Company (SDG&E) filed Application (A.) 10-10-001, its *Application of San Diego Gas & Electric Company (U902E) for Adoption of its 2011 Energy Resource Recovery Account Revenue Requirement and Competitive Transition Charge Revenue Requirement Forecasts* (Application).

---

<sup>1</sup> All references to rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at [http://docs.cpuc.ca.gov/word\\_pdf/RULES\\_PRAC\\_PROC/70731.pdf](http://docs.cpuc.ca.gov/word_pdf/RULES_PRAC_PROC/70731.pdf).

On October 14, 2010, Resolution ALJ-176-3262 preliminarily determined that this proceeding was ratesetting and that hearings would not be necessary. On November 5, 2010, the Division of Ratepayer Advocates (DRA) filed a protest, to which SDG&E responded on November 15, 2010. On November 18, 2010, the assigned Administrative Law Judge (ALJ) issued *Administrative Law Judge's Ruling Setting a Prehearing Conference*.

On December 6, 2010, a prehearing conference (PHC) took place in San Francisco to establish the service list for the proceeding, discuss the scope of the proceeding, and develop a procedural timetable for the management of the proceeding. Party status has been granted to the DRA and the Alliance for Retail Energy Markets.

### **Category, Need for Hearing, and *Ex Parte* Rules**

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's preliminary categorization. This ruling affirms the preliminary categorization of ratesetting.

In order to err on the side of caution, as noted in the schedule below and in accordance with Rule 7.3(a), today's scoping memo adopts a procedural schedule that includes hearings. In a ratesetting proceeding, *ex parte* rules as set forth in Rules 8.1, 8.2, 8.3, 8.5 and Pub. Util. Code § 1701.3(c)<sup>2</sup> apply, until such time as we make a final determination regarding the need for hearings.

---

<sup>2</sup> All section references are to the Public Utilities Code.

## **Discovery**

If parties have discovery disputes they are unable to resolve by meeting and conferring, they should raise these disputes with the presiding officer, pursuant to Rule 11.3.

## **Scope of Proceeding**

Through the Application, the protest to the Application, the reply to the protest, and discussions during the PHC, parties conducted an exchange that has helped to refine the scope of the Application. This proceeding will examine whether SDG&E's proposed request for approval of its 2011 forecast of Energy Resource Recovery Account (ERRA) revenue requirement, Competitive Transition Charge revenue requirement, Power Charge Indifference Amount, and market benchmark price, are in compliance with existing applicable Commission decisions, rules, and regulations, and should be adopted, including a discussion of;

1. Whether SDG&E should be authorized to offset an ERRA over/under-collection by a Non-Fuel Generation Balancing Account over/under-collection when determining the monthly ERRA trigger balance;
2. Whether SDG&E's request for recovery of costs associated with the equity rebalancing associated with the Otay Mesa Power Purchase Agreement should be authorized; and
3. Whether the currently applicable method for SDG&E to recover end of year ERRA balances, pursuant to Decision 09-04-021, should be revised, and if so, how it should be revised.

In their opening and rebuttal testimony, parties should address any issues within the scope of this proceeding on which factual information may be helpful to explain or support their positions.

**Proceeding Schedule**

The following schedule best accommodates the diverse interests and prior commitments of the parties and their representatives.

<b>Event</b>	<b>Date</b>
<b>SDG&amp;E Amended/Updated Application Filed</b>	<b>January 14, 2011</b>
<b>Non-Utility Testimony Served</b>	<b>February 8, 2011</b>
<b>SDG&amp;E Rebuttal Testimony Served</b>	<b>February 22, 2011</b>
<b>Hearings (if needed)</b>	<b>March 2, 2011, at 10:00 a.m., in the Commission Courtroom, State Office Building, at 505 Van Ness Avenue, San Francisco, CA 94102.</b>
<b>Opening Briefs</b>	<b>March 8, 2011</b>
<b>Reply Briefs</b>	<b>March 15, 2011</b>
<b>Proposed Decision Issued</b>	<b>April 2011</b>
<b>Commission Decision Issued</b>	<b>May 2011</b>

Parties also agreed that Opening Comments on the proposed decision would be filed 10 days after issuance of the proposed decision, and Reply Comments would be filed five days after that.

Consistent with Pub. Util. Code § 1701.5, the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo.

### **Intervenor Compensation**

The PHC in this matter was held on December 6, 2010. Pursuant to Pub. Util. Code § 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by January 5, 2011.

### **Presiding Officer**

Pursuant to Rule 13.2, I designate ALJ Seaneen M. Wilson as the Presiding Officer.

### **Filing, Service, and Service List**

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the party or state service list member did not provide an e-mail address.

If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.10-10-001 – SDG&E ERRRA Forecast Request. In addition, the party sending the e-mail should briefly describe the attached communication; for example, *Comments*. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process Office. Prior to serving any document, each party must ensure that it is using the most up-to-date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at (866) 849-8390 or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

**IT IS RULED that:**

1. The issues and schedule are as set forth in the body of this ruling unless amended by a subsequent amended scoping memo or ruling of the Presiding Officer.
2. This proceeding is categorized as ratesetting.
3. This proceeding may require evidentiary hearings.



**INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated December 23, 2010, at San Francisco, California.

/s/ LILLIAN LI  
\_\_\_\_\_  
Lillian Li

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

\*\*\*\*\*

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

\*\*\*\*\* SERVICE LIST \*\*\*\*\*

Last Updated on 21-DEC-2010 by: JVG

A1010001 LIST

\*\*\*\*\* PARTIES \*\*\*\*\*

Daniel W. Douglass  
DOUGLASS & LIDDELL  
21700 OXNARD STREET, SUITE 1030  
WOODLAND HILLS CA 91367-8102  
(818) 961-3001  
douglass@energyattorney.com  
For: Alliance for Retail Energy Markets

---

John A. Pacheco  
SEMPRA ENERGY  
101 ASH STREET, HQ-12  
SAN DIEGO CA 92101-3017  
(619) 699-5130  
JPacheco@SempraUtilities.com  
For: San Diego Gas & Electric Company

---

Mitchell Shapson  
Legal Division  
RM. 4107  
505 VAN NESS AVENUE  
San Francisco CA 94102 3298  
(415) 703-2727  
sha@cpuc.ca.gov  
For: DRA

\*\*\*\*\* STATE EMPLOYEE \*\*\*\*\*

Andrew Campbell  
Executive Division  
RM. 5203  
505 VAN NESS AVENUE  
San Francisco CA 94102 3298  
(415) 703-2501  
agc@cpuc.ca.gov

Donna J. Hines  
Division of Ratepayer Advocates  
RM. 4102  
505 VAN NESS AVENUE  
San Francisco CA 94102 3298  
(415) 703-2520  
djh@cpuc.ca.gov

Sean Wilson  
Administrative Law Judge Division  
RM. 5022  
505 VAN NESS AVENUE  
San Francisco CA 94102 3298  
(415) 703-1525  
smw@cpuc.ca.gov

\*\*\*\*\* INFORMATION ONLY \*\*\*\*\*

CALIFORNIA ENERGY MARKETS  
425 DIVISADERO ST. STE 303  
SAN FRANCISCO CA 94117-2242  
(415) 963-4439  
cem@newsdata.com

MRW & ASSOCIATES, LLC  
EMAIL ONLY  
EMAIL ONLY CA 00000  
(510) 834-1999  
mrw@mrwassoc.com

Case Coordination  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE ST., PO BOX 770000 MC B9A  
SAN FRANCISCO CA 94105  
(415) 973-2776  
RegRelCPUCCases@pge.com

Donna Barry  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET, MC B9A  
SAN FRANCISCO CA 94177  
(415) 973-5708  
dlbf@pge.com

Kimberly C. Jones  
PACIFIC GAS AND ELECTRIC COMPANY  
77 BEALE STREET, MC B9A, ROOM 904  
SAN FRANCISCO CA 94105  
(415) 973-8844  
Kcj5@pge.com

Dean A. Kinports  
Regulatory Case Administrator  
SAN DIEGO GAS & ELECTRIC COMPANY  
8330 CENTURY PARK CT., CP32D  
SAN DIEGO CA 92123-1530  
(858) 654-8679  
DAKinports@semprautilities.com  
For: San Diego Gas & Electric Company

---

Case Administration  
SOUTHERN CALIFORNIA EDISON COMPANY  
2244 WALNUT GROVE AVE. / PO BOX 800  
ROSEMEAD CA 91770  
(626) 302-3101  
case.admin@sce.com

**\*\*\*\*\* SERVICE LIST \*\*\*\*\***

**Last Updated on 21-DEC-2010 by: JVG  
A1010001 LIST**

Connor Flanigan  
Attorney  
SOUTHERN CALIFORNIA EDISON COMPANY  
2244 WALNUT GROVE AVE.  
ROSEMEAD CA 91770  
(626) 302-6684  
connor.flanigan@sce.com