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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Central Valley Gas Storage, LLC (U915G), Nicor Inc., and AGL Resources Inc. For Expedited Ex Parte Authorization to Transfer Ownership of Central Valley Gas Storage, LLC to AGL Resources Inc.

Application 11-01-021
(Filed January 25, 2011)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE

1. Summary

This scoping memo identifies the issues to be considered in this proceeding, sets a procedural schedule and determines the category of the proceeding and the need for hearings pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure.¹

2. Background

On January 25, 2011, Central Valley Gas Storage, LLC (Central Valley), Nicor Inc. (Nicor) and AGL Resources Inc. (AGLR) (collectively, Joint Applicants) filed an application seeking authorization for a change in the ultimate ownership and control of Central Valley from Nicor to AGLR. In their

¹ All subsequent references to "Rules" or "Rule" are to the Commission's Rules of Practice and Procedure. The full text of the Commission's Rules may be found on the Commission's website at www.cpuc.ca.gov.

application, Joint Applicants state that the change in ultimate ownership and control would be the result of an agreement and plan of merger between Nicor and AGLR.

The Division of Ratepayer Advocates (DRA) filed a Motion for Party Status. In its motion, DRA states that it seeks to ensure that the application would not modify or change the nature of the settlement adopted by the Commission in Decision (D.) 10-10-001, which granted Central Valley a Certificate of Public Convenience and Necessity (CPCN) for the construction and operation of an underground natural gas storage facility in Colusa County, including a 14.7 mile pipeline to connect with Pacific Gas and Electric Company's (PG&E) natural gas transmission system.

A duly noticed prehearing conference (PHC) was held on March 15, 2011.

3. Scope

Based on discussion at the PHC, the scope of this proceeding is to determine whether to grant Joint Applicants' request for an indirect change of ownership and control in Central Valley under Pub. Util. Code § 854. In making this determination, the Commission shall consider whether the proposed change will impact any of the conditions imposed on Central Valley as part of its grant of a CPCN in D.10-10-001.

4. Schedule

At the PHC, it was determined that further briefing was not necessary. Additionally, counsel for Central Valley and Nicor stipulated that Central Valley would abide by all the terms and conditions imposed by D.10-10-001 as part of its grant of the CPCN.

The schedule for this proceeding is as follows:

January 25, 2011	Application Filed
March 24, 2011	PHC Held
May 2011	Proposed Decision Issued
June 2011	Final Commission Decision

5. Assigned Commissioner; Presiding Officer

Michel Peter Florio is the assigned Commissioner. Pursuant to Public Utilities Code Section 1701.3 and Rule 13.2, Administrative Law Judge (ALJ) Amy Yip-Kikugawa is designated as the presiding officer.

6. Categorization, Ex Parte Communications and Intervenor Compensation

This application was preliminarily categorized as ratesetting in Resolution ALJ 176-3269, issued on February 24, 2011. Today's scoping ruling confirms that categorization, and confirms that evidentiary hearings are not needed. Anyone who disagrees with this categorization must file an appeal of the categorization no later than 10 days after the date of this scoping ruling. (See Rule 7.6.)

In a ratesetting proceeding such as this one, ex parte communications with the assigned Commissioner, other Commissioners, their advisors and the ALJ are only permitted as described at Public Utilities Code Section 1701.3(c) and Rules 8.2, 8.3 and 8.5.

7. Filing, Service and Service List

The official service list was created at the March 24, 2011 PHC and is now on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's

Process office, the service list, and the judge. 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 web site meets that definition.

Electronic service is now the standard under Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded that, when serving copies of documents, the document format must be consistent with the requirements set forth in Rule 1.10(a).

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at www.cpuc.ca.gov/PUC/efiling. All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

IT IS RULED that:

1. This proceeding is categorized as ratesetting. This ruling is appealable within 10 days under Rule 7.6.
2. The Commission's preliminary determination that hearings are not necessary is confirmed.
3. The schedule for the proceeding is as set forth in Section 4 of this Ruling.
4. Rules 8.2, 8.3 and 8.5 governing *ex parte* communications apply to this proceeding.
5. The scope of issues to be considered are those described in Section 3 of this ruling.

6. Administrative Law Judge Amy Yip-Kikugawa is designated as the presiding officer.

Dated March 30, 2011, at San Francisco, California.

/s/ MICHEL PETER FLORIO
Michel Peter Florio
Assigned Commissioner

/s/ JANET A. ECONOME for
Amy Yip-Kikugawa
Administrative Law Judge