



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

05-05-08
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Application by Sacramento Natural Gas Storage, LLC for a Certificate of Public Convenience and Necessity for Construction and Operation of Natural Gas Storage Facilities and Requests for Related Determinations

A.07-04-013
(Filed April 9, 2007)

PREHEARING CONFERENCE STATEMENT OF THE DIVISION OF RATEPAYER ADVOCATES

I. INTRODUCTION

In accordance with the April 28, 2008, “Administrative Law Judge’s Ruling Scheduling Prehearing Conference and Calling For Prehearing Conference Statements” (ALJ Ruling), the Division of Ratepayer Advocates (DRA) hereby submits its “Prehearing Conference Statement of the Division of Ratepayer Advocates” in the above-captioned docket, the Application of Sacramento Natural Gas Storage, LLC (SNGS) for authorization for a Certificate of Convenience and Necessity (CPCN) for the construction and operation of the Sacramento Natural Gas Storage Facility in Sacramento County, California, including all necessary facilities for interconnections with Pacific Gas & Electric Company’s (PG&E’s) and Sacramento Municipal Utility Districts’ (SMUD’s) gas transmission systems. SNGS also requested that the CPUC grant SNGS authority to charge market-based rates for storage services, adopt a Mitigated Negative Declaration and issue a Notice of Determination pursuant to the California Environmental Quality Act (CEQA), and determine that “[a]pplicant’s financing is exempt from the

requirements of Code Sections 818 and 851 and the Commission's Competitive Bidding Rule."¹ The CEQA issues have since been handled in a separate part of this proceeding.

II. ISSUES

In its "Response of the Division of Ratepayer Advocates" filed May 16, 2007, DRA stated that it generally supported the Application and did not object to granting SNGS a CPCN, the authority to charge market-based rates, and the exemptions SNGS seeks. DRA only requested that SNGS file reports containing certain information about its storage activities, and that the Commission limit the requested exemptions to the initial financing for the SNGS project and not extend the exemptions for any further transactions.

After a telephone conference with SNGS's attorney as encouraged by the ALJ Ruling, DRA and SNGS have agreed that SNGS will make the following information available to DRA and to the Commission in an annual report, pursuant to the confidentiality provisions established by Public Utilities Code Section 583:

1. The capacity of the facilities, *i.e.*, total inventory, injection and withdrawal rights.
2. Average monthly inventory in storage, injections, and withdrawals.
3. Daily operating records.
4. Annual firm capacity under contract.
5. Annual interruptible capacity sold.
6. Annual safety report describing all safety-related incidents.

Thus, DRA requests that as part of the Scoping Memo in this proceeding, the issue of annual reporting requirements be listed as resolved in accordance with the above

¹ Application of Sacramento Natural Gas Storage, pp. 3-4.

description, and that the decision in this proceeding recognize and adopt these reporting requirements.

SNGS also requested that the Commission determine that SNGS “is exempt from the requirements of Code Sections 818 and 851 in connection with Applicant’s financing of the development of the proposed SNGS facility.”² DRA did not object to this request, as long as the Commission limits the exemption to the financing of the development of the proposed SNGS facility and no other transactions. DRA and SNGS briefly discussed this issue, and SNGS agreed that its request was made only in reference to the Applicant’s financing.

III. NO NEED FOR EVIDENTIARY HEARINGS

The ALJ Ruling stated that “DRA’s response does not indicate whether it believes hearings are necessary.”³ DRA apologizes for this omission. DRA does not believe evidentiary hearings are necessary to resolve the issues in this proceeding.

² *Id.* at 6.

³ ALJ Ruling, P. 2.

Respectfully submitted,

/s/ JONATHAN A. BROMSON

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Dated: May 5, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the “**PREHEARING CONFERENCE OF THE DIVISION OF RATEPAYER ADVOCATES**” on the service list for **A.07-04-013** by serving a copy to each party by electronic mail, or by mailing a properly addressed copy by first-class mail with postage prepaid to each party unable to accept service by electronic mail.

Executed on May 5, 2008, at San Francisco, California.

/s/ HALINA MARCINKOWSKI

Halina Marcinkowski

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 and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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