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

Application of Pacific Gas and Electric
Company (U 39 M), San Diego Gas & Electric
Company (U 902 E), Southern California
Edison Company (U 338 M) and Southern
California Gas Company for Authority to
Increase Electric and Natural gas Rates and
Charges to Recover California Air Resources
Board Assembly Bill 32 Cost of
Implementation Fee

A. 10-08-002
(Filed August 2, 2010)

**PROTEST OF UTILITY CONSUMERS' ACTION NETWORK (UCAN) OF THE JOINT
APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (PG&E) SAN DIEGO
GAS & ELECTRIC COMPANY (SDG&E) SOUTHERN CALIFORNIA EDISON
COMPANY (SCE) AND SOUTHER CALIFORNIA GAS COMPANY (SOCALGAS) TO
RECOVER CALIFORNIA AIR RESOURCES BOARD ASSEMBLY BILL 32 COST OF
IMPLEMENTATION FEE**

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September 9, 2010

I. INTRODUCTION

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, UCAN hereby protests this application. On August 2, 2010, PG&E, SDG&E, SCE, and SoCalGas (Joint IOUs) brought this joint application following the Commission's dismissal of their joint advice letter request recovery of these fees. The Joint IOUs are requesting to recover their estimated costs from the AB 32 Cost of Implementation Fee, which they anticipate they will incur following the adoption of a State Budget. UCAN's protest is limited to SDG&E's part of the application.

II. GROUNDS FOR PROTEST

UCAN has numerous concerns about the application with regards to SDG&E and its bases for asserting the need to recover costs. UCAN's protest is based on the following points

1. SDG&E has not stated the authoritative basis upon which it has brought this application. Resolution G-3447 did not allow or otherwise provide an authoritative basis for the Joint IOUs to file an application for recovery of these costs. Resolution G-3447 merely stated that the application process not the advice letter process was the appropriate manner to pursue a rate increase. If this application moves forward, UCAN intends to bring a motion to dismiss SDG&E from the application at the appropriate time in this proceeding given the utility's lack of an authoritative basis upon which to bring this application.
2. SDG&E proposes an inappropriate mechanism for cost recovery. The Z-Factor mechanism regardless of whether these costs would qualify is the approved mechanism through which to pursue these costs. SDG&E has failed to offer any explain in the application why it has not sought to pursue these costs through the approved Z-factor mechanism.
3. The application has not been brought at the appropriate time as the identified costs as SDG&E will not incur any costs until the California legislature passes and the Governor approves a state budget. To date, a budget has not been signed. Moreover, the anticipated costs may be rendered invalid following the November election as Proposition 23 could result in the suspension of AB 32 or the newly elected Governor

could choose to suspend AB 32. For that reason, UCAN urges that processing of this application be delayed until after November 3rd.

III. EFFECT OF THE APPLICATION ON THE PROTESTANT

UCAN is a non-profit consumer advocacy organization, and has a long history of representing the interests of SDG&E's residential and small commercial customers before this Commission. UCAN's articles of incorporation specifically authorize our representation of the interests of residential customers. The instant application harms the interests of SDG&E's residential and small commercial ratepayers, whose interests UCAN represents.

IV. PROCEDURAL MATTERS

The Joint IOUs have requested an expedited decision-making schedule on its belief that the state budget would be adopted within the summer or early September. UCAN objects to this expedited schedule for as stated above it does not believe this application has been filed at the appropriate time. UCAN requests that the Commission create an opportunity to parties to file motions sometime after November 3rd to challenge the legal basis of the applications.

V. CONCLUSION

For these reasons, UCAN protests the application tendered by the Joint IOU.

Respectfully Submitted,

Dated: September 9, 2010

/s/

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CERTIFICATE OF SERVICE

I hereby certify that I, Laura Impastato, have this day served a copy of the foregoing

PROTEST OF UTILITY CONSUMERS' ACTION NETWORK (UCAN) OF THE JOINT APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (PG&E) SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E) SOUTHERN CALIFORNIA EDISON COMPANY (SCE) AND SOUTHER CALIFORNIA GAS COMPANY (SOCALGAS) TO RECOVER CALIFORNIA AIR RESOURCES BOARD ASSEMBLY BILL 32 COST OF IMPLEMENTATION FEE

on the electronic service list for A.10-08-002. The ALJ has been provided a paper copy of the protest. Dated at San Diego, California, this 9th day of September, 2010.

Signed,

/s/

Laura Impastato

ELECTRONIC SERVICE LIST FOR A. 10-08-002

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