

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Integrate Their Gas Transmission Rates, Establish Firm Access Rights, and Provide Off-System Gas Transportation Services.

Application 04-12-004
(Filed December 2, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

On May 26, 2005, The Utility Reform Network (TURN) filed its "Notice of Intent to Claim Compensation" (NOI) in the above-captioned proceeding. No one filed a response to TURN's NOI.

Public Utilities Code §1804(a)(1) provides that "[a] customer who intends to seek an award under this article shall, within 30 days after the prehearing conference (PHC) is held, file and serve on all parties to the proceeding a notice of intent to claim compensation."¹ The prehearing conference in this proceeding was held on April 28, 2005. TURN's NOI is timely filed.

Section 1804(a)(2) provides that a NOI is to include a statement of the nature and extent of the customer's planned participation in the proceeding, and an itemized estimate of the compensation that the customer expects to request. In addition, the NOI may include a showing by the customer that participation in the proceeding would pose a significant financial hardship. If such a showing is made, the Administrative Law Judge (ALJ), in consultation with the assigned

Commissioner, is to issue a preliminary ruling addressing whether the customer will be eligible for an award of compensation.

In Decision (D.) 98-04-059 [79 CPUC2d 628] the Commission directed that if a ruling is issued as a result of the filing of a NOI, that the ALJ rule on whether the intervenor is a customer as defined in §1802(b),² and which category of customer the intervenor represents. The type of customer category determines the standard of “significant financial hardship” that applies.

TURN’s NOI at page 1 states that it is a “group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers.” TURN has previously submitted the relevant portion of its articles of incorporation in other Commission proceedings. TURN meets the definition of customer as defined in § 1802(b).

TURN anticipates that it will participate actively in this proceeding, and that its primary interest “is in evaluating the impact of the proposals on core gas procurement and gas market competitiveness....” (NOI, p. 2.) TURN is particularly interested in the following issues:

- Would the system integration proposal unfairly harm SoCalGas ratepayers by raising rates;

¹ All code section references are to the Public Utilities Code.

² A “customer” is defined in §1802(b) to mean “any participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission; any representative who has been authorized by a customer; or any representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, but does not include any state, federal, or local government agency, any publicly owned public utility, or any entity that, in the commission’s opinion, was established or formed by a local government entity for the purpose of participating in a commission proceeding.”

- Would the system integration proposal unfairly benefit LNG flowing in from Mexico over the SDG&E system;
- Is there any need to create a system of firm access rights, or does such a system simply increase costs without any benefits;
- Is the proposed core set aside of firm rights reasonable and equitable;
- Is the proposed 120% pricing for interruptible capacity reasonable; does the pricing create perverse incentives;
- Are the proposed firm access zones reasonable.

Section 1801.3(f) recognizes that the intervenor compensation provisions are to be “administered in a manner that encourages the effective and efficient participation of all groups that have a stake in the public utility regulation process,” and “that avoids unproductive or unnecessary participation that duplicates the participation of similar interests otherwise adequately represented....” TURN states that it will “endeavor to coordinate with ORA [Office of Ratepayer Advocates] on issues on which we share common positions and/or analyses.” (NOI, p. 3.)

TURN provided an itemized estimate of the compensation that it expects to request in Phase 1. TURN plans to submit an updated NOI for the Phase 2 work, depending on the outcome of Phase 1. Assuming one week of hearings in Phase 1, TURN estimates its compensation at \$34,750. TURN states that the actual amount of any future request for compensation will depend upon the Commission’s ultimate decision in this case.

TURN has elected to rely on § 1804(b)(1) to make its showing of significant financial hardship in this proceeding. That subdivision provides in pertinent part:

“A finding of significant financial hardship shall create a rebuttable presumption of eligibility for compensation in other commission proceedings commencing within one year of the date of that filing.”

TURN states that such a finding was made in Rulemaking 04-04-003 in a July 27, 2004 ruling. Since this proceeding was initiated within one year of that finding, the previous finding creates a rebuttable presumption of eligibility for compensation in this proceeding. Given that no one has responded to TURN’s NOI to rebut the presumption of eligibility, TURN is presumed to be eligible for compensation in this proceeding.

IT IS RULED that:

1. The Utility Reform Network (TURN) has met the eligibility requirements of Public Utilities Code § 804(a), including the requirement that it establish significant financial hardship.
2. TURN is eligible to file a claim for an award of compensation in this proceeding.

Dated June 23, 2005 at San Francisco, California.

/s/ JOHN S. WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day, served a true copy of the original attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record.

Dated June 23, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

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 insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.