

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

In the Matter of the Application of  
Southern California Gas Company to  
Establish Regulatory Authority Over the Access  
for Natural Gas Provided by California Gas  
Producers.

Application 04-08-018  
(Filed August 16, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING  
AND NOTICE OF PREHEARING CONFERENCE**

**Summary**

This ruling notices a prehearing conference for August 17, 2005, at 10:00 a.m., to discuss the scope of issues to be addressed in this proceeding, the status of negotiations, the status of the standardized interconnection and operational balancing agreement (IOBA) in Rulemaking (R.) 04-01-025 and its impact on this proceeding, and the procedural schedule for resolving this application.

**Background**

Southern California Gas Company (SoCalGas) filed the above-captioned application on August 16, 2004. SoCalGas' application requests that the Commission approve and establish the terms and conditions under which California's natural gas producers will be granted access to SoCalGas' system. SoCalGas and the California gas producers have in the past entered into dozens of separate access agreements regarding California gas and SoCalGas' system. According to SoCalGas, these access agreements have differed from SoCalGas'

IOBAs with interstate gas suppliers, especially with respect to the imbalance and cash-out provisions. SoCalGas' application proposes "to replace all California Access Agreements with a standard IOBA that would treat California producers and all other suppliers to the utility alike in terms of access to the SoCalGas system." (Application, p. 3.)

Individual protests to the application were filed by ExxonMobil Gas & Power Marketing Company (ExxonMobil), the Office of Ratepayer Advocates (ORA), and the Southern California Generation Coalition (SCGC). A joint protest was filed by the Indicated Producers, California Independent Petroleum Association, and Western States Petroleum Association (joint parties). SoCalGas filed a response to the protests.

The protest of the joint parties and SoCalGas' response both stated that SoCalGas and the joint parties had entered into discussions concerning the issues in this proceeding. Status reports were submitted on October 29, 2004, December 9, 2004, and June 3, 2005. In the June 3, 2005 status report,<sup>1</sup> the parties reported that they were still engaged in discussions and recommended that a prehearing conference be scheduled in August 2005.

On May 10, 2005, SCGC filed a motion for the Commission to suspend consideration of this application pending the resolution of issues in Phase II of R.04-01-025 and in Advice Letter 3413-A relating to the IOBA. Responses to SCGC's motion were filed by SoCalGas, ExxonMobil, and the joint parties.

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<sup>1</sup> The June 3, 2005 status report was signed by SoCalGas, the joint parties, and ExxonMobil.

**Motion**

SCGC's motion seeks to suspend the Commission's consideration of SoCalGas' application until the issues under consideration in Phase II of R.04-01-025 and SoCalGas' Advice Letter 3413-A are decided.<sup>2</sup> SCGC points out that in Phase II of R.04-01-025, the Commission is addressing the issue of an IOBA. A workshop regarding the IOBA was held on May 11, 2005, and the workshop report was issued on June 8, 2005.<sup>3</sup> Comments on the workshop report were due on June 24, 2005.

SCGC asserts that since the IOBA and related issues are being considered in R.04-01-025 and in SoCalGas' Advice Letter 3413-A, it would be "redundant, duplicative, and administratively inefficient" to consider the issues in SoCalGas' application at this time.

The responses to SCGC's motion contend that the Commission should resolve the issues in SoCalGas' application in this proceeding, rather than in R.04-01-025. The responses assert that issues unique to California gas producers are better addressed in this proceeding rather than in R.04-01-025, which is

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<sup>2</sup> Resolution G-3376 approved SoCalGas' open access tariff, Rule 39, in SoCalGas' Advice Letter 3413 with modifications. Advice Letter 3413-A proposes a revised Rule 39 which reflects the modifications ordered in Resolution G-3376. Advice Letter 3413-A contains all of the standardized forms referenced in Rule 39 except for the IOBA. Resolution G-3376 notes that the IOBA is being addressed in Phase II of R.04-01-025.

<sup>3</sup> The IOBA workshop report recommends in pertinent part that the IOBA being developed in R.04-01-025 should not apply to California gas producers. The workshop report also notes that this proceeding is addressing an IOBA for California gas producers.

primarily addressing IOBAs in the context of connecting to re-gasified liquefied natural gas supplies and to interstate pipelines.

Instead of ruling on SCGC's motion at this time, it is more efficient to wait until the prehearing conference is held, or shortly thereafter, to decide whether to grant or deny SCGC's motion. This will give parties an opportunity to see if they can resolve some or all of the issues presented in this application, and to determine how the IOBA being addressed in Phase II of R.04-01-025 may impact this proceeding. Accordingly, a ruling on SCGC's motion will be deferred until or shortly after the prehearing conference is held in this proceeding.

### **Notice of Prehearing Conference**

A prehearing conference will be held on August 17, 2005, at 10:00 a.m., to discuss the scope of issues raised by SoCalGas' application, the status of negotiations, the status of Phase II of R.04-01-025 as it relates to the IOBA and its impact on this proceeding, whether SCGC's motion should be granted or denied, and the procedural schedule for resolving the issues in this proceeding. Parties planning to attend the prehearing conference should be prepared to address these issues.

A new service list for this proceeding will be created at the prehearing conference. Persons interested in participating in this proceeding as a party should appear at the prehearing conference and complete the appearance form. Those persons seeking "information only" or "state service" status may send a letter to the Commission's Process Office requesting such status, or attend the prehearing conference.

Effective March 24, 2005, new service rules apply. (See Decision 04-12-057, revised Rule 2.3 and new Rule 2.3.1.) Service of documents in this proceeding shall be served by electronic mail (e-mail) to those on the service list that have

e-mail addresses. Those on the service list who do not provide e-mail addresses shall have a copy delivered or mailed to them. The Assigned Commissioner and the assigned ALJ shall be served by e-mail, and a paper copy of the document shall also be delivered or mailed to the Assigned Commissioner and ALJ. In the event of “failure of e-mail service,” as defined in Rule 2.3.1(e), the serving party must re-serve the document as provided for in that subdivision “no later than the business day after the business day on which notice of the failure of e-mail service is received by the serving party.”

Until the new service list is created for this proceeding, the service lists in A.04-01-034 and R.04-01-025 shall be used, together with the names and addresses that appear in Attachment A of this ruling.

Therefore, **IT IS RULED** that:

1. A prehearing conference shall be held on Wednesday, August 17, 2005, at 10:00 a.m., at the Commission’s Hearing Room, State Office Building, 505 Van Ness Avenue, San Francisco, to discuss the items listed in this ruling.
2. This ruling shall be served on the service lists in Application 04-01-034 and Rulemaking 04-01-025, and on the persons whose names appear in Attachment A of this ruling.
  - a. Until the formal service list is established at the prehearing conference, any documents filed in this proceeding shall be served on the aforementioned service lists and Attachment A.

Dated June 27, 2005, at San Francisco, California.

/s/ JOHN S. WONG

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John S. Wong  
Administrative Law Judge

**ATTACHMENT A**

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**(END OF ATTACHMENT A)**

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail to the parties for whom an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge’s Ruling and Notice of Prehearing Conference on all parties of record (will be served in Application 04-01-034 and Rulemaking 04-01-025 until the new service list is created) in this proceeding or their attorneys of record.

Dated June 27, 2005, at San Francisco, California.

/s/ FANNIE SID  
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Fannie Sid

**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.

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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,

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TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.