

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
I.D. # 10650
RESOLUTION G-3456
September 22, 2011

R E S O L U T I O N

Resolution G-3456. Southern California Gas Company and San Diego Gas and Electric Company each request authorization to establish a new category of nontariffed products and services entitled Mover Services Program. Pursuant to the Commission's Affiliate Transactions Rule VII, the request is approved with conditions specified herein.

By Advice No. 4124 and Advice Letter 2178-E/1957-G dated June 16, 2010

SUMMARY

Southern California Gas Company (SoCal Gas) and San Diego Gas and Electric Company (SDG&E) ask for authority to initiate a new category of nontariffed products and services (NTP&S) called "Mover Services Program" (MSP) in accordance with the Commission's Affiliate Transactions Rule (ATR) VII. This Resolution grants authority for this new service subject to the conditions specified herein. These conditions are designed primarily to protect consumers and limit potential liability for SoCal Gas and SDG&E ratepayers. The conditions imposed here are similar to those we created for a similar ongoing program pursued by Pacific Gas and Electric Co. (PG&E) in Resolution G-3417, issued June 12, 2008.

The Mover Services Program will offer products and services to utility customers who contact the utility to request new service or if there is a change in location of electric or gas utility service. The utilities list "telephone, internet,

cable or satellite television, home security, trash removal,”¹ and other such services that may be of interest to the moving or transferring customer, as examples of what may be offered to these customers through the proposed MSP.

Specifically, the utilities must follow the guidelines below when offering to connect a customer with the MSP vendor:

1. The script followed by the CSR, as well as the script followed by the chosen vendor, must make it clear that the offered products and services are unrelated to the utility’s business with the customer and that the customer does not have to entertain the offerings of the referral service.
2. This script to be used by the CSR and the vendor will be reviewed and approved by the Energy Division (ED) and the Commission’s Public Advisor before the MSP is offered, and the utilities will inform both ED and the Commission’s Public Advisor, in writing and within 7 business days, of any changes made in either script.
3. The utility will keep a log of customer complaints regarding this service, and will forward this log to ED twice a year.
4. All liability for this program will be borne by the chosen coordinating vendor and utility shareholders. Ratepayers will be protected from any liability.
5. Gross revenues generated by the MSP will be shared 70-30 between shareholders and ratepayers.
6. The customer information shared by the utility with its vendor will be limited to name, address, move date, and unique customer identifier.

¹ See SoCal Gas Advice No. 4124, p. 2. As both advice letters are essentially identical, reference here will be only to the SoCal Gas advice letter.

Within 30 days of the effective date of this Resolution, SoCal Gas and SDG&E shall submit to the Commission's ED staff the script they propose to provide their CSRs, along with the separate script proposed to be used by the referring vendor(s). The ED staff will review these proposed scripts and will advise the utilities within 10 working days of receipt of the proposed scripts of any deficiencies it finds. If the staff finds none, the utilities are authorized to begin implementing the MSP at that time.

Additionally, copies of the contracts between the utilities and their chosen coordinating vendor(s) for the MSP shall be sent to ED, for information, when completed and signed, and at least 30 days before offering the MSP service.

BACKGROUND

It is Commission policy to encourage the use of excess utility capacity and underutilized utility assets through non-tariffed products and services (NTP&S). Rule VII of the Commission's ATRs,² adopted in D.97-12-088,³ governs the provision of NTP&S. Rule VII requires that whenever a utility plans to offer a new category of NTP&S, it must seek authorization from the Commission.⁴ The filing requesting the authorization should satisfy the Commission that the entry of the utility into this new market is not anticompetitive, is not cross-subsidized

² All references to "rules" here are to the Commission's ATRs.

³ These ATRs were modified in D.98-08-035 and again, for the large energy utilities, in D.06-12-029. References here are to these latest ATRs.

⁴ See Rule VII.E of the Affiliate Transactions Rules, D.06-12-029.

by ratepayers, and does not negatively affect utility service or in some other way harm ratepayers.⁵ Rule VII specifies several conditions which must be met by the utility in Sections C, D and E before authorization can be granted. The MSP proposed by SoCal Gas and SDG&E is a new category of NTP&S and thus requires authorization. Further, all advice letters seeking to offer a new NTP&S are categorized as Tier 3 under General Order 96-B, and as such require approval through a Commission Resolution.

Rule VII of the Affiliate Transactions Rules has several conditions and requirements that apply to the provision of NTP&S by a utility. Rules VII.C.4, VII.D, and VII.E.1 specify these conditions:

Rule VII.C.4:

- a. The nontariffed product or service utilizes a portion of a utility asset or capacity;
- b. such asset or capacity has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;
- c. the involved portion of such asset or capacity may be used to offer the product or service on a nontariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;
- d. the products and services can be marketed with minimal or no incremental capital, minimal or no new forms of liability or business risk being

⁵ For instance, the Commission said in R.97-04-011/I.97-04-012, the rulemaking that resulted in these rules, "It is in the public interest to establish rules which ensure utility affiliates do not gain unfair advantage over other market players, and to ensure utility ratepayers are not somehow subsidizing unregulated activities." (p. 6, *mimeo*)

incurred by utility ratepayers, and no undue diversion of utility management attention; and

- e. the utility's offering of such nontariffed product or service does not violate any law, regulation, or Commission policy regarding anticompetitive practices.

Rule VII.D specifies following cost and reporting standards for a utility providing NTP&S:

1. A mechanism or accounting standard for allocating costs to each new product or service to prevent cross-subsidization between services a utility would continue to provide on a tariffed basis and those it would provide on a nontariffed basis;
2. A reasonable mechanism for treatment of benefits and revenues derived from offering such products and services, except that in the event the Commission has already approved a performance-based ratemaking mechanism for the utility and the utility seeks a different sharing mechanism, the utility should petition to modify the performance-based ratemaking decision if it wishes to alter the sharing mechanism, or clearly justify why this procedure is inappropriate, rather than doing so by application or other vehicle.
3. Periodic reporting requirements regarding pertinent information related to nontariffed products and services; and
4. Periodic auditing of the costs allocated to and the revenues derived from nontariffed products and services.

Rule VII.E. requires the utility to seek authorization from the Commission to offer a new category of NTP&S. Rule VII.E.1 lists what the utility must include in the filing requesting authorization.

The advice letter shall:

- a. demonstrate compliance with these rules;

- b. address the amount of utility assets dedicated to the non-utility venture, in order to ensure that a given product or service does not threaten the provision of utility service, and show that the new product or service will not result in a degradation of cost, quality, or reliability of tariffed goods and services;
- c. address the potential impact of the new product or service on competition in the relevant market, including but not limited to the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market.
- d. be served on the service list of Rulemaking 97-04-011/Investigation 97-04-012, as well as any other party appropriately designated by the rules governing the Commission's advice letter process.

SUMMARY OF THE UTILITIES' MOVER SERVICES PROPOSAL

SoCal Gas and SDG&E filed, respectively, Advice No. 4124 and Advice Letter 2178-E/1957-G on June 16, 2010 under ATR Rule VII, each seeking authority to offer the MSP, a new category of NTP&S. The utilities request authority from the Commission to offer this service to customers requesting new electric or gas utility service or customers transferring within the utility's service territory. In order to initiate service or to change location of existing service, most residential customers either telephones the utility's call center or go to its web site. Under the proposed MSP, when a customer contacts the utility for change in service to change or transfer service, the CSR will first complete the utility transaction, and then ask if the customer would like to hear about (or see)

offers for products and/or services in which the customer may be interested because of their change in service location. The utilities list some examples of products or services that may be offered through the proposed MSP: “telephone, internet, cable or satellite television, home security, trash removal”⁶ and other such services that may be of interest to the moving or transferring customer. If the customer agrees to hear these offers, the CSR will transfer the call or web site contact to the coordinating vendor, who will in turn provide the marketing information and offers. If the customer is interested in purchasing one of the offered products or services, the CSR, upon the approval of the utility customer, will transfer the customer’s contact information to the vendor. The vendor will then establish contact between the utility customer and companies offering the products and services. The vendor will be selected by the utility “based on the skill and ability to provide a diverse selection of products and services”⁷ along with a track record that satisfies the utility.

The utilities state that the CSRs:

- will read from a prepared script;
- will first complete the transaction the customer contacted for and make it clear that the transaction with the utility has been completed;
- will also make it clear that these offerings are being provided by companies totally unrelated to the utility;

⁶ See SoCal Gas Advice No. 4124, p. 2. As both advice letters are essentially identical, reference here will be only to the SoCal Gas advice letter.

⁷ Id., p. 7.

- will explain that the customer's utility service will not be affected by the customer's decision whether to listen to or purchase the offers or not;
- will not be given an incentive to encourage, and will be prohibited from encouraging, the customer to agree to listen to the offerings;
- will discontinue the MSP referrals and transfers during emergencies and periods of high call volumes.

The utilities will receive a fee from the vendor for each referral or transfer; the structure of these fees will be determined during contract negotiations. The utilities propose to share this income between shareholders and ratepayers through a 90/10 split of the gross revenues. (see discussion of the sharing mechanism, below).

PROTESTS

Neither advice letter has been protested.

DISCUSSION

A similar NTP&S program, entitled "Mover Services," was approved for PG&E by the Commission in 2008. Resolution G-3417, issued June 16, 2008, imposed several conditions on the utility to address concerns expressed by the Commission. SoCal Gas and SDG&E assert in these advice letters that their proposed MSP addresses these concerns, and will adopt several of the same conditions imposed in Resolution G-3417.⁸

⁸ Advice No. 4124, p. 3.

We approve the MSP proposals by SoCal Gas and SDG&E here, provided the conditions listed below are met and all appropriate Commission rules, decisions, and orders are satisfied.

Customer Protections. Referring to customer protection as “an area of great concern to this Commission” in Res. G-3417, approving PG&E’s Mover Service program, the Commission imposed several conditions:

- The script should make it clear to the customer that the utility transaction the customer called for is complete before the new mover service is offered;
- The script should inform the customer that the customer can refuse to be offered the mover service;
- The script should make clear that the utility does not recommend or endorse any of the providers of mover services or products offered through the vendor;
- The script must say that the utility accepts no liability for the products and services offered by the mover service providers;
- The CSR will end the call if the customer indicates no interest in the MS referral. There will be no “hard sell” and no commission or other financial incentives will be offered to the CSR.

It appears that both SoCal Gas and SDG&E agree that these standards should be applied to their CSR scripts:

SoCalGas has designed its mover services program to address consumer protection concerns by providing the Energy Division (ED) with the call center script for review and approval before the program is launched; maintaining a log of customer complaints to provide to the ED; sharing only the minimum necessary customer information (none related to usage or billing); and ensuring the mover services vendor includes on its referral list only provider companies that meet specified criteria.⁹

⁹ Advice No. 4124, p. 3.

However, neither advice letter contains a proposed script for review by the staff. In addition, no mention is made of a script to be used by the vendor who refers the customer to particular offerings made by product and service providers.

We will require that each utility submit to ED staff and the Commission's Public Advisor the script it proposes to provide their CSRs, along with a separate script proposed to be used by the referring vendor, within 30 days of the effective date of this Resolution. Further, as we did in Res. G-3417, we will require that any change made by either utility in its script, or in the scripts used by the chosen vendor handling the referrals to the service providers in the MSP programs, shall be reported to both ED staff and to the Public Advisor within 7 business days of the change.

Other customer protection requirements. The Commission imposed additional consumer protection requirements in authorizing PG&E's Mover Service program. SoCal Gas and SDG&E have not incorporated these requirements in their proposal. SoCal Gas and SDG&E will be subject to the same requirements which are listed below:

1. The utility will keep a log of customer complaints regarding this service, and will forward this log to ED twice a year. As the MSP involves possible contact and interaction with the customer beyond what is necessary to provide the core utility service, this condition is necessary due to the Commission's emphasis on protecting the customer.
2. All liability for this program will be borne by the vendor and utility shareholders. Ratepayers will be protected from any liability.

3. The customer information shared by the utility with its vendor will be limited to name, address, move date, and unique customer identifier.¹⁰

The utilities have not addressed the issue of protection of the customers' credit information in their proposals. As we did for PG&E, we will prohibit the utility from transferring customer credit information to the vendor chosen for the MSP program.

Compliance with law, regulations, or Commission policy regarding anticompetitive practices. The Commission's ATRs impose the following requirements to ensure that the utilities do not engage in anti-competitive practices:

Rule VII.C.4.e: [The proposal must show that] the utility's offering of such nontariffed product or service does not violate any law, regulation, or Commission policy regarding anticompetitive practices.

Rule VII.E.1.c: [The utility must] address the potential impact of the new product or service on competition in the relevant market, including but not limited to the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market.

The advice letters do not contain any showing required by the above cited rules and also do not contain any explanation of why such analysis is not necessary in this case. The relevant market in this case is that for marketing information services which has few barriers to entry and should be effectively

¹⁰ Res. G-3417, p. 2.

competitive. Even though the competition in this market could be trusted to keep the prices charged for these services reasonable, to protect customers we will require the same criteria to govern the vendor's supplier selection process as we did in Resolution G-3417 for PG&E's Mover Service program:

- "1. Service provider must offer a quality product or service with competitive prices and features.
2. Services offered must be focused on customer needs during the move process.
3. Since customers participating in this program are in the process of relocating, the service must be easy to set up by phone or internet prior to moving into the new home.
4. The service provider must be able to provide products or services in PG&E's customer service territory.
5. The service provider must have the ability to accept orders via electronic means, or provide the vendor with system access to do so on its behalf.
6. The service provider must ensure that orders are processed accurately and expeditiously.
7. The service provider must be willing to agree on a process to address customer issues or complaints in order to ensure a quality customer experience."¹¹

Therefore SoCal Gas and SDG&E will likewise include the above criteria in their contract with the chosen vendor. When completed and signed, and at least 30 days before implementation, copies of these contracts shall be sent to ED for information.

The proposed revenue sharing mechanism. Rule VII.D.2 requires that the utilities propose a mechanism to ensure that proceeds from this new category of

¹¹ Id., p. 10.

NTP&S be shared with ratepayers. The utilities propose to “allocate gross program revenues 90% to shareholders and 10% to ratepayers” generated under this MSP proposal.¹² The utilities argue that this division of gross revenue will provide sufficient incentive to develop additional NTP&S. Other than this assertion, the utilities do not provide data or experience to support this sharing methodology.

The Commission has addressed specific revenue sharing mechanisms for NTP&S for two of the major energy utilities. In D.99-04-021, PG&E was instructed to calculate its *net* Other Operating Revenues (OOR) and share 50% of this net revenue with ratepayers. In D.99-09-070, Southern California Edison (SCE) was instructed to share its *gross* revenues 90-10 between shareholders and ratepayers if the NTP&S project was deemed to be “active,” requiring significant shareholder investment in the project. If there were lower shareholder involvement, the NTP&S project would be deemed “passive,” giving 70% of gross revenues to shareholders.

In the current general rate case proceeding for the Sempra utilities at this Commission (Application 10-12-005), the utilities propose a particular sharing mechanism to apply to their NTP&S projects, and refer to D.99-09-070 as a model for their proposed methodology. Briefly, the utilities propose in this general rate case to divide gross revenues 90-10 for existing NTP&S offerings, and use this same 90-10 sharing mechanism for new NTP&S offerings that can be categorized

¹² Advice No. 4124, p. 4.

“passive” under thresholds similar to those found in D.99-09-070. However, for new NTP&S projects that have shareholder-funded investments deemed sufficient to be categorized as “active,” they propose sharing *net* (instead of gross) revenues 50-50, specifying and subtracting certain costs from gross income to arrive at what the utilities categorize as the sharable *net* income.

We do not prejudge their proposal in the general rate case here. Pending a Commission decision in A. 10-12-005, we will use the same gross revenue sharing formula for the proposed MSP that the Commission adopted in D. 99-09-070. Per this decision, the utilities’ MSP proposal is a passive activity as the utilities’ only involvement will be a referral of the interested utility customer to the coordinating MSP vendor, and the transfer of required customer contact information (as specified below) in the event the customer wishes to make a purchase. Little additional investment from shareholders would be required for this NTP&S, as the call centers and the utility CSRs are already in place and are needed to provide the utility services. Therefore, we will require the utilities to share gross revenues generated by the MSP between shareholders and ratepayers 70-30, as specified in D.99-09-070.

These advice letters propose to divide *gross* revenues between shareholders and ratepayers. *Gross* revenues are determined without consideration of the concomitant costs of a project. In this context we find the following statement in these advice letters confusing:

Program revenues will pay for all costs incurred by the program. Any costs that exceed revenues will be borne by SoCalGas' shareholders. Any gross revenues realized will be shared 90/10 between SoCalGas shareholders and ratepayers.¹³

This statement suggests that before calculating the amount of revenues to be shared under their mechanism, they will subtract the additional costs, if any, incurred by the program from the payments received from the MSP customers. We clarify that under the mechanism we adopt, ratepayers will receive 30%, and shareholders 70%, of the *gross* revenues received from customers of the MSP programs (including the coordinating vendor), regardless of the costs incurred. In addition, as specified in these advice letters, all risks, including the risks of liability and of incurring a financial loss under these programs, will be borne by shareholders and the vendors.¹⁴

Release of customer-specific information. The utilities ask for a limited waiver of Rule IV.A of the ATRs. This Rule states:

Rule IV.A Customer Information:

A utility shall provide customer information to its affiliates and unaffiliated entities on a strictly non-discriminatory basis, and only with prior affirmative customer written consent.¹⁵

¹³ Id., p. 6.

¹⁴ Id.

¹⁵ D.06-12-029.

The utilities seek a limited waiver of this rule to allow the customer to give verbal approval to the CSR to transfer contact information to the vendor.

We granted PG&E this limited waiver for its Mover Service program,¹⁶ and will grant the same limited waiver of Rule IV.A for the specific purpose of offering the MSP. Authorization to transfer customer name, address, move date, and a unique customer identifier number may be given verbally, either over the phone or in person to the utility CSR, by the customer for the limited purpose of participating in these MSP programs.

NOTICE

Notices of SoCal Gas Advice No. 4124 and SDG&E Advice Letter 2178-E/1957-G were made by publication in the Commission's Daily Calendar. Both utilities state that copies of the advice letters were mailed and distributed in accordance with Section 3.14 of General Order 96-B.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this draft resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

¹⁶ Res. G-3417, pp. 10-11.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. It is Commission policy to encourage the use of excess utility capacity and underutilized utility assets through nontariffed products and services (NTP&S). Rule VII of Affiliate Transactions Rules adopted in D.97-12-088, and modified by D.06-12-029, governs the provision of NTP&S.
2. SoCal Gas and SDG&E filed, respectively, Advice No. 4124 and Advice Letter 2178-E/1957-G on June 16, 2010. These virtually identical advice letters seek authority to offer a new category of NTP&S entitled Mover Services Program (MSP).
3. Neither advice letter has been protested.
4. A similar NTP&S program, also entitled "Mover Services," was approved for PG&E by the Commission in Resolution G-3417, issued June 16, 2008.
5. SoCal Gas and SDG&E assert that their proposed NTP&S programs are designed to address the Commission's concerns expressed in Resolution G-3417.
6. Customer protection is an area of great concern to this Commission. We impose the same customer protections here as imposed on PG&E in Res. G-3417.
7. This Resolution lists several conditions and constraints on the scripts used by the CSR and the MSP vendors, consistent with the Commission's customer protection goals and Res. G-3417.

8. No script was provided or proposed with these advice letters. The utilities are each required to provide two proposed scripts, one for use by the utilities' CSRs and one for use by the chosen MSP vendor, to the Energy Division and the Commission's Public Advisor, within 30 days of the effective date of this Resolution.
9. Any change in either of these scripts must be sent to the Energy Division and the Public Advisor within 7 business days of that change.
10. The utilities will each keep a log of customer complaints regarding this service, and will forward this log to the Energy Division twice a year.
11. Ratepayers should not bear any liability for this program. All liabilities related to this program shall be borne by the vendor and/or utility shareholders.
12. Consistent with the utilities' statements in their proposals, during emergencies and high call volumes, the MSP offers will be suspended to enable all CSR staff to be dedicated to support customer calls. SoCal Gas and SDG&E will regularly monitor the service levels of their call center operations and resources to ensure that the mover services program does not adversely affect the core utility service.
13. Rule IV.A of the Commission's ATRs prohibits the transfer of customer information to any outside entity by the utilities without customer's prior affirmative written consent. These advice letters seek a limited waiver of this rule to enable customers to release certain information verbally, in order to participate in this proposed MSP.
14. We granted PG&E a limited waiver of Rule IV.A for its Mover Service program, and will grant the same limited waiver for the MSP proposals in these advice letters.
15. The customer information shared by the utility with its vendor will be limited to name, address, move date, and unique customer identifier.

16. As we did for PG&E, we will prohibit the utilities from transferring customer credit information to the vendor chosen to coordinate the MSP program.
17. The criteria we imposed on PG&E and its MS program should be included in the contracts these utilities develop with their MSP vendors.
18. Rule VII.D.2 requires the utilities propose a mechanism to ensure that proceeds from a new category of NTP&S are shared with ratepayers.
19. The utilities propose to “allocate gross program revenues 90% to shareholders and 10% to ratepayers.”
20. In D.99-09-070, Southern California Edison (SCE) was instructed to share its gross revenues 90-10 between shareholders and ratepayers if the NTP&S project was deemed to be “active,” requiring significant shareholder investment in the project. If there was lower shareholder involvement, the NTP&S would be deemed “passive,” giving 70% of the gross to shareholders.
21. By the standards used in D.99-09-070, it appears that the MSP should be classified as a “passive” investment. Therefore, we will require the utilities to share gross revenues generated by the MSP between shareholders and ratepayers 70-30.
22. Gross revenues are *total* proceeds received by the utility for the MSP. Costs incurred are relevant only for the calculation of *net* revenues.
23. Under the sharing mechanism adopted here, ratepayers will receive 30% of the gross revenues generated from customers of the MSP programs, regardless of the costs incurred.
24. The relevant market that the MSP would enter is that for marketing information services. This market has few barriers to entry and competitive forces should help keep prices charged reasonable.

25. To protect customers, we will require the same criteria to govern the supplier's selection process as we did for PG&E's Mover Service in Resolution G-3417.

THEREFORE IT IS ORDERED THAT:

1. SoCalGas and SDG&E are authorized to provide the Mover Service Program proposed in SoCal Gas Advice No. 4124 and SDG&E Advice Letter 2178-E/1957-G subject to the conditions and restrictions specified herein.
2. Within 30 days of the effective date of this resolution, SoCal Gas and SDG&E shall provide the Energy Division the scripts they propose to provide their Customer Service Representatives, along with the separate scripts proposed to be used by the referring vendor(s).
3. The Energy Division staff will review these submissions and will advise the utilities of any deficiencies it finds within 10 working days of receipt of the proposed scripts. If the staff finds none, the utilities are authorized to begin implementing the Mover Services Program at that time.
4. If the utility or the vendor changes the script in any way, these utilities shall notify the Energy Division and the Commission's Public Advisor in writing immediately.
5. A limited waiver of Rule IV.1 of the Commission's Affiliate Transactions Rules (D.06-12-029) for the sole purpose of offering the Mover Services Program, and as specified herein, is granted.
6. During emergencies and high call volumes, the Mover Services Program offers shall be suspended to enable all Customer Service Representatives staff to be dedicated to support utility service related calls.
7. SoCal Gas and SDG&E shall regularly monitor their call center operations and resources to ensure that the Mover Services Program does not adversely affect core utility service.

8. The utilities shall keep logs of complaints filed in reference to the Mover Services Program. Starting June 30, 2011, every June 30 and December 31 the utility shall provide this log to the Energy Division.
9. Copies of the contracts between the utilities and their chosen vendors for these NTP&S programs shall be sent to the Energy Division for information when completed and signed, and at least 30 days before offering the Mover Services Program service.
10. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 22, 2011. The following Commissioners voted favorably:

Paul Clanon
Executive Director

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 23, 2011

ID# 10650

Draft Resolution G-3456

September 22, 2011 Commission Meeting

TO: PARTIES TO Southern California Gas Company Advice No. 4124 and
San Diego Gas & Electric Company Advice Letter 2178-E/1957-G

Enclosed is Draft Resolution G-3456 of the Energy Division. It is in response to SoCal Gas Advice No. 4124 and SDG&E Advice Letter 2178-E/1957-G and will appear on the agenda at the next Commission meeting held 30 days after the date of this letter. The Commission may vote on this Resolution at that time or it may postpone a vote until a later meeting. When the Commission votes on a draft Resolution, it may adopt all of part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

All comments on the Draft Resolution are due by **September 12, 2011**.
Comments shall be served on the following:

- 1) An original and two copies, along with a certificate of service to:
Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Email: ijnj@cpuc.ca.gov

2) Jack Fulcher
Energy Division
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Email: jef@cpuc.ca.gov

Comments shall be limited to five pages in length plus a subject index listing the recommended changes to the Draft Resolution, a table of authorities and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the Draft Resolution. Late submitted comments will not be considered.

Please contact Jack Fulcher at jef@cpuc.ca.gov or 415-703-1711 if you have questions or need assistance.

Sincerely,

/s/ Gurbux Kahlon
Gurbux Kahlon
Program Manager
Energy Division

Encl: Certificate of Service

Certificate of Service

I certify that I have by electronic mail this day served a true copy of Draft Resolution G-3456 on the filing parties, Southern California Gas Company and San Diego Gas & Electric Company, regarding their Advice No. 4124 and Advice Letter 2178-E/1957-G, respectively. These Advice Letters were not protested.

Dated August 23, 2011 at San Francisco, California.

/s/ Honesto Gatchalian
Honesto Gatchalian

NOTICE

Parties should notify the Energy Division, Public Utilities
Commission, 505 Van Ness Ave., Room 4002
San Francisco, CA 94102 of any change of address to insure
that they continue to receive documents. You must
indicate the Resolution number on the service list
on which your name appears.