

Decision 96-03-023 March 13, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking into Natural Gas Procurement and System Reliability Issues.	)	R.88-08-018
	)	(Filed August 8, 1988)
	)	Application 90-06-030
	)	Application 91-06-030
	)	Application 92-06-015
	)	R.92-12-016
And Related Matters.	)	I.92-12-017
	)	Application 93-09-006
	)	Application 93-10-034
	)	Application 92-11-017

ORIGINAL

ORDER DENYING REHEARING OF DECISION (D.) 94-07-064

In Decision (D.) 94-07-064, we adopted the modifications of a settlement, known as the Global Settlement. The settlement involved the gas purchasing decisions for and regulatory oversight of Southern California Gas Company ("SoCalGas"). We had conditionally approved this settlement in D.94-04-088. (Order Instituting Rulemaking Into Natural Gas Procurement and System Reliability Issues, Et al. ("Conditional Approval of SoCalGas' Global Settlement") [D.94-04-088, pp. 2 (slip op.)] (1994) ___ Cal.P.U.C.2d ___.) In that decision, we retained the interim balancing account protection for unbundled, noncore storage services that utilizes SoCalGas' existing facilities for the five year term of the settlement. (Id.) This revenue protection was adopted in Re Natural Gas Procurement and System Reliability Issues [D.93-02-013] (1993) 48 Cal.P.U.C.2d 107, 130-131.

On June 7, 1994, the settlement parties filed a modified settlement which is consistent with the conditions set forth in D.94-04-088. This modified settlement also included the revenue protection for noncore storage. (Modified Stipulation

and Settlement Agreement, R.88-08-018, et al., p. 19.) In D.94-07-064, p. 6 (slip op.), we adopted this modified settlement, and thus gave final approval of the Global Settlement.

Ten Section Gas Services Inc. ("Ten Section") timely filed an application for rehearing of D.94-07-064. Ten Section is the successor to McFarland Energy, Inc. and the Ten Section Storage Group. In its rehearing application, Ten Section alleges the following legal error: (1) D.94-07-064 failed to consider what adverse effects the revenue protection will have on competition; (2) the Commission did not comply with its own standards for approval of settlements by approving a policy change without explanation; and (3) the Commission failed to balance competing interests in adopting the Global Settlement's revenue protection for noncore storage services. SoCalGas timely filed a response to this rehearing application.

The allegations of legal error issues asserted by Ten Section in the instant rehearing application are the same identical ones raised by Ten Section's predecessors in an Application for Rehearing of D.94-04-088. (See Order Instituting Rulemaking Into Natural Gas Procurement and System Reliability Issues, Et al. ("Order Denying Rehearing and Modifying D.94-04-088") [D.96-02-022, pp. 1-2 (slip op.)] (1996) ___ Cal.P.U.C.2d ___.) In considering that rehearing application recently, we carefully reviewed each and every one of these allegations in the context of the Global Settlement, and found them be without merit, and thus, denied rehearing of D.94-04-088. (Id. at p. 2 (slip op.))¹

1. In denying rehearing of D.94-04-088, we also modified the decision to give a fuller explanation as to why we rejected the anticompetition arguments and why we continued the revenue protection for noncore storage while eliminating a similar

(Footnote continues on next page)

Therefore, we have already addressed the allegations that Ten Section raises in its Application for Rehearing of D.94-07-064, and have rejected them. Accordingly, we need not consider these assertions of legal error again. Thus, no good cause exists for granting rehearing. Consequently, Ten Section's Application for Rehearing of D.94-07-064 will be denied.

THEREFORE, IT IS ORDERED that rehearing of D.94-07-064 is hereby denied.

This order is effective today.

Dated March 13, 1996, at San Francisco, California.

P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

President Daniel Wm. Fessler,
being necessarily absent, did not
participate.

(Footnote continued from previous page)

arrangement for transportation revenues. We also deleted an erroneous finding of fact in D.94-04-088, and added findings of fact related to the additional discussion concerning anticompetitive impacts. (Id. at pp. 6-9 (slip op.).)