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MAIL DATE

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Decision 98-01-058 January 21, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Enserch Energy
Services, Inc. for Rehearing of
Commission Resolution G-3221.

A.97-10-009
(Filed October 2, 1997)

In the Matter of the Application of
Southern California Gas Company for
Rehearing of Commission Resolution
G-3221, as modified by Resolution
G-3225.

A.97-10-013
(Filed October 3, 1997)

**ORDER GRANTING REHEARING FOR THE PURPOSE
OF VACATING RESOLUTION G-3221**

On October 2, 1997, Enserch Energy Services, Inc. filed an application for rehearing of Resolution (Res.) G-3221, which approved Southern California Gas Company's (SoCalGas') Advice Letter (AL) 2513. SoCalGas filed an application for rehearing of the resolution on October 3, 1997. In AL 2513, SoCalGas requested authorization to issue refunds of interstate pipeline demand charges to qualifying core aggregators. ¹

We have carefully considered all arguments presented by Enserch and SoCalGas, and are of the opinion that good cause for granting rehearing has been demonstrated. Both applications identify serious inadvertent errors contained in the resolution. We note, however, that there has been no specific request for hearings, and it appears that certain issues had not been considered before

¹ In response to SoCalGas' request, the Executive Director extended the deadline in Res. G-3221 for issuance of the refunds until January 31, 1998.

Res. G-3221 was issued. Therefore, we will order the resolution to be vacated, and that the informal advice letter review process be conducted again.

In its application, Enserch correctly points out that Res. G-3221 mistakenly states that no protest to AL 2513 was filed. In fact, Enserch had filed a timely protest and SoCalGas filed a response. Enserch's protest alleges that it should be entitled to refunds in addition to the three core aggregators named in AL 2513. Because the protest was never resolved through our informal advice letter process, it is premature to discuss the substantive issues on review. We agree with Enserch, however, that the resolution erred in failing to acknowledge and discuss Enserch's protest.

SoCalGas urges reconsideration based upon the resolution's apparently mistaken adoption of a "preferred" method of providing refunds. The "preferred" method which had been suggested by SoCalGas in 1994 had subsequently been withdrawn in favor of an unopposed "alternate" method. There is no discussion of this issue in Res. G-3221, and without reviewing the merits of either method, we concur with SoCalGas that it is error to have adopted the "preferred" method without any clear reason.

For these reasons we will vacate Res. G-3221 and consider SoCalGas' AL 2513 anew. We emphasize, however, that our order today does not have any bearing on the merits of Enserch' protest, or the adoption of any refund method.

Therefore, **IT IS ORDERED** that:

1. Rehearing of Res. G-3221 is granted, and Res. G-3221 is hereby vacated.
2. The Energy Division is directed to prepare a new resolution in response to SoCalGas AL 2513. The resolution shall address the protest filed by Enserch, as well as the appropriate refund method. For the purposes of any time

limits contained in General Order 96-A, AL 2513 shall be deemed to have been filed the effective date of this order.

3. Proceedings A.97-10-009 and A.97-10-013 are hereby closed.

This order is effective today.

Dated January 21, 1998, at San Francisco, California.

P. GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners