

ALJ/CMW/tcg

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Decision 98-06-048 June 18, 1998

ORIGINAL

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

In the Matter of the Application of Southern California Gas Company (U 940-G) for Authority to Review its Rates Effective January 1, 1997, in its Biennial Cost Allocation Proceeding.

Application 96-03-031  
(Filed March 15, 1996)

In the Matter of the Application of San Diego Gas & Electric Company (U 902-G) for Authority to Revise its Rates Effective January 1, 1997, in its Biennial Cost Allocation Proceeding.

Application 96-04-030  
(Filed April 15, 1996)

**ORDER MODIFYING DECISION 97-04-082**

This decision grants with minor clarification San Diego Gas & Electric Company's (SDG&E) November 5, 1997 petition to modify Decision (D.) 97-04-082. SDG&E requests the Commission to consider two studies filed on November 5, 1997 pursuant to D.97-04-082, Core Customer Value of Service Study and Noncore Reliability Report, in its next Biennial Cost Allocation Proceeding (BCAP) rather than as an isolated proceeding in this docket. Therefore, it seeks an order eliminating language in D.97-04-082 which calls for a prehearing conference and procedural schedule to consider these studies.

In D.97-04-082, the Commission expressed concern that it had insufficient detail about SDG&E's gas resource plan to permit an adequate review and directed SDG&E to provide within six months of the order: (1) a core reliability study based on a survey of its customers and (2) an explicit noncore reliability standard for its firm service transportation customers that reflects the level of service its gas system is capable of providing. In order to complete the Commission's review of SDG&E's resource plan, D.97-04-082 directs the assigned

Administrative Law Judge to schedule a prehearing conference after SDG&E's submission and then set a procedural schedule. (See D.97-04-082 at pages 135-140, and Ordering Paragraph 10 at page 184.)

SDG&E states that the Commission should not consider its studies in this docket, its current BCAP, but rather in its next BCAP, where all the factors used to develop and revise gas marginal costs and allocate them to customer groups will be reviewed.

No party objects to SDG&E's petition to modify D.97-04-082 to eliminate the requirement for a prehearing conference and procedural schedule. Based on the discussion above, we find the requested relief is reasonable and should be granted with one minor clarification. We are currently undertaking a comprehensive review of the regulatory structure of the California natural gas industry in Rulemaking (R.98-01-001). It is therefore possible that some of the issues associated with SDG&E's studies may be more appropriately considered as part of the Rulemaking rather than in SDG&E's next BCAP.

#### **Findings of Fact**

1. SDG&E's request to have its core reliability study and its noncore reliability standards study, both filed on November 5, 1997, considered in its next BCAP rather than in this docket, is reasonable.

2. It may be desirable for some of the issues raised in SDG&E's studies to be considered as part of our rulemaking on the regulatory structure of the natural gas industry.

#### **Conclusion of Law**

SDG&E's November 5, 1997 "Petition to Modify Decision (D.) 97-04-082" should be granted.

IT IS ORDERED that Ordering Paragraph 10 of Decision 97-04-082 is modified as follows:

"10. SDG&E shall file a completed resource plan within six months of this order."

This order is effective today.

Dated June 18, 1998, San Francisco, California.

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