BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U 39 G) Proposing Cost of Service and Rates for Gas Transmission and Storage Services for Period 2011-2014.	A.09-09-013 (Filed September 18, 2009)

COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) TO THE JOINT MOTION OF SETTLEMENT PARTIES FOR APPROVAL OF "GAS ACCORD V" SETTLEMENT

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September 20, 2010

BEFORE THE PUBLIC UTILITIES COMMISSION

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These comments are being filed pursuant to Rule 12.2 of the Commission's Rules of Practice and Procedure; *Administrative Law Judge's Ruling Regarding the Process To Address the August 20, 2010 Motion for Approval of Gas Accord V Settlement Agreement* (issued August 25, 2010); and *Assigned Commissioner and Administrative Law Judge's Ruling Confirming E-Mail Ruling and To Address Whether Proposed Settlement Is Adequate in Terms of Pipeline Safety, Integrity, and Reliability Efforts* (issued September 15, 2010).

Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") hereby file these comments to the *Joint Motion of Settlement Parties for Approval of "Gas Accord V" Settlement* which was filed on August 20, 2010 in Pacific Gas and Electric Company's ("PG&E") 2011-2014 Gas Transmission and Storage Rate Case (also referred to as "Gas Accord V").

SoCalGas and SDG&E are not parties to the proposed settlement, and contest the proposed settlement on the grounds that it does not meet the criteria set forth in Rule 12.1(d) of the Commission's Rules of Practice and Procedure, and is not reasonable in light of the whole record. The factual issues that SoCalGas and SDG&E are contesting are set forth in the following testimonies attached to these comments:

- **Prepared Direct Testimony of Johannes Van Lierop (Attachment 1)**
- **Prepared Direct Testimony of Steve Watson (Attachment 2).**

In addition to raising issues that provide the grounds for contesting the proposed settlement, the aforementioned testimonies also present issues that SoCalGas and SDG&E are contesting in this proceeding in general, and are requesting that the Commission resolve notwithstanding the Commission's ultimate ruling on the proposed settlement.

SoCalGas and SDG&E respectfully request that the Commission consider, accept into the record, and adopt the recommendations set forth in the attached testimonies. Further, SoCalGas and SDG&E request that their rights to evidentiary hearings be preserved for the purpose of building a sufficient and complete record in this proceeding.

Respectfully submitted,

By: *<u>/s/ Johnny J. Pong</u>*
Johnny J. Pong

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September 20, 2010

ATTACHMENT 1

Application of Pacific Gas & Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2011-2014 (U 39 G)

Application No. 09-09-013
Exhibit No.: ______________

PREPARED DIRECT TESTIMONY

OF JOHANNES VAN LIEROP

ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY

AND SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

SEPTEMBER 20, 2010

PREPARED DIRECT TESTIMONY OF JOHANNES VAN LIEROP ON BEHALF OF SDG&E AND SOCALGAS

Q. Please state your name and qualifications.

A. My name is Johannes Van Lierop. My business address is 555 West Fifth Street, Los Angeles, California 90013-1011. I am employed by Southern California Gas Company (SoCalGas) as its Director of Gas Acquisition.

I received a PhD in Economics from the University of Toronto in 1981. From 1981 to 1983, I was employed by California State University at Fullerton as Assistant Professor of Economics, where I lectured on econometrics and microeconomics. I joined SoCalGas in 1984 as a Market Forecasting Analyst. Subsequently I have held positions in Demand Forecasting, Gas Supply, and Regulatory Affairs. In October of 2005 I assumed my present position.

My responsibilities include the management of physical gas trading, as well as gas transportation and scheduling. In addition, I have the responsibility of analyzing and developing regulatory policies and proposals related to gas acquisition in proceedings before the California Public Utilities Commission (Commission). I have previously testified before the Commission.

Q. What is your interest in this proceeding?

A. Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) are transportation customers on Pacific Gas and Electric Company's (PG&E's) backbone transmission system. SoCalGas, on behalf of approximately 6.4 million core customers, holds 51,932 Dth/d of capacity on the Redwood path under the G-XF rate schedule. PG&E is proposing an average G-XF rate of approximately $0.201/Dth over the 2011 through 2014 period. At these rates, SoCalGas and SDG&E customers (core) would be paying approximately $3.8 million per year for this capacity.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to comment on PG&E's Application (A.09-09-013) as filed, and the *Gas Accord V Settlement Agreement* (Settlement).

Q. What is your view of the Settlement from the perspective of the core customers you represent?

A. The Settlement does not represent a fair and balanced compromise for all of PG&E's customers, namely the approximately 6.4 million core customers of SoCalGas and SDG&E. As explained later in my testimony, the core customers of SoCalGas and SDG&E currently do not receive fair value for capacity payments to PG&E. The Settlement excludes representation of a significant portion of California ratepayers, and is, therefore, unfair to those customers. In my testimony I will discuss three changes that would need to be made to the Settlement that would result in core ratepayers receiving fair value for their capacity.

First, PG&E should allow SoCalGas to use its capacity to deliver gas at the PG&E Citygate as well as into the SoCalGas system. My testimony shows that there are good public policy grounds as well as good contractual grounds for this proposal.

Second, the Settlement proposes to exclude G-XF shippers from the proposed revenue sharing mechanism. Since there is no good reason for excluding core ratepayers and other G-XF shippers from the sharing mechanism, the Commission should reject this provision as unduly discriminatory. Third, the proposed G-XF rates should be lowered to a level that would result in SoCalGas/SDG&E's core customers receiving rate benefits proportional to the benefits received by noncore Redwood path shippers.

Q. Please explain the issue SoCalGas/SDG&E are raising with respect to their delivery rights on the PG&E system.

A. The basic issue is that PG&E is unreasonably restrictive in how it allows SoCalGas to use its capacity. Specifically, PG&E refuses to allow SoCalGas to make deliveries other than into SoCalGas at Kern River Station (KRS). While the core customers of SoCalGas and SDG&E receive very little value from its G-XF contract, PG&E shareholders are able to profit from this contracted but often unused capacity.

Q. Why does this restriction result in the core not receiving fair value for its capacity payments?

A. The only way SoCalGas currently can use this capacity is to receive gas at PG&E's northern border at Malin, and deliver the gas to the SoCalGas border at KRS. The value created by this transportation of gas consists of the price of gas at the SoCalGas border minus the price at Malin, minus variable transportation costs. The problem is that the value of this transportation most often is zero as the price of gas at Malin often is above the price at the SoCalGas border. Even when the price at Malin is below the price at the SoCalGas border, the spread often does not cover the G-XF variable transportation costs. And even on days when the spread does cover the variable cost, the spread is almost always well below the reservation charge paid for the capacity.

Q. Do you have an estimate for the value of the Malin to KRS transportation capacity?

A. Yes, I have estimated the value using daily prices over the two-year period August, 2008 through July, 2010. For each day in this most recent two-year period I calculated the price difference between the SoCalGas border and Malin (spread), and subtracted the variable transportation costs to obtain the "net spread."[1] On 61% of the days, the net spread was negative so the value of the capacity was zero. On the rest of the days, the net spread averaged $0.085/Dth. Over the entire period, the value averaged $0.033/Dth. Thus, over the two-year period, SoCalGas/SDG&E core customers paid approximately $8 million for capacity that was worth only approximately $1.25 million.

Q. Do you expect that the value of gas transportation from Malin to the SoCalGas border will increase over the coming years?

A. No. There is no reason to believe that there will be a significant improvement in value for this transportation. If PG&E is allowed to continue to impose the current restrictions on the use of SoCalGas' capacity, core customers will continue to pay far more for this capacity than the value received from this capacity.

Q. Why do you consider the restrictions imposed by PG&E unreasonable?

A. There are two reasons. First, every other pipeline that SoCalGas has capacity on allows for alternate delivery points. SoCalGas has capacity on El Paso, Transwestern, and Kern River pipelines. On each of these pipelines SoCalGas has primary delivery rights at some point into SoCalGas' system but also has the right to deliver on an alternate firm basis to other delivery points. The option to deliver at alternate points provides significant benefits to core customers. When gas prices at alternate delivery points exceed prices at the border, SoCalGas is able to lower core gas costs by selling its gas at the alternate point and buying replacement gas back at lower prices at the California border or Citygate.

[1] Under the G-XF rate the variable transportation cost equals in-kind fuel at 0.9% during April, 2008 through October, 2009 and 1.0% thereafter, plus a usage charge equal to $0.0019.

Second, SoCalGas believes that it has a contractual right to make deliveries at both the PG&E Citygate as well as into SoCalGas' system at KRS under its G-XF contract.

Q. What specifically is your proposal in this proceeding?

A. I propose that the Commission order PG&E to provide alternate delivery rights that would allow SoCalGas to use its capacity to deliver gas to the PG&E Citygate.

Q. What delivery rights are provided for in PG&E's current G-XF tariff?

A. The G-XF tariff states that the delivery point shall be the Delivery Points specified in Exhibit A to the customer's Firm Transportation Service Agreement (FTSA).

Q. What delivery points are specified in Exhibit A to SoCalGas' FTSA?

A. Exhibit A has changed over the history of the FTSA. Therefore, it is useful to briefly review this history.

1. The original FTSA was signed on December 31, 1991. In this original version, the delivery point was stated as the "Southern terminus of the PG&E expansion project" (currently located at Kern River Station, California).

2. The next version of the FTSA was signed on December 2, 1996. In this amended version, SDG&E agreed to deliver all gas transported under the FTSA into SoCalGas at KRS for the "negotiated period." The negotiated period was defined as five years from CPUC approval or to the end of the first Gas Accord period. After this period, the delivery rights would be "to whatever delivery point options are available in effective CPUC-approved tariffs" for G-XF shippers. This amendment is attached as Attachment 1 to my testimony.

3. The next, and latest, version of the agreement was signed on November 5 and 6, 1997. In this version, Exhibit A lists the delivery points at the Southern Terminus of the PG&E expansion project <u>and</u> "Into the PG&E Intrastate Distribution System in Northern

California." The latter is a reference to the PG&E Citygate. This version of Exhibit A is attached to my testimony as Attachment 2.

4. Effective April 1, 2008, pursuant to Decision 07-12-019, SoCalGas assumed by assignment responsibility of this agreement executed between PG&E and SDG&E, on behalf of its core customers as well as the core customers served by SDG&E.

Q. Since the latest version of the FTSA gives SoCalGas the option to deliver to the Citygate, why does PG&E refuse to allow SoCalGas to deliver there?

A. PG&E has claimed that this version of Exhibit A was a mistake and refuses to honor the agreement.

Q. Does that explanation seem plausible?

A. Of course not. It is not plausible that a party can avoid contractual obligations simply by calling them a mistake. First, the document was prepared by PG&E and both delivery points were expressly inserted into the document. Second, the signing parties were high-level employees of their respective companies. Thirdly, the signatures are right below the lines that state the delivery points, so it cannot be fairly claimed that the delivery point language was somehow accidentally overlooked.

Q. What other provisions of the FTSA indicate that SoCalGas should be entitled to deliver gas to both the PG&E Citygate and to KRS?

A. The December 2, 1996 Amendment to the FTSA makes it clear that SDG&E gave up the right to deliver to the PG&E Citygate only for the 5-year "negotiated period." I believe that Exhibit A in Attachment 2 simply confirms that SDG&E gets back the right to deliver at the Citygate after the five-year period.

Q. Are there any operational reasons why PG&E would not be able to allow SoCalGas to make deliveries at the PG&E Citygate?

A. There is no operational reason why PG&E cannot deliver SoCalGas' gas to the PG&E Citygate market. The G-XF contract is for capacity which uses PG&E's Redwood Path. Both PG&E Lines 400 and 401, which PG&E describes as their Redwood Path, terminate at or near PG&E's major local transmission lines in the Bay Area. These lines terminate well north of KRS, and are not connected to KRS. Any gas that SoCalGas schedules into the PG&E system at Malin is physically delivered into PG&E's local transmission lines, while deliveries to KRS are by displacement of gas entering the southern end of PG&E's system. Therefore, it should always be operationally possible for PG&E to allow SoCalGas to deliver gas from Malin using the G-XF contract into the PG&E Citygate.

Q. Why should the Commission address SoCalGas' delivery rights in this current proceeding?

A. SoCalGas has previously raised this issue in PG&E's Application 07-12-021 (the Ruby proceeding). In response, PG&E asserted that if SoCalGas wishes to change delivery rights under its FTSA it should do so in Gas Accord proceedings, and moved to strike SoCalGas' testimony on that point. Administrative Law Judge Timothy Kenney granted PG&E's motion to strike SoCalGas' testimony on the issue without prejudice to SoCalGas raising this issue in future proceedings, stating that this Gas Accord proceeding provides the best forum to consider this issue.

Q. Which specific provision in the Settlement relates to revenue sharing, and the exclusion of SoCalGas/SDG&E core from the proposed revenue sharing mechanism?

A. Section 10 of the Settlement addresses the revenue sharing mechanism. Section 10.1.2 specifically excludes G-XF shippers from the revenue sharing mechanism, even though this mechanism is purported to be on behalf of PG&E's customers, which G-XF shippers certainly are.

Q. Why are G-XF shippers excluded from the revenue sharing mechanism in the Settlement?

A. The Settlement contains absolutely no explanation for the exclusion. Likewise, PG&E's testimony in this case also presents no rationale for excluding the small group of G-XF shippers. In fact, PG&E's testimony does not state that G-XF shippers are excluded. The first public mention of the exclusion is in the Settlement. It is possible that PG&E viewed the exclusion from revenue sharing as a useful bargaining chip to induce SoCalGas to give up its contractual delivery rights at the PG&E Citygate. But it is not appropriate to arbitrarily discriminate against SDG&E/SoCalGas core by singling out G-XF shippers to be excluded from revenue sharing.

Q. Do you have any comments on the G-XF rates proposed in the Settlement?

A. Yes. I have compared the Settlement G-XF rates with the rates proposed in PG&E's initial testimony on September 18, 2009, and with the "Updated" rates which were filed on April 16, 2010. The comparison is as follows:

G-XF Rates

	2011	**2012**	**2013**	**2014**	average	% Change
Testimony Rates	0.195	0.188	0.178	0.168	0.182	
Updated Rates	0.207	0.207	0.200	0.195	0.202	11.0%
Settlement Rates	0.205	0.206	0.199	0.195	0.201	-0.5%

After initially proposing an average rate for G-XF of $0.182/Dth PG&E later updated its cost allocation assumptions, which resulted in an 11% rate increase to $0.202/Dth. In the Settlement the proposed G-XF rates was lowered by a miniscule 0.5% to $0.201/Dth.

The Settlement rates for G-XF are more than 10% above the rates first proposed by PG&E in its initial testimony.

Q. How do the G-XF rate changes compare with non-G-XF rates?

A. The tables below show the rate changes for Redwood Path-Noncore and Baja Path-Noncore.

Noncore Redwood

	2011	2012	2013	2014	average	% Change
Testimony Rates	0.333	0.347	0.361	0.357	0.350	
Updated Rates	0.338	0.357	0.374	0.372	0.360	3.0%
Settlement Rates	0.287	0.286	0.286	0.283	0.285	-20.8%

Noncore Baja

	2011	2012	2013	2014	average	% Change
Testimony Rates	0.333	0.347	0.361	0.357	0.350	
Updated Rates	0.338	0.357	0.374	0.372	0.360	3.0%
Settlement Rates	0.316	0.316	0.326	0.333	0.322	-10.4%

Rates for Noncore Redwood were increased by 3% in the Update filing. Subsequently in the Settlement the rates were decreased by 20.8%. The resulting Settlement rate is 18.4% below the initial testimony rate.

Likewise, Noncore Baja Path rates were increased by 3% in the Update filing and subsequently decreased 10.4% in the Settlement. The resulting settlement rate is 7.7% below the initial testimony rate.

Q. What are your views and recommendations for G-XF rates?

A. First, I find it very problematic that PG&E can increase G-XF rates by 11% in an Update filing without providing any record evidence why the updated rates are more reasonable than the initial rates. Second, it is clear that non-PG&E settlement parties have been able to achieve significant rate benefits in the Settlement, while the benefits for

SoCalGas/SDG&E core are insignificant. I recommend that the Commission resolve these problems by lowering G-XF rates by the same percentage as Noncore Redwood rates, relative to the Updated rates. The resulting rates are as follows:

SoCalGas/SDG&E Proposed G-XF Rates

2011	**2012**	**2013**	**2014**	average
0.164	0.164	0.158	0.154	$ 0.160

Q. Please summarize your recommendations in this proceeding.

A. As a matter of public policy and the enforcement of a contract right authorized under a Commission-authorized tariff schedule, the Commission should order PG&E to honor its contract and allow SoCalGas to use its capacity to make deliveries to the PG&E Citygate. In addition, as a matter of fairness and nondiscriminatory treatment of all shippers on the PG&E backbone, the Commission should also order PG&E to include G-XF shippers in its proposed revenue sharing mechanism in the same manner as other rate classes. Finally, the Commission should adopt G-XF rates that provide benefits to SoCalGas/SDG&E core customers that are similar to the benefits received by Noncore Redwood path shippers.

Q. Does this conclude your testimony?

A. Yes, it does.

Amendment to the Firm Transportation Service Agreement Between
San Diego Gas & Electric Company and Pacific Gas and Electric Company

Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) hereby agree to amend the Firm Transportation Service Agreement (FTSA) between them, dated December 31, 1991, as follows:

1. For the "Negotiated Period" as defined in Section 11, SDG&E's rate for gas transportation service under the FTSA shall be a "Negotiated Rate".

   1.1. NEGOTIATED RATE:

   The "Negotiated Rate" shall be $ 0.28 per decatherm. SDG&E shall pay PG&E each month an amount calculated as follows. SDG&E shall pay a reservation charge equal to the Negotiated Rate times the number of calendar days in the month times the Maximum Daily Quantity. There shall be no usage charge.

   1.2. The payment provisions of PG&E's tariffs shall apply.

   1.3. During the Negotiated Period, SDG&E shall have a one-time option to elect to pay the standard tariff rates applicable to Expansion deliveries to the Southern Terminus for delivery off system. If SDG&E elects to pay standard tariff rates, SDG&E shall not be able to revert to the Negotiated Rate.

2. Following the Negotiated Period, SDG&E shall pay rates and charges as specified in the CPUC-approved tariff applicable to firm Expansion service, with the exception that such rates and charges shall be no higher than a rate calculated using the methodology in effect at the time the rates and charges are calculated, with a Line 401 capital cost of $736 million, and a utility capital structure. SDG&E shall pay rates on an SFV basis.

3. Upon a CPUC decision on the PEBA balance, the owing party shall pay all amounts due in a manner consistent with the CPUC decision. Payment of the balance shall be independent of the monthly payments calculated in Section 1.1.

4. SDG&E agrees that PG&E may transfer all or part of its ownership interest in Line 401 without SDG&E's consent and, if PG&E's successor in interest assumes all of PG&E's obligations under the FTSA, PG&E shall have no further or continuing obligations to SDG&E, its successor, or its assignees.

5. SDG&E agrees that, if PG&E or its successor in interest at any time seeks, in accordance with California Public Utilities Commission (CPUC) Resolution L-244, to transfer

Line 401 to the jurisdiction of the Federal Energy Regulatory Commission, SDG&E will neither oppose such a transfer nor claim that such a transfer violates any provision of the FTSA.

6. As consideration for PG&E's agreement to the Negotiated Rate set forth in paragraph 1, effective immediately, and for the remainder of the 30-year term of the FTSA, SDG&E irrevocably waives rights it has under the "Uniform Terms of Service" set forth in the March 14, 1994 Amendment to the FTSA, and relinquishes all claims it may have either arising under or relating in any way to rights under that provision.

7. For the period beginning on the first day of the Negotiated Period and ending on the last day of the Negotiated Period, SDG&E agrees to deliver all gas transported under this amendment off PG&E's system, using the delivery point specified in Exhibit A attached to the original FTSA. Following the Negotiated Period, SDG&E shall have a right to whatever delivery point options are available in effective CPUC-approved tariffs applicable to long-term firm Expansion service.

8. Within five calendar days of execution of this amendment by both SDG&E and PG&E, SDG&E agrees to withdraw with prejudice all opposition to PG&E's positions in all phases of the consolidated PEPR/ITCS cases; including the so-called 'statewide ITCS' issue.

9. SDG&E agrees to: (a) actively support approval by the CPUC of this amendment, without modification or condition; and (b) actively support PG&E's Gas Accord before the CPUC.

10. Within 60 days of execution of this amendment, PG&E shall file the amendment with the CPUC by advice letter.

11. The Negotiated Period shall begin on the date the CPUC approves this amendment and shall continue until the later of (a) five years from the date or (b) the end of the Gas Accord period, as approved by the CPUC.

12. As consideration for SDG&E's agreement to execute this amendment by December 2, 1996 without the limited protection of a favored-nations provision granting SDG&E the right to take possible subsequent arrangements PG&E might agree to with other firm Expansion shippers under the August 12, 1996 letter, PG&E shall pay to SDG&E the sum of $150,000 within thirty (30) calendar days from the date this amendment is approved by the CPUC.

WORKING DRAFT
FOR DISCUSSION PURPOSES

13. Prior to any future expansion of PG&E's Line 400/401 system, PG&E agrees to offer SDG&E the option to reduce its firm transportation commitment by the lesser of SDG&E's contract demand, the proposed amount of the new expansion, or, if applicable, a pro rata share (with other firm Expansion Shippers) of the amount of the new expansion.

14. Each provision of this amendment is agreed to by the parties as quid pro quo consideration for each of the other provisions, so that no provision of this amendment is separable from the others for any purpose. If any provision of this amend is deleted, this amendment shall be null and void and of no binding effect on any party.

For SDG&E:	For PG&E:
By: [signature]	By: [signature]
Title: VICE PRESIDENT	Title: Sr. Vice President
Date: 12/2/96	Date: Dec. 5, 1996

TOTAL P.05/05

PACIFIC GAS AND ELECTRIC COMPANY
PIPELINE EXPANSION FIRM TRANSPORTATION SERVICE AGREEMENT

EXHIBIT A - QUANTITIES

SHIPPER NAME: San Diego Gas & Electric TRANSP. ID NO.: 10007-00

EFFECTIVE DATE: From August 1, 2003 To See Section 4.1

POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

	MAXIMUM DAILY QUANTITY (MDQ)	
	Receipts (MMBtu/d)	Deliveries (MMBtu/d)
1. At the interconnection of Pacific Gas Transmission Company's (PGT) pipeline and PG&E's Line 401 near Malin, Oregon.	52,508	N/A
2. At the Southern Terminus of the PG&E Expansion Project (currently located at Kern River Station.)	N/A	51,932
3. Into the PG&E Intrastate Distribution System in Northern California	N/A	51,932
4. Alternate Receipt Points		
Location: ______		
Location: ______		
TOTAL:	52,508	51,932

ACCEPTED AND AGREED TO:

SAN DIEGO GAS & ELECTRIC CO.	PACIFIC GAS AND ELECTRIC COMPANY
By: Beth Bowman	By: Daniel [illegible]
Title: Fuel & Power Supply Director	Title: Manager, Products & Sales
Date: 11/5/97	Date: 11/6/97

BSC
SEC

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Form No. 79-789
Dated 11/01/93
Gas Services

ATTACHMENT 2

Application of Pacific Gas and Electric Company Proposing Cost of Service and Rates for Gas Transmission and Storage Services for the Period 2011-2014 (U 39 G)

Application No. 09-09-013
Exhibit No.: ______________

PREPARED DIRECT TESTIMONY

OF STEVE WATSON

ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

SEPTEMBER 20, 2010

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PREPARED DIRECT TESTIMONY OF STEVE WATSON ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY

A. QUALIFICATIONS

My name is Steve Watson. I am employed by Southern California Gas Company (SoCalGas) as the Capacity Products Staff Manager. My business address is 555 West Fifth Street, Los Angeles, California, 90013-1011. I received a Bachelor's degree in History and International Relations from the University of California, Davis, and a Master's Degree in Public Policy from the University of California, Berkeley. I have been employed by SoCalGas since 1986. I have worked in Gas Supply, Customer Services, the Strategic Planning and Transmission Capacity Planning Departments. I am currently the Capacity Products Staff Manager, responsible for staff support to our Pipeline Products Manager and Storage Products Manager. Before joining SoCalGas I worked as a natural gas analyst at the Department of Energy. I have previously testified before this Commission.

B. PURPOSE

The purpose of this testimony is to recommend new storage posting requirements for PG&E that would increase market transparency and align PG&E's postings with those of storage providers subject to Federal Energy Regulatory Commission (FERC) jurisdiction. I will then describe the benefits of market transparency and refute potential objections to this recommendation.

C. BACKGROUND

At the December 2, 2009 prehearing conference for Pacific Gas and Electric Company's (PG&E's) 2011 Gas Transmission and Storage (GT&S) Rate Case Application (A.09-09-013), SoCalGas and San Diego Gas & Electric Company (SDG&E) (jointly, SoCalGas/SDG&E)

submitted issues that should be made part of the scope of the GT&S Rate Case. On December 18, 2009, the Commission included the issues raised by SoCalGas/SDG&E in its scoping memo and ruling. Among those issues are PG&E's gas storage-related posting requirements on its electronic bulletin board known as Pipe Ranger, which I address in this testimony. On August 20, 2010, PG&E and several parties participating in A.09-09-013 (Settling Parties) signed the Gas Accord V Settlement Agreement (Settlement Agreement). SoCalGas/SDG&E are not parties to the Settlement Agreement. The Settlement Agreement does not address this issue.

If the Commission adopts SoCalGas/SDG&E's recommendation, the Commission will provide greater transparency to California's evolving natural gas storage market. Since these posting requirements are not included in the Settlement Agreement, they still remain to be decided by the Commission, either within or outside the context of the settlement.

PG&E and SoCalGas are competitors for the provision of storage services in California. In Exhibit A of PG&E's Certificate of Public Convenience and Necessity (CPCN) Application (A.08-07-033) for the Gill Ranch Storage Project, PG&E included a map showing the companies with whom it is likely to compete. That exhibit, which is provided as Attachment A to this testimony, includes SoCalGas' storage fields. SoCalGas also believes that storage capacity additions (new or expansions of existing facilities) in California have an impact on SoCalGas' unbundled storage. Thus SoCalGas has a direct interest in, and could be affected by, actions taken with respect to PG&E's 2011 G&TS Rate Case Application.

Gas storage facilities and services such as those owned by PG&E, SoCalGas, and other storage providers in California, are important resources available to the state which should provide reliable, affordable, and safe gas supplies. SoCalGas, however, is concerned that the Commission could approve PG&E's 2011 GT&S Rate Case, which involves PG&E's storage facilities, without considering key posting requirements that would provide market transparency for the benefit of all storage customers in California. As a general rule, markets will be more efficient and will produce more competitive prices as more information is readily and timely available to customers about competing suppliers' prices. That is why regulators of financial markets require timely reporting and posting of transaction prices and quantities of publicly-traded stocks and commodities. There is no compelling reason in logic or regulatory policy why the Commission should not increase the transparency of PG&E' storage activities by requiring the timely posting of transactional price and volume information.

SoCalGas on behalf of itself and SDG&E, and pursuant to regulation by the Commission, is a storage provider in California which competes with PG&E in markets for storage services. SoCalGas has intervened in this proceeding (as have other storage providers) to advocate for changes in PG&E's storage operations that will not only benefit the utilities and their ratepayers, but provide benefits to all California gas consumers. As a storage provider, SoCalGas posts information regarding its storage activities on its own electronic bulletin board. The information that SoCalGas posts is more extensive than what is required under FERC regulations. However, we are not recommending in this proceeding that PG&E's posting requirements conform to SoCalGas' posting requirements, only to FERC's posting requirements.

D. RECOMMENDATION

SoCalGas/SDG&E believe that all storage providers in California, including PG&E and the independent storage providers (ISP) in northern California, should be subject to the same posting requirements that FERC has for both cost-based and market-based storage fields directly connected to interstate pipelines and providing interstate natural gas storage service under Natural Gas Act of 1938 (NGA) § 7(c). Those posting requirements are described below.

1) Posting of all firm storage service transactions.[1] These postings must be made no later than the first nomination under the transaction and be accessible for a period no less than 90 days from the date of posting.

2) Posting of all interruptible storage transactions.[2] The timing and duration of these postings are identical to that for Item 1 above.

3) Posting of all firm storage capacity release transactions.[3] The timing and duration of these postings are identical to that for Item 1 above.

4) Index of firm storage customers.[4] This posting must be made on the first business day of each calendar quarter and be available until the next quarterly index is posted.

5) Daily design and operating storage capacity, daily available storage capacity, whether this capacity is available from storage provider or through capacity release, and daily scheduled quantities (injections and withdrawals).[5] This posting must be made before 11:30 a.m. central clock time three days after the day of gas flow.

FERC established these posting requirements in 2000 in Order No. 637. It reiterated the importance of transparency for storage providers with market-based rate authority in 2006 in Order No. 678. PG&E's posting practices were established in the 1990's as part of the initial Gas Accord proceedings. PG&E's current posting requirements fall short of the FERC

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[1] Showing identity of each customer, rate charged, maximum rate applicable, duration of contract, contract quantity, special terms and conditions, and affiliate relationship if any. See Title 18 of Code of Federal Regulations (18 CFR) § 284.13(b)(1).

[2] Showing identity of each customer, rate charged, maximum rate applicable, interruptible capacity, special terms and conditions, and affiliate relationship if any. See 18 CFR § 284.13(b) (2).

[3] Showing identity of each customer and releasing party, rate charged, maximum rate applicable, duration of contract, contract quantity or volumetric quantity under a volumetric release, special terms and conditions, and affiliate relationship if any. See 18 CFR § 284.13(b) (1).

[4] Showing identity of each customer, applicable rate schedule, contract number, effective and expiration dates of contract, maximum storage quantity, indication if negotiated rates, and affiliate relationship if any. See 18 CFR § 284.13(c).

[5] See 18 CFR § 284.13(d) (1).

standards, as shown in comparison Table 1, and are outdated. There is no reason why PG&E should not be held to the same reporting standard that FERC applies to providers of interstate storage services in competitive markets who, like PG&E, are eligible for market-based storage rates. I am not asking the CPUC to adopt the posting requirements that apply to SoCalGas. Rather, I am asking the CPUC to decide in favor of greater storage market transparency by having PG&E post the information described in Table 1 below, consistent with FERC requirements for storage providers.

<u>Table 1</u>

FERC's Posting Requirements for NGA § 7(c) Storage Facilities vs. PG&E's Current Postings

<table>
<tr><th></th><th><u>FERC's Requirements for § 7(c) Storage Facility</u></th><th><u>PG&E's Current Postings / Reports</u></th></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>1)</td><td>All firm storage service transactions showing identity of each customer, contract number, rate charged, maximum rate applicable, duration of contract, contract quantity, special terms and conditions, and affiliate relationship if any. Postings must be made no later than the first nomination under the transaction and be accessible for a period no less than 90 days from the date of posting. See 18 CFR § 284.13(b) (1).</td><td rowspan="2">In accordance with D.97-08-055 (Appendix B, Page 29, Item 15.f), PG&E files with CPUC the Monthly Reports of Negotiated Contracts, which include maximum contract quantities (inventory, injection, and withdrawal), start and end dates of contracts, rates charged, special terms and conditions, and affiliate relationship if any, for PG&E's G-NFS (Negotiated Firm Storage) and G-NAS (Negotiated As-Available Storage) contracts. However, PG&E does not disclose prices or volumes for many transactions—including bundled transactions and imbalance trades. Nor does it include customer names. PG&E e-mails copies of this report to interested parties, but does <u>not</u> post it on PG&E's website.</td></tr>
<tr><td>2)</td><td>All interruptible storage transactions showing identity of each customer, contract number, rate charged, maximum rate applicable, interruptible capacity, special terms and conditions, and affiliate relationship if any. The timing and duration of these postings are identical to that for Item 1 above. See 18 CFR § 284.13(b) (2).</td></tr>
<tr><td>3)</td><td>All firm storage capacity release transactions showing identity of each customer and releasing party, contract number, rate charged, maximum rate applicable, duration of contract, contract quantity or volumetric quantity under a volumetric release, special terms and conditions, and affiliate relationship if any. The timing and duration of these postings are identical to that for Item 1 above. See 18 CFR § 284.13(b) (1).</td><td>None</td></tr>
<tr><td>4)</td><td>Index of firm storage customers showing identity of each customer, applicable rate schedule, contract number, effective and expiration dates of contract, maximum storage quantities, indication if negotiated rates, affiliate relationship if any. This posting must be made on the first business day of each calendar quarter and be available until the next quarterly index is posted. See 18 CFR § 284.13(c).</td><td>PG&E posts the quarterly "Firm Storage Holder Contact List" (as of the first day of the new quarter) showing the company (customer) name, name of the formal contact, his/her title, office location (City and State), and telephone number. Storage contract quantities, contract terms, and negotiated rate information is missing.</td></tr>
<tr><td>5)</td><td>Daily design and operating storage capacity, daily available storage capacity, whether this capacity is available from storage provider or through capacity release, and daily scheduled quantities (injections and withdrawals). See 18 CFR § 284.13(d) (1).</td><td>Actual and forecast of scheduled injections and withdrawals by PG&E, Wild Goose, Lodi, and Balancing. PG&E does not post daily design and operating storage capacity, daily available storage capacity, and whether this capacity is available from storage provider or release. All capacities should include non-cycle working gas.</td></tr>
</table>

ENSTOR's Caledonia Gas Storage in Mississippi (13 Bcf) and Freebird Gas Storage in Alabama (8 Bcf), which are examples of FERC-jurisdictional NGA § 7(c) storage facilities with market-based rates, make these postings[6]. Table 2 below is a simplified illustration of a storage transaction posted by Caledonia Gas Storage on its website. SoCalGas believes that these posting requirements should be the minimum standard for all Commission-regulated storage facilities and storage providers in California, in order to provide the same categories of information according to the same market rules to all market participants. SoCalGas believes that the further development of a competitive storage market for California requires the timely dissemination of transactional price and volume information by all providers of storage services in California, and in particular by PG&E at this time.

6 See http://www.gasnom.com/ip/caledonia/ and http://www.gasnom.com/ip/Freebird/ , respectively.

Table 2

Simplified Illustration of Storage Transaction Posted by Caledonia Gas Storage
[FERC-Jurisdictional NGA § 7(c) Storage Facilities with Market-Based Rates]

General Information	
Transportation Service Provider Name	Caledonia Gas Storage L.L.C.
Posting Type	Firm
Contract Status	Amended
Contract Holder Name	Atmos Energy Marketing LLC
Affiliate Indicator Description	None
Posting Date	June 30, 2010
Contract Information	
Service Requester Contract	AtmosCA001
Contract Entitlement Begin Date	June 1, 2010
Contract Entitlement End Date	March 31, 2015
Rate Form Type Code	3 (i.e., Package Rate)
Reservation Rate Basis	MO (i.e., Per Month)
Contractual Quantity – Contract	500,000 (i.e., Dth of Inventory)
Location/Quantity Type Indicator	Storage Quantity
Surcharge Indicator	No surcharges applicable
Rate 1	
Rate Identification Code Description	Reservation
Rate Charged	0.125
Negotiated Rate Indicator Description	No
Rate Label	Monthly Storage Rate
Rate Effective Date	June 1, 2010
Rate End Date	March 31, 2015
Rate 2	
Rate Identification Code Description	Volumetric
Rate Charged Reference Description	Spc Terms
Rate Charged	0
Negotiated Rate Indicator Description	No
Rate Label	Storage Injection
Rate 3	
Rate Identification Code Description	Volumetric
Rate Charged Reference Description	Spc Terms
Rate Charged	0
Negotiated Rate Indicator Description	No
Rate Label	Storage Withdrawal
Location 1	
Location Name	TGPL012734 (i.e., Tennessee Gas P/L)
Contractual Quantity – Location	10,000 (i.e., Dth/Day Injection)
Location 2	
Location Name	TGPL021047 (i.e., Tennessee Gas P/L)
Contractual Quantity – Location	8,500 (i.e., Dth/Day Withdrawal)

E. BENEFITS OF PROPOSED RECOMMENDATION

If PG&E were to post the transaction data listed in Table 2, there would be increased transparency in California storage markets, as well as significant benefits to all California ratepayers. Customers for SoCalGas' unbundled storage services shop for competitive alternatives with the northern California storage fields, whether ISP-owned or utility-owned. These storage customers can realize price arbitrage benefits from storage in northern California because the PG&E citygate price is often closely correlated to the SoCalGas citygate price. Therefore, storage customers will tend to go with the lowest price they discover among competing storage fields. Although SoCalGas' competitors can easily see SoCalGas' posted prices, SoCalGas does not know what prices are being offered by its competitors. If SoCalGas prices its products too high, it will lose sales revenue to the detriment of its ratepayers. If, on the basis of inaccurate or misrepresented claims concerning what competitors are offering, SoCalGas discounts its products too much, then it will lose revenues in that case as well. Storage customers, and by extension California gas consumers, would benefit if PG&E and other storage providers in California were required to meet a minimum standard set of posting requirements that includes transactional price and volume information. Should that happen, SoCalGas and SDG&E believe that storage providers will tend to discount down to either (1) the price level necessary to win the customer's business or (2) the provider's cost, whichever is higher.

Customers of PG&E's storage services would benefit from these posting requirements. Posting of PG&E's firm contracted storage rights relative to available capacity would give potential PG&E customers information that would allow them to better negotiate for the quantities and prices they desire. A posting of those already holding firm storage rights would allow potential new customers to inquire about potential storage capacity release transactions with existing firm rights holders as a competitive alternative to purchases of storage services directly from PG&E. A posting of storage capacity release transactions or assignments would also be helpful to other existing or potential storage customers of PG&E.

California's natural gas storage market continues to evolve with the growth of public utility-owned storage facilities, independent storage facilities under the Commission's jurisdiction, and a new application for an independent storage facility under FERC jurisdiction. The Commission has already adopted "let the market decide" approach in evaluating requests to build new storage facilities and has also found the benefits of competitive gas storage. The Commission should continue to promote competitive gas storage markets in California and enable storage customers to make more informed business decisions in selecting storage services for their needs, by requiring more transparency with a consistent set of minimum posting requirements throughout the California storage market.

F. THE COMMISSION SHOULD REJECT ARGUMENTS THAT POSTING REQUIREMENTS ARE ONLY NECESSARY IN SOUTHERN CALIFORNIA

Some participants in this case may argue that storage transaction postings are only needed in southern California where, according to them, there is a less competitive market for storage services. They may also argue that storage transaction postings should not apply to northern California because similar storage transaction postings arose out of circumstances unique to SoCalGas/SDG&E. Such arguments, however, beg the question whether more price transparency would improve the efficiency of California's storage market and reduce costs to California gas consumers. And, as I stated earlier, I am not arguing here that PG&E make the same postings as SoCalGas does. Rather, I suggest that PG&E make the same postings that

FERC requires of cost-based and market-based storage service providers directly connected to interstate pipelines and providing interstate natural gas storage service under NGA § 7(c). These postings would increase the transparency of the storage market in California, as they have already increased transparency in FERC storage markets.

Similarly, the argument that the market for storage services in northern California is competitive does not answer the question whether greater price transparency would improve competition. FERC believes it is important to require the same transaction postings for storage providers with market-based rate authority under its jurisdiction as it does for storage providers at cost-based rates under its jurisdiction. In Order No. 678, FERC specifically rejected arguments that posting of transactional information should not be required for storage providers eligible for market-based rates. FERC has determined that transactional price transparency is important for storage providers connected to interstate pipelines, regardless of the degree of competition that may exist in their markets.

G. THE COMMISSION SHOULD REJECT INTERVENOR APPEALS TO APPLY LAX POSTING REQUIREMENTS FOR FERC § 311(a) (2) FACILITIES

PG&E and some ISPs may argue that FERC does not impose the above-mentioned posting requirements on storage fields that are directly connected to intrastate pipelines but provide the interstate natural gas service under § 311(a)(2) of Natural Gas Policy Act of 1978 (NGPA). In these instances, FERC is deferring to the individual states' regulatory authority. SoCalGas believes that California regulators should be progressive and should apply the higher posting standards that FERC applies to NGA § 7(c) storage fields directly connected to interstate pipelines.

It is worth noting that the Railroad Commission (RRC) of Texas requires storage providers under its jurisdiction to provide transaction details, such as customer number (name is withheld), prices, and maximum storage quantities (inventory, injection, and withdrawal), in their monthly Gas Services Division 2 Tariff Reports that are made public on RRC's website (http://www.rrc.state.tx.us/data/gasservices/gastariffs/index.php).

The Texas intrastate market is one of the most competitive areas of any natural gas markets in the United States. Yet, RRC of Texas, similar to FERC for NGA § 7(c) storage facilities, requires transaction details, such as prices and storage quantities, to be published in order to facilitate price discovery and market transparency. ENSTOR's Katy Storage Hub in Texas and storage facilities of Atmos Pipeline - Texas are examples of storage facilities which are under the jurisdiction of the RRC for their intrastate storage business in Texas, but also provide interstate natural gas service under NGPA § 311(a)(2). Table 3 is a simplified illustration of a storage transaction reported by Atmos Pipeline - Texas to RRC and made public by RRC on its website.

Table 3

Simplified Illustration of Storage Transaction Reported by Atmos Pipeline - Texas
[RRC of Texas Jurisdictional Facilities with Market-Based Rates]

RRC COID 6777	
Company (Storage Provider) Name	Atmos Pipeline - Texas
Tariff Description	Transmission Miscellaneous (e.g., Storage)
Original Contract Date	03/01/2009
Amended Date	04/01/2010
Reason for Filing	
Amendment (Explain)	Contract Term Extension and changing the Storage Reservation Fee
Customers	
Customer No.	18382
Customer Name	Confidential
Rate Description	
Monthly Storage Reservation Fee	$60,000 / Month
Maximum Injection Quantity*	6,000 MMBTU/Day
Maximum Withdrawal Quantity*	12,000 MMBTU/Day
Maximum Storage Inventory Quantity*	500,000 MMBTU
Taxes	100% Tax Reimbursement
Late Charge:	Additional 1.5% interest on all unpaid amounts if customer fails to make payments within 10 days of the monthly billing date

* At a uniform flow rate throughout the Day

Unauthorized Overrun Fee	$0.25 / MMBTU
Effective Date	04/01/2010

H. CONCERNS ABOUT THE COST OF POSTING ARE OVERBLOWN

The relatively small incremental costs associated with SoCalGas/SDG&E's recommended informational postings would not likely discourage any storage provider from building new storage facilities or expanding existing storage facilities in California. For example, FERC's posting requirements have not discouraged Tricor Ten Section Hub, LLC from seeking the FERC approval for a CPCN under NGA § 7(c) for a new natural gas storage facility with market-based rates in southern California. SoCalGas believes that the costs of making these suggested web postings would not be significant, and the posted information would provide significant benefits in terms of market transparency.

I. LEVEL PLAYING FIELD CONCERNS CAN BE ADDRESSED

PG&E may also argue that if it is required to post storage market transparency data, it would be at a competitive disadvantage compared to other storage providers in northern California. This concern, however, does not justify the rejection of my recommendation. Rather, it argues for the application of this recommendation to all Commission-regulated storage fields. There are no prohibitions upon the Commission to implement an important policy goal, such as market transparency, by first requiring PG&E to conform to FERC's posting requirements in this proceeding. Storage posting requirements pertain directly to PG&E's storage activities, and storage activities are clearly within the scope of a GT&S Rate Case. In the future, the Commission could require posting of transactional price and volume information by other storage providers in California when those providers request Commission approval for expansion of their existing storage facilities and/or construction of new storage facilities. This will eventually level the playing field for all storage providers, for the benefit of all storage customers and thereby of all gas consumers in California. Other options are available to the Commission if it desires to level the playing field more quickly.

My recommendations would certainly not cause PG&E to have a competitive disadvantage vis-à-vis SoCalGas because SoCalGas already meets the FERC posting requirements suggested herein, as demonstrated in Table 4.

Table 4
FERC's Posting Requirements for NGA § 7(c) Storage Facilities vs. SoCalGas' Current Postings

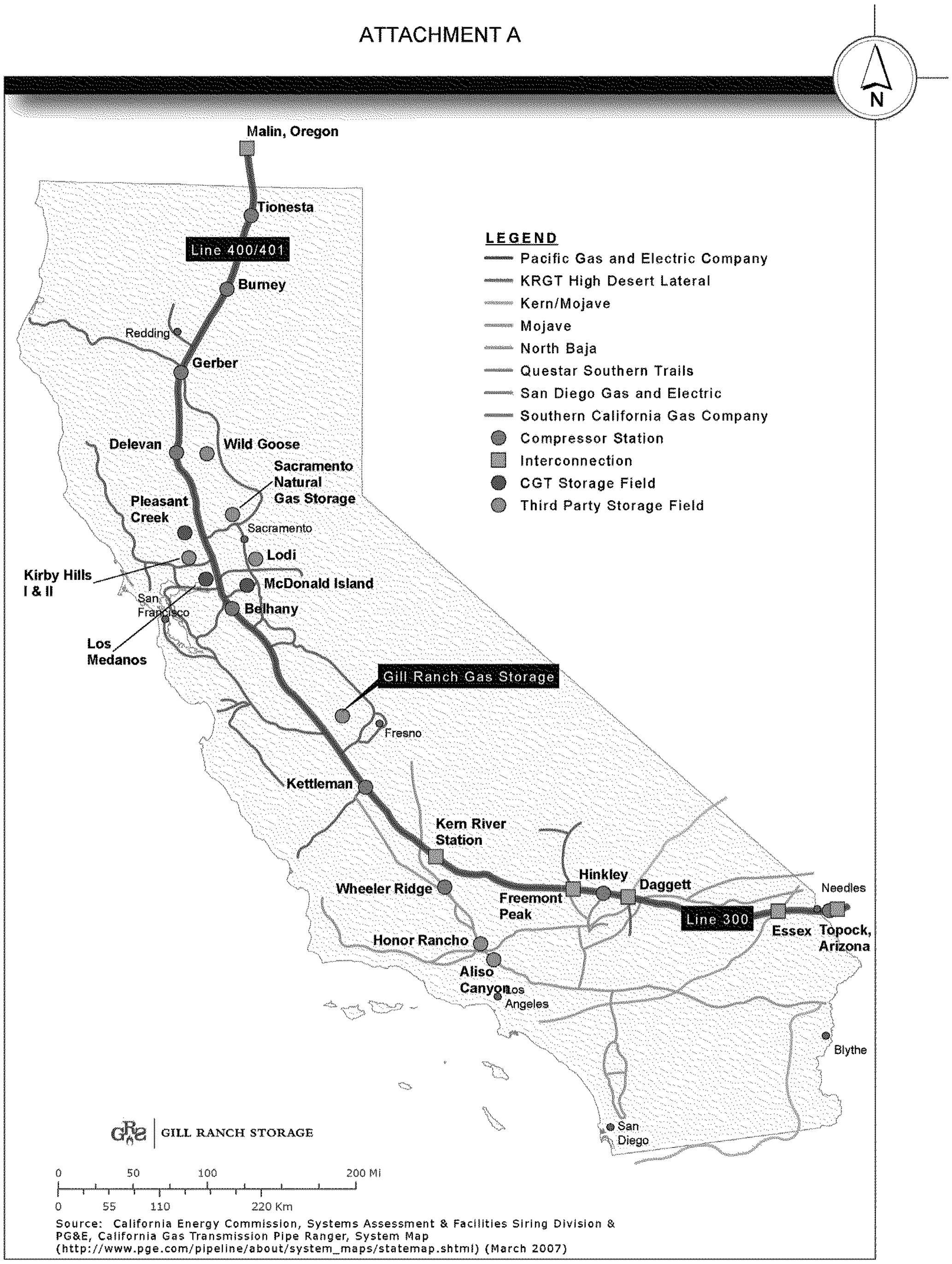
	Posting Requirements for FERC § 7(c) Facilities	SoCalGas' Current Postings
1)	All firm storage service transactions showing identity of each customer, contract number, rate charged, maximum rate applicable, duration of contract, contract quantity, special terms and conditions, affiliate relationship if any, etc. Postings must be made no later than the first nomination under the transaction and be accessible for a period no less than 90 days from the date of posting. See 18 CFR § 284.13(b) (1).	All firm storage transactions are posted by SoCalGas within one business day after the contract is in the system and well before the first nomination. For more details, click on https://envoyproj.sempra.com/, then under "Informational Postings" click on "Storage Capacity," and then click on "Primary Storage Transactions." Maximum rate applicable is tariff rate, which is posted in tariffs. Affiliate transactions are in Affiliate Transaction Postings.
2)	All interruptible storage transactions showing identity of each customer, contract number, rate charged, maximum rate applicable, interruptible capacity, special terms and conditions, and affiliate relationship if any. The timing and duration of these postings are identical to that for Item 1 above. See 18 CFR § 284.13(b)(2).	For details on last 30 days of interruptible injection and withdrawal bids, click on https://capacity.socalgas.com/auctions/, then click on "Interruptible Queue (ITQ)," click on "Reports," then select the "ITQ Posting" report, ITQ Term, and Auction Type, and finally click on "View Report" button. This information is updated within one business day after the bids are received by SoCalGas.
3)	All firm storage capacity release transactions showing identity of each customer and releasing party, contract number, rate charged, maximum rate applicable, duration of contract, contract quantity or volumetric quantity under a volumetric release, special terms and conditions, and affiliate relationship if any. The timing and duration of these postings are identical to that for Item 1 above. See 18 CFR § 284.13(b)(1).	All firm storage capacity release transactions are immediately posted on SoCalGas' Electronic Bulletin Board (EBB) under "Awarded Storage Rights" tab under "Secondary Transactions Storage." This information is also posted outside EBB within one business day after the capacity is released. For more details, click on https://envoyproj.sempra.com/, then under "Informational Postings" click on "Storage Capacity," and then click on "Secondary Storage Transactions." Maximum rate is posted in tariffs.
4)	Index of firm storage customers showing identity of each customer, applicable rate schedule, contract number, effective and expiration dates of contract, maximum storage quantities, indication if negotiated rates, and affiliate relationship if any. This posting must be made on the first business day of each calendar quarter and be available until the next quarterly index is posted. See 18 CFR § 284.13(c).	SoCalGas posts current (plus historical and future) index of firm storage customers and updates it within one business day after the contract is in the system. For more details, click on https://envoyproj.sempra.com/, then under "Informational Postings" click on "Storage Capacity," and then click on "Index of Firm Storage Rights." Applicable rate schedule and affiliate relationship are posted elsewhere as described in Item 1 above.
5)	Daily design and operating storage capacity, daily available storage capacity, whether this capacity is available from storage provider or through capacity release, and daily scheduled quantities (injections and withdrawals). See 18 CFR § 284.13(d)(1).	For details on daily contracted and available firm storage capacity, click on https://envoyproj.sempra.com/, then under "Informational Postings" click on "Storage Capacity," and then click on "Unsubscribed Capacity." For details on daily storage capacity, click on https://envoyproj.sempra.com/, then click on "Operations." And then click on "Daily Operations."

J. CONCLUSION

The Commission should promote greater market transparency in the California market for storage services. The proposed settlement disregards an important proposal that would provide price transparency for PG&E's storage activities. Whether or not the Commission ultimately adopts the Settlement Agreement, the Commission should promote the goal of improving market transparency for storage services in California by adopting SoCalGas/SDG&E's recommendation.

This concludes my testimony.

ATTACHMENT A



From Exhibit A of PG&E's CPCN Application for the Gill Ranch Storage Project (A.08-07-033)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) TO THE JOINT MOTION OF SETTLEMENT PARTIES FOR APPROVAL OF "GAS ACCORD V" SETTLEMENT** by electronic mail to all parties to this proceeding and by Federal Express to Commissioner Simon and Administrative Law Judge Wong.

Dated at Los Angeles, California, this 20th day of September 2010.

/s/ Rose Mary Nava
Rose Mary Nava

CALIFORNIA PUBLIC UTILITIES COMMISSION
Service Lists - Proceeding: A.09-09-013 - Last changed: September 16, 2010

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