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Bcc:

Subject: R.11-02-019, Correction to TURN's Reply Brief

Dear ALJ Bushey,

TURN writes to correct a statement at pp. 36-37 of its Reply Brief filed on May 31, 2012.

There, TURN rebuts PG&E's argument that D.12-04-021 authorized the Sempra utilities to retroactively record in memorandum accounts costs incurred in 2011, prior to the date of that decision. After correctly pointing out that PG&E offered no page reference or quotation to support its interpretation of D.12-04-021, TURN states: "TURN has scoured D.12-04-021, *and the Sempra utilities' January 13, 2012 filing referenced in Ordering Paragraph 3 that describes the costs to be tracked.* Nowhere in either document is there any indication whatsoever that the Commission was authorizing a retroactive effective date *or the inclusion of pre-April 20, 2012 costs in the memorandum account.*"

Last week, in the course of doing work in A.11-11-002 (Sempra TCAP) and reviewing the Sempra utilities' May 25, 2012 Motion for Interim Recovery in that docket, TURN learned that, in Attachment B to the January 13, 2012 filing, the Sempra utilities' did list some costs for 2011 in Attachment B to the January 13, 2012, which TURN did not see in its prior review of that filing. (TURN notes that the body of the January 13, 2012 pleading does not specifically reference the 2011 date.) Accordingly, to make the above-quoted sentences completely accurate, the italicized words should be deleted.

Despite this oversight, TURN stands by its larger points that: (1) the rule against retroactive ratemaking does not allow recovery of costs incurred prior to the date of a decision authorizing a memorandum account; and (2) D.12-04-021 does not contain language suggesting that the Commission knowingly intended to change this longstanding interpretation of the rule. In a pleading that TURN is filing today in A. 11-11-002 in response to the Sempra utilities' Motion for Interim Recovery, TURN presents a full discussion of the appropriate interpretation of D.12-

04-021. Also, in the near future, TURN intends to file a petition for modification of D.12-04-021 in which it will seek clarification of the intent of D.12-04-021 with respect to the inclusion of costs incurred in 2011 in the memorandum account.

Please let me know if you would like TURN to take any other action to memorialize this correction to TURN's Reply Brief.

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