

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

Application of Pacific Gas and Electric Company )	
Proposing Cost of Service and Rates for Gas )	A.13-12-012
Transmission and Storage Services for the Period )	(Filed December 19, 2013)
2015 – 2017 (U39G). )	
_____)	
And Related Matter. )	Investigation 14-06-016
_____)	

**MOTION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)  
FOR PARTY STATUS**

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July 21, 2014

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Southern California Gas Company (SoCalGas) submits the following Motion For Party Status, pursuant to Rule 1.4(a)(4) of the Commission’s Rules of Practice and Procedure. In this proceeding, Pacific Gas and Electric Company (PG&E) proposes a new interpretation of federal and state pipeline safety regulations that, if applied to other pipeline operators in the State, could have a dramatic impact on efforts to provide safe and reliable natural gas service and on customers’ rates. As such, SoCalGas requests party status in this proceeding to address this matter of statewide importance.

**I. BACKGROUND**

PG&E filed its Application Proposing Cost of Service and Rates for Gas Transmission and Storage on December 19, 2013. Several parties filed protests to PG&E’s application on January 31, 2014. PG&E filed its Reply to these protests on February 10, 2014. On March 7, 2014, PG&E filed Supplemental Testimony and Workpapers.

A Pre-Hearing Conference was held on March 12, 2014, which resulted in the issuance of a Joint Scoping Memo by Commissioner Carla J. Peterman and Administrative Law Judge John S. Wong on April 17, 2014. The Joint Scoping Memo identifies 24 issues to be addressed in this proceeding.<sup>1</sup> These issues generally focus on the reasonableness of PG&E’s proposed rates and

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<sup>1</sup> April 17, 2014 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, at 2-4.

the impact of PG&E's proposals on safety. Although, not specifically identified, PG&E's proposed interpretation of federal and state pipeline safety regulations is an integral part of its rate proposal and could directly impact public safety.

Additionally, the Joint Scoping Memo establishes the procedural schedule for this case, with intervenor testimony due on August 11, 2014. As a result of the potential impact of PG&E's new proposed interpretation of federal and state pipeline regulations (discussed in greater detail below and in the concurrently filed *Joint Motion of SoCalGas and SDG&E to Transfer Consideration of Proper Application of 49 CFR 192.3 to Rulemaking 11-02-019*), SoCalGas has a significant interest in this proceeding and plans to file testimony and participate in this proceeding, should the concurrently filed motion to transfer consideration of this issue not be granted prior to August 11, 2014.

## **II. SOCALGAS AND ITS CUSTOMERS HAVE A SIGNIFICANT INTEREST IN THE OUTCOME OF THIS PROCEEDING**

In this proceeding, PG&E proposes to modify how it classifies pipelines to increase the portion of its network designated as transmission. PG&E's reclassification is a result of the following proposed definition of "distribution center," a term used in federal and state pipeline regulations to classify pipelines as either transmission or distribution:

For PG&E, the main change in this reclassification revolves around the physical location of the "distribution center" where the function changes<sup>2</sup> from transporting gas to distributing it for two or more customers.

If approved by the Commission, PG&E's new definition of a "distribution center" will result in the reclassification of approximately 942 miles of distribution pipeline as transmission pipeline, and increase PG&E's transmission mileage by about 16%, from 5,808 miles to 6,750 miles.<sup>3</sup> Once reclassified, the newly-classified transmission pipe segments may be removed from PG&E's Distribution Integrity Management Program (DIMP) and incorporated into PG&E's Transmission Integrity Management Program (TIMP).<sup>4</sup>

As a local distribution company operator, SoCalGas primarily engages in gas distribution, but also operates transmission pipelines. Gas entering the SoCalGas system is

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<sup>2</sup> Pacific Gas and Electric Company 2015 Gas Transmission and Storage Rate Case Prepared Testimony Volume 1 of 2, Chapter 4, at 4-3.

<sup>3</sup> Id. at 4-3.

<sup>4</sup> Id. at 4-3 – 4-4.

primarily for consumption rather than resale. In categorizing its pipelines, SoCalGas defines the term “distribution center” as follows:

Distribution Center - the transition point at which gas supplies from an Intrastate, Interstate or International pipeline, a California Producer, or a company gas storage field, are transferred into a transmission or distribution pipeline system.

If PG&E’s definition of “distribution center” is applied to SoCalGas, SoCalGas will be required to assess and reclassify hundreds of miles of distribution pipelines as transmission, and its pipeline system operations and maintenance will be significantly impacted. SoCalGas requests party status to file the concurrently submitted motion requesting that this matter of statewide importance be transferred to Rulemaking 11-02-019. If the motion to transfer is not granted, SoCalGas wishes to submit intervenor testimony in this proceeding that will explain the merits of SoCalGas’ definition of “distribution center” relative to PG&E’s proposed new definition and demonstrate that PG&E’s proposed definition will cause SoCalGas and its customers to incur increased costs without incurring corresponding efficiency or pipeline safety benefits.

### **III. COMMUNICATIONS AND SERVICE**

SoCalGas request that service of notices, orders and other correspondence in this proceeding be addressed to:

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**IV. CONCLUSION**

For the reasons stated above, SoCalGas respectfully requests that this Motion For Party Status be granted.

Respectfully submitted,

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