

BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA



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Order Instituting Investigation and Ordering
Pacific Gas and Electric Company to
Appear and Show Cause Why It Should
Not Be Sanctioned for Violations of
Article 8 and Rule 1.1 of the Rules of
Practice and Procedure and Public Utilities
Code Sections 1701.2 and 1701.3

I.15-11-015

**MOTION OF SHELL ENERGY NORTH
AMERICA (US), L.P. TO BECOME A PARTY**

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Date: April 3, 2017

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America (US), L.P.

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In accordance with Rule 1.4(a)(4) of the Commission's Rules, Shell Energy North America (US), L.P. ("Shell Energy") submits this motion to become a party in the above-referenced investigation proceeding. Shell Energy seeks to become a party in order to address the details (and the merits) of a proposed settlement agreement that was submitted on March 28, 2017.¹ That settlement agreement, if approved, will affect rates adopted by the Commission in

¹ I.15-11-015, "Joint Motion of the City of San Bruno, the City of San Carlos, the Office of Ratepayer Advocates, the Safety and Enforcement Division, the Utility Reform Network, and Pacific Gas and Electric Company for Adoption of Settlement Agreement" (filed March 28, 2017) (hereinafter, "Settlement Motion").

another proceeding (A.13-12-012) in which Shell Energy is a party. Shell Energy requests the opportunity to address, in this proceeding, the agreed-upon settlement terms that alter the outcome of A.13-12-012.

In support of its motion, Shell Energy states the following:

I.

**SHELL ENERGY'S INTEREST
IN THIS PROCEEDING**

Shell Energy is a marketer of natural gas and electricity to wholesale and retail customers throughout California and the western United States. Shell Energy sells gas directly to noncore customers (as well as core aggregation customers) in PG&E's service territory.

Shell Energy holds firm capacity rights on interstate pipelines that are connected to the PG&E system. Shell Energy has held firm backbone transmission rights on the PG&E system, and has held firm rights in storage facilities connected to the PG&E system. Shell Energy uses a combination of interstate capacity rights, backbone transmission rights, and storage rights to serve its customers on the PG&E system. The rates and charges applicable to PG&E's backbone transmission and storage services are directly relevant to Shell Energy.

On March 28, 2017, the active parties in this proceeding filed the Settlement Motion to resolve all issues in the proceeding. See Settlement Motion at p. 1. The Settlement Motion addresses agreed upon "remedies," including financial remedies, to be imposed upon PG&E as a result of multiple ex parte violations during the period 2010-2014, as acknowledged by PG&E in the accompanying proposed settlement agreement.

Among other proposed financial remedies, the Settlement Motion describes an agreed upon reduction of \$63.5 million in PG&E's gas transmission and storage ("GT&S") revenue requirement over a two-year period (2018-2019). One of the years covered by this agreed upon revenue requirement reduction (2018) is within the rate period covered by PG&E's recently concluded GT&S rate case (A.13-12-012). PG&E's GT&S revenue requirement (and rates) for the period 2015-2018 were addressed through a series of Commission decisions, most recently D.16-12-010 (December 1, 2016).

Shell Energy was a party to PG&E's GT&S rate case and is directly affected by the adopted GT&S revenue requirement and resulting rates. For this reason, Shell Energy should be granted party status in this proceeding.

II.

SERVICE OF CORRESPONDENCE, PLEADINGS AND ORDERS

For the purpose of all correspondence, pleadings, orders and notices in this proceeding, the following Shell Energy representative should be placed on the service list as a "party":

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In addition, the following Shell Energy representative should be placed on the "information-only" service list:

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III.

SHELL ENERGY'S MOTION IS TIMELY

Shell Energy's motion to become a party is timely. Until the Settlement Motion was filed on March 28, 2017, there was no indication that this proceeding would address a reduction in PG&E's adopted GT&S revenue requirement in A.13-12-012. The Commission previously adopted, in D.14-11-041 (November 20, 2014), penalties and sanctions attributable to PG&E's violations of the ex parte rules in connection with the GT&S rate case (A.13-12-012). The ex parte violation penalty approved in D.14-11-041 was implemented in the final revenue requirement (and rates) adopted in D.16-12-010 (December 1, 2016). The approved GT&S rates became effective on January 1, 2017.

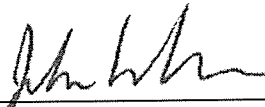
The agreed upon GT&S revenue requirement reduction (for 2018-2019) in the Settlement Motion would alter the outcome of D.16-12-010. As a party to PG&E's GT&S rate case (A.13-12-012), Shell Energy has a direct interest in how the agreed upon GT&S revenue requirement reduction will be implemented. In view of the remedy presented in the March 28 Settlement Motion, Shell Energy's motion to become a party is timely.

IV.

CONCLUSION

The Settlement Motion raises numerous issues regarding the derivation and the impact of the agreed upon reduction in PG&E's GT&S revenue requirement for 2018 and 2019. The proposed settlement agreement in this proceeding includes a remedy that modifies the Commission's December 2016 decision in A.13-12-012. In order to assess the impact of this remedy, Shell Energy should be granted party status herein. Shell Energy should have the opportunity, in this proceeding, to explore the basis for and the rate implications of the Settlement Motion.

Respectfully submitted,



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