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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's own motion into the Operations and Practices of Pacific Gas and Electric Company; Notice of Opportunity for Hearing; and Order to Show Cause Why the Commission Should not Impose Fines and Sanctions for Pacific Gas and Electric Company, March, April and July 2010 Violation of System Resource Adequacy Requirements.

Investigation 11-06-011
(Filed June 9, 2011)

**ASSIGNED COMMISSIONER AND
ADMINISTRATIVE LAW JUDGE'S SCOPING MEMO AND RULING**

This ruling contains the scoping memo and schedule for the above-captioned proceeding.

Background

On June 9, 2011, the Commission instituted an investigation into the operations and practices of Pacific Gas and Electric Company (PG&E) based on a report by the Commission's Consumer Protection and Safety Division (CPSD) presenting evidence that PG&E failed to comply with the Commission's Resource Adequacy program rules by not timely securing the required energy resources for March, April, and July 2010. The Commission opened the investigation to determine whether PG&E violated Resource Adequacy program rules. In addition, the Order Instituting Investigation (OII) ordered PG&E to show cause why it should not be sanctioned for violating Commission rules and

not securing the required energy resources for March, April, and July 2010 pursuant to Section 380 of the Public Utilities Code, Decision (D.) 05-10-042, and D.06-06-064.

A prehearing conference (PHC) in this matter was held on August 2, 2011 to discuss the scope and schedule of the proceeding.

Scope

Based on discussions at the PHC and the preliminary scope set forth in OII 11-06-011, the scope of the proceeding is as follows:

- Whether PG&E violated Resource Adequacy program rules, regulations or orders as set forth in Pub. Util. Code § 380, D.05-10-042, and D.06-06-064.
- Whether PG&E failed to timely meet its qualifying system capacity obligations for March, April, and July 2010 by the time those obligations were required to be secured and/or reported in accordance with D.05-10-042 and D.06-06-064.
- Whether PG&E should be fined \$7,133,100 for violating Commission rules by not timely securing and/or reporting the required energy resources for March, April, and July 2010 in accordance with the Commission's Resource Adequacy program rules.

Schedule

The schedule for this proceeding is as follows:

August 19 ¹	Deadline for parties to agree on how to make the CPSD Report that is the subject of this OII publicly available. If necessary, a redacted version will be made available by this date, accompanied by a PG&E motion requesting confidential treatment of portions of the CPSD report. The unredacted version of the CPSD Report will remain confidential while any motion is pending.
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¹ All dates are 2011 unless otherwise noted.

September 23	PG&E Reply Testimony served (i.e., response to CPSD Report and Order to Show Cause)
October 21	CPSD Rebuttal Testimony served
November 1 10:00 a.m.	PHC to determine if hearings are necessary Commission Courtroom, State Office Building 505 Van Ness Avenue San Francisco, CA 94102
November 15-17 10:00 a.m.	Evidentiary Hearing Commission Courtroom, State Office Building 505 Van Ness Avenue San Francisco, CA 94102
Dates to be determined	<ul style="list-style-type: none"> • Briefing, if hearings held • Submission • Proposed Decision

The above schedule anticipates a final decision in the first or second quarter of 2012. In any event, we anticipate this proceeding shall be resolved within 12 months of its initiation unless the Commission makes findings why that deadline cannot be met and issues an order extending the deadline, pursuant to Pub. Util. Code § 1701.2(d).

Presiding Officer

Administrative Law Judge (ALJ) Dorothy J. Duda is designated as the presiding officer pursuant to Rule 13.2(a).

Categorization and *Ex Parte* Rules

Pursuant to Rule 7.1(c), the Commission categorized this matter as Adjudicatory and preliminarily determined that hearings were necessary. No party appealed this determination so that determination is now final. *Ex parte* communications are prohibited in adjudicatory proceedings pursuant to Pub. Util. Code § 1701.2(b) and Rule 8.3(b).

Alternative Dispute Resolution (ADR)

The parties were informed at the prehearing conference that the Commission offers voluntary ADR services. Should the parties wish to take advantage of this program, they should contact ALJ Duda for a referral to the ADR Program.

Service List and Service of Documents

The official service list for this investigation is available on the Commission's web page (www.cpuc.ca.gov). Service of documents is governed by Rule 1.9.

Electronic service is governed by Rule 1.10. Pursuant to Rule 1.10(e), serving parties shall provide the assigned ALJ with a hard copy, and an electronic copy in Microsoft Word and/or Excel format.

Accordingly, **IT IS RULED** that:

1. This is an adjudicatory proceeding.
2. The scope and schedule of this proceeding shall be as set forth in this ruling.
3. Administrative Law Judge Dorothy J. Duda is the presiding officer in this proceeding.
4. A second prehearing conference in this matter will be held on November 1, 2011, beginning at 10:00 a.m., in the Commission's Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

5. An evidentiary hearing in this matter will commence at 10 a.m. on November 15, 2011, in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California and continue on November 16 and 17, 2011, as needed.

Dated August 24, 2011, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron
Assigned Commissioner

/s/ JANET A. ECONOME for

Dorothy J. Duda
Administrative Law Judge