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10-11-10
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Applying the Market Index Formula and As-Available Capacity Prices adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities beginning July 2003 and Associated Relief.

Application 08-11-001
(Filed November 4, 2008)

Order Instituting Rulemaking to Integrate Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 06-02-013
(Filed February 16, 2006)

Order Instituting Rulemaking to Promote Policy and Program Coordination and Integration in Electric Utility Resource Planning.

Rulemaking 04-04-003
(Filed April 1, 2004)

Order Instituting Rulemaking to Promote Consistency in Methodology and Input Assumptions in Commission Applications of Short-run and Long-run Avoided Costs, Including Pricing for Qualifying Facilities.

Rulemaking 04-04-025
(Filed April 22, 2004)

Order Instituting Rulemaking into implementation of Public Utilities Code Section 390.

Rulemaking 99-11-022
(Filed November 18, 1999)

**ADMINISTRATIVE LAW JUDGE'S RULING SHORTENING TIME FOR
COMMENTS AND REPLIES ON PROPOSED SETTLEMENT AND
CONSOLIDATING PROCEEDINGS**

Summary

The time for filing comments and replies on the “Qualifying Facility and Combined Heat and Power Program Settlement Agreement” (Proposed Settlement) is shortened. Comments are due October 25, 2010 and reply comments are due November 1, 2010. Additionally, the above-captioned proceedings are consolidated.

Motion for Expedited Consideration

On October 8, 2010, Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, The Utility Reform Network, California Cogeneration Council, Independent Energy Producers Association, Cogeneration Association of California, The Energy Producers and Users Coalition, and the Division of Ratepayer Advocates (Moving Parties) filed a joint motion for approval of the Proposed Settlement. The Proposed Settlement would resolve numerous outstanding issues in each of the captioned proceedings.

Moving Parties concurrently filed a motion for expedited consideration of the Proposed Settlement. Specifically, they request that the time for comments on the Proposed Settlement be reduced from 30 days, as set in Rule 12.2 of the Commission’s Rules of Practice and Procedure (Rules), to October 25, 2010. Moving Parties also request that the time for filing replies to the comments be reduced from 15 days, as set by Rule 12.2, to November 1, 2010. Moving Parties further request that the Administrative Law Judge’s proposed decision be issued on November 16, 2010 and that the matter be scheduled for a Commission vote at its regularly scheduled meeting of December 16, 2010.

In support of their request for this expedited procedural schedule, Moving Parties explain that there are several conditions precedent to the Proposed

Settlement becoming effective, the first of which is Commission approval. Other such conditions include Federal Energy Regulatory Commission (FERC) approval of a waiver of investor-owned utility (IOU) obligations under Section 210(m) of the Federal Power Act. Moving Parties state that the application for waiver cannot be filed at the FERC until after this Commission approves the Proposed Settlement. Moving Parties claim that given the substantial benefits of the Proposed Settlement, as explained in the joint motion for its approval, expeditious consideration and review is warranted.

Moving Parties aver that no party will be prejudiced by the expedited review, noting that they issued notice of a settlement conference on September 24, 2010 and provided the Proposed Settlement's Term Sheet and *pro forma* agreements and amendments on the IOUs' websites on October 4, 2010. In addition, they presented the Proposed Settlement at a settlement conference on October 7, 2010.

For good cause shown, the requests to shorten time for filing comments and replies on the Proposed Settlement will be shortened as requested. Moving Parties' request to process this matter so that a Commission vote on whether to approve the Proposed Settlement takes place on December 16, 2010 is taken under advisement.

Consolidation of Proceedings

In light of the Proposed Settlement, which proposes a comprehensive set of outcomes affecting the above-captioned proceedings, these proceedings necessarily involve related questions of law and fact. Pursuant to Rule 7.4, the

proceedings will therefore be consolidated for purposes of considering the Proposed Settlement.¹

IT IS RULED that:

1. Application 08-11-001, Rulemaking (R.) 06-02-013, R.04-04-003, R.04-04-025, and R.99-11-022 are consolidated for purposes of considering the Qualifying Facility and Combined Heat and Power Program Settlement Agreement.
2. The Motion for Expedited Consideration of Joint Motion for Approval of Qualifying Facility and Combined Heat and Power Program Settlement Agreement is granted in part as set forth herein.
3. Comments on the Qualifying Facility and Combined Heat and Power Program Settlement Agreement are due October 25, 2010 and reply comments are due November 1, 2010.

Dated October 11, 2010, at San Francisco, California.

/s/ MARK S. WETZELL
Mark S. Wetzell
Administrative Law Judge

¹ Rulemaking (R.) 04-04-003 and R.04-04-025 were consolidated for purposes of testimony and hearings on qualifying facility policy and pricing issues by ruling issued in those proceedings on February 18, 2005.

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a hard copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the hard copy of the filed document is current as of today's date.

Dated October 11, 2010, at San Francisco, California.

/s/ GLADYS M. DINGLASAN
Gladys M. Dinglasan

N O T I C E

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