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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

I.D. # 11665
RESOLUTION G-3478
November 29, 2012

R E S O L U T I O N

Resolution G-3478.

PROPOSED OUTCOME: Modifies Resolution G-3461 to conform the dates of the affiliate transactions audit ordered therein to the California Public Utilities Commission (Commission) Affiliate Transaction Rules. This Resolution is made on the Commission's own motion.

ESTIMATED COST: None.

SUMMARY

This Resolution modifies Resolution G-3461, approved by the Commission on June 21, 2012, to conform the dates of the affiliate transactions audit ordered therein to the Commission's Affiliate Transaction Rules.

BACKGROUND

On June 21, 2012, the Commission approved Resolution G-3461.¹ Resolution G-3461 orders that, pursuant to the Commission's Affiliate Transaction Rules,² an

¹ Resolution G-3461 addresses four advice letters filed by Pacific Gas & Electric (PG&E): PG&E Advice Letter (AL) 3182-G/3789-E, filed January 6, 2011, PG&E AL 3091-G-A/3616-E-A, filed December 10, 2010, PG&E AL 3141-G-A/3708-E-A, filed December 17, 2010, and PG&E AL 3170-G-A/3763-E-A, filed December 17, 2010.

² Decision (D.) 97-12-088 (*Opinion Adopting Standards of Conduct Governing Relationships Between Utilities and Their Affiliates*, issued December 16, 1997 in R.97-04-011/I.97-04-012), and as most recently updated in D.06-12-029 (*Opinion Adopting Revisions to (1) the Affiliate Transaction Rules and (2) General Order 77-L, As Applicable to California's Major Energy Utilities*

Footnote continued on next page

affiliate transactions audit be conducted of PG&E's transactions with certain affiliates and, to a more limited extent, certain non-affiliates. In Resolution G-3461, Ordering Paragraph 7 and Attachment B, the time period to be covered by the audit is identified as June 30, 2009 through June 30, 2011. This time period does not conform to the Commission's Affiliate Transaction Rules, Rule VI.C, which identifies the time period to be covered by a biennial affiliate transactions audit as the calendar year, or from January 1 to December 31.

DISCUSSION

Dates of Affiliate Transaction Audit Pursuant to Affiliate Transaction Rules

Pursuant to the Affiliate Transaction Rules, Rule VI.C, the time period to be covered by a biennial affiliate transactions audit is the calendar year, or from January 1 to December 31.

Relevant Time Period for Transactions Addressed in Resolution G-3461

Resolution G-3461, Ordering Paragraph 7 states in part:

7. The Commission shall conduct an affiliate transaction audit in 2012 of PG&E's interactions with all of its affiliates, including but not limited to the affiliates discussed here. The audit shall cover all transactions between PG&E and its affiliates from June 30, 2009 through June 30, 2011.

Resolution G-3461, Attachment B states in part:

Period covered: June 30, 2009 – June 30, 2011

[...]

Affiliates covered: All entities that are Pacific Gas & Electric Company (PG&E) affiliates pursuant to the Affiliate Transaction Rules

and Their Holding Companies, issued December 14, 2006 in R.05-10-030), Appendix A-3. Numbered references to the Affiliate Transaction Rules here are to D.06-12-029, Appendix A-3.

(D.97-12-088 and subsequent modifications) as of June 30, 2011, including, but not limited to, Pacific Energy Capital I, LLC (PEC I), Pacific Energy Capital II, LLC (PEC II), Pacific Energy Capital III, LLC (PEC III), Pacific Energy Capital IV, LLC (PEC IV), Pacific Energy Capital V, LLC (PEC V), SunRun Pacific Solar, LLC (SunRun Pacific), and Sequoia Pacific Solar I, LLC (Sequoia Pacific).

Non-Affiliates Covered: SolarCity Corporation and SunRun, Incorporated

The time period identified in Resolution G-3461 is of interest to this Commission because PG&E Corporation had relationships with the identified affiliates and non-affiliates then, and simultaneously, PG&E was serving as Program Administrator of the California Solar Initiative Program in PG&E's service territory. However, the audit dates in Resolution G-3461 conflict with the Affiliate Transaction Rules and require modification.

Energy Division is preparing to contract for the conduct of the next affiliate transactions audit, which is anticipated to cover the time period of January 1, 2010 to December 31, 2011, in conformity with the Affiliate Transaction Rules, Rule VI.C. This audit period includes a portion of the time period of interest to the Commission in Resolution G-3461.

On the basis of the above, it is consistent with the Commission's intent in Resolution G-3461, and with the Affiliate Transaction Rules, Rule VI.C, to modify Resolution G-3461, Ordering Paragraph 7, as follows (underlined text is to be added, and struck-out text is to be deleted):

7. The Commission shall conduct an affiliate transaction audit, to be initiated in 2012, of PG&E's interactions with all of its affiliates, including but not limited to the affiliates discussed here. The audit shall cover all transactions between PG&E and its affiliates consistent with the Affiliate Transaction Rules, Rule VI.C. ~~from June 30, 2009 through June 30, 2011.~~

It is further consistent to modify Resolution G-3461, Attachment B, as follows:

Period covered: As set out in the Affiliate Transaction Rules, Rule VI.C. June 30, 2009—June 30, 2011

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. Resolution G-3461 directed an affiliate transactions audit of transactions between PG&E and certain affiliates and certain non-affiliates covering the time period of June 30, 2009 to June 30, 2011, a time period that does not conform to the Commission's established dates for affiliate transactions audits set out in the Affiliate Transaction Rules.

THEREFORE IT IS ORDERED THAT:

1. Resolution G-3461 is hereby modified to establish that the time period to be covered by the affiliate transactions audit, ordered in Ordering Paragraph 7 and Attachment B, shall conform to the Affiliate Transaction Rules, Rule VI.C, as set out herein.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on November 29, 2012; the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director