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

Application of Southern California Edison
Company (U 338-E) 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)**

And Related Matters.

**Rulemaking 06-02-013
Rulemaking 04-04-003
Rulemaking 04-04-025
Rulemaking 99-11-022**

**JOINT STATUS REPORT
ON THE QUALIFYING FACILITY AND
COMBINED HEAT AND POWER PROGRAM
SETTLEMENT AGREEMENT**

DATED: June 21, 2011

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

Application of Southern California Edison Company (U 338-E) 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

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**JOINT STATUS REPORT
ON THE QUALIFYING FACILITY AND
COMBINED HEAT AND POWER PROGRAM
SETTLEMENT AGREEMENT**

The Qualifying Facility and Combined Heat and Power Program Settlement Agreement (“Settlement Agreement”) was approved by the California Public Utilities Commission (“Commission”) in *Decision Adopting Proposed Settlement*, Decision (“D.”) 10-12-035 (the “Decision”). Ordering Paragraph 6 of the Decision requires the parties to the settlement to file quarterly status reports on the effectiveness of the Settlement Agreement beginning on a date that is three months after the date of the Decision and continuing until a motion for closure of the docket is filed. The status report must identify “what actions have been completed and what actions remain to be completed before the conditions precedent have been met.”

Five parties applied for rehearing of the Decision on January 18 and 20, 2011. On March 25, 2011, the Commission issued D.11-03-051 which denied rehearing of D.10-12-035, as modified. None of the parties who applied for rehearing of the Decision filed a writ of review of

either D.10-12-035 or D.11-03-051; therefore, both decisions are now final and non-appealable.

The Settlement Agreement will not become effective until after the Federal Energy Regulatory Commission (“FERC”) issues an order that is final and non-appealable approving an application by the investor-owned utilities (“IOUs”) to terminate their obligation pursuant to the Public Utility Regulatory Policies Act to purchase from qualifying facilities greater than 20 MW. (Settlement Agreement Term Sheet, Section 16.2.1.) The IOUs filed their Application at FERC on March 18, 2011. On June 16, 2011, FERC issued its *Order Granting Application to Terminate Purchase Obligation* (“FERC Order”), which approved the IOUs’ Joint Application.¹ The FERC Order will become final and non-appealable on July 18, 2011 unless an application for rehearing of the FERC Order is filed by that date. (16 U.S. C. § 825 I (b).)

After the FERC Order becomes final and non-appealable, the final condition precedent to the effectiveness of the Settlement Agreement will have been met. The Joint Parties promptly will file a motion for closure in these consolidated proceedings pursuant to D. 10-12-035, Ordering Paragraph 6, which also will request the Commission to establish the Settlement Effective Date.

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¹ 135 FERC ¶61,234 (2011). The FERC Order is posted at: <http://www.ferc.gov/whats-new/comm-meet/2011/061611/E-7.pdf>

PG&E is authorized to sign this status report on behalf of the Joint Parties.

DATED: June 21, 2011

Respectfully submitted on Behalf of the Joint Parties,

By: _____ /S/
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On Behalf of the Joint Parties:

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