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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Rulemaking Regarding Whether, or Subject to What Conditions, the Suspension of Direct Access May Be Lifted Consistent with Assembly Bill 1X and Decision 01-09-060.

Rulemaking 07-05-025
(Filed May 24, 2007)

ASSIGNED COMMISSIONER'S RULING AND AMENDED SCOPING MEMO

This ruling adopts an amended scoping memo to address the remaining issues necessary to develop the record and resolve the outstanding matters as identified in Decision (D.) 11-12-018, Ordering Paragraph (OP) 42. This proceeding was initiated on May 24, 2007 for the purpose of considering whether, or subject to what conditions, the Direct Access (DA) suspension may be lifted. The most recent phase of the proceeding was addressed in D.11-12-018 relating to issues designated for Phase III of this proceeding.

In D.11-12-018, among other things, the Commission adopted provisions for the determination of Electric Service Provider (ESP) financial security requirements to cover the risk of involuntary return of DA customers to bundled utility service pursuant to the requirements of Public Utilities Code Section 394.25 (e) with the exception of the following limited issue that was deferred pursuant to OP 42 which states:

Rulemaking 07-05-025 remains open for further proceedings to resolving outstanding issues necessary to determine ESP financial security requirements and related re-entry fee provisions to cover incremental procurement costs for

involuntarily returned small commercial and residential DA customers in accordance with the principles and directives adopted in this decision.

Accordingly, this amended scoping memo is issued to initiate additional proceedings necessary to determine the limited issue of the appropriate ESP financial security requirements and related re-entry fee provisions for incremental procurement costs resulting from an involuntary return of small commercial and residential DA customers pursuant to the requirements of Public Utilities Code Section 395.25 (e) and in accordance with the directives of OP 42 of D.11-12-018. As noted in Conclusion of Law 15 of D.11-12-018, a related issue to be resolved in these proceedings is to precisely define the distinction between small versus large DA customers for purposes of applying the relevant ESP financial security and re-entry fee provisions.

The following schedule is hereby adopted to develop the record necessary to resolve the scope of issues identified in this amended scoping memo. The investor-owned utilities: i.e., Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, shall each file and serve comments presenting their proposals for the determination of ESP financial security requirements and related re-entry fees to cover incremental procurement costs relating to the involuntary return of small commercial and residential DA customers. The proposals should address how to distinguish small versus large customers for purposes of applying the ESP financial security requirements. These comments shall be due on February 24, 2012. The due date for interested parties to file and serve reply comments shall be March 9, 2012. After review of the comments and reply comments, a further

determination will be made concerning proceedings necessary to resolve this phase of the proceeding.

It is anticipated that this proceeding will conclude in 2012, but in any event, within 18 months of the issuance of this amended scoping memo, pursuant to Public Utilities Code Section 1701.5.

IT IS RULED that:

1. This amended scoping memo is adopted to initiate further proceedings necessary to resolve issues relating to the determination of Electric Service Provider financial security requirements and related re-entry fee provisions to cover incremental procurement costs for involuntarily returned small commercial and residential Direct Access customers pursuant to the requirements of Public Utilities Code Section 394.25 (e) and the directives of Ordering Paragraph 42 and Conclusion of Law 15 of Decision 11-12-018.

2. The schedule is adopted as set forth above for opening comments from the investor-owned utilities on February 24, 2012, and reply comments from interested parties on March 9, 2012. A determination of further steps will be made after comments are filed.

Dated February 8, 2012, at San Francisco, California.

/s/ MARK J. FERRON
Mark J. Ferron
Assigned Commissioner