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**FILED**

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

Application of Pacific Gas and Electric Company for Approval of Three Power Purchase Agreement Amendments With Existing Qualifying Facilities and Associated Cost Recovery (U39E).

Application 11-01-023  
(Filed January 28, 2011)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING PREHEARING CONFERENCE AGENDA**

The prehearing conference (PHC) in Application 11-01-023 is set for April 6, 2011, commencing at 10:00 a.m., located at the California Public Utilities Commission, Commission Courtroom, State Office Building, 505 Van Ness Ave, San Francisco, CA 94102. The purpose of this ruling is to set an agenda for the PHC and give parties adequate time to prepare in advance to respond to questions of the Administrative Law Judge. Parties do not need to file responses prior to the PHC.

The parties shall be prepared to discuss the following at the PHC:

1. The Utility Reform Network's (TURN) intended participation in the proceeding;
2. The status of discovery since filing protests and responses;
3. The steps parties are taking to resolve outstanding issues pertaining to the amendments, given that all three parties are signatories to the Qualifying Facility and Combined Heat and Power Settlement and all parties are in agreement that conversion from must-take to scheduled resources is to the benefit of ratepayers;
4. Any additional issues Division of Ratepayer Advocates (DRA) wishes to raise or adjustments to previously stated

- issues DRA wishes to make given the discovery process thus far;
5. The nature of DRA's concern with the power purchase agreement amendments coming before the Commission via application (procedural versus substantive);
  6. DRA's concern with Pacific Gas & Electric Company's (PG&E) evaluation methodology given PG&E's reply that the valuation methodology used by PG&E to evaluate these amendments was approved in Decision 10-07-045;
  7. The nature of the differences in cost-benefit methodology assumptions given PG&E's restated customer savings in its amended application;
  8. Confirmation of compliance with the greenhouse gas accounting methodology approved in the Settlement; and
  9. The implications of cost recovery and stranded costs of the amendments.
  10. All parties should come prepared to discuss the need for hearings. If DRA and TURN wish to request hearings, they should come prepared with a proposed schedule.
  11. Parties should come prepared with hard copies of any proposed schedule adjustments.

**IT IS RULED** that:

1. The parties must be prepared to discuss the issues listed in the body of this ruling, as well as all other issues pertinent to this case.
2. The parties must bring hard copies of any proposed schedule adjustments.

Dated March 25, 2011, at San Francisco, California.

/s/ MELISSA K. SEMCER

Melissa K. Semcer  
Administrative Law Judge