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11-08-11
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company for Approval of a Power
Purchase Agreement with Mariposa Energy,
LLC. (U39E)

Application 09-04-001
(Filed April 1, 2009)

**ASSIGNED COMMISSIONER'S RULING TERMINATING
PHASE 2 IN APPLICATION 09-04-001**

1. Summary

On October 18, 2011, I issued an Assigned Commissioner's Ruling opening a new Phase 2 in proceeding Application (A.) 09-04-001, preliminarily categorizing the phase as adjudicatory, setting a prehearing conference for November 9, 2011, and requesting prehearing conference statements from parties due on November 4, 2011. Parties CALifornians for Renewable Energy (CARE) and Pacific Gas and Electric Company (PG&E) filed prehearing conference statements. Alliance for Retail Energy Market, Communities for a Better Environment, and the Independent Energy Producers Association filed motions for party status with attached prehearing conference statements. Mariposa Energy, LLC submitted a prehearing conference statement for filing, in which it stated its plans to make an appearance and move to become a party at the November 9, 2011 prehearing conference originally scheduled for this proceeding.

The intended purpose of the second phase was to more fully address the October 11, 2010 petition for modification filed by CARE alleging violations of the settlement adopted by the Commission in Decision (D.) 09-10-017. The settlement agreement adopted in D.09-10-017 approved the power purchase agreement between PG&E and Mariposa Energy, LLC for construction of the 184 megawatt Mariposa Energy Center. The settling parties were CARE, California Unions for Reliable Energy, PG&E, the Division of Ratepayer Advocates, and The Utility Reform Network.

Upon careful consideration of the entire record, including the prehearing conference statements, I believe we have a complete record on which to make an informed decision on CARE's petition for modification. Therefore, I terminate Phase 2 of A.09-04-001. The prehearing conference scheduled for November 9, 2011 was previously cancelled. A proposed decision in response to CARE's petition for modification will issue shortly, and as of November 4, 2011, this proceeding stands submitted.

I also wish to clarify that the chart found on page 2 of my October 18, 2011 Assigned Commissioner's Ruling detailing the contracts signed by PG&E toward their 2006-2015 need authorized in D.07-12-052 (totaling 1,743 megawatts), included the original Oakley purchase and sale agreement that was brought before us in A.09-09-021 with an online date of 2013. That purchase and sale agreement was rejected in D.10-07-045, and the total number of megawatts approved towards PG&E's 2006-2015 need authorization was 1,157 megawatts.

I highly value, as does the Commission as a whole, regulatory certainty in the power procurement markets. In my opinion, the Commission fully considered the questions of PG&E's capacity needs in D.09-10-017, D.10-07-042, D.10-07-045, and in D.10-12-050. Should the Commission find any violation of a

Commission Order as a result of our thorough evaluation of CARE's petition for modification, I do not consider the option of overturning any of these power purchase or purchase and sale agreements as among the potential remedies available to us. Each contract that comes before the Commission is considered on its own merits, and approved contracts are deemed to be in the public interest. Nothing in the record now before me suggests that the value to ratepayers of the projects approved in D.09-10-017, D.10-07-042, D.10-07-045, or in D.10-12-050 has changed.

IT IS RULED that:

1. The motions for party status filed by Alliance for Retail Energy Markets, Communities for a Better Environment, and Independent Energy Producers Association are granted and their prehearing conference statements are accepted for filing as of November 4, 2011.
2. Mariposa Energy, LLC may file a motion for party status no later than November 15, 2011, and may attach its prehearing conference statement and request that it be accepted for filing as of November 4, 2011.
3. Phase 2 in this proceeding is terminated.
4. The category of this proceeding remains ratesetting, as that term is defined in the Commission's Rules of Practice and Procedure, Rule 1.3(e).
5. The prehearing conference scheduled in the October 18, 2011 Assigned Commissioner's Ruling is cancelled.
6. In addition to being served in Application (A.) 09-04-001, this Ruling shall be served on the service lists to A.09-09-021 and A.09-10-022 et al. These proceedings shall not be consolidated with A.09-04-001.

7. This proceeding is submitted as of November 4, 2011.

Dated November 8, 2011, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron
Assigned Commissioner