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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine
the Commission's Energy Efficiency
Risk/Reward Incentive Mechanis.

Rulemaking 09-01-019
(Filed January 29, 2009)

**ASSIGNED COMMISSIONER'S RULING
PROVIDING ENERGY DIVISION REPORT AND
SOLICITING COMMENTS ON SCENARIO RUNS**

Pursuant to the Assigned Commissioner's Ruling (ACR) dated April 8, 2010, this ruling provides the calculation results of "Risk/Reward Incentive Mechanism" (RRIM) earnings true-up for the 2006-2008 cycle under the range of scenarios set forth in the appendix to this ruling. As explained in the April 8, 2010 ACR, these scenarios have been run utilizing the "Evaluation Reporting Tools/Database" (ERT) in order to provide a broader record for purposes of determining the appropriate RRIM earnings for the 2006-2008 true-up.

The April 8, 2010 ACR identified a range of scenario assumptions embedded in the ERT application tools. The appendix to this ruling provides the Energy Division "2006-2008 Energy Division Scenario Analysis Report" which sets forth the RRIM earnings produced from those ERT scenarios. The April 8, 2010 ACR also invited parties to propose other policy assumptions that may be appropriate as additional ERT scenario run variations. Parties filed comments on April 20, 2010, proposing a range of additional scenarios for purposes of calculating the applicable RRIM earnings for the 2006-2008 true-up.

Based upon a review of these comments, some additional scenarios have been included, as set forth in the appendix of this ruling.

The ACR invited parties to propose variations in policy assumptions applied as inputs to the RRIM calculator. Examples of policy assumptions that might be a basis for additional scenario runs were provided in the ACR, i.e., restating savings goals on gross-versus-net basis, or adjusting savings goals to reflect declines in economic activity during 2006-2008. In some cases, however, parties proposed scenarios that would change the parameter values embedded in the ERT application tools. Accordingly, such proposed scenarios are outside the scope of variations contemplated under the April 8, 2010 ACR, and they have not been included among the scenarios in the appendix to this ruling.

Comments are hereby solicited on the merits of the various scenarios presented in the appendix to this ruling as the basis for determining final RRIM payments for the 2006-2008 true-up. In order to provide parties with access to the Energy Division Scenario Analysis Report and supplemental documentation for the scenarios presented, the following link to the CPUC/EE website is provided:

<http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/EM+and+V/2006-2008+Energy+Efficiency+Evaluation+Report.htm>

Comments on the various scenario runs shall be due by May 18, 2010. A settlement conference has previously been scheduled for May 28, 2010 to provide parties the opportunity to discuss the scenarios in more detail and to reach consensus or at least narrow differences with respect to the appropriate scenario assumptions to consider for purposes of finalizing the 2006-2008 RRIM earnings true-up.

IT IS RULED that:

1. Comments are solicited on the merits of the various scenarios presented in the “2006-2008 Energy Division Scenario Analysis Report” set forth as the appendix to this ruling, as the basis for considering final Risk/Reward Incentive Mechanism payments for the 2006-2008 true-up. These comments shall be due by May 18, 2010.

2. At the settlement conference, as previously scheduled for May 28, 2010, parties will have the opportunity to discuss the scenarios in more detail, and seek to reach consensus or narrow differences with respect to the appropriate assumptions to consider for purposes of finalizing the 2006-2008 Risk/Reward Incentive Mechanism earnings true-up.

Dated May 4, 2010, at San Francisco, California.

/s/ JOHN A. BOHN

John A. Bohn

Assigned Commissioner Bohn

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Dated May 4, 2010, at San Francisco, California.

/s/ LILLIAN LI

Lillian Li

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