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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 06-02-013
(Filed February 16, 2006)

**ADMINISTRATIVE LAW JUDGE'S RULING
ON TIME EXTENSION AND REVISED SCHEDULE**

Summary

This Administrative Law Judge's (ALJ) Ruling extends the schedule for submission of supplemental, intervenor and reply testimony and schedules a work session (10:00 a.m.) and a Status Conference (1:30 p.m.) for Tuesday, April 24, 2007, at the Commission's San Francisco courtroom. In addition, this ruling suspends the schedule set for the submission of post-workshop comments and reply comments on Energy Auction Proposals.

Revised Schedule

The Division of Ratepayer Advocates (DRA) requests a continuation of the schedule established for service of testimony in Rulemaking (R.) 06-02-013. DRA circulated its request to the service list for the proceeding and received no objections. Pacific Gas and Electric Company (PG&E) supports the time extension but requests an opportunity for the Investor Owned Utilities (IOU) to supplement the testimony already produced on two issues: (1) the cost cap and 50/50 sharing; and (2) the non-bypassable charge approved in Decision

(D.) 04-12-048. Southern California Edison Company (SCE) also supports the time extension and agrees with PG&E's supplement testimony request.

Having received no objections to the requests of DRA, PG&E and SCE, the schedule in R.06-02-011 is hereby modified as follows:

Supplemental IOU Testimony	2/02/07
Intervenor Testimony	3/2/07
Reply Testimony	4/9/07
Work Session/Status Conference	4/24/07 (10:00 a.m./ 1:30 a.m.)

Supplemental Testimony

50/50 Sharing

The 50/50 sharing related to construction cost savings is an unresolved issue from D.04-12-048 following a decision granting rehearing on SCE's Application for Rehearing¹. The 50/50 cost sharing issue was originally set on its own track, with a separate schedule for its discussion and possible resolution. The interested parties exchanged proposals and had meetings and reported back to the proceeding² that the issue should properly be part of the whole LTPP since it was inextricably intertwined with procurement. There is now reference to a "cost cap" issue as related to the 50/50 sharing issue and whether or not that is part of the issue on rehearing can be determined at a later date. However, if it is necessary for the parties to address the cost cap topic to present testimony on the 50/50 sharing, it will be allowed at this time.

¹ The issue on rehearing as stated in D.05-09-022 was "the 50/50 sharing provisions related to construction cost savings ..."

² SCE reported to the ALJ on January 5, 2007, that the meet-and-confer discussions did not reach a resolution and the 50/50 share issue needed to be further explored as part of the LTPP proceeding.

SCE presented its recommendation on the treatment of the 50/50 sharing, but PG&E and San Diego Gas & Electric Company (SDG&E) have not had an opportunity to present testimony on the subject. The February 2, 2007 date for supplemental testimony will allow for such a submission.

Non-Bypassable Charge (NBC)

Since the IOUs filed their respective long-term procurement plans on December 11, 2006 there have been several Commission resolutions addressing the applicability of the NBC and the fact that no Commission decision yet has established an implementation mechanism for the NBC. In particular, PG&E was seeking approval of NBCs for its procurement contracts, and there was some questions raised about the applicability and implementation of the NBC. The issue was not resolved in the Resolutions but was deferred to this proceeding, R.06-02-013. Any IOU wishing to submit testimony on this topic may do so by February 2, 2007.

Intervenor Testimony

Since the IOUs have until February 2, 2007 to supplement their testimony on their LTPPs, intervenors need a time extension to prepare their responsive testimony. Intervenors have until March 2, 2007 to submit their testimony.

Intervenors are asked to follow the outline established for the IOUs in the September 25, 2006 Scoping Memo for the preparation of their long-term procurement plans. Intervenors should use a separate volume for each utility, [unless it is an identical response for each utility – then one volume could suffice] and follow the outline as the intervenor comments section by section on the

IOU's plan³. If an intervenor has nothing to comment on in a particular section, or for a particular utility, that is fine, but the master outline should still be followed by the intervenor. For example, if an intervenor has nothing to comment on in reference to PG&E's Volume I, Section A the intervenor may either follow the outline with a NO-COMMENT, or it may skip that outline section and go directly to Volume II B.

If an intervenor has a comment that is applicable to more than one utility it may put the comment in the first IOU's section, then refer to that section when addressing the other IOUs, such as "See PG&E Volume II B."

The same outline should be followed for reply comments by all parties.

Reply Testimony

Any party, be it an IOU or an intervenor, may file a reply to any testimony previously submitted. Reply testimony is due April 9, 2007.

Energy Auction Post-Workshop Comments and Reply Comments

An ALJ ruling issued November 17, 2006 set a schedule for the consideration of Energy Auction Proposals that included workshops and post-workshop comments and reply comments. Following two workshop sessions, parties agreed to submit the issue to in-house mediation. The mediation is still underway and the schedule established in November for post-workshop comments and reply comments is no longer applicable. Therefore, the schedule set forth in the November 17, 2006 ALJ ruling is suspended until further notice.

³ All volumes may be submitted as one document, but the section on each utility should be severable from comments on the other utilities.

Work Session and Status Conference April 24, 2007

Once all testimony and reply testimony are in, it will be appropriate to discuss the scheduling of the proceeding post-testimony. A work session is scheduled for Tuesday, April 24, 2007 at 10:00 a.m. in the Commission's San Francisco courtroom, to be followed by a Status Conference at 1:30 p.m. to discuss the results from the work session. During the work session, parties will talk among themselves as to what topics can be addressed through (1) briefing only; (2) proposals with or without workshops; (3) workshops; (4) mediation; (5) evidentiary hearing; and (6) a combination of the above. In addition, it may be appropriate to identify issues that are not suitable for this proceeding, but more properly belong either in another on-going proceeding or need a proceeding of their own.

The purpose of the Status Conference is to scope out the proceeding, determine what issues could be bifurcated from the main track and handled discretely, and discuss the parameters of a schedule going forward. Information from the work session will be used to inform the handling and scheduling of issues.

IT IS RULED that:

1. The schedule for submission of supplemental testimony, intervenor testimony and reply testimony is extended as set forth herein.
2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company may supplement their testimony on the cost cap/ 50/50 sharing mechanism and non bypassable charge issues by February 2, 2007.

3. Intervenors have until March 2, 2007 to submit intervenor testimony following the outline established for the IOUs in the September 25, 2006 Scoping Memo and attachments.
4. Reply testimony may be submitted by any party to the IOU and/or intervenor testimony by April 9, 2007.
5. The schedule established for submission of post-workshop comments and reply comments on Energy Auction Proposals is suspended until further notice.
6. A work session, followed by a Status Conference is scheduled for Tuesday April 24, 2007, beginning at 10:00 a.m. in the Commission's courtroom at 505 Van Ness Avenue, San Francisco, California.
Dated January 17, 2007, at San Francisco, California.

 /s/ CAROL BROWN
Carol Brown
Administrative Law Judge

