
Public Utilities Commission of the State of California

Results of Public Agenda 3207

Meeting Held on Thursday, January 31, 2008 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Rachelle B. Chong

Dian M. Grueneich

Timothy Alan Simon

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <i>Closed to the Public</i>	<i>Commission Meeting</i> Auditorium (10 a.m.) <i>Open to the Public</i>
Friday, February 08, 2008 (San Francisco)	Thursday, February 14, 2008 (San Francisco)
Monday, February 25, 2008 (San Francisco)	Thursday, February 28, 2008 (San Francisco)
Monday, March 10, 2008 (San Francisco)	Thursday, March 13, 2008 (San Francisco)
Monday, April 07, 2008 (San Francisco)	Thursday, April 10, 2008 (San Francisco)
Monday, April 21, 2008 (San Francisco)	Thursday, April 24, 2008 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
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Public Comment:

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

- 1**
[7236] **A07-06-005 - San Diego Gas & Electric Company (SDG&E).**
The Commission finds that SDG&E's contract administration, least cost dispatch and power procurement activities during 2006, were reasonable. Accordingly, related entries in SDG&E's Energy Resource Recovery Account and Transition Cost Balancing Account are approved. However, there will be no change in rates to SDG&E ratepayers at this time. This proceeding is closed.
(Comr Bohn - ALJ Patrick)
Outcome Signed
[D08-01-027](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 2**
[7272] **Res ALJ 176-3207**
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Rule 7.1 of the Commission's Rules of Practice and Procedure.
Outcome Approved
[Res ALJ 176-3207](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

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- 3**
[7237] **Res T-17130 - Hornitos Telephone Company (Hornitos).**
This resolution authorizes Hornitos to implement a Customer Notification and Education Plan (CNEP) for the passage of Calling Party Numbers subject to the conditions imposed in this Resolution. Hornitos' CNEP will institute a public education program which focuses on customer privacy and informed consent. (Advice Letter 270 filed November 9, 2007)
Outcome Approved
[Res T-17130](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 4**
[7248] **A07-09-017 - San Diego Gas & Electric Company (SDG&E).**
This decision approves SDG&E's application for a 1.5 megawatt short-term biomass renewable power purchase contract with Envirepel Energy, Inc. SDG&E may receive Renewable Portfolio Standard credit for this contract if and when the other long-term renewable contracts signed in 2007 are approved by the Commission. This proceeding is closed.
(Comr Peevey - ALJ Gamson)
Outcome Signed
[D08-01-028](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 5**
[7249] **R06-03-004 - Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.**
This decision adopts a budget of \$83 million for the Self Generation Incentive Program for 2008.
(Comr Peevey - ALJ Duda)
Outcome Signed
[D08-01-029](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

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- 6**
[7250] **R06-03-004 - Order Instituting Rulemaking Regarding Policies, Procedures and Rules for California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.**
- This decision removes the independence requirement for California Solar Initiative performance monitoring and reporting and replaces it with a protocol-based approach to ensure data accuracy and integrity for payment of performance-based incentives.
(Comr Peevey - ALJ Duda)
- Outcome Signed**
[D08-01-030](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 7**
[7261] **C07-08-026 - Pac-West Telecomm, Inc. vs. Pacific Centrex Services, Inc. (Defendant).**
- This decision approves a default judgment against Defendant for it's failure to pay termination fees. This proceeding is closed.
(Comr Simon - ALJ Bemederfer)
- Outcome Signed**
[D08-01-031](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 8**
[7273] **A07-08-022 - Los Angeles to Pasadena Metro Blue Line Construction Authority dba Metro Gold Line Foothill Extension Construction Authority (Construction Authority).**
- This decision grants the request of Construction Authority to construct an at-grade pedestrian crossing at the proposed Azusa-Citrus Station of the Metro Gold Line in the City of Azusa, Los Angeles County. This proceeding is closed.
(Exam Clark)
- Outcome Signed**
[D08-01-032](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

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- 9**
[7274] **W-4673 - Long Canyon Water Company.**
This resolution authorizes a general rate increase producing additional annual revenue of \$34,336 or 253% relative to 2006 gross revenues.
Outcome Approved
[Res W-4673](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 10**
[7276] **Res W-4674 - Mar Vista Water Company.**
This resolution authorizes a surcharge for recovery of the unanticipated expense memorandum account, for a total amount of \$16,071 or 9.5%. (Advice Letter 38-W filed November 29, 2007)
Outcome Approved
[Res W-4674](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 11**
[7281] **Res SX-84 - Caruso Affiliated (Developer).**
This resolution authorizes the Developer to construct three at-grade rail crossings for the Americana at Brand Trolley to be constructed in the Americana at Brand shopping complex, which will include residential units and shopping areas, in the City of Glendale, Los Angeles County.
Outcome Approved
[Res SX-84](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

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- 12**
[7282] **A06-06-026 - Pacific Gas and Electric Company (PG&E).**
Application to simplify rate components and other information on customer bills. This decision awards compensation to The Utility Reform Network (TURN) and Disability Rights Advocates (DisabRA) for their respective contributions to Decision 07-07-047, Order Adopting Bill Redesign Parameters for PG&E. The Commission awards TURN \$11,209.07 and DisabRA \$27,505.39, which are the amounts each requested. This proceeding is closed.
(Comr Bohn - ALJ Malcolm)
Outcome Signed
[D08-01-033](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 13**
[7283] **C07-03-006 - Carole Dominguez vs. Pacific Gas and Electric Company (PG&E).**
This decision grants the joint motion for approval of a settlement agreement in this case and approves the settlement agreement, pursuant to Rule 12.1(d). The Commission also finds that Resolution SU-58, which previously granted PG&E a waiver of certain requirements related to its natural gas pipeline located under property on which the City of Tracy is developing a youth athletic facility, is now moot and is no longer in effect. This proceeding is closed.
(Comr Simon - ALJ Prestidge)
Outcome Held (2/14/08, Consent Agenda. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- 14**
[7285] **A06-01-005 - California-American Water Company (Cal-Am).**
For an order authorizing Cal-Am to increase its rates for water service in its Los Angeles District for Years 2007, 2008, and 2009. This decision grants a November 20, 2007 Joint Petition to Modify Decision 07-08-030 filed by Cal-Am and the Division of Ratepayer Advocates. This proceeding is closed.
(Comr Bohn - ALJ Walwyn)
Outcome Signed
[D08-01-034](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

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- 15**
[7286] **A07-06-021 - Southern California Gas Company (SoCalGas).**
This decision approves SoCalGas' Gas Cost Incentive Mechanism Year 13 Application and awards SoCalGas shareholder award of \$8,953,993. This proceeding is closed.
(Comr Bohn - ALJ Lakritz)
Outcome Signed
[D08-01-035](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 16**
[7289] **A07-11-005 - Southern California Edison Company (SCE).**
This decision grants SCE authority under Section 851 to lease land on its transmission right of way to CT Realty for the purpose of developing and operating a storage facility for boats and RVs. This proceeding is closed.
(Comr Chong - ALJ Kenney)
Outcome Signed
[D08-01-036](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 17**
[7292] **(ECP) C07-05-017 - Rosalys Kokx Howell dba Kokx Ranch (Complainant) vs. Southern California Edison Company (Defendant).**
The relief requested by Complainant is granted. The Fiscal Office shall disburse \$3,436.70 of the funds held in trust to Complainant and the remainder to Defendant. This proceeding is closed.
(Comr Simon - ALJ Ryerson)
Outcome Signed
[D08-01-037](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

18
[7295]

I _____ - Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company.

The Commission opens this investigation pursuant to Rule 5.1 of the Commission's Rules of Practice and Procedure. This investigation will be consolidated with Application 07-11-011. This proceeding is opened to allow the Commission to consider proposals other than those of Southern California Edison Company (SCE). This investigation allows the Commission to enter orders on matters for which the utility may not be the proponent. It also affords parties and the Commission an opportunity and forum to provide and consider evidence on issues of interest, which may result in directives to SCE that serve the public interest and which result in just and reasonable rates, services, and facilities.

Outcome Signed

[I08-01-026](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

19
[7303]

A05-09-019 - San Diego Gas & Electric Company and Southern California Gas Company (Applicants).

For adoption of Applicants Residential Electric and Gas Line Extension Allowance Methodologies and their Monthly Ownership Charge Methodology. A05-10-016, A05-10-019 - Related matters. This decision awards The Utility Reform Network \$73,913.03 in compensation for its substantial contributions to Decision 07-07-019. This represents a decrease of \$33.75 [0.05%] from the amount requested due to correction of calculation errors. Application (A.) 05-09-019, A.05-10-016, and A.05-10-019 are closed.

(Comr Peevey - ALJ O'Donnell)

Outcome Signed

[D08-01-038](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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- 20**
[7304] **R_____ - Order Instituting Rulemaking to Consider Annual Revisions to Local Procurement Obligations and Refinements to the Resource Adequacy Program.**
The Commission establishes a new rulemaking to address local capacity requirements (LCRs) and associated procurement obligations, reviews the LCR study process, considers modifications to the existing resource adequacy program, and considers a pending proposal for a standardized resource adequacy contract and associated resource obligations.
Outcome Signed
[R08-01-025](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 21**
[7307] **A07-05-024 - OACYS Telecom, Inc. (Applicant).**
This decision grants Applicant a certificate of public convenience and necessity under Public Utilities Code § 1001 for authority to provide limited facilities-based and resold local exchange, interexchange telecommunications services. This proceeding is closed.
(Comr Simon - ALJ Rochester)
Outcome Signed
[D08-01-039](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 22**
[7309] **A07-05-022 - Phone Power Telecom, LLC.**
This decision grants Applicant a certificate of public convenience and necessity under Public Utilities Code § 1001 for authority to provide limited facilities-based and resold local exchange, and IntraLATA and InterLATA interexchange telecommunications services. This proceeding is closed.
(Comr Simon - ALJ Rochester)
Outcome Signed
[D08-01-040](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

23

[7311]

A07-07-011 - PacifiCorp.

This decision approves PacifiCorp's application for new energy efficiency programs as modified by settlement with the Division of Ratepayer Advocates. This proceeding is closed.

(Comr Grueneich - ALJ Bemserfer)

Outcome Signed

[D08-01-041](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

- 24** **R07-05-025 - 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.**
[7229] Pursuant to Phase I of this rulemaking, the Commission herein determines the nature, extent, and timing of the Commission's discretionary authority under applicable statutes to lift the suspension that currently applies to the provision of retail electric service through "direct access."
(Comr Peevey - ALJ Pulsifer)
Agenda 3206, Item 34 1/10/2008 (Staff)
Outcome Held (2/14/08. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- 25** **R06-04-010 - Order Instituting Rulemaking to Examine the Commission's post-2005 Energy Efficiency Policies, Programs, Evaluation, Measurement and Verification, and Related Issues.**
[7251] By decision (D.) 07-09-043, the Commission adopted a risk/reward shareholder incentive mechanism for the non-low income energy efficiency activities administered by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company (the utilities). On October 31, 2007, the utilities jointly filed a Petition to Modify D.07-09-043 (Joint Petition). This decision approves the Joint Petition, with certain modifications and clarifications. While the Commission adopts the utilities' requested changes to the true-up provisions adopted in D.07-09-043, the Commission rejects their recommendation to retain the hold-back amount adopted in that decision for the interim earnings claims. Instead, the Commission increases that amount from 30% to 50% in order to mitigate the risk to ratepayer of earnings overpayment. In response to comments, the Commission also clarifies the sources of ex ante load impact estimates that the Commission will use to calculate the interim incentives for the 2006-2008 program cycle.
(Comr Grueneich - ALJ Gottstein)
Outcome Signed
D08-01-042
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)

Energy Resolutions and Written Reports**26**

[7086]

Res E-4127 - Pacific Gas and Electric Company (PG&E).

This resolution denies without prejudice PG&E's proposal to implement a new Demand Response resource called the Cafeteria Style Menu Program. (Advice Letter 3085-E filed July 13, 2007)

Agenda 3203, Item 36 11/16/2007 (Staff);

Agenda 3204, Item 33 12/6/2007 (Staff);

Agenda 3205, Item 53 12/20/2007 (Staff)

Outcome Held (2/28/08.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

26a

[7269]

ALTERNATE TO ITEM 7086

This alternate resolution authorizes PG&E to implement a new Demand Response resource called the Cafeteria Style Menu Program.

Outcome Held (2/28/08.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

27

[7150]

Res E-4137 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Pacific Power, Sierra Pacific, Mountain Utilities (MU), and Golden State Water Company (GSWC) operating as Bear Valley Electric Service (BVES) (Collectively Respondents).

This resolution approved with modifications Respondents' proposed Tariffs for Purchase of Eligible Renewable Generation. (PG&E Advice Letter (AL) 3100-E and 3098-E filed August 3, 2007, SCE AL 2148-E filed August 2, 2007, SDG&E AL 1918-E submitted August 2, 2007, Pacific Power AL 350-E filed August 3, 2007, Sierra Pacific AL 331-E filed August 3, 2007, MU AL 73-E filed August 14, 2007, and BVES AL 219-E filed August 13, 2007)

Agenda 3205, Item 54 12/20/2007 (Staff)

Outcome Held (2/14/08.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders**28**

[7205]

A07-01-009 - Golden State Water Company (Golden State).

A07-01-010, A07-01-011, A07-01-012, A07-01-013, A07-01-014, A07-01-015 - Related matters. This decision approves various general rate increases for the years 2008, 2009, and 2010 for seven Golden State customer service areas (CSAs). These seven CSAs include Arden Cordova, Bay Point, Clearlake, Los Osos, Ojai, Santa Maria, and Simi Valley. Together these CSAs are referred to as Region I of Golden State's service area. While the rates for year 2008, the test year, are set by this decision, the rate adjustments for the second and third years, 2009 and 2010, will be specifically determined when advice letters for those two years are filed prior to years 2009 and 2010. In today's decision, the Commission also approves low-income rates for each of the seven districts. In addition, this decision finds the Stipulation filed by Division of Ratepayer Advocates (DRA) and Golden State on August 17, 2007 consistent with Rule 12.1 and the Commission adopts it. Where DRA and Golden State failed to agree, the Commission adopts Golden State's requests for rate recovery for a number of capital projects and additional new positions. Overall, these capital projects will result in customers experiencing rate increases. However, the approved capital projects and new positions are needed to achieve the goals set forth in the Water Action Plan 2005 to improve water quality, service reliability, and upgrade aging infrastructure. Application 07-01-009 and related matters are closed.

(Comr Grueneich - ALJ DeAngelis)

Agenda 3206, Item 36 1/10/2008 (Staff)

Outcome Signed

D08-01-043

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Resolutions and Reports

29

Res W-4672 - Golden State Water Company, Inc. (GSWC).

[7266]

The Commission reviews the recent rejection of Advice Letter (AL) 1241-W by the Division of Water and Audits, approves the new water service contract between GSWC and Calipatria State Prison, and authorizes recovery of revenue shortfalls occurring after the effective date of this resolution. (AL 1241-W filed March 20, 2007)

Outcome Held (2/14/08, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**30**

[7290]

Docket No. 07-287

In the Matter of the Commercial Mobile Alert System PS Docket No. 07-287' Notice of Proposed Rulemaking (FCC 07-214); adopted December 14, 2007; rel. December 14, 2007; published in the Federal Register January 3, 2008. The Federal Communications Commission seeks comment on the recommendation of the Commercial Mobile Service Alert Advisory Committee regarding technical standards for a Commercial Mobile Alert System. Staff seeks authority to file comments.

Outcome Approved-Staff Recommendation

Docket No. 07-287

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

31

[7291]

WC Docket No. 07-245, RM-11293, RM11303

In the Matter of Implementation of Section 224 of the Act; Amendment of the Commission's Rules and Policies Governing Pole Attachments, WC Docket No. 07-245, RM-11293, RM-11303; Notice of Proposed Rulemaking (FCC 07-187), adopted Oct. 31, 2007; rel. Nov. 20, 2007. The Federal Communications Commission seeks comment on a variety of issues relating to Section 224 of the 1996 Federal Telecommunications Act pertaining to rules for pole attachments and whether existing confer any rights on carriers regarding pole attachments. Staff seeks authority to file comments.

Outcome Held (2/14/08.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Applications for Rehearing

- 33** **A05-12-002 - Conference with Legal Counsel - Application for Rehearing**
 [7297] I06-03-003 - Related matters. Disposition of application for rehearing of Decision (D.) 07-11-013 by The Greenlining Institute (Greenlining). D.07-11-013 awards intervenor compensation in the amount of \$277,805.29 plus interest to Greenlining for its substantial contribution to D.07-03-044 and D.07-05-058. D.07-11-013 adjusted Greenlining's request for compensation in the amount of \$327,656.04 to disallow for hours of work that did not substantially contribute to the Commission's resolution of issues in D.07-03-044 and to reduce some of the hourly rates Greenlining had requested for certain personnel, and also to disallow time associated with travel within the Bay Area. The adjustment to Greenlining's request is equivalent to about a 10% reduction in its request.
- Outcome Signed**
 D08-01-044
 Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
 No: (none)
 Abstain: (none)
 Absent: (none)
- 34** **R06-05-027 - Conference with Legal Counsel - Application for Rehearing**
 [7310] Disposition of Applications for Rehearing of Decision (D.) 07-07-027 filed by the Southern California Edison Company (SCE) and the Center for Energy Efficiency and Renewable Technologies (CEERT). D.07-07-027 adopts tariffs and standard contracts for the purchase of electricity from water and wastewater customers as required by §399.20. D.07-07-027 also gives participating sellers the option to sell to the electrical corporation either all the power produced (full buy/sell) or the power produced that is in excess of their on-site consumption (excess sales). In addition, D.07-07-027 adopts similar tariffs and standard contracts for the purchase of electricity from other non-water, non-waster water (small customer generators) customers of SCE and Pacific Gas and Electric Company (PG&E).
- Outcome Held (2/14/08.)**
 Yes: (none)
 No: (none)
 Abstain: (none)
 Absent: (none)

