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# *Public Utilities Commission of the State of California*

## *Results of Public Agenda 3218*

*Meeting Held on Thursday, July 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>

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### **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>
Monday, August 18, 2008 (San Francisco)	Thursday, August 21, 2008 (San Francisco)
Friday, August 29, 2008 (San Francisco)	Thursday, September 04, 2008 (San Francisco)
Monday, September 15, 2008 (San Francisco)	Thursday, September 18, 2008 (San Francisco)
Monday, September 29, 2008 (San Francisco)	Thursday, October 02, 2008 (San Francisco)
Friday, October 10, 2008 (San Francisco)	Thursday, October 16, 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](mailto:public.advisor@cpuc.ca.gov)



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**PUBLIC COMMENT**

**The following items are not subject to public comment:**

- **All items on the closed session agenda; these are HEX and EX items.**
- 

**Public Comment:**

Re 34: Paul Blake

Re 38:

Bishop Aurea Lewis, Council of Churches & Disabled Vet. of America, Emeryville, CA

Bruce Thompson

Charles McGee, AARP

El-Malik Muhammad

James Moy

Jeff Greene

Jerry DeRyan

Karen Fishkin

Kingman Kan

Mark Toney

Michael Moreno

Mindy Bishop

Prince Bush

Richard Tessman

Roy Benson

Steve Pruitt

Vince Rosato

Wayne Lee, SF CA

Re 40: Lawrence Spiwak, Phoenix Center for Adv. Legal & Econ. Public Policy Studies, Washington DC

**Consent Agenda**

<p><i>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.</i></p>
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**Orders and Resolutions**

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- 1**  
[7736]            **Res ALJ-176-3218**  
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-176-3218  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 2**  
[7488]            **Res ROSB-002**  
This resolution approves a citation program under the administration of the Director of the Consumer Protection and Safety Division for enforcing compliance with certain General Orders and other requirements for railroad carriers operating in California such as those for walkways, clearances, notification of hazardous materials release, and certain railroad operating rules agreed to by the Union Pacific Railroad Company and BNSF Railway Company.  
Agenda 3213, Item 4 5/15/2008 (Staff);  
Agenda 3215, Item 2 6/12/2008 (Staff);  
Agenda 3216, Item 2 6/26/2008 (Staff);  
Agenda 3217, Item 2 7/10/2008 (Simon)  
**Outcome Held (08/21/08, Consent Agenda.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 3**  
[7658]            **A05-02-004 - Southern California Water Company (SCWC).**  
For an order authorizing SCWC to increase rates for water service for years 2006, 2007, and 2008, in its Region III Service Area. This decision addresses the limited rehearing granted in Decision 06-11-020 on the issue of correcting 2005 gross capital additions. This proceeding is closed.  
(Comr Grueneich - ALJ Bushey)  
Agenda 3216, Item 10 6/26/2008 (Staff)  
**Outcome Signed**  
[D08-07-027](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

**4**

[7715]

**A06-12-005 - Exposition Metro Line Construction Authority.**

For an order authorizing the construction of a two-track at grade crossing for the Exposition Boulevard Corridor Light Rail Transit Line across Jefferson Boulevard, Adams Boulevard, and 23rd Street, all three crossings located along Flower Street in the City of Los Angeles, County of Los Angeles, California. A06-12-020, A07-01-004, A07-01-017, A07-01-044, A07-02-007, A07-02-017, A07-03-004, A07-05-012, A07-05-013 - Related matters. This decision (D.) denies the petition for modification of D.07-12-029 filed by the Los Angeles Unified School District (LAUSD). LAUSD did not apply for rehearing of D.07-12-029. This proceeding remains open to address further matters. (Comr Simon - ALJ Koss)

**Outcome Signed**[D08-07-028](#)

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

No: (none)

Abstain: (none)

Absent: (none)

**5**

[7733]

**A08-05-005 - San Diego Gas & Electric Company (SDG&E)**

This decision grants SDG&E authority to issue up to \$1.1 billion of long-term Debt Securities. Debt Securities include: (a) secured debt, (b) unsecured debt, (c) foreign capital markets, (d) medium-term notes, (e) direct long-term loans, (f) accounts receivable financing, (g) tax-exempt debt, (h) variable-rate debt, (i) fall-away mortgage bonds initially secured and subsequently convertible into unsecured debt, and (j) subordinated debt. As part of this authority SDG&E may encumber utility property, including its accounts receivable, to secure debt securities and may use hedges to manage interest rate risk. It is also authorized to enter into: (a) put options, (b) call options, (c) sinking funds, (d) interest rate swaps, (e) swaptions to enter or exit swap agreements under specified terms and conditions, (f) caps and collars, (g) currency swaps, (h) credit enhancements, (i) capital replacement, (j) interest deferral, (k) special-purpose entity transactions, and (l) delayed draw downs. This decision further exempts certain Debt Securities from the Commission's Competitive Bidding Rule as enumerated in the body of this order; and, authorizes SDG&E to report all Debt Securities information required by General Order 24-B to the Commission on a quarterly basis. This proceeding is closed. (Comr Simon - ALJ Galvin)

Agenda 3217, Item 19 7/10/2008 (Staff)

**Outcome Signed**[D08-07-029](#)

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

No: (none)

Abstain: (none)

Absent: (none)

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- 6**  
[7734]      **Res E-4179**  
This resolution names the winning bidder of the California Solar Initiative Research, Development, Deployment and Demonstration Program, pursuant to Decision 07-09-042, pending Commission approval.  
**Outcome Approved**  
[Res E-4179](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 7**  
[7738]      **A07-12-027 - Leonard James Hearn dba Regional Relocations, LLC (Applicant).**  
This decision grants Applicant a household goods carrier permit subject to the conditions set forth herein. This proceeding is closed.  
(Comr Simon - ALJ O'Donnell)  
**Outcome Signed**  
[D08-07-030](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 8**  
[7740]      **C07-06-023 - John Bakos and Betty Ann Bakos vs. Union Pacific Railroad Company.**  
This decision extends the 12-month statutory deadline for resolving this proceeding to March 22, 2009. This proceeding remains open.  
(Comr Grueneich - ALJ Ryerson)  
**Outcome Signed**  
[D08-07-031](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 9**  
[7741]      **Res E-4181 - Pacific Gas and Electric Company.**  
This resolution approves without modification a renewable procurement contract, with an existing renewable facility. (Advice Letter 3230-E filed March 14, 2008)  
**Outcome Approved**  
[Res E-4181](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
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- 10**  
[7745]      **Res E-4171 - San Diego Gas & Electric Company.**  
This resolution approves without modification the renewable resource procurement contract of Esmeralda Truckhaven Geothermal LLC. (Advice Letter (AL) 1963-E filed February 1, 2008 and Supplemental AL 1963-E-A filed March 21, 2008)  
**Outcome Approved**  
[Res E-4171](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 11**  
[7747]      **A08-03-003 - CCG Communications, LLC (Applicant).**  
This decision grants Applicant's request for a certificate of public convenience and necessity under Public Utilities Code § 1001 for authority to provide resold local exchange services as a competitive local carrier, subject to the terms and conditions set forth in this decision. This proceeding is closed. (Comr Chong - ALJ Patrick)  
**Outcome Signed**  
[D08-07-032](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 12**  
[7748]      **(ECP) C08-03-013 - Christopher Douglas (Complainant) vs. Pacific Gas and Electric Company.**  
This complaint is dismissed, and the case is closed. Complainant has not shown that his account was billed improperly.  
(Comr Simon - ALJ Ryerson)  
**Outcome Signed**  
[D08-07-033](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 13**  
[7757]      **A08-04-035 - Del Oro Water Company, Inc. (Applicant).**  
This decision grants Applicant the authority to acquire River Island Water Co. and to establish rates for service. This proceeding is closed.  
(Exam Kahlon)  
**Outcome Signed**  
[D08-07-034](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 14**  
[7758]      **Res USRB-001**  
This resolution allows establishment of a propane citation procedure and authorizes staff to assess penalties against those propane system operators who fail to comply with pipeline safety regulations.  
**Outcome Approved**  
[Res USRB-001](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 15**  
[7760]      **A08-05-001 - Access Point Inc. (Applicant).**  
This decision grants Applicant a certificate of public convenience and necessity pursuant to Public Utilities Code § 1001 to provide limited facilities based and resold competitive local exchange and interexchange services, subject to the terms and conditions. This proceeding is closed.  
(Comr Simon - ALJ Patrick)  
**Outcome Signed**  
[D08-07-035](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 16**  
[7763]      **Res E-4185 - Southern California Edison Company (SCE).**  
This Resolution approves SCE's conformed 2006 Long Term Procurement Plan. (Advice Letter 2246-E filed May 30, 2008)  
**Outcome Approved**  
[Res E-4185](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
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- 17**  
[7764] **A07-09-012 - Warburg Pincus Private Equity IX, L.P., Warburg Pincus Private Equity X, L. P. (WP X) and Electric Lightwave, LLC (ELI), Eschelon Telecom, Inc. and Advanced Telecom, Inc. dba Eschelon Telecom, Inc. (together, Applicants).**
- This decision approves Applicants' request for a transaction in which WP X has acquired indirect control of ELI and Eschelon Telecom, Inc. The Commission denies Applicants' request for approval of the transaction on a retroactive or nunc pro tunc basis. Applicants' motion to dismiss the application, on the grounds that the transaction did not result in a transfer of control under Section 854, is denied. Although Applicants violated Section 854 by finalizing the transaction without the Commission's advance approval, the Commission imposes no fines based on the unique circumstances of this case. This proceeding is closed.  
(Comr Chong - ALJ Prestidge)
- Outcome Held (08/21/08, Consent Agenda.)**
- Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 18**  
[7766] **A08-04-039 - Catalina Channel Express, Inc. (Applicant).**
- This decision authorizes Applicant to increase its passenger fares between 13.8% and 19.4% on its Catalina Island vessel common carrier service, and to apply its existing zone of rate freedom to the new baseline fares. This proceeding is closed.  
(Exam Clark)
- Outcome Signed**
- [D08-07-036](#)
- Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 19**  
[7768] **Res E-4172 - Pacific Gas and Electric Company.**
- This resolution confirms and approves with modification the appointment of Susan S. Muranishi to serve on its Committee of Nuclear Decommissioning Trust Funds. (Advice Letter 3252-E filed April 18, 2008)
- Outcome Approved**
- [Res E-4172](#)
- Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 20**  
[7770]            **Res W-4698**  
This resolution establishes water quality and user fee balancing accounts for Class B, C, and D water utilities.  
**Outcome Approved**  
[Res W-4698](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 21**  
[7772]            **A08-04-006 - Prayzel Communications LLC (Applicant).**  
This decision grants Applicant a certificate of public convenience and necessity pursuant to Public Utilities Code § 1001 to provide resold local exchange service as a competitive local carrier and interexchange telecommunications services. This proceeding is closed.  
(Comr Chong - ALJ Patrick)  
**Outcome Signed**  
[D08-07-037](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 22**  
[7773]            **A08-02-017 - Syniverse Technologies, Inc. (Applicant).**  
This decision modifies Applicant's certificate of public convenience and necessity so that it may provide limited facilities based and resold competitive local exchange and interexchange telecommunications services in addition to the inter- and intra- local access and transport area services as a non-dominant interexchange carrier it was authorized pursuant to Decision 04-11-001. This proceeding is closed.  
(Comr Chong - ALJ Galvin)  
**Outcome Signed**  
[D08-07-038](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

- 23**  
[7774]      **A08-06-005 - U.S. South Corporation, Inc., dba U.S. South and dba INCOMM (U.S. South), and First Data Corporation (First Data).**  
This decision authorizes First Data to indirectly acquire control of U.S. South, a company that holds authority from the Commission to provide resold long distance intrastate telecommunication services in California. This proceeding is closed.  
(Comr Chong - ALJ Patrick)  
**Outcome Signed**  
[D08-07-039](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 24**  
[7775]      **A08-02-016 - Alene Tefera Mulu dba ASAP Airport Shuttle (Applicant).**  
This decision grants Applicant the authority to operate as a passenger stage corporation between points in Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Solano Counties, on the one hand, and San Francisco, Oakland, and San Jose International Airports, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D08-07-040](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 25**  
[7781]      **A07-01-036 - California-American Water Company (Cal-Am).**  
To decrease revenues for water service in its Coronado District by (\$73,100) or (0.46%) in 2008, and increase revenues by \$266,200 or 1.67% in 2009, and \$260,900 or 1.61% in 2010.  
A07-01-037, A07-01-038, A07-01-039 - Related matters. This decision grants the petition of Cal-Am to modify Decision (D.) 08-03-022, resolving Phase I of this proceeding and establishing the revenue requirement for its Coronado Application (A.) 07-01-036 and Village A.07-01-039 districts. D.08-03-022 did not include adopted water quantities, bill comparisons, or tariffs for the Coronado and Village districts. Because rate design will be calculated in Phase II of this proceeding, this decision adopts interim water quantities, bill comparisons, and tariffs until Phase II is completed.  
(Comr Bohn - ALJ Rochester)  
**Outcome Signed**  
[D08-07-041](#)  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

**26**

[7782]

**A08-04-003 - Sierra Pacific Power Company (Sierra).**

This decision grants the request of Sierra for establishment of a new Energy Cost Adjustment Clause offset and balancing rate effective September 1, 2008, resulting in an overall decrease of \$12,244,000 or 15.15%. This decrease in rates is due to a decrease in estimated fuel and purchased power procurement costs. This decrease will neither increase nor decrease Sierra's net operating income, but will simply allow it to recover fuel and purchased power costs on a dollar-for-dollar basis. This proceeding is closed.

(Comr Bohn - ALJ Patrick)

**Outcome Signed**[D08-07-042](#)

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

No: (none)

Abstain: (none)

Absent: (none)

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**Intervenor Compensation Orders****27**

[7735]

**A07-11-009 - Pacific Gas and Electric Company.**

For Expedited Issuance of a Certificate of Public Convenience and Necessity for the Colusa Power Project. This decision awards The Utility Reform Network \$7,940 in compensation for its substantial contributions to Decision 08-02-019. This proceeding remains open.

(Comr Peevey - ALJ Yacknin)

**Outcome Signed**[D08-07-043](#)

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

No: (none)

Abstain: (none)

Absent: (none)

**28**

[7739]

**A07-01-047 - San Diego Gas & Electric Company.**

For authority to update marginal costs, cost allocation, and electric rate design. This decision (D.) awards the Utility Consumers' Action Network \$48,377.35 in compensation for its substantial contribution to D.08-02-034. This proceeding remains open.

(Comr Bohn - ALJ Wong)

**Outcome Signed**[D08-07-044](#)

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

No: (none)

Abstain: (none)

Absent: (none)

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## Regular Agenda

### Energy Orders

**29**                    **A07-07-015 - Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E).**  
[7564]

This decision authorizes Emerging Renewable Resource Programs (ERRP) for PG&E and SDG&E, and allows PG&E and SDG&E to expend up to \$30 million and \$15 million, respectively for a period of two years. The decision provides ERRP oversight through the Energy Division, assisted by consultants and approves ERRP spending for the University of California Merced Solar Center, a wastewater bio-methane project, and a wave energy project. This proceeding is closed.

(Comr Simon - ALJ DeBerry)

Agenda 3214, Item 25 5/29/2008 (Simon);

Agenda 3216, Item 37 6/26/2008 (Staff)

**Outcome Held (08/21/08.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**30**                    **A06-03-005 - Pacific Gas and Electric Company (PG&E).**  
[7687]

To Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design. This decision continues implementation of the Commission's policy to make dynamic pricing available to all customers in order to lower costs, improve system reliability, cut greenhouse gas emissions, and support modernization of the electric grid. This decision adopts a timetable that specifies when PG&E is required to propose specified dynamic pricing rates. The decision also adopts rate design guidance that PG&E shall be required to adhere to in all of its future dynamic pricing proposals. This proceeding remains open.

(Comr Chong - ALJ Fukutome)

Agenda 3217, Item 23 7/10/2008 (Staff)

**Outcome Signed**

[D08-07-045](#)

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

No: (none)

Abstain: (none)

Absent: (none)

**31**

[7698]

**A06-12-009 - San Diego Gas & Electric Company (SDG&E).**

For authority to update its gas and electric revenue requirement and base rates effective on January 1, 2008. A06-12-010, I07-02-013 - Related matters. SDG&E filed Application (A.) 06-12-009, a general rate case (GRC) application, and Southern California Gas Company (SoCalGas) filed A.06-12-010, also a GRC application. They are related companies with some shared services. This decision adopts for each company a Test Year 2008 revenue requirement, a mechanism for attrition adjustments until the next GRC, performance, and safety incentive mechanisms, which are reasonable and necessary to provide safe and reliable service to ratepayers. This decision requires SDG&E and SoCalGas to file another rate case for Test Year 2012 and it allows the filing of a single combined application with separate revenue requirements for each company. This decision adopts eight settlements, and rejects two others, pursuant to Rule 12 et seq, between applicants and various parties which, in total, resolves nearly all contested issues. This proceeding is closed.

(Comr Bohn - ALJ Long)

Agenda 3217, Item 24 7/10/2008 (Staff)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**31a**

[7699]

**ALTERNATE TO ITEM 7698**

For authority to update its gas and electric revenue requirement and base rates effective on January 1, 2008. A06-12-010, I07-02-013 - Related matters. There are two differences between the proposed decision and this alternate decision. First, the Administrative Law Judge's (ALJ) proposed decision finds the effective date for the change in revenue requirement is February 1, 2008, whereas this alternate decision finds that the effective date for the change in revenue requirement is January 1, 2008. Second, the ALJ's proposed decision places a 150 basis point cap on excess earnings and thus earnings exceeding this cap would be refunded to ratepayers, whereas this alternate decision does not place a limit on earnings.

(Comr Bohn )

Agenda 3217, Item 24a 7/10/2008 (Staff)

**Outcome Signed**

[D08-07-046](#)

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

No: (none)

Abstain: (none)

Absent: (none)

32  
[7712]

**I.06-06-014 - Investigation on the Commission's Own Motion into the Practices of the Southern California Edison Company to Determine the Violations of the Laws, Rules, and Regulations Governing Performance Based Ratemaking, its Monitoring and Reporting to the Commission, Refunds to Customers and Other Relief, and Future Performance Based Ratemaking for this Utility.**

Southern California Edison Company (SCE) shall refund and forgo all \$48 million in Performance Based Ratemaking(PBR) customer satisfaction rewards it has claimed. Employees and management manipulated the mechanism for seven years; those seven years of bad data were submitted to the Commission. In regard to the Health and Safety PBR, SCE submitted false and misleading information. It shall refund to ratepayers the \$20 million it has collected for 1997-2000, and forgo \$15 million in health and safety rewards for 2001-2003. The revenue requirement portion of results sharing attributed to PBR data should be refunded because of fraudulent data in regard to OSHA recordables and customer satisfaction, in the amount of \$76,663,200. SCE shall pay a fine of \$40,000,000 for violations of the Public Utilities Code. This proceeding remains open.

(Comr Peevey - ALJ Barnett)

Agenda 3216, Item 40 6/26/2008 (Peevey)

**Outcome Held (09/04/08. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

33  
[7726]

**A07-01-047 - San Diego Gas & Electric Company (SDG&E).**

For Authority to Update Marginal Costs, Cost Allocation, and Electric Rate Design. This decision addresses the proposal of SDG&E to gradually increase the electric rates over time of its residential customers whose usage falls within Tiers 1 and 2. SDG&E's proposal would eliminate the rate cap imposed by Water Code Section 80110 by January 1, 2016. This decision also addresses what is meant by the California Department of Water Resources' (DWR) recovery of its costs as power as set forth in that code section. Since SDG&E's phase-out proposal would increase the rates of these customers, and because DWR has not yet recovered its costs of power, i.e., its power charges and bond charges, SDG&E's proposal is not adopted. This proceeding is closed.

(Comr Bohn - ALJ Wong)

**Outcome Held (08/21/08. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**34**

[7744]

**R06-04-010 - Order Instituting Rulemaking to Examine the Commission's Post-2005 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues.**

This decision sets interim energy efficiency savings goals for 2012 through 2020 for electricity and natural gas on a total market gross basis. Energy efficiency savings goals will be updated in 2010 and include utility-specific goals as well. For 2009 through 2011, this decision clarifies that energy efficiency savings goals will be considered on a gross basis. This proceeding remains open.

(Comr Grueneich - ALJ Gamson)

**Outcome Signed**

D08-07-047

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

No: (none)

Abstain: (none)

Absent: (none)

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**Energy Resolutions and Written Reports****35**

[7737]

**Res E-4169 - Southern California Edison Company (SCE).**

This resolution denies SCE's proposal to establish the Smart Thermostat Field Research Pilot Study. (Advice Letter 2233-E filed April 11, 2008)

**Outcome Approved**

Res E-4169

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

No: (none)

Abstain: (none)

Absent: (none)

**36**

[7746]

**Res E-4183 - Southern California Edison Company.**

This resolution approves without modifications a new renewable portfolio standard power purchase agreement with ORNI #21, LLC. (Advice Letter (AL) 2198-E filed December 31, 2007 and AL 2198-E-A filed January 11, 2008)

**Outcome Approved**

Res E-4183

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

No: (none)

Abstain: (none)

Absent: (none)

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**Communication Orders****37**

[7613]

**R07-04-015 - Rulemaking on the Commission's own motion into reliability standards for telecommunications emergency backup power systems and emergency notification systems pursuant to Assembly Bill 2393.**

This decision concludes a proceeding that has examined several topics involving backup power supply for telecommunications systems and notification to the public of emergencies using those systems. It was initiated at the direction of legislation enacted in response to Hurricane Katrina and other disasters. The Commission provides a report to the Legislature that analyzes these topics and provides recommendations to enhance the reliability of our telecommunications network and its ability to notify the public in case of emergencies. This proceeding is closed.

(Comr Simon - ALJ O'Donnell)

Agenda 3215, Item 30 6/12/2008 (Simon);

Agenda 3216, Item 41 6/26/2008 (Staff)

**Outcome Held (08/21/08. Further Review)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**37a**

[7722]

**ALTERNATE TO ITEM 7613**

This alternate decision examines several topics involving backup power supply for telecommunications systems and notification to the public of emergencies using those systems. Unlike the proposed decision, the alternate decision declines to order a new rulemaking and determines not to require service providers to provide a minimum amount of backup power at the customer premises. The alternate directs the Communications Division to hold workshops to develop a customer education program to inform consumer about accurate and updated backup power information, and to encourage industry providers to provide voluntary consumer education plans about battery backup information. This proceeding is closed.

(Comr Chong)

Agenda 3216, Item 41a 6/26/2008 (Staff)

**Outcome Held (08/21/08. Further review.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**38**  
[7729]

**R93-04-003 - Rulemaking on the Commission's Own Motion to Govern Open Access to Bottleneck Services and Establish a Framework for network Architecture Development of Dominant Carrier Networks.**

I93-04-002 - Related matters. This decision determines that the adopted Unbundled Network Element (UNE) reexamination process will apply to Pacific Bell Telephone Company dba AT&T California (AT&T), as well as Verizon California Inc. (Verizon). A price cap mechanism is adopted for annual updates to the UNE rates adopted for Verizon and AT&T, but the Commission finds that § 252 of the Telecommunications Act of 1996 requires the state to conduct periodic cost-study proceedings to update UNE rates, based on the Total Element Long Run Incremental Cost (TELRIC) methodology. A schedule is established for future TELRIC costing proceedings for AT&T and Verizon, and the use of the HM 5.3 model is mandated for use in those costing proceedings. This proceeding remains open.

(Comr Peevey - ALJ Duda)

**Outcome Held (10/02/08.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**39**  
[7742]

**R05-04-005 - Order Instituting Rulemaking on the Commission's Own Motion to Assess and Revise the Regulation of Telecommunications Utilities.**

This decision declines to adopt additional monitoring reports, declines to take action on retail special access pricing at this time, and declines to adopt new customer disclosure rules. This proceeding is closed.

(Comr Chong - ALJ Bemserfer)

**Outcome Held (08/21/08.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**40**  
[7743]

**R06-06-028 - Order Instituting Rulemaking into the Review of the California High Cost Fund B Program.**

This decision authorizes transitional increases in the rates for basic exchange service provided by the four major incumbent local exchange carriers in California, beginning effective January 1, 2009, leading to full pricing flexibility pursuant to reforms to the California High Cost Fund-B program in Phase II, of this proceeding. This proceeding remains open.

(Comr Chong - ALJ Pulsifer)

**Outcome Held (08/21/08.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)



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**Legislative and Other Matters**

- 41**                    **AB 2267 (Fuentes)**  
[7597]                    California-based entities.  
Agenda 3213, Item 44 5/15/2008 (Staff);  
Agenda 3214, Item 39 5/29/2008 (Staff);  
Agenda 3215, Item 35 6/12/2008 (Staff);  
Agenda 3216, Item 42 6/26/2008 (Staff);  
Agenda 3217, Item 27 7/10/2008 (Staff)  
**Outcome Withdrawn**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 42**                    **SB 53 (Ducheny)**  
[7779]                    Department of Railroads.  
**Outcome Approved (Legislative Subcommittee Recommendation: Oppose.)**  
SB 53  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 43**                    **SB 1491 (McClintock)**  
[7778]                    Electric utilities: remotely controlled devices: programmable communicating thermostats.  
**Outcome Approved (Legislative Subcommittee Recommendation: Oppose.)**  
SB 1491  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 44**                    **SB 1737 (Steinberg)**  
[7776]                    Public utilities: procurement: persons with developmental disabilities business enterprises.  
**Outcome Approved (Legislative Subcommittee Recommendation: Support.)**  
SB 1737  
Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
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

- 46**                    **R04-04-003 - Conference with Legal Counsel - Applications for Rehearing**  
 [7724]                    R04-04-025 - Related matters. Disposition of applications for rehearing of Decision (D.) 07-09-040 filed by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, The Utility Reform Network, the Division of Ratepayer Advocates, the Cogeneration Association of California, the Energy Producers and Users Coalition, and the California Cogeneration Council. In D.07-09-040, the Commission adopted specific policies and pricing mechanisms applicable to the electric utilities' purchase of energy and capacity from Qualifying Facilities pursuant to the Public Utilities Regulatory Policy Act of 1978 (16 U.S.C. § 824a-3.)  
 Agenda 3217, Item 29 7/10/2008 (Staff)  
**Outcome Signed**  
 D08-07-048  
 Yes: (Bohn , Chong, Grueneich, Peevey, Simon)  
 No: (none)  
 Abstain: (none)  
 Absent: (none)
- 47**                    **R07-09-008 - Conference with Legal Counsel - Applications for Rehearing**  
 [7762]                    Disposition of Applications for Rehearing and Motion for Stay of Decision (D.) 08-04-039 as modified by D.08-04-054 filed by The Utility Reform Network, the Division of Ratepayer Advocates, and the Utility Consumers Action Network (collectively, the Joint Parties), and by the Consumer Federation of California. The Decision approved establishment of the California Institute for Climate Solutions (CICS). The CICS will be a grant-making body to fund applied research and development of practical and commercially viable technologies to reduce greenhouse gas emissions and slow global warming. The Decision authorizes \$60 million per year for 10 years to be collected via a new surcharge on electricity and gas utility customer bills, and also requires CICS to obtain by Year 5, non-ratepayer matching funds that equal or exceed the amount of ratepayer funding on an annual basis.  
**Outcome Held**  
 Yes: (none)  
 No: (none)  
 Abstain: (none)  
 Absent: (none)

