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# ***Public Utilities Commission of the State of California***

***Public Agenda 3268***

***Thursday, January 27, 2011 10:00 a.m.***

***San Francisco, California***

**Commissioners**

**Michael R. Peevey, President**

**Timothy Alan Simon**

**Michel Peter Florio**

**Catherine J.K. Sandoval**

*For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.*

*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.) <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b><i>Open to the Public</i></b>
Friday, February 18, 2011 (San Francisco)	Thursday, February 24, 2011 (San Francisco)
Monday, March 07, 2011 (San Francisco)	Thursday, March 10, 2011 (San Francisco)
Monday, March 21, 2011 (San Francisco)	Thursday, March 24, 2011 (San Francisco)
Monday, April 11, 2011 (San Francisco)	Thursday, April 14, 2011 (San Francisco)
Monday, May 02, 2011 (San Francisco)	Thursday, May 05, 2011 (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.*

### ***Matters of Public Interest***

***For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.***

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.
- 11, 19, 27, 30, 35, 35a

**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.*

**Consent Agenda - Orders and Resolutions**

**Item                      Preliminary Categorizations and Hearing Determinations for  
1                              Recently Filed Formal Applications**

[10082]

**Res ALJ 176-3268**

**PROPOSED OUTCOME:**

® 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.

**ESTIMATED COST:**

® None.

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Consent Agenda - Orders and Resolutions (continued)

**Item SFPP, L.P. to Charge Market-Based Rates**

**2**

[9572]

**A09-05-014**, A08-06-008, A08-06-009 - Related matters.

Application of SFPP, L.P. for authority, pursuant to Public Utilities Code Section 455.3, to increase its rates for pipeline transportation services within California.

**PROPOSED OUTCOME:**

® Denies application to charge market-based rates for pipeline transportation of refined petroleum products.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Bemederfer)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441674](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441674)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3258, Item 11 7/29/2010 (Staff);

Agenda 3260, Item 4 9/2/2010 (Staff);

Agenda 3261, Item 3 9/23/2010 (Staff);

Agenda 3262, Item 3 10/14/2010 (Staff);

Agenda 3263, Item 3 10/28/2010 (Staff);

Agenda 3264, Item 3 11/19/2010 (Staff);

Agenda 3266, Item 2 12/16/2010 (Staff);

Agenda 3267, Item 2 1/13/2011 (Staff)

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Consent Agenda - Orders and Resolutions (continued)

**Item California High Cost Fund-A Administrative Committee Fund  
3 Adjustments Review for Calendar Year 2010**

[9792]

**Res T-17273**

**PROPOSED OUTCOME:**

® Seeks the approval of the California High Cost Fund (CHCF)-A Adjustments Review for Calendar year 2010.

® The CHCF-A program provides supplemental revenues to small Local Exchange Carriers in order to reduce rate disparity in rural areas.

**ESTIMATED COST:**

® \$78,163.66.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442543](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442543)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Agenda 3263, Item 9 10/28/2010 (Bohn );

Agenda 3265, Item 3 12/2/2010 (Staff);

Agenda 3267, Item 3 1/13/2011 (Staff)

**Item Amendments to the Rules of Practice and Procedure  
4**

[9835]

**Res ALJ-260**

**PROPOSED OUTCOME:**

® Amends the Rules of Practice and Procedure to reflect changes in the Commission's administration, to streamline certain procedures, and to provide greater clarity.

**ESTIMATED COST:**

® None.

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

**Item                    San Diego Gas & Electric Company's Sale of License Rights  
5                        to Intellectual Properties to Juice Technologies, LLC.**

[9903]

**Res E-4361**, Advice Letter 2155-EA Filed on May 6, 2010 - Related matters.

**PROPOSED OUTCOME:**

® Approves the sale of license rights to intellectual properties under the terms specified.

**ESTIMATED COST:**

® The transaction will have no impact on ratebase, and may result in income to ratepayers and shareholders.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442608](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442608)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Agenda 3265, Item 14 12/2/2010 (Staff);

Agenda 3266, Item 7 12/16/2010 (Staff);

Agenda 3267, Item 4 1/13/2011 (Staff)

Consent Agenda - Orders and Resolutions (continued)

**Item Net Surplus Compensation Rate for Electric Utilities**

**6**

**(Rev.)**

[9932]

**A10-03-001**, A10-03-010, A10-03-012, A10-03-013, A10-03-017 - Related matters.

In the matter of the Application of PacifiCorp for approval to implement a Net Surplus Compensation Rate.

**PROPOSED OUTCOME:**

® Adopts a Net Surplus Compensation Rate (NSC) for net energy metering customers who produce excess power over a 12-month period, pursuant to Assembly Bill 920.

® Adopts a market-based mechanism to calculate the NSC rate for each electric utility based on an average of day-ahead "default load aggregation point" electricity prices for the 12-month period.

® Finds that net surplus generators should be compensated for the renewable attributes of their net surplus generation if and when they produce renewable energy credits in compliance with Renewable Portfolio Standard eligibility, metering and tracking requirements, but declines to adopt a value for renewable attributes at this time.

® Requires Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Sierra Pacific Power Company, and PacifiCorp to each file a compliance advice letter to set their actual NSC rates.

® Closes the proceeding.

**ESTIMATED COST:**

® Assuming a NSC rate of \$.05/kilowatt hour (based on 2009 average) and annual net surplus generation for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company of 12 million kilowatt hours, total net surplus compensation would equal \$600,000.

(Comr Peevey - ALJ Duda)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441677](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441677)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3266, Item 9 12/16/2010 (Staff);

Agenda 3267, Item 6 1/13/2011 (Staff)

01/25/2011 - This revision was not shown on the Agenda mailed to the public.

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Certificate of Public Convenience and Necessity to Provide**  
**7**                            **Local Exchange and Interexchange Service to Unserved**  
[10009]                    **Areas of California**

**A09-03-028**

Application of DTS of CA, Inc. for a Certificate of Public Convenience and Necessity to Construct Telecommunications Facilities and to Provide Local Exchange and Interexchange Service to unserved Territories in California.

**PROPOSED OUTCOME:**

- ® Grants application for Certificate of Public Convenience and Necessity.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® Unknown at this time, may apply for California High Cost Fund-A in the future.

(Comr Peevey - ALJ Rochester)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442609](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442609)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3266, Item 39 12/16/2010 (Staff);

Agenda 3267, Item 9 1/13/2011 (Staff)

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Consent Agenda - Orders and Resolutions (continued)

**Item 8 San Jose Water Company to Issue up to \$100 Million of New Debt and \$50 Million of New Common Equity Securities**

[10038]

**A10-07-022**

Application of San Jose Water Company, a California corporation, for an order to issue and sell additional debt and equity securities not exceeding the aggregate amount of \$150,000,000 and other related requests.

**PROPOSED OUTCOME:**

- ® Authority to issue and sell New Debt of \$100 million and New Common Equity Securities of \$50 million.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® None.

(Comr Peevey - ALJ Wilson)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441604](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441604)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3267, Item 20 1/13/2011 (Simon)

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Consent Agenda - Orders and Resolutions (continued)

**Item 9**                    **Pedestrian At-Grade Crossing for Southern California**  
**Regional Rail Authority at Vincent Grade/Acton Station in the**  
[10046]                **Unincorporated Community of Acton, County of Los Angeles**  
**A10-03-008**

**PROPOSED OUTCOME:**

- ® Grants Southern California Regional Rail Authority authorization to construct the Vincent Grade/Action Station at-grade pedestrian crossing across its Valley Subdivision tracks.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® Discretionary project, not within scope of applicant request.

(Exam Clark)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442660](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442660)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3267, Item 25 1/13/2011 (Staff)

Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Suburban Water Systems' Recovery of a Surcharge,**  
**10**                        **Including Interest, for Legal and Related Costs of**  
[10051]                   **Participating in Investigation 07-01-022**

**Res W-4863**, Advice Letter 271-W Filed on December 31, 2009 - Related matters.

**PROPOSED OUTCOME:**

® Authorizes the utility to file a supplement to the advice letter to include the revised rate schedules attached to this Resolution in Appendix A.

**ESTIMATED COST:**

® \$256,421.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442530](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442530)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

## Item **Dismissing Complaints Without Prejudice**

**11**

[10052]

**C09-12-014** , C10-01-019, C10-01-020, C10-01-021 - Related matters.

Pac-West Telecomm, Inc. vs. Sprint Spectrum, L.P., WirelessCo. L.P., Sprint Telephony PCS, L.P., Nextel of California, Inc. and jointly d/b/a Sprint PCS.

### **PROPOSED OUTCOME:**

® Dismisses without prejudice four essentially identical complaints that Pac-West Telecomm Inc (Pac-West) has filed against a group of Commercial Mobile Radio Service (CMRS) providers for failure to pay Pac-West compensation for terminating traffic that the providers send to Pac-West. The decision concludes that:

® The complaints should be dismissed for the same reasons that recently led the Commission to dismiss Application 10-01-003 without prejudice; viz., the pendency of an appeal of the Federal Communications Commission (FCC) decision on which the complaints are based, and the possibility that the work this Commission would have to invest in the four cases might be wasted depending on the outcome of that appeal.

® The conduct Pac-West complains about appears to be permitted under current federal law, the complaints fail to state causes of action under California law for undue discrimination, unreasonable utility practices, or unjust enrichment.

® The decision also authorizes Pac-West to file a petition to reopen the cases in the event the appeal of the FCC decision is resolved favorably to Pac-West's position, and provides that in the event such a petition to reopen is granted, claims that were timely when the complaints were first filed will remain timely.

® Closes the proceeding.

### **ESTIMATED COST:**

® Moderate costs for Pac-West in preparing any petition to reopen these cases and similar costs for the defendants in opposing any such petition to reopen. Moderate savings for Pac-West in preparing the cases and similar savings for the defendants in responding as a result of work that already has been undertaken.

(Comr Peevey - ALJ McKenzie)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441678](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441678)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*

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Agenda 3267, Item 29 1/13/2011 (Staff)

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Consent Agenda - Orders and Resolutions (continued)

**Item Pacific Gas and Electric Company's 2010-2011 SmartAC™  
12 Program and Budget**

[10055]

**A09-08-018**

Application of Pacific Gas and Electric Company for approval of 2010-2011 SmartAC (TM) Program and Budget.

**PROPOSED OUTCOME:**

® Grants Settlement of all Parties regarding SmartAC™ Program, including, for example, budget reduction of approximately \$36.47 million, installation of up to 259,000 total load control devices through December 31, 2011, addition of a price response trigger at bid cap beginning in 2010, increase in monetary incentives to customers, and implementation of additional quality control procedures with respect to its Measurement and Evaluation procedures.

® Closes the proceeding.

**ESTIMATED COST:**

® Program Budget reduction of approximately \$36.47 million.

(Comr Peevey - ALJ Wilson)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442258](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442258)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3267, Item 31 1/13/2011 (Staff)

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **California-American Water Company's Request for Monterey Peninsula Water Management District User Fee**  
**13**

[10058]

**A10-01-012**

In the Matter of the Application of California-American Water Company for an Order Authorizing the Collection and Remittance of the Monterey Peninsula Water Management District User Fee.

**PROPOSED OUTCOME:**

- ® Finds that settlement requirement does not meet Commission standards and dismisses motion.
- ® Findings also resolve substantive issues in application, which is also denied.
- ® Application 10-01-012 is closed.

**ESTIMATED COST:**

- ® None.

(Comr Peevey - ALJ Bushey)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=E37390](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=E37390)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Pacific Gas and Electric Company's Amended and Restated**  
**14**                        **Bottle Rock Power, LLC Renewable Power Purchase**  
[10059]                   **Agreement**

**Res E-4384**, Advice Letter 3668-E Filed on May 20, 2010 - Related matters.

**PROPOSED OUTCOME:**

- ® Approves an amended and restated long-term renewable energy power purchase agreement (PPA) between Pacific Gas and Electric Company and Bottle Rock Power, LLC.
- ® The amended and restated PPA is approved without modification.

**ESTIMATED COST:**

- ® Costs of the PPA are confidential at this time.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442519](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442519)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Pacific Gas and Electric Company's Manzana Wind Project**  
**15**                        **and Issuance of a Certificate of Public Convenience and**  
[10061]                   **Necessity**

**A09-12-002**

**PROPOSED OUTCOME:**

® Denies Pacific Gas and Electric Company's application for approval of issuance and a certificate of public convenience and necessity for the Manzana Wind Project.

® Application 09-12-002 is closed.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Ebke)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=E37396](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=E37396)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**  
**16**  
[10063] **Pacific Gas and Electric Company's Contracts With Halkirk I  
Wind Project LP, Blackspring Ridge IA Wind Project LP, and  
Blackspring Ridge IB Wind Project LP; all Affiliates of  
Greengate Power Corporation**

**Res E-4390**, Advice Letter 3620-E Filed on February 22, 2010 and Supplemental Advice Letter 3620-E-A Filed on May 5, 2010 - Related matters.

**PROPOSED OUTCOME:**

- ® Approves cost recovery for Pacific Gas and Electric Company's contracts with Halkirk I Wind Project LP, Blackspring Ridge IA Wind Project LP, and Blackspring Ridge IB Wind Project LP.
- ® The contracts are approved without modifications.

**ESTIMATED COST:**

- ® Costs of the contracts are confidential at this time.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442584](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442584)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

**Item Pacific Gas and Electric Company's Confidential Treatment  
17 for the 2007-2008 Winter Hedging Plan**

[10065]

**A10-10-006**

Application of Pacific Gas and Electric Company to Modify Decision 07-06-013.

**PROPOSED OUTCOME:**

- ® Grants Pacific Gas and Electric Company's (PG&E) request to keep its 2007-2008 Winter Hedging Plan under seal for an additional three years.
- ® PG&E may request a future extension of the protective order granted by today's decision by filing an application at least six months prior to the expiration of today's decision.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® None.

(Comr Peevey - ALJ Kenney)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442081](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442081)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Canada Woods Water Company for a General Rate Increase**  
**18**                        **for its Water and Sewer Company**

[10066]

**Res W-4866**, Advice Letter 4 Filed on April 28, 2010 - Related matters.

**PROPOSED OUTCOME:**

® Authorizes the utility to file: 1) A supplemental to the advice letter to include the revised rate schedules attached to this Resolution in Appendix B, and 2) A Tier 1 advice letter within 30 days of the effective of this resolution to revise its forms and rules listed in Ordering Paragraph 3 of this resolution.

**ESTIMATED COST:**

- ® \$339,828 for annual water revenue.
- ® \$93,082 for additional annual reclaimed water revenue.
- ® \$51,828 for additional annual sewer revenue.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442507](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442507)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

**Item Decision Approving Settlement Agreement**

**19**

[10067]

**C10-05-017**

Modesto Irrigation District, Merced Irrigation District vs. Pacific Gas and Electric Company.

**PROPOSED OUTCOME:**

® Approves settlement of dispute regarding whether Pacific Gas and Electric Company used ratepayer funds for customer retention activities in violation of general rate case settlements.

® Case 10-05-017 is closed.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Yacknin)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442613](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442613)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Proposed Modifications by the California Department of**  
**20**                        **Water Resources to the Servicing and Operating Orders and**  
[10072]                 **Agreements**

**R09-06-018**

Order Instituting Rulemaking to Consider the Annual Revenue Requirement Determination of the California Department of Water Resources.

**PROPOSED OUTCOME:**

® Grants the September 20, 2010 request of the California Department of Water Resources to modify the servicing orders and operating order and agreements that were previously approved in Decision (D) 07-03-025, D02-12-069, and D04-10-020.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Wong)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442560](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442560)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item Alisal Water Corporation's 2010 General Rate Case**

**21**

[10074]

**A10-02-006**

In the matter of the application of Alco Water Service, a California Corporation, for an order 1) authorizing it to increase rates for water service by \$3,709,633 or 62.6% in test year 2010; 2) authorizing it to increase rates on July 1, 2011 by \$1,752,844 or 18.2% and July 1, 2012 by \$1,016,639 or 8.9% in accordance with Decision 08-11-035, and 3) adopting other related rulings and relief necessary to implement the Commission's ratemaking policies.

**PROPOSED OUTCOME:**

® Adopts a partial settlement between Alisal Water Corporation and the Division of Ratepayer Advocates.

® Resolves all litigated issues.

® Application 10-02-006 is closed.

**ESTIMATED COST:**

® To be determined.

(Comr Peevey - ALJ Long)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=E37549](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=E37549)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item 22 California High Cost Fund-A Administrative Committee Fund  
Funding Resolution for Calendar Year 2011**

[10075]

**Res T-17298**

**PROPOSED OUTCOME:**

® Seeks approval of the California High Cost Fund (CHCF)-A Funding resolution for the 14 small Incumbent Local Exchange Carriers (ILEC) for Calendar year 2011.

® The CHCF-A program provides supplemental revenues to small ILEC in order to reduce rate disparity in rural areas.

**ESTIMATED COST:**

® \$34,273,679.74.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442605](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442605)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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**Item 23 Pacific Gas and Electric Company's Proposed Metrics for its  
Peak Day Pricing and Time-of-Use Customer Education and  
Outreach Activities for Non-Residential Customers**

[10079]

**Res E-4381**, Advice Letter 3693-E Filed on June 25, 2010 - Related matters.

**PROPOSED OUTCOME:**

® Approves with modifications Pacific Gas and Electric Company's proposed metrics.

**ESTIMATED COST:**

® None.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442619](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442619)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Consent Agenda - Orders and Resolutions (continued)

**Item                    Order Extending Statutory Deadline**

**24**

[10080]

**A08-05-019**

Application of California Water Service Company for an order confirming its discontinuance of the ESP program as provided in Decision (D) 07-12-055, Ordering Paragraph 19, approving accounting for the residual affiliate transaction, and confirming under D07-12-055, Ordering Paragraph 16 that Applicant's residual services to its affiliate CWS Utility Services comply with applicable law.

**PROPOSED OUTCOME:**

® Extends statutory deadline to October 2, 2011.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Walwyn)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442545](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442545)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item**                    **Joint Application of Gill Ranch Storage, LLC, Northwest  
25**                    **Natural Gas Company, NW Natural Energy, LLC and NW  
[10083]**                    **Natural Gas Storage, LLC for Transfer of Legal Ownership  
and Control**

**A10-08-010**

Joint Application of Gill Ranch Storage, LLC, Northwest Natural Gas Company, NW Natural Energy, LLC, and NW Natural Gas Storage, LLC for Transfer of Legal Ownership and Control of Gill Ranch Storage, LLC Through a Corporate Restructuring.

**PROPOSED OUTCOME:**

- ® Grants the joint application for authorization to transfer legal ownership and control of Gill Ranch Storage, LLC from Northwest Natural Gas Company to NW Natural Energy, LLC, and from NW Natural Energy, LLC to NW Natural Gas Storage, LLC.
- ® Closes Application 10-08-010.

**ESTIMATED COST:**

- ® Applicants will incur unspecified legal and administrative costs to complete the transaction.
- ® There are no direct costs to ratepayers or others in connection with the transaction.

(Comr Simon - ALJ Smith)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=442573](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=442573)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item Pacific Gas and Electric Company to Construct the Hollister  
26 115kV Power Line Reconductoring Project**

[10084]

**A09-11-016**

Application of Pacific Gas and Electric Company, a California corporation, for a Permit to Construct the Hollister 115kV Power Line Reconductoring Project pursuant to General Order 131-D.

**PROPOSED OUTCOME:**

- ® Grants Pacific Gas and Electric Company's application for a permit to construct the Hollister 115kV Power Line Reconductoring Project.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® \$24.8 million.

(Comr Peevey - ALJ Walwyn)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441278](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441278)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Orders and Resolutions (continued)

**Item                    Order Extending Statutory Deadline**

**27**

[10085]

**(ECP) C10-02-023**

Jeffrey A. Swartz and Lisa J. Swartz vs. Southern California Edison Company.

**PROPOSED OUTCOME:**

® The 12-month statutory deadline in this proceeding is extended until October 20, 2011.

**ESTIMATED COST:**

® None.

(Comr Simon - ALJ Barnett)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=440950](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=440950)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*

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Consent Agenda - Orders and Resolutions (continued)

**Item                    Order Extending Deadline for Resolving Rulemaking**  
**28**

[10086]

**R06-05-028**

Rulemaking on the Commission's own Motion to review the telecommunications public policy programs.

**PROPOSED OUTCOME:**

® Extends statutory deadline until March 20, 2011.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Bushey)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441469](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441469)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*

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**Item                    Changing Preliminary Determination on Need for Hearing**  
**29**

[10087]

**Res ALJ-265**

**PROPOSED OUTCOME:**

® Changes preliminary determination on need for hearing from Yes to No in Applications (A) 10-03-001, A10-03-010, A10-03-012, A10-03-013, and A10-03-017.

**ESTIMATED COST:**

® None.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441525](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441525)

Consent Agenda - Orders and Resolutions (continued)

**Item                    Order Extending Statutory Deadline**

**30**

[10089]

**C10-03-011**

City of Davis, California vs. Newpath Networks, LLC, a New Jersey Limited Liability Company.

**PROPOSED OUTCOME:**

® Decision extends statutory deadline from March 23, 2011 to March 23, 2012 to permit ongoing settlement negotiations.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Grau)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441489](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441489)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*

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Consent Agenda - Orders and Resolutions (continued)

**Item                    Order Extending Deadline for Resolving Rulemaking**

**31**

[10091]

**R09-01-019**

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

**PROPOSED OUTCOME:**

® Extends deadline for resolving rulemaking by 60 days to April 14, 2011.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Pulsifer)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441712](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441712)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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**Consent Agenda - Intervenor Compensation Orders**

**Item Compensation to L. Jan Reid**

**32**

[10088]

**R10-05-006**

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

**PROPOSED OUTCOME:**

® Awards L. Jan Reid \$36,797 for substantial contribution to the procurement review and cost allocation mechanism groups of Pacific Gas and Electric Company.

**ESTIMATED COST:**

® The ratepayers of Pacific Gas and Electric Company will pay \$36,797, plus interest.

(Comr Peevey - ALJ Allen)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441037](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441037)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Intervenor Compensation Orders (continued)

**Item Compensation to CAIifornians for Renewable Energy**

**33**

[10090]

**A09-09-021**

Application of Pacific Gas and Electric Company for Approval of 2008 Long-Term Request for Offer Results and for Adoption of Cost Recovery and Ratemaking Mechanisms.

**PROPOSED OUTCOME:**

® Awards CAIifornians for Renewable Energy \$26,993.50 for substantial contribution to decision 10-07-045.

**ESTIMATED COST:**

® Ratepayers of Pacific Gas and Electric company will pay \$26,993.50, plus interest.

(Comr Peevey - ALJ Farrar)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441072](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441072)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Consent Agenda - Intervenor Compensation Orders (continued)

**Item Compensation to The Utility Reform Network**

**34**

[10092]

**A09-09-021**

Application of Pacific Gas and Electric Company for Approval of 2008 Long-Term Request for Offer Results and for Adoption of Cost Recovery and Ratemaking Mechanisms.

**PROPOSED OUTCOME:**

® Awards The Utility Reform Network \$62,903 for substantial contribution to Decision 10-07-045.

**ESTIMATED COST:**

® Ratepayers of Pacific Gas and Electric Company will pay \$62,903, plus interest if accrued.

(Comr Peevey - ALJ Farrar)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=440760](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=440760)

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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## Regular Agenda

### Regular Agenda - Energy Orders

**Item 35 Decision resolving a rehearing for SFPP, L.P., in Complaint 97-04-025 and related proceedings**

[9370]

**C97-04-025**, C00-04-013, C06-12-031, A00-03-044, A03-02-027, A04-11-017, A06-01-015, A06-08-028 - Related matters.

ARCO Products Company, Mobil Oil Corporation, and Texaco Refining and Marketing Inc. vs. SFPP, L.P.

#### **PROPOSED OUTCOME:**

- ® Finds the Sepulveda Line is dedicated to public service.
- ® Finds that SFPP is not entitled to a ratemaking allowance for income taxes.
- ® Finds SFPP has not correctly allocated costs.
- ® Finds rates for Watson Station and Sepulveda facilities must be cost-based.
- ® Dismisses A.00-03-044 without prejudice, and dismisses C.00-04-013.
- ® Adopts a 2003 capital structure and cost of capital.
- ® Requires Tier 1 advice letters to implement refunds.
- ® Case (C) 97-04-025, C.06-12-031, A.00-03-044, A.03-02-027, A.06-08-028 remain open and consolidated.

#### **ESTIMATED COST:**

- ® Uncertain, but will result in substantial refunds to customers.

(Comr Peevey - ALJ Long)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441874](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441874)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

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Agenda 3253, Item 33 5/6/2010 (Peevey);  
 Agenda 3255, Item 31 6/3/2010 (Bohn );  
 Agenda 3257, Item 27 7/8/2010 (Staff);  
 Agenda 3260, Item 30 9/2/2010 (Staff);  
 Agenda 3261, Item 44 9/23/2010 (Staff);  
 Agenda 3262, Item 36 10/14/2010 (Staff);  
 Agenda 3263, Item 28 10/28/2010 (Staff);  
 Agenda 3264, Item 52 11/19/2010 (Pub. Util. Code §311(e));  
 Agenda 3266, Item 49 12/16/2010 (Staff);  
 Agenda 3267, Item 42 1/13/2011 (Staff)

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Regular Agenda - Energy Orders (continued)

**Item           ALTERNATE TO ITEM 9370**

**35a**

[9957]

**PROPOSED OUTCOME:**

® The subject consolidated proceeding involves three complaint cases and five related formal applications, all filed between 1997 and 2006.

® This decision resolves and closes Case (C) 97-04-025 and C00-04-013, dismisses Application (A) 00-03-044, a request for market based rates, and partly resolves A03-02-027, a general rate case. By these actions the Commission determines that: Santa Fe Pacific Pipeline, L.P. (SFPP) has dedicated its Sepulveda Line to public utility service; SFPP is entitled to a ratemaking allowance for income taxes; SFPP has not allocated environmental costs correctly between its California pipeline operations, terminal operations, and non-jurisdictional operations; SFPP must recover costs related to its Watson Station and Sepulveda facilities in cost-based, not market-based rates; SFPP's application for market based rates is outdated and must be dismissed without prejudice; SFPP may adopt a 2003 capital structure and cost of capital for ratemaking purposes; a Tier 1 advice letter is required to implement rate refunds; and, parties are directed to pursue alternative dispute resolution of the remaining ratemaking issues in the consolidated proceedings.

® These consolidated proceedings remain open.

**ESTIMATED COST:**

® The exact costs and refunds to ratepayers are not known at this time.

(Comr Simon)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=440274](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=440274)

Agenda 3264, Item 52a 11/19/2010 (Pub. Util. Code §311(e));

Agenda 3266, Item 49a 12/16/2010 (Staff);

Agenda 3267, Item 42a 1/13/2011 (Staff)

Regular Agenda - Energy Orders (continued)

**Item**                    **Decision Modifying Decision 06-12-030 and Decision**  
**36**                        **08-04-023 Regarding Conditions of Access to Market**  
 [9699]                    **Sensitive Information**

**R05-06-040**

Order Instituting Rulemaking to implement Senate Bill No. 1488 (2004 Cal. Stats., Ch. 690 (Sept. 22, 2004)) relating to confidentiality of information.

**PROPOSED OUTCOME:**

® Affirms the previously-adopted procedure for providing market participants with access to market sensitive information through reviewing representatives.

® Modifies Decision (D) 06-12-030 to (1) allow an employee of an outside consulting firm that is a market participant to serve as reviewing representative, so long as the firm imposes an ethical wall between the reviewing representative and the firm's employees involved in energy marketing activity; (2) eliminate threshold of participation in the natural gas market as a test of market participant status, and (3) eliminate prohibition on simultaneous representation of market and non-market participants by reviewing representatives.

® Modifies D08-04-023 to convert model protective order to model nondisclosure agreement.

® Closes the proceeding.

**ESTIMATED COST:**

® None.

(Comr Peevey - ALJ Yacknin)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=441821](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=441821)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*

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Agenda 3261, Item 46 9/23/2010 (Peevey);

Agenda 3263, Item 29 10/28/2010 (Peevey);

Agenda 3267, Item 43 1/13/2011 (Staff)

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Regular Agenda - Energy Orders (continued)

**Item**                    **Energy Efficiency Risk/Reward Incentive Mechanism**  
**37**                        **Reforms**

[9974]

**R09-01-019**

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

**PROPOSED OUTCOME:**

- ® Modifies the methodology to calculate incentives for the 2010-2012 cycle to make process streamlined.
- ® Reduces earnings potential for incentives to correspond to adopted changes.
- ® Closes the proceeding.

**ESTIMATED COST:**

- ® No incremental costs expected.
- ® Streamlined measures may reduce administrative costs of the mechanism.

(Comr Peevey - ALJ Pulsifer)

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=440214](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=440214)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

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Agenda 3266, Item 57 12/16/2010 (Bohn );

Agenda 3267, Item 47 1/13/2011 (Staff)

## Regular Agenda - Water/Sewer Resolutions and Reports

### Item

**38**

**(Rev.)**

[10078]

01/19/2011 - Moved to item (41) under Regular Agenda/Other Utility Resolutions and Reports section on the agenda.

**Regular Agenda - Other Utility Resolutions and Reports****Item                    Making Rates of all Cost-of-Service Rate-Regulated Utilities  
41                        Subject to Refund****(Rev.)**

[10078]

**Res W-4867**

Resolution on the Commission's own motion making the rates of all cost-of-service rate-regulated utilities subject to refund for the limited purpose of allowing whatever changes, if any, should be made to the rates of those utilities to reflect the benefits of the tax relief, unemployment insurance reauthorization, and job creation act of 2010.

[http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=440898](http://docs.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=440898)

Agenda 3267, Item 49 1/13/2011 (Peevey)

01/19/2011 - This item appeared as (38) under Regular Agenda/Water/Sewer Resolutions and Reports section on the agenda distributed to the public.

**Regular Agenda - Legal Division Matters**

## **Regular Agenda - Legislative and Other Matters**

## **Regular Agenda - Commissioner's Reports**

## **Regular Agenda - Management Reports and Resolutions**

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## 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 disclosures required by Government Code Sections 11125.2 and 11126.3(f).*

### Closed Session - Applications for Rehearing

**Item**                    **Conference with Legal Counsel - Application for Rehearing**  
**39**  
[10076]

Compilation of applications for rehearing recently filed with the Commission.

*Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*

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**Closed Session - Initiation of Litigation - Non-Federal**

Consideration of possible Commission initiation of, or intervention in, litigation.

*Gov. Code § 11126(e)(2)(C)(i) and/or § 11126(d)(2), allows this item to be considered in Closed Session.*

**Item Conference with Legal Counsel - Initiation of Litigation**

**40**

[9905]

I. \_\_\_\_\_

Deliberation on institution of investigation of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of the case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.)

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

*Gov. Code § 11126(d)(2), allows this item to be considered in Closed Session.*

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Agenda 3264, Item 69 11/19/2010;

Agenda 3265, Item 50 12/2/2010;

Agenda 3266, Item 77 12/16/2010;

Agenda 3267, Item 55 1/13/2011

## **Closed Session - Threatened Litigation - Non-Federal**

Significant exposure to litigation

*Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session*

**Closed Session - Existing Litigation - Non-Federal**

## **Closed Session - Threatened Litigation - Federal**

Significant exposure to litigation in federal agency or court proceedings.

*Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session*

## **Closed Session - Initiation of Litigation - Federal**

Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings.

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

**Closed Session - FERC Docket No. EL00-95-000, et al.**

Conference with Legal Counsel - Existing Litigation; San Diego Gas & Electric Co., FERC Docket No. EL00-95, Investigation of Practices of the California Independent System Operator and the California Power Exchange, FERC Docket EL00-98, and related dockets, CPUC v. FERC, Ninth Circuit Nos. 01-71051, et al., and 01-71934, et al., and related dockets.

*Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.*

## **Closed Session - Personnel Matters**

Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.

*Gov. Code § 11126(a), allows this item to be considered in Closed Session*