
Closed to the Public

Public Utilities Commission of the State of California

***Ratesetting Deliberative Meeting Agenda No. 36
Thursday, October 17, 2002, 9:00 a.m.
San Francisco, California***

**Commissioners
Loretta M. Lynch, President
Henry M. Duque
Carl W. Wood
Geoffrey F. Brown
Michael R. Peevey**

This Ratesetting Deliberative Meeting will commence at the above date and time and may be continued from day to day up to the convening of the October 24, 2002, Business Meeting.

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

Ratesetting Deliberative Meetings
9:00 a.m.
Room 5305
505 Van Ness Avenue, San Francisco

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

AGENDA

(Item numbers correspond to the October 24 Business Meeting Agenda numbers.)

NOTE: Ex Parte Communications are prohibited on Agenda Items 1147, 1151, 1230, 1252, 1150, 1246, 1146, 1243, 1149 and 1238 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decisions is scheduled. (Rule 7(c)(4)).

1147 R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of Direct Access (DA) pursuant to Assembly Bill 1X and D01-09-060.
This decision addresses the issue of DA customers' cost responsibility and related ratemaking issues that arise as a result of the suspension of DA as ordered in D02-03-055. This decision establishes mechanisms to implement surcharges for 2003 applicable to DA customers within the service territories of California's three major electric utilities.
(Comr. Brown/Comr. Wood – ALJ Pulsifer)
Pub. Util. Code § 311(d) – This item was mailed for Public Comment.
Pub. Util. Code § 1701.1 – This proceeding is categorized as Ratesetting.

1151 R02-01-011 - ALTERNATE ORDER TO ITEM 1147.
The alternate decision differs from the proposed draft decision by not adopting a Direct Access surcharge cap at this time. Rather, this alternate defers consideration of a DA CRS cap to the first annual update.
(Comr. Wood)

1230 R02-01-011 - ALTERNATE ORDER TO ITEM 1147.
10/10/02 This alternate order differs from the administrative law judge's proposed decision in that customers that have their Direct Access Service Requests submitted prior to July 1, 2001 will be exempt from the Power Charge portion of the Cost Responsibility Surcharge.
(Comr. Peevey)
This item was not listed on the agenda distributed to the public.

- 1252** **R02-01-011 - ALTERNATE ORDER TO ITEM 1147.**
10/10/02 This alternate differs from the proposed decision in the following ways: 1) Adopts a cap on direct access (DA) cost responsibility surcharge of 4 cents, rather than 2.7 cents/kwh; 2) Uses the utilities' rate of return on rate base to set the interest rate on bundled customers funds which are used to pay DA revenue shortfalls resulting from the cap, since these funds may not be repaid for many years; 3) Seeks comments on the need for a higher cap for San Diego Gas & Electric Company (SDG&E) or alternative ways of mitigating the SDG&E's high DA cost responsibilities in early years.
(Comr Lynch)
This item was not listed on the agenda distributed to the public.
- 1150** **A00-10-045 - San Diego Gas & Electric Company (SDG&E).**
For an order implementing Assembly Bill (AB) 265. A01-01-044 – Related matter. This decision addresses the request of SDG&E to impose a surcharge on customers to recover the AB 265 undercollection.
(Comr. Wood – ALJ Wong)
Pub. Util. Code § 311(d) – This item was mailed for Public Comment.
Pub. Util. Code § 1701.1 – This proceeding is categorized as Ratesetting.
- 1246** **A00-10-045 - ALTERNATE ORDER TO ITEM 1150.**
10/10/02 This alternate adopts the settlement of federal litigation proposed by San Diego Gas & Electric Company (SDG&E) on June 14, 2002. Based on the outcome of the settlement, SDG&E's request for a surcharge is denied.
(Comr Peevey)
This item was not listed on the agenda distributed to the public.
- 1146** **R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**
This decision adopts the regulatory framework under which Southern California Edison Company, Pacific Gas and Electric Company and San Diego Gas & Electric Company shall resume full procurement responsibilities on January 1, 2003. The framework the Commission adopts contains requirements for utility procurement plans, expedited review procedures, and timely cost recovery mechanisms that conform to Assembly Bill 57's proposed statutory requirements.
(Comr. Lynch – ALJ Walwyn)
Pub. Util. Code § 311(d) – This item was mailed for Public Comment.
Pub. Util. Code § 1701.1 – This proceeding is categorized as Ratesetting.

- 1243** **R01-10-024 - ALTERNATE ORDER TO ITEM 1146.**
10/10/02 This alternate differs from the proposed decision in the following ways: 1) Streamlines the procurement planning and review process in the short-term, to ensure that utilities have no unmet energy or capacity needs on January 1, 2003, 2) provides up-front guidance for types of resources to be procured in utility long-term (20-year) planning, 3) requires utilities to meet a specified reserve requirement, and 4) requires that no more than 5% of utility annual procurement be through spot purchases.
(Comr Peevey)
This item was not listed on the agenda distributed to the public.
- 1149** **A00-11-038 - Southern California Edison Company (SCE).**
For authority to institute a rate stabilization plan with a rate increase and end of rate freeze tariffs. A00-11-056, A00-10-028 – Related Matters. This decision adopts a methodology for setting of uniform bond-related surcharges in San Diego Gas & Electric Company, Pacific Gas and Electric Company, and SCE service areas. This decision also establishes an advice letter process for setting 2003 surcharges and exempts residential consumption below 130% of baseline California Alternate Rates for Energy and medical baseline from surcharges.
(Comr. Lynch – ALJ Sullivan)
Pub. Util. Code § 311(d) – This item was mailed for Public Comment.
Pub. Util. Code § 1701.1 – This proceeding is categorized as Ratesetting.
- 1238** **A00-11-038 – ALTERNATE TO ITEM 1149.**
10/10/02 This alternate decision would impose the bond charge on all bundled customers. Imposition of the bond charge on direct access and departing customers is considered in R02-01-011. The most likely initial bond charge for bundled customers ranges between 0.5533 and 0.7492 cents per kwh for 2003.
(Comr Brown)
This item was not listed on the agenda distributed to the public.