

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U 39 E) for Rate and Line Extension Incentives for Conversion of Stationary Agricultural Internal Combustion Equipment to Electric Service.

Application 04-11-007
(Filed November 9, 2004)

Application of Southern California Edison Company (U 338-E) for Rate and Line Extension Incentives for Conversion of Stationary Agricultural Internal Combustion Equipment to Electric Service.

Application 04-11-008
(Filed November 9, 2004)

TO: ALL PARTIES OF RECORD IN THE ABOVE-CAPTIONED PROCEEDING

NOTICE OF AVAILABILITY

The proposed decision of ALJ McKenzie, previously designated as principal hearing officer, has been made available at http://www.cpuc.ca.gov/PUBLISHED/COMMENT_DECISION/46552.htm on May 25, 2005. The proposed decision approves a March 30, 2005 stipulation signed by all active parties in this proceeding, in which Pacific Gas & Electric Co. and Southern California Edison Co. seek authority to offer rate and line extension incentives that will induce agricultural customers to convert their diesel pumping engines to electric service, thus improving air quality in California's central valleys. Under the stipulation, customers signing up for the program will pay an initial rate of \$0.07539 per kWh, which represents a 20% discount from PG&E's current rates and a 12.5% discount from Edison's. The rate would increase by 1.5% per year and remain in effect for 10 years. Converting customers would also receive adders (in addition to the utilities' usual line extension allowances) based on the size of the new electric engine and the resulting reduction in NO_x reductions. Ratepayers are protected from

excessive costs by the stipulation's provisions that (1) limit total capital expenditures for line extension allowances and adders to \$27.5 million for PG&E and \$9.17 million for Edison, and (2) tie the amount of the adder to the size of the new electric engine. The decision also grants PG&E and Edison an exemption from Pub. Util. Code § 851 so they can promptly transfer air emission credits received by customers who sign up for the program to the California Air Resources Board or local air districts. The decision also finds that The Utility Reform Network is eligible to seek intervenor compensation for its work in this proceeding, and that the Agricultural Energy Consumers Association is preliminarily eligible, subject to making a showing of significant financial hardship. The proceeding remains open to consider intervenor compensation requests.

Any recipient of this Notice of Availability who is not receiving service by electronic mail in this proceeding or who is unable to access the link to the Commission's web site given above may request a paper copy of the proposed decision from the Commission's Central Files Office, at (415) 703-2045; fax number (415) 703-2263; e-mail cen@cpuc.ca.gov.

Pursuant to a stipulation among the parties shortening the comment period pursuant to Rule 77.7(g) of the Commission's Rules of Practice and Procedure, the proposed decision will appear on the Commission's agenda for the June 16, 2005 meeting. The Commission may act then, or it may postpone action until later. This matter was categorized as ratesetting and is subject to Pub. Util. Code § 1701.3(c). Pursuant to Resolution ALJ-180, a Ratesetting Deliberative Meeting (RDM) to consider this matter may be held upon the request of any Commissioner. If that occurs, the Commission will prepare and mail an agenda for the RDM 10 days before hand. When an RDM is held, there is a related ex parte communications prohibition period.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as set forth in ALJ McKenzie's ruling being issued today in the proceeding. The Commission rules referenced in the ALJ's ruling are accessible on the

Commission's website at <http://www.cpuc.ca.gov/PUBLISHED/RULES PRAC PROC/44887.htm>).

Comments must be filed with the Commission's Docket Office. Comments should be served on parties to this proceeding in accordance with Rules 2.3 and 2.3.1. Electronic copies of comments should be sent to ALJ McKenzie at mck@cpuc.ca.gov. All parties must serve hard copies on the ALJ and the assigned Commissioner, and for that purpose I suggest hand delivery, overnight mail or other expeditious methods of service. The current service list for this proceeding is available on the Commission's web site, www.cpuc.ca.gov.

Dated May 25, 2005, at San Francisco, California.

/s/ ANGELA K. MINKIN

Angela K. Minkin, Chief
Administrative Law Judge