

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
I.D. # 9903
RESOLUTION E-4361
December 2, 2010

R E S O L U T I O N

Resolution E-4361. San Diego Gas & Electric requests approval for the sale of license rights to intellectual properties to Juice Technologies, LLC.

PROPOSED OUTCOME: This Resolution 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.¹

By Advice Letter 2155-EA, Filed on May 6, 2010.

SUMMARY

Pursuant to Section 851 of the California Public Utilities Code, San Diego Gas & Electric Company (“SDG&E”) filed Advice Letter (“AL”) 2155-EA on May 6, 2010 (replacing the previous AL 2155-E), requesting the California Public Utilities Commission (“Commission”) approve the sale of license rights to Juice Technologies, LLC (“Licensee”) to intellectual property for a modularized interface device and related methods for connecting plug-in electric vehicles (PEVs) to the electricity grid. The intellectual property was developed in the course of a college intern project at SDG&E. The Commission’s Division of Ratepayer Advocates (“DRA”) filed a protest to the Advice Letter, relating to the allocation of ongoing proceeds from the transaction. This Resolution approves the grant of the License, the exercise of warrants, and the payment of royalties subject to the following terms:

¹ SDG&E is requesting authority for the sale of intellectual property rights. SDG&E states in no event will ratepayers share in any loss.

- SDG&E is authorized to purchase 4.99% of Licensee's equity interest, as well as 2% of gross revenues from the sale of the device, provided that the cumulative value of Licensee's revenues exceeds \$500,000.00.
- The distribution of after-tax proceeds resulting from the conversion of warrants² if/when exercised shall be allocated between ratepayers and shareholders on a 67%/ 33% basis.
- Future or ongoing treatment of royalties from the use of the License on a gross basis shall be allocated between ratepayers and shareholders on a 60% / 40% basis.
- Consistent with the authorized distribution of proceeds and treatment of royalties, no more than sixty percent of up to twelve hours per week of one SDG&E employee's time shall be borne by ratepayers to support the Licensee to bring the intellectual property to market.
- The Commission reserves the right to audit the calculation of royalties and any other aspects of the transaction.

SDG&E's proposal is consistent with the GO 96-B General Rules governing all informal matters, in that it does not represent a rate increase, but rather an authorization for a license agreement for any realized gains for the sale of its intellectual property.

BACKGROUND

Relationship to current state legislative and regulatory directives

SDG&E invented intellectual property in the course of a college intern project which has the potential to enhance the ability to meter and directly manage electricity usage by PEVs in a flexible, secure, and controlled manner.³ The labor costs involved in the development of the technology costs were ratepayer-funded operating expenses.⁴ The invention is directed to a modularized interface for connecting a PEV to the energy grid, comprising a smart socket that can

² Or, option to sell stock (SDG&E AL 2155E-A May 6, 2010 filing at p. 3)

³ SDG&E May 6 filing at p. 1

⁴ SDG&E response to Energy Division data request

validate an associated meter and end-user's utility account with the local utility with the connected PEV.

On August 24 2009, the Commission initiated Rulemaking (R.) 09-08-009 to consider alternative-fueled vehicle tariffs, infrastructure and policies, in compliance with Senate Bill 626 (Kehoe, Chapter 355, Statutes of 2009), which requires the Commission to develop policies to overcome the widespread use of PEVs in California. Phase 2 of R. 09-08-009 includes within the scope of the proceeding issues relating to the metering and management of electricity usage by PEVs [August 9, 2010 Administrative Law Judge's Ruling on Phase 2 at p. 1].

The potential uses of SDG&E's intellectual property, as stated in the United States patent application for the device,⁵ relate to the following issues that are within the scope of the ongoing Commission Alternative Fueled Vehicle Rulemaking:

- Safe operation of PEV charging equipment
- Metering and billing
- "Smart" charging programs [August 9, 2010 ALJ Ruling on Phase 2 at 1]⁶

The Commission is also considering related issues in its Smart Grid Rulemaking (R.) 08-12-009, as required by Public Utilities Code sections 8360 and 8366. That proceeding is considering adoption of metrics by which each utility will measure and report on the deployment of infrastructure improvements, including those

⁵ See: US Patent & Trademark Office, Patent application No. US-20100045232-A1, Chen Chris W.; et al., February 25, 2010. As of October 18, 2010, the patent is currently in the review process and has not yet been granted.

⁶ Direct charging management or "smart charging" is defined here to mean dynamic PEV charging in response to signals by a utility or electric vehicle service provider, or some combination thereof, to mitigate adverse grid impacts and/or integrate intermittent renewable energy resources. Staggered plug-in electric vehicle charging that reduces coincident plug-in vehicle charging events may reduce adverse grid impacts. The Commission has authority to manage grid impacts due to the provision of electric vehicle charging services under Public Utilities Code section 740.2.

relating to plug-in electric vehicles. [July 30, 2010 Assigned Commissioner and Administrative Law Judge's Joint Ruling at p. 6]

To the extent that the device addressed in this resolution enables a utility to issue direct charging management signals to vehicles, the application of this device may influence the adoption of other metrics relating to PEV charging.

Device ownership

SDG&E states that the use of its device would enhance the utility's ability to measure, communicate, and manage PEV usage. If the transaction results in the development and availability of a marketable device, SDG&E states it and other utilities will have an additional option to consider in the competitive procurement of such devices.⁷ The ownership of the device (i.e., by the utility, electric vehicle service provider, or PEV owner), and related metering, electric vehicle supply equipment, and other customer-premise facilities needed to facilitate PEV charging, are issues under consideration in Phase 2 of R. 09-08-009.

Currently, the utility meter is the point of demarcation between the utility and its customer. As such, under the status quo, SDG&E would not be permitted to own the device in the customer premise. The Research and Development Collaboration agreement attached to the Advice Letter specifies special pricing treatment to SDG&E in a competitive utility procurement bid process if developed. As this device would currently be located on the customer side of the demarcation point, utility ownership of the device would require Commission authorization.

Metering arrangements

The metering configuration that supports customer preferences for billing of PEV usage will be a focus of Phase 2 of R.09-08-009. The device could potentially allow an alternative to existing metering arrangements, provided that it meets

⁷ SDG&E AL filing, May 6, 2010, at p. 3

Commission and national standards related to metering accuracy for billing purposes.

Currently, each IOU offers a special tariff for PEV load. Certain PEV tariffs offer users a “whole-house” option, where the PEV usage is combined with household usage. Other tariff options require the installation of a second meter or sub-meter to separately measure PEV usage. Opening comments to the R. 09-08-009 Order Instituting Rulemaking recommend that the Commission be flexible to emerging metering arrangements in the nascent market and avoid requiring metering and equipment costs that may be burdensome to some customers.

Future metering configurations could be physically located within the interface module device, as described in U.S. patent application 0100045232, or integrated within the PEV itself.

Standards

A range of standards related to PEV interface with the electricity grid and communication with the utility have recently been developed by the Society of Automotive Engineers and related bodies. A notable standard is the J1772™ conductive 5-pin plug interface between the vehicle and the cord connection to the grid.

There are additional standards under development that establish protocols for communication to the charging facility and to the PEV. Communication signals could be sent from the utility to the vehicle (i.e., to throttle or stop charging or communicate TOU pricing), but a standard related to the signal has not yet been developed. Communication standards under development include, but are not limited to, the J2836 standard for communication.

The US patent application 0100045232 (Description paragraph 0010) for the technology at issue states:

“The modularized interface comprises a communications interface for allowing communication, wired or wireless, between the module and the local utility.”
The device chip may be configured to allow communications with a meter of the

local utility Advanced Metering Infrastructure Home Area Network. It may also support a communications interface separate from the home area network.

The Commission is directed by Senate Bill 17 (Padilla, Chapter 327, Statutes of 2009) to consider adoption of a range of standards and communications platforms in its Smart Grid proceeding.

In response to a July 27, 2010, Energy Division data request, SDG&E states that the device neither specifies nor is limited to specific standards, and its use will be compatible with whatever new standards are adopted.

Fair market value

SDG&E determined the fair market value “based on what a willing buyer would pay for either the warrants or the stock of the Licensee, should the warrants be exercised, and the royalties net of cost to support the license” (SDG&E May 6, 2010 filing).

According to SDG&E, the expected market value is based on: Valuation of Licensee from a fourth-quarter 2009 investment made by another investor; Licensee’s revenue forecast for a developmental stage of the intellectual property; the potential PEV market; and the related electric vehicle supply equipment infrastructure market.

SDG&E stated the real property or depreciable asset value of the intellectual property is zero as the development costs of the intellectual property was expensed by SDG&E.

To determine interest from potential development partners, SDG&E held discussions related to product licensing with Eaton Corporation, Google, Pacific Northwest National Laboratories, a venture capitalist, and Juice Technologies, LLC. The latter two companies expressed interest in the license.

Terms of the license for the technology emerged from a competitive bidding process between the venture capitalist and Juice Technologies, with no cash investment by SDG&E. SDG&E stated if Licensee holds an Initial Public Offering,

SDG&E will exercise its warrant if the stock value is higher than the cost to exercise the warrant.

SDG&E stated the expected value of the transaction is as follows:

	Cost	Revenue	Net
Warrants	499,990	562,000	62,100
Royalties		1,670,000	1,670,000
Total	499,990	2,232,000	1,732,100

Costs are defined as the cost to exercise the warrant (offer to buy stock), and revenue from warrants is defined as proceeds from the sale of stock, after warrants are exercised. Revenue from royalties is defined as revenue generated from the use of the license (SDG&E response to Energy Division data request dated October 14, 2010).

PARTY POSITIONS

The following subsections discuss party positions related to proposed terms of purchase of equity and gross revenue receipt, proceeds distribution between ratepayers and shareholders for the sharing of after-tax proceeds resulting from the conversion of warrants and royalties for use of the License, and several other issues raised in the Advice Letter (labor, audit power, and fair market value issues).

Purchase of equity and gross revenue receipt

Provided the intellectual property is developed by Licensee and returns value, SDG&E proposed that Licensee will grant to SDG&E warrants allowing SDG&E to purchase 4.99% of Licensee's equity interests, in addition to receiving a royalty of 2% of gross revenues from sale of the device and certain other Licensee products, provided that Licensee has achieved aggregate cumulative revenues of \$500,000.00.

SDG&E forecasts net revenues for warrants at \$62,000 (based on projected revenues and costs of \$562,000 and \$499,900, respectively) based on a fair market valuation described below.

DRA offered no protest to the terms of sale for equity and revenue.

Allocation of after-tax proceeds resulting from conversion of warrants and royalties from the use of the License

In its filing dated May 6, 2010, SDG&E proposed that the allocation of proceeds from the conversion of warrants, should they be converted, be distributed 67% to ratepayers and 33% to shareholders, consistent with the gain on sale allocation approach taken by the Commission in D. 06-05-041, as modified by D. 06-12-043. SDG&E further requested the Commission authorize any ongoing royalties from the use of the License received from this transaction be shared between ratepayers and shareholders on an even share (50/50) gross basis.

In its May 26, 2010 protest, DRA proposed that the realized gains after tax resulting from the conversion of stocks be allocated 67% to ratepayers and 33% to shareholders. DRA did not distinguish its recommended distribution of proceeds method for those resulting from conversion of warrants versus those resulting from royalties for License use.

In its June 3, 2010 response to the May 26, 2010 DRA protest, SDG&E clarified that it distinguished the proposed sharing of proceeds resulting from the conversion of warrants when/if exercised from proposed sharing of ongoing royalty proceeds from the use of the License.

SDG&E initially proposed that 50% of any ongoing royalties from the use of the License received from this transaction would be recorded in the Rewards and Penalties Balancing Account, which would result in an even split (50/50), on a gross basis, between ratepayers and shareholders.

In its May 26, 2010 filing, DRA requested that the Commission reject the SDG&E proposed even (50/50) sharing of royalties and adopt the same 67%/33% allocation it proposed for the conversion of warrants.

In response, SDG&E asserted that the initial proposed treatment for ongoing royalties (on a 50/50 basis) was to create an incentive to maximize benefits to ratepayers and shareholders. However, in its reply comments, SDG&E adjusted the request for a sharing of future royalties on a gross basis from a 50/50 basis to a 60/40 basis between ratepayers and shareholders, consistent with treatment of royalties from ratepayer-funded research programs at Southern California Gas Company (SoCal Gas) authorized in D. 08-07-046.

D. 08-07-046, the decision on the Test Year 2008 General Rate Cases for SDG&E and Southern California Gas Company, Issued August 1, 2008, adopted the following terms of sharing of net revenues related to the research, development and deployment program:⁸

“DRA and SoCalGas agree to maintain the sharing mechanism for net revenues (royalties, sale of securities) related to the RD&D program and to split net revenues 60% to ratepayers and 40% to shareholders.” (p. 133 PDF file)

Southern California Gas Advice Letter 3890, effective August 11, 2008, implemented a change in the treatment of ongoing royalties from ratepayer-funded research, from a 50/50 split to a 60/40 split. Advice Letter 3890 states:

“Research Royalty Memorandum Account (RRMA) – The RRMA records actual revenues from ratepayer funded research programs in which ratepayers receive, pursuant to D.97-07-054, 100% of revenues from projects underway or completed prior to January 1, 1998 or 50% of revenues from projects that start on or after January 1, 1998. Pursuant to D.08-07-046, revenues will be split 60%/40% between ratepayers and shareholders, respectively, from projects that start on or after January 1, 2008. (AL 3890, p. 3).”

In response to a July 27, 2010, Energy Division data request, SDG&E confirmed June 16, 2008, as the start date of the project that resulted in the intellectual

⁸ Resolving Application No. 06-12-009 (filed 12/8/2006), 06-12-010 (filed 12/8/06), and Investigation No. 07-02-013 (filed 2/15/07)

property at issue in this Advice Letter in compliance with the settlement terms of SDG&E Test Year 2008 Revenue Requirement.

Labor

As a term of the sale, SDG&E requested up to 12 hours of labor per week of one SDG&E employee's time.

DRA argued that the allocation of weekly labor costs should be proportionate to the revenue sharing basis, and accordingly shareholders should bear 40% of the labor time this employee provides to Juice Technologies. SDG&E stated in its reply: "the hours of labor are incorporated in (its) operating costs, support the transfer control of the asset, and therefore promote our incentive to maximize value." SDG&E further stated: "in order for there to be any associated gain of an asset or royalties in the future, the up to 12 hours of labor per week proposed in this case is necessary to bring this technological theory to a marketable asset." (p.2, AL 2155-E-A)

SDG&E cited D. 06-12-043 and D. 06-12-043 to support their proposal to absorb the labor cost fully into current operations. In particular, SDG&E noted D. 06-12-43 directs that ratepayers fully compensate utilities for costs related to non-depreciable assets and its associated administrative expenses.

Audit power

SDG&E requested that any Commission audit of the research and development collaboration agreement be limited to the calculation of royalties. DRA in its protest recommended the Commission not limit its broad audit authority to calculation of royalties.

DISCUSSION AND APPROVED TERMS

This Resolution approves the grant of the License, the exercise of warrants, payment of royalties, labor costs, and audit terms subject to the following terms.

(1) Purchase of equity and interests and the receipt of gross revenues from the sale of the device

DRA offered no protest related to the fair market value of the property. The Commission finds the market value determination process and the monetary value determination to be reasonable, based on the description provided. Consequently, the Commission approves the above terms of purchase of equity and interests and the receipt of gross revenues from the sale of the device.

SDG&E is authorized to purchase 4.99% of Licensee's equity interest, as well as 2% of receipt of gross revenues from the sale of the device, provided that the cumulate value exceeds \$500,000.00.

(2) Distribution of proceeds from the conversion of warrants if exercised

The distribution of after-tax proceeds resulting from the conversion of warrants if/when exercised between ratepayers and shareholders on a 67%/ 33% basis is consistent with recent Commission practice, based on the authorization provided in D. 06-05-041 and modified by D. 06-12-043. Both SDG&E and DRA propose this allocation. Consequently, the Commission approves a 67%/33% ratepayer/shareholder split of proceeds resulting from conversion of warrants if/when exercised.

(3) Distribution of royalties from the future an/or ongoing use of the License

While the 67%/33% royalty allocation suggested by DRA is not inappropriate, the 60%/40% allocation proposed by SDG&E is consistent with more recent Commission practice, as it is based on a more recent decision (D. 08-07-046) than the one cited by DRA (D. 06-05-041, and modified by D. 06-12-043), and it is also based on a decision that specifically addressed royalty-sharing related to research, development, and deployment. Consequently, future or ongoing royalties from the use of the License shall be allocated between ratepayers and shareholders on a 60% / 40% basis.

(4) Labor Cost Allocation

As stated by SDG&E, the transaction as a whole, provided it returns value net of costs, would provide benefit to both ratepayers and shareholders based on authorized distribution. However, in order to receive the proportionate share of proceeds authorized above, it is reasonable to conclude that shareholders and ratepayers should pay their fair share, respectively, of the labor cost of bringing this technological theory to market.

The labor costs absorbed into SDG&E's operating costs were authorized ratepayer funds for specific research and development activities. The authorized operating costs were not explicitly authorized to be fully absorbed within the context of bringing this asset to the market in order to return value to shareholders and ratepayers.

Accordingly, the Commission finds it reasonable that ratepayers bear 60% and shareholders bear 40% of up to 12 hours per week of the labor costs needed to bring the value of the intellectual property to market.

(5) Audit authority

The Commission agrees to audit the calculation of royalties, but reserves its broad authority to audit other aspects of the transaction as it deems necessary, including verification of all proceeds to SDG&E, and any costs incurred by SDG&E related to the intellectual property.

NOTICE

Notice of AL 2155-E and AL 2155-EA was made by publication in the Commission's Daily Calendar. SDG&E states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

The Commission suspended AL 2155-E on May 3, 2010. It directed SDG&E to file a supplemental AL, serving the AL to service lists of R. 09-08-009 (09-08-009) and 08-12-009 (Smart Grid), and opening a new protest period.

COMMENTS AND PROTESTS

The only party to protest AL 2155-EA was Division of Ratepayer Advocates (DRA) on May 26, 2010.

COMMENTS

Public Utilities Code section 311(g) (1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g) (2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS

1. SDG&E has developed intellectual property that if fully developed would result in a product to enhance the ability of the utility to meter electricity consumption by PEVs, which may support the adoption of PEVs.
2. SDG&E has reached a tentative agreement with Juice Technologies, LLC (“Licensee”) to transfer an exclusive license to the property.
3. The terms of the agreement relate to warrants to purchase equity interests, gross revenues, the payment of royalties, as well as the allocation of labor hours of one SDG&E employee to support the development of the device.
4. A proposal for Commission approval of the sale of the license rights to intellectual property to Juice Technologies, LLC, pursuant to PU Code S 851, was initially made on SDG&E’s own initiative on March 31, 2010, under proposed terms of sale described herein.
5. In its May 6, 2010, supplemental filing, SDG&E clarified the proposed terms of sale described herein.

6. On May 26, 2010, DRA protested certain aspects of the agreement -- specifically the sharing of royalties between ratepayers and shareholders, the terms of labor cost allocation, and the terms of audit of the sale.

CONCLUSIONS

1. The grant of the License, the exercise of the warrants and payment of royalties are conditioned upon Commission approval.
2. It is reasonable to approve the terms of the grant of the License, the exercise of the warrants and payment of royalties in order to complete the transaction based on a reasonable bid process, and based on a numerical value derived from a recent investment into Licensee and Licensee's forecast of revenues from the nascent PEV and PEV infrastructure market.
3. It is reasonable for the Commission to approve the allocation of warrants if/when exercised on a 67%/ 33% basis between ratepayers and shareholders based on Commission authorization in D. 06-05-041 and modified by D. 06-12-043.
4. It is reasonable to approve the allocation of royalties on a 60%40% basis between ratepayers and shareholders based on Commission authorization in D. 08-07-046.
5. It is reasonable to approve the allocation of limited labor costs per week to ratepayers and shareholders proportionate to the approved allocation of proceeds from royalties.
6. It is reasonable to reserve broad audit authority based on the authority the legislature has granted to the Commission.
7. The Commission approves the terms of the agreement as follows:
 - SDG&E is authorized to purchase 4.99% of Licensee's equity interest, as well as 2% of gross revenues from the sale of the device, provided that the cumulate value of Licensee's revenues exceeds \$500,000.00.
 - The distribution of after-tax proceeds resulting from the conversion of warrants if/when exercised shall be allocated between ratepayers and shareholders on a 67%/ 33% basis, as authorized in D. 06-05-041 and modified by D. 06-12-043.

- Future or ongoing treatment of royalties from the use of the License on a gross basis shall be allocated between ratepayers and shareholders on a 60% / 40% basis as authorized in D. 08-07-046.
- Consistent with the authorized distribution of proceeds and treatment of royalties, no more than sixty percent of up to twelve hours per week of one SDG&E employee's time shall be borne by ratepayers to support the Licensee to bring the intellectual property to market.
- The Commission reserves the right to audit the calculation of royalties and any other aspects of the transaction.

IT IS ORDERED THAT:

1. The request of SDG&E for approval of the sale of license rights to intellectual properties to Juice Technologies, LLC, requested in AL 2155-EA is approved subject to the subsequent terms.
2. SDG&E is authorized to purchase 4.99% of Licensee's equity interest, as well as 2% of gross revenues from the sale of the device, provided that the cumulative value of Licensee's revenues exceeds \$500,000.00.
3. The distribution of after-tax proceeds resulting from the conversion of warrants⁹ if/when exercised shall be allocated between ratepayers and shareholders on a 67%/ 33% basis.
4. Future or ongoing treatment of royalties from the use of the License on a gross basis shall be allocated between ratepayers and shareholders on a 60% / 40% basis.
5. Consistent with the authorized distribution of proceeds and treatment of royalties, no more than sixty percent of up to twelve hours per week of one SDG&E employee's time shall be borne by ratepayers to support the Licensee to bring the intellectual property to market.
6. The Commission reserves the right to audit the calculation of royalties and any other aspects of the transaction.

This Resolution is effective today.

⁹ Or, option to sell stock (SDG&E AL 2155E-A May 6, 2010 filing at p. 3)

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on December 2, 2010; the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 29, 2010

RESOLUTION E-4361

December 2, 2010 Commission Meeting

ID # 9903

TO: Parties to San Diego Gas & Electric Company (SDG&E)
Advice Letter (AL) 2155-EA

Enclosed is draft Resolution E-4361 of the Energy Division. It will be on the agenda at the next Commission meeting which is at least 30 days after the mailing date of this letter. The Commission may then vote on this Resolution or it may postpone a vote until later.

The draft Resolution approves SDG&E's request for approval of the sale of license rights to intellectual property to Juice Technologies, LLC, pursuant to Public Utilities Code Section 851, Resolution ALJ-186 as extended and modified by Resolution ALJ-244 (Section 851 Pilot Program). It orders terms of the sale specified in Ordering Paragraphs.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different Resolution. Only when the Commission acts does the Resolution become binding on the parties.

Parties may submit comments on the draft Resolution. An original and two copies of the comments, with a certificate of service, should be submitted to:

Honesto Gatchalian
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Fax: 415-703-2200

A copy of the comments should also be submitted **in electronic format** to:

Matthew Crosby
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
e-mail: matthew.crosby@cpuc.ca.gov

Any comments on the draft Resolution must be received by the Energy Division by November 15, 2010. Those submitting comments must also serve a copy of their comments on the : 1) the entire service list attached to the draft Resolution, 2) all Commissioners, 3) the Chief Administrative Law Judge, 4) the General Counsel, and 5) the Director of the Energy Division, on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to fifteen pages in length plus a listing of the recommended changes to the draft Resolution and an appendix setting forth the proposed findings and ordering paragraphs.

Comments shall focus on factual, legal or technical errors in the draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Replies to comments on the draft Resolution will not be accepted.

/s/ Pete Skala
Pete Skala, Climate Strategies Section Supervisor
Energy Division

Enclosure: Certificate of Service and Service List

CERTIFICATE OF SERVICE

I certify that I have served a true copy of Draft Resolution E-4361 on the attached service list via electronic mail.

Dated October 29, 2010 at San Francisco, California.

/s/ Honesto Gatchalian

Honesto Gatchalian

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

**RESOLUTION E-4361
SERVICE LIST**

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