

# CPUC ROADMAP: September 2005

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## ENERGY

### I. RATE CASES AND COST OF SERVICE PROCEEDINGS

#### A. PG&E General Rate Case – Phase II

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
A.04-06-024	Peevey	Mattson	None	Lafrenz

#### What it Does

1. Revises marginal costs, revenue allocation, and rate design of distribution and generation components of PG&E's bundled service customers.
2. Phase II issues include:
  - a) The Phase I revenue requirement has been settled, however there are a number of revenue requirement proceedings that will conclude and result in changes to PG&E's revenue requirement. PG&E seeks revenue neutral rate designs.
  - b) PG&E proposes to use the Discounted Total Investment Method to compute capacity and distribution marginal costs.
  - c) PG&E supports cost-based allocation proposals based upon the equal percentage of marginal cost method. A return to 85 percent of cost-based rates increases residential revenue responsibility by 12 percent.
  - d) PG&E's rate design proposals include reducing the number of rate schedules and options where participation is low, eliminating complex rate design elements such as ratchets, and redefining agricultural rates.
  - e) Whether SierraPine and Bay Area Rapid Transit are exempt from the Energy Recovery Bond Charges.

#### Next Steps

- Comments on residential and small light and power rate design settlement agreement due July 2005.
- Comments on BART and SierraPine Proposed Decision due June 15, 2005.
- Hearings regarding the definition of the agricultural class to start September 2005, if necessary.

#### Proceeding Overview

Date	Actions Taken	Comments
July 12, 2005	Hearing Held	Hearing addresses scheduling issues and panel discusses June 3 Settlement Agreements
July 8, 2005	Settlement Agreement Filed	Parties file Settlement Agreement on Large Light and Power and Agricultural Rate Design and separate energy recovery bond issue. Parties file motion to shorten reply period.
July 5, 2005	ALJ issues Proposed Decision	Proposed Decision provides opinion on BART and SierraPine energy recovery bond exemption issue
July 1, 2005	ALJ issues Ruling	Ruling requests information regarding the Residential and Small Light and Power Settlements
June 9, 2005	Hearing held	Panel discussed May 13 Revenue Allocation Settlement
June 3, 2005	Settlement Agreement Filed	PG&E and Settling Parties file Settlement Agreement on Residential and Small Light and Power Rate Design
June 3, 2005	Prehearing Conference Held	Prehearing Conference addresses scheduling issues.

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May 31, 2005	Comment on May 13, 2005 Settlement Agreement filed	California Clean DG Coalition files comment
May 24, 2005	ALJ issues Ruling	Ruling addresses scheduling and issues questions to parties to be addressed at evidentiary hearings
May 23-31, 2005	Parties submit briefs and reply briefs	Briefing addresses BART and SierraPine's energy recovery bond rate responsibility.
May 17, 2005	Prehearing Conference Held	Prehearing Conference to address scheduling matters and briefing schedule for BART and SierraPine exemption issues. ALJ grants motion to shorten reply time on Settlement Agreement in part.
May 13, 2005	Parties File Motion to Adopt Settlement Agreement and Shorten Reply Period	PG&E and Settling Parties in A.04-06-024 file Settlement Agreement resolving or deferring to Phase 2 of PG&E's 2006 GRC all issues related to marginal cost and revenue allocation.
May 12, 2005	ALJ Issues Ruling	Ruling grants BART's motion for issuance of an expedited interim decision regarding BART's energy recovery bond rate responsibility. BART and Sierra Pine's exemption issues are to be briefed without evidentiary hearings.
Mar-Apr 2005	Parties engage in settlement discussions.	
Apr 29, 2005	ALJ Issues Ruling	Ruling grants Sierra Pine's Motion to Intervene and Motion to Contingently Add Issue. The issue of whether Sierra Pine is exempt from Energy Cost Recovery Amount charge is added to Scoping Memo.
Apr 26, 2005	Parties File Rebuttal Testimony	
Mar 17, 2005	ALJ Issues Ruling.	Ruling grants TURN motion to add 2 issues to scoping memo involving PG&E sales forecast and TURN's proposed changes to line extension 50% nonrefundable discount option.
Mar 10, 2005	ALJ Issues Rulings.	Ruling grants Petition to Intervene of Building Owners and Managers Association of California. Separate Ruling grants PG&E motion of reconsideration of master-meter billing issue. Master meter billing issue removed from Scoping Memo.
Mar 9, 2005	All-party conference was held.	Opportunity for parties to present positions.
Mar 7, 2005	Intervenor direct testimony was filed.	
Feb 28, 2005	ALJ issues Ruling issued.	Issue regarding master-meter billing is added to Scoping Memo.
Feb 18, 2005	PG&E files updated testimony.	
Jan 19 – Feb 3, 2005	Public Participation Hearings were held.	
Jan 14, 2005	ORA files Testimony	Testimony presents ORA's analysis and recommendations
Jun 17, 2004	PG&E filed A.04-06-024.	PG&E does not request any revenue requirement changes in the Application.

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## B. PG&E 2005 BCAP

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-07-044	Brown	Malcolm		Cadenasso

### What it Does

1. Allocate gas distribution-level base revenues adopted in GRC and Cost of Capital proceedings among core and noncore distribution customer classes.
2. Authorize recovery of balancing account balances.
3. Adopt new gas demand and cost forecasts.
4. Propose new rate design methodology.

### Next Steps

D.05-06-029 issued and proceeding closed.

### Proceeding Overview

Date	Actions Taken	Comments
June 16, 2005	Commission issues D. 05-06-029.	Commission decision differs from PD by: 1) allowing PG&E to begin recovery of SGIP costs; 2) maintains current equal-cent-per-therm allocation of CARE costs; 3) permits phase-in of distribution costs in West Coast Gas' wholesale rates, and 4) removes use of replacement cost adder in development of distribution marginal costs.
May 20, 2005	Reply comments on PD filed.	ORA, PG&E, NCGC and Palo Alto maintain same position taken in their opening comments.
May 16, 2005	Comments on PD filed.	West Coast argues allocating only a portion of the distribution costs in its rates is fair and will give it time to negotiate an amicable agreement with PG&E on these costs. TURN and ORA say there is no need to delay CARE allocation issue and to maintain current ecpt treatment. CCC, Duke and NCGC argue against allocating SGIP on ecpt to EG. Palo Alto says it is unfair to allocate SGIP to wholesale customers. WMA support PD. PG&E seeks recovery of SGIP and to set rates without use of replacement cost adder.

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Apr 26, 2005	ALJ's PD mailed.	PD approves settlement agreements on: 1) throughput forecast; 2) \$3 minimum transportation charge; 3) 60% residential tier rate differential; 4) 10% core deaveraging and; 5) 25/75 at risk noncore distribution revenue balancing account. Keeps proceeding open to consider allocation of CARE costs. Denies recovery of Self Generation Incentive Program costs, but establishes allocation method when cost recovery is approved.
Apr 8, 2005	Reply briefs were filed.	
Mar 23, 2005	Opening briefs were filed.	
Mar 17, 2005	Natural Gas Vehicle (NGV) rate settlement filed.	Settlement filed between Clean Energy and PG&E to set NGV compression rate.
Mar 8, 2005	Evidentiary hearings were held.	Settlement filed between TURN, WMA and PG&E to set master-meter discount. Settlement filed with affected parties to resolve minimum bill level, Tier differential, de-averaging rate, EG forecast, West Coast Gas distribution revenue requirement amount, balancing account modifications and 75%/25% balancing account protection for non-core distribution revenues.
Feb 24, 2005	Supplemental rebuttal testimony on gas master-meter discount was filed.	By PG&E and WMA.
Feb 15, 2005	Supplemental testimony on gas master-meter discount issues was filed.	By TURN and WMA.
Feb 10-16, 2005	Evidentiary hearings were held.	Except for setting the gas master-meter discount. Possibility for settling issues other than CARE and SGIP recovery was discussed by parties.
Jan 10, 2005	ALJ Ruling granting motion of Western Manufactured Housing (WMH) to move gas master-meter discount issue in A.04-06-024 to A.04-07-044.	Setting the gas master-meter discount is moved from Phase II of PG&E's GRC to this proceeding.
Dec 10, 2004	ORA filed its BCAP report.	
Jul 30, 2004	PG&E filed A.04-07-044.	PG&E's proposal would result in annual increase in gas transportation revenues of \$12.8 million. Proposed rates to go into effect July 1, 2005 through June 30, 2007.

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## C. West Coast Gas General Rate Case

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-04-014	Brown	K. Koss	none	Monson

### What it Does

- A. Increase rates by an average of 15%.
- B. Sets return on equity.
- C. Determines appropriate rate base and expense levels.

### Next Steps

- Draft a decision.

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<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
Aug 16, 2005	The case was submitted.	WCG filed Joint Motion for Adoption of Settlement Agreement and Request for Waiver and Shortening of Comment Period.
May 19, 2005	Ruling scheduled prehearing conference on June 14, 2005.	
Apr 5, 2005	Application filed.	

## D. SCE General Rate Case – Phase I

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
A.04-12-014	Brown	Fukutome	None	Strain

### What it Does

- Phase I sets the revenue requirement for distribution and generation capital and operating costs for test year 2006, and attrition years 2007, and 2008.
- Phase II sets rate design and cost allocation. This is done by a separate application (A.05-05-023).

### Next Steps

- Updated hearings begin on October 11, 2005.

### *Proceeding Overview*

Date	Actions Taken	Comments
Aug 8, 2005	Opening briefs filed and served	Briefs present SCE and the intervenors' analyses and recommendations pursuant to findings during evidentiary hearings.
June 7 – July 19, 2005	Evidentiary hearings	
June 6, 2005	Second Prehearing conference	
May 9-19, 2005	Public Participation Hearings held	
May 6, 2005	Intervenors filed their testimonies	Testimonies presents Intervenors' analysis and recommendations.
April 15, 2005	ORA files testimony	ORA recommends a rate decrease of \$92.4 million for test year 2006 and increases of \$67.4 million in 2007 and \$75.9 million in 2008. In addition, ORA recommends adding an additional year, 2009 to the current GRC cycle.
Mar 21, 2005	ALJ issues Ruling	Ruling grants the motion of Edison to defer its Phase 2 initial showing until May 20, 2005.

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Mar 15, 2005	ALJ issues Scoping Ruling	Confirms that this is a ratesetting proceeding and sets the schedule for Phase 1. Final decision for Phase 1 targeted for January 2006.
Dec 21, 2004	SCE filed A.04-12-014	SCE requests a \$1.247 billion increase in revenue requirement above its 2003 base rate revenue requirement of \$2.814 billion adopted in D.04-07-022. This represents an increase of \$569 million above SCE's 2005 present authorized base revenue of \$3.66 billion. SCE states that the actual base revenue requirement is an increase of \$370 million (10.4%) above SCE's 2005 base revenue at present rates. The \$370 million is derived by reducing the proposed base revenue requirement of \$569 by a sales growth revenue of \$59 million and a one-time refund of \$140 million overcollection of Postretirement Benefits Other Than Pensions costs. SCE proposed increases of \$159 million in 2007 and \$122 million in 2008.

## E. Sierra Pacific Power Company General Rate Case

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
A05-06-018	Bohn	McKenzie	None	Lafrenz

### What it Does

- Sierra Pacific 2006 GRC requests an overall revenue requirement increase of \$8.1 million, which represents an overall rate increase of 12.7%.
- Residential rates would increase by 16.6%, small commercial rates by 14%, large commercial rates by 8%, and medium commercial rates decrease by 2%.

### Next Steps

- Prehearing conference scheduled for September 7, 2005.

### Proceeding Overview

Date	Actions Taken	Comments
July 22, 2005	Notice of scheduled prehearing conference on September 7, 2005	
June 3, 2005	Sierra Pacific filed A.05-06-018	Application requests authority to increase its electric rates and charges for electric service.

## F. PG&E – Notice of Intent to file 2007 GRC – Phase 1

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
TEND1205	None	None	None	Lafrenz

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## What it Does

1. The NOI informs the CPUC, ORA and other interested parties of PG&E's intent to file an application for its 2007 General Rate Case (GRC) Phase 1.
2. Phase I sets the revenue requirement for distribution and generation capital and operating costs for test year 2007, and attrition years 2008, and 2009
3. In its 2007 GRC, PG&E will request the following base revenue requirements (RR), to be effective January 1, 2007:
  - Gas Distribution \$1.04 billion (\$94 million (9.9%) increase over authorized 2005 RR of \$947 million)
  - Electric Distribution \$2.96 billion (\$485 million (19.6%) increase over authorized 2005 RR of \$2.47 billion)
  - Electric Generation \$1.04 billion (\$75 million (7.8%) increase over authorized 2005 RR of \$968 million)
5. The following are some of the requests that PG&E will include in its 2007 GRC:
  - Seeks approval to close the front counters at all 84 of PG&E's local offices.
  - Requests approval to increase its late-payment fee to 1% per month of unpaid energy-related charges, to increase its "restoration for non-payment" fee to \$55, and to increase its "non-sufficient funds" fee to \$11.50.
  - Seeks authorization to convert the one-way balancing account currently in place for costs associated with vegetation management into a two-way balancing account.
  - Request authorization to transfer the balances in the Electric and Gas Credit Facilities Fees Tracking Accounts and the Community Choice Aggregation Implementation Cost Balancing Account to the appropriate electric and/or gas revenue balancing accounts for recovery from customers
6. PG&E estimates it will file its Phase 2 application in early March 2006. Ninety days later PG&E will file its Phase 2 testimony on electric marginal costs, revenue allocation, and rate design.

## Next Steps

- PG&E will file its 2007 GRC – Phase 1

## Proceeding Overview

Date	Actions Taken	Comments
Aug. 1, 2005	PG&E files Notice of Intention to file its 2007 General Rate Case application.	PG&E will file its 2007 GRC application for authority, among other things to increase rates and charges for electric and gas service effective on January 1, 2007.

## II. OTHER RATEMAKING PROCEEDINGS

### A. DWR Bond Charge

Proceeding No.	Commissioners	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.00-11-038	Brown	Allen	Perlstein	Roscow

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What it Does		
Sets annual bond charge for payment of debt service on DWR bonds.		
Next Steps		
<ul style="list-style-type: none"> <li>DWR is expected to begin its public process to review its 2006 bond-related revenue requirement by July, 2005, and submit its final determination to the Commission in August, 2005.</li> </ul>		
Proceeding Overview		
Date	Actions Taken	Comments
Apr 7, 2005	The Commission adopted D.05-04-025.	The 2005 DWR bond charge is \$.00459 per kWh. This reflects a \$75 million downward revision to DWR's bond-related revenue requirement.
Mar 23, 2005	Draft Decision was mailed.	This decision is on the Commission's April 7 <sup>th</sup> agenda, and it does include DWR's revised revenue requirement.
Mar 17, 2005	The Commission adopted D.05-03-024.	This decision did not reflect DWR's revised revenue requirement, received one day before the Commission meeting.
Mar 16, 2005	DWR submitted its final 2005 revenue requirement to the Commission.	DWR made no changes to the reductions it proposed on February 28, 2005.
Feb 28, 2005	DWR issued its "Notice of Proposed Revised Determination of Revenue Requirements for 2005".	DWR proposes to reduce its 2005 bond-related ratepayer revenue requirement by \$75 million, to \$850 million.
Nov 4, 2004	DWR issued its final 2005 bond-related revenue requirement.	
Sep 9, 2004	DWR issued its draft 2005 bond-related revenue requirement.	
Jan 8, 2004	The Commission issued D.04-01-028, adopting a 2004 bond charge.	The adopted 2004 bond charge is \$0.00493 per kWh. No further action is needed to on the 2004 bond charge component in this proceeding.

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## B. DWR Revenue Requirement

Proceeding No.	Commissioners	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.00-11-038	Brown	Allen	Perlstein	Roscow, Robles

What it Does
<ol style="list-style-type: none"> <li>Sets annual power-related revenue requirement, allocates it between the three utilities, and establishes utility-specific power charges for DWR power.</li> <li>Trues-up prior year allocations.</li> </ol>

# CPUC ROADMAP: September 2005

## Next Steps

- DWR is expected to begin its public process to review its 2006 power-related revenue requirement by July, 2005, and submit its final determination to the Commission in August, 2005

## Proceeding Overview

Date	Actions Taken	Comments
Apr 7, 2005	The Commission adopted D.05-04-025.	Adopts DWR's revised revenue requirement, a \$166 million reduction. IOUs filed implementing advice letters by April 21 <sup>st</sup> , with rate changes effective no later than June 1, 2005.
Mar 23, 2005	Draft Decision was mailed.	This decision is on the Commission's April 7 <sup>th</sup> agenda, and it does include DWR's revised revenue requirement.
Mar 17, 2005	The Commission adopted D.05-03-024.	This decision did not reflect DWR's revised revenue requirement, received one day before the Commission meeting.
Mar 16, 2005	DWR submitted its final 2005 revenue requirement to the Commission.	DWR made no changes to the reductions it proposed on February 28, 2005.
Feb 28, 2005	DWR issued its "Notice of Proposed Revised Determination of Revenue Requirements for 2005."	DWR proposes to reduce its 2005 power-related ratepayer revenue requirement by \$91 million, from \$3.899 billion to \$3.808 billion.
Feb 15, 2005	Draft decision was mailed.	The draft decision adopts the 2003 true-up calculations agreed upon by the affected utilities, as well as "interim" adjustments for 2004 and a 2005 allocation reflecting the permanently adopted allocation methodology.
Jan 13, 2005	Commission issued order regarding SDG&E's Application for Rehearing filed on December 20, 2004.	D.05-01-036 granted limited rehearing to take proposals regarding how above-market costs should be determined. The basic allocation methodology adopted in D.04-12-014 was not changed.
Jan 11, 2005	SDG&E filed Petition for Modification of D.04-12-014.	Asks Commission to eliminate reliance upon adopted "locked-in" forecast, and to adopt instead the methodology in Alternate Decision of President Peevey.
Dec 20, 2004	SDG&E filed Application for Rehearing of D.04-12-014.	SDG&E maintains that adopted methodology is not record-based.
Dec 2, 2004	The Commission adopted D.04-12-014.	The adopted permanent allocation methodology pools the "above-market" portion of the DWR contracts and allocates it on an equal-cents-per kWh basis to PG&E, SCE and SDG&E.

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### C. SoCalGas Native Gas

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-01-034	Brown	Wong	None	Effross

## What it Does

Consider SoCalGas' (SCG) request for authority to establish a cost/revenue sharing mechanism that would provide SCG with the incentive to drill additional wells at or near its existing storage fields in an effort to locate and produce new gas supplies.

# CPUC ROADMAP: September 2005

## Next Steps

- Potential settlement agreement forthcoming.

## Proceeding Overview

Date	Actions Taken	Comments
August 9, 2005	Administrative Law Judge's Ruling	Notices a prehearing conference for September 19, 2005 to discuss whether evidentiary hearings should be held on the July 21, 2004 stipulation and the July 25, 2005 settlement agreement that were filed in this proceeding. This ruling also provides notice that interested parties shall file their opening comments and reply comments on the July 25, 2005 settlement agreement by August 24, 2005, and September 8, 2005, respectively.
June 30, 2005	ALJ Wong issued a ruling granting motion.	Comments requesting evidentiary hearings should be filed by July 18, 2005. Responses to the comments should be filed by July 29, 2005.
Apr. 19, 2005	Office Of Ratepayer Advocates, The Utility Reform Network, and Southern California Generation Coalition Motion to Sever and Suspend Consideration of Access Issues	Issues regarding access to the Southern California Gas Company ("SoCalGas") system currently are being considered in a variety of other proceedings. Severing and suspending access issues in the instant proceeding would permit consideration and resolution of all remaining issues without prejudice to considering access issues at a later date in the unlikely event that access issues were not fully resolved in the other proceedings.
Aug 24, 2004	Procedural schedule suspended as active parties discuss possible settlement.	
Jul 21, 2004	Joint motion of SoCalGas, the Indicated Producers, Independent Petroleum Association, and the Western States Petroleum Association for approval of stipulation.	Indicated producers favor 10% share for ratepayers. Other concerns include Terms and Conditions of Access to the SoCalGas Transportation System, Monitoring and Reporting, and the Future of Depleted Native Gas Wells.
Jul 21, 2004	<ul style="list-style-type: none"> <li>• TURN served testimony.</li> <li>• Southern California Generation Coalition served testimony.</li> </ul>	<ul style="list-style-type: none"> <li>• TURN proposed straight 35% share for ratepayers. The Coalition proposed different mechanisms for different circumstances, with ratepayers' shares to range from 25% - 50%.</li> </ul>
Jan 26, 2004	SoCalGas filed A.04-01-034.	<ul style="list-style-type: none"> <li>• SCG wants to drill for gas on a portfolio of lands that it owns outright, leases, owns mineral rights to, or leases mineral rights to. This is a nontraditional activity for a publicly regulated utility, therefore SCG needs a cost/revenue sharing scheme to be approved and implemented before it can proceed.</li> <li>• SCG proposes to set up a royalty trust-like arrangement whereby its shareholders undertake to provide all the capital and bear all the risk, and ratepayers would be issued a royalty share of revenue generated from new natural gas production.</li> </ul>

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# CPUC ROADMAP: September 2005

## D. SoCalGas Native Gas Access

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-08-018	Brown	Wong	None	Effross

### What it Does

- In A.04-08-018 SoCalGas requests the Commission establish and approve standardized terms and conditions under which gas produced by California gas producers will be granted access to SoCalGas' natural gas operating system. To that end, SoCalGas wants CPUC to approve a standard access Interconnect and Operational Balancing Agreement (IOBA) tariff.
- SoCalGas filed this application in order to comply with a Joint Stipulation in its A.04-01-034 native gas proceeding. The Joint Stipulation was entered into on July 13, 2004 among SoCalGas and the Joint Parties. (The Joint Parties are comprised of the Indicated Producers, California Independent Petroleum Association and the Western States Petroleum Association.) In the Joint Stipulation, SoCalGas agreed that it would file an application "to address gas quality monitoring protocols and off-shore and on-shore California producer access terms and conditions."
- The other parties are concerned about ensuring nondiscriminatory access to SoCalGas's system.

### Next Steps

- Potential settlement agreement forthcoming.

### Proceeding Overview

Date	Actions Taken	Comments
August 30, 2005	Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge	Evidentiary hearings to be held daily Dec. 8-14, 2005. The following issues will be addressed: What should be the terms and conditions of access to SoCalGas' transmission system for California natural gas producers? Should the Commission approve the standard access agreement that SoCalGas has proposed in its application? Should all of the existing California access agreements with SoCalGas be replaced with a standard access agreement as they expire or are terminated under their existing terms? Should the standard access agreement replace ExxonMobil's existing agreement with SoCalGas regarding supplies of gas from Pacific Offshore Pipeline Company (POPCO) entering SoCalGasGas' system?
August 17, 2005	Prehearing conference is held.	
June 27, 2005	Ruling noticing prehearing conference	ALJ Wong issues ruling noticing prehearing conference for August 17, 2005, at 10:00 a.m. ALJ Wong states that it will be more efficient to wait until the prehearing conference is held before deciding whether to grant SocCalGas's motion.

# CPUC ROADMAP: September 2005

June 3, 2005	Status report issued by SoCalGas and joint parties.	The parties reported that they were still engaged in discussions and recommended that a prehearing conference be scheduled in August 2005.
May 25, 2005	ExxonMobil and SoCalGas respond, asking the Commission to reject SCGC's motion.	
May 10, 2005	Southern California Generation Coalition filed a Motion to Suspend Consideration of SoCalGas's application.	SCGC's reasoning was that the issues covered by A.04-08-018 are currently under consideration in both R.04-01-025 (Gas OIR) and SoCalGas Advice Letter 3413-A.
December 9, 2004	Status report issued by SoCalGas and joint parties.	
October 29, 2004	Status report issued by SoCalGas and joint parties.	
September 30, 2005	SoCalGas files response to protests.	SoCalGas' response also stated that SoCalGas and the joint parties had entered into discussions concerning the issues in this proceeding.
September 20, 2004	Protests filed by by ExxonMobil Gas & Power Marketing Company (ExxonMobil), Office of Ratepayer Advocates (ORA), and the Southern California Generation Coalition (SCGC). Joint protest filed by the Indicated Producers, California Independent Petroleum Association, and Western States Petroleum Association (joint parties).	The protest of the joint parties stated that SoCalGas and the joint parties had entered into discussions concerning the issues in this proceeding.
August 16, 2004	<ul style="list-style-type: none"> <li>SoCalGas files application</li> </ul>	

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## E. Annual Earnings Assessment Proceedings (AEAP)

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-05-005 (PG&E) A.04-05-008 (SCG) A.04-05-010 (SDGE) A.04-05-012 (SCE)	Kennedy	Gottstein		Gatchalian (EE) Tagnipes (LIEE)

### What it Does

1. Considers approving shareholder incentive claims for pre-1998 Demand Side Management program accomplishments.
  2. Considers approving the utilities' 2<sup>nd</sup> set of shareholder incentive claims attributable to the 2002 Low-Income Energy Efficiency program year.
- Considers approving the recovery of the recorded costs associated with the 2003 Interruptible Load Program.

# CPUC ROADMAP: September 2005

## Next Steps

- Review of recorded costs associated with the utilities' Interruptible Load Programs.

## Proceeding Overview

Date	Actions Taken	Comments
May 25, 2005	Response of utilities to ALJ Data Request	Joint utility (PG&E, SDG&E, SoCalGas and SCE) response to questions from ALJ Gottstein on May 9, 2005 to the AEAP settling parties to address the threshold issues concerning re-opening the pre-1998 shareholder incentive mechanism..
Mar 24, 2005	Settlement Conference on outstanding and future AEAP claims between PG&E and ORA.	
Jan 14, 2005	Utilities submitted joint statement detailing the relationship between their commitments and the milestones.	
Dec 30, 2004	Motion for Adoption of Settlement Agreement was jointly filed by SoCalGas, SDG&E, and ORA.	According to the parties, the Settlement Agreement resolves all outstanding shareholder earnings issues relating to SoCalGas' and SDG&E's Demand Side Management, Energy Efficiency and Low Income Energy Efficiency programs, as well as earnings from past programs that would otherwise be claimed in the AEAPs to be filed through 2009.
May 3, 2004	All four large energy utilities filed 2004 AEAP applications.	Southern California Edison, A.04-05-012 San Diego Gas & Electric, A.04-05-010 Southern California Gas, A.04-05-008 Pacific Gas & Electric, A.04-05-005

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.03-05-002, et al (consolidated for 2003 AEAP)	Kennedy	Gottstein		Gatchalian (EE) Tagnipes (LIEE)

## What it Does

1. Sets utility energy efficiency incentives for 2003.
2. Determines PY 2001-2002 LIEE program claims.
3. Reports on balances in the Interruptible Load Program Memorandum Account (ILPMA).

## Next Steps

- Assigned Commissioner's Ruling establishing a due date for the final PY2002 LIEE Program Impact Evaluation Study.
- Commission decision on whether or not to authorize recovery of the first installment of PY2002 LIEE earnings claims and/or the second installment of PY2001 earnings claims.

# CPUC ROADMAP: September 2005

<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
May 31, 2005	PY 2002 LIEE Impact Evaluation Report being finalized.	Energy Division staff working with consultant to finalize report for release.
May 4, 2005	PY 2002 LIEE Impact Evaluation completed.	
May 2, 2005	Public workshops on the PY 2002 LIEE Impact Evaluation final draft report were held on May 2 (in San Francisco) and May 3, in San Diego.	Two members of the public who attended the May 2nd meeting did not submit any comments; no members of the public attended the public workshop in San Diego on May 3rd. Prior to the public workshops the Energy Division Director gave permission to the lead utility for the impact evaluation, Southern California Edison, to release the draft final report and a subsequent final report, subject to the Study Administrative Team's receipt and consideration of public comment.
Apr 22, 2005	Energy Division letter authorizing the release of the PY2002 LIEE Impact Evaluation draft report and approving the retention and final payments to the project contractors.	Approval of the Final Draft Report. Pursuant to D.03-10-041.
Oct 25, 2004	Public-Input Workshop on the Program Year 2002 Low-Income Energy Efficiency Impact Evaluation Draft Report.	The purpose of the workshop is to gather public input on the findings of the draft Low Income Energy Efficiency Impact Evaluation Study report.
Apr 30, 2004	Annual reports submitted.	Joint Utility Report on Bill Savings and Costs for 2001, 2002, and 2003 LIEE Programs.
Dec 19, 2003	PY2002 Impact Evaluation study kicks off pursuant to the guidelines set forth in D.03-10-041.	Contract awarded to West Hill Energy.
Oct 16, 2003	The Commission adopted D.03-10-041.	The Commission grants the Director of the Energy Division (or designee) the final authority to approve the release of any reports conducted by utility contractors regarding LIEE impact evaluations. The decision also directs that the utility managing such contracts shall not make payments to the contractor(s) without authorization by the Director of Energy Division (or designee). These requirements apply to the LIEE impact evaluations conducted for 2003 and beyond, unless otherwise directed by Commission order.

<b>Proceeding No.</b>	<b>Commissioner</b>	<b>Admin. Law Judge (ALJ)</b>	<b>Counsel</b>	<b>Energy Division Staff</b>
A.00-05-002, et al.	Kennedy	Gottstein		Gatchalian (EE) Walker (LIEE)

# CPUC ROADMAP: September 2005

## What it Does

1. Consolidates outstanding applications from the 2000, 2001, and 2002 AEAPs.
2. Determines reasonableness of pre-1998 and post-1997 non low-income energy efficiency claims.
3. Addresses LIEE shareholder earnings and EE shared savings mechanism.

## Next Steps

- Energy Division will issue a Request for Proposal to solicit bids from third-party contractors for the purposes of verifying LIEE installations from the PY2000 program, as well as verify expenditures from PY1999 – 2001.

## Proceeding Overview

Date	Actions Taken	Comments
Jun 15, 2005	PG&E filed extensive and detailed comments on the Energy Division's audit of PG&E's Interruptible Load Management Program incremental costs, per Judge Gottstein's June 7th ruling.	PG&E reviewed the Energy Division's audit report of PG&E's Interruptible Load Management Program Memorandum Account for years 2001, 2002, and 2003 and agrees with the findings and conclusions of the audit. Hopefully, now the interruptible load management program portion of the Annual Earnings Assessment Proceedings (AEAPs) can be brought to a conclusion at the same time that the Commission approves the settlement agreements submitted by all four of the energy utilities resolving all of the utility shareholder incentive claims.
Jun 15, 2005	Comments Of SDG&E Filed at CPUC Docket Office On June 15, 2005.	SDG&E provides comments on the proposed disallowance of \$126,986 associated with SDG&E incentive compensation plan ("ICP") costs. SDG&E disagrees with the auditor's findings. The costs recorded in the ILROPMA (Interruptible Load and Rotating Outage Program Memorandum Account) for program years 2001 through 2003 represent incremental costs associated with the implementation and administration of new interruptible load and rotating outage programs.
Jun 15, 2005	SCE's Comments Filed at CPUC Docket Office On June 15, 2005.	The Energy Division's audit verified the reasonableness and accuracy of the costs and revenues recorded in SCE's ILPMA, with minor adjustments. SCE agrees with the findings & recommendations of the audit. SCE urges the Commission to promptly issue a decision authorizing SCE's recovery of \$8,750,137 for incremental interruptible load program costs recorded in SCE's ILPMA from 2001 through May 23, 2003.
Jun 13, 2005	Settlement Agreement document filed with the CPUC Docket Office.	Motion of ORA and SCE for Adoption of a Settlement Agreement
Jun 10, 2005	SCE and ORA reached a settlement agreement.	SCE and ORA reached an agreement in principle on a settlement of SCE's existing 2000 - 2005 energy earnings incentives claims and SCE's anticipated future earnings incentives claims related to SCE's pre-1998 energy efficiency programs. Settlement conference to be held to discuss the settlement on Friday, June 10, 2005 at 10 a.m. at the California Public Utilities Commission.

# CPUC ROADMAP: September 2005

Jun 9, 2005	Notice of SCE 's Settlement Conference held on Friday, June 10, 2005 at 10:00 a.m.	Notice of Settlement Conference on the Settlement in Principle Between SCE and ORA involving 2005 energy earnings incentives claims and SCE's anticipated future earnings incentives claims related to SCE's pre-1998 energy efficiency programs. The settlement conference will be held on Friday, June 10, 2005 at 10:00 a.m. in the Commissioner's Conference Room (Room 5305) of the California Public Utilities Commission.
May 6, 2005	ALJ Ruling consolidating applications for 2000-2004 AEAP	Declares consolidation reasonable since similar earnings verification issues are raised. The Commission is currently considering pending settlement agreements between ORA and three of the utilities that would resolve the earnings claims presented.
Mar 24, 2005	Settlement Conference on outstanding and future AEAP claims between PG&E and the Office of Ratepayers Advocates (ORA).	
Jan 14, 2005	All four utilities filed the Milestone Incentive Crosswalk report.	This details status of milestone incentives associated in the 2000-2002 AEAPs. The utilities will provide a summary of the final energy savings and expenditures associated with Program Years 1998-2001 actual installations in their May 2006 annual report.
Dec 9, 2004	Case Management Statement was filed.	Addresses pre-1998 Energy Efficiency claims.
Dec 3, 2004	Parties filed rebuttal testimony.	
Nov 22, 2004	Intervenors filed testimony.	
Nov 8, 2004	Utilities filed testimony.	
Oct 25, 2004	Utilities submitted a joint supplemental update that presents all the updated E Tables for pre-1998 earnings claims, franchise fees & uncollectibles, and interest, and how they were calculated.	
Oct 12, 2004	Public Workshop on the Review of Retention and Persistence Studies, including the Assessment of the Technical Degradation Factor (TDF)	Energy Division held a public-input workshop to provide the public an opportunity to review and seek clarifications on the recently submitted reports
Oct 16, 2003	The Commission adopted D.03-10-057, on LIEE shareholder incentives.	The decision does not re-open R.91-08-003/I.91-08-002 to consider whether or not the shared savings mechanism adopted in D.94-10-059 should be revisited.
Aug 21, 2003	D.03-08-028 orders Energy Division to verify installations for PY2000 and expenditures data for PY1999, PY2000, and PY2001. In addition, Energy Division shall conduct an audit of booked administrative costs for interruptibles.	Utilities are authorized to recover second year claims, totaling \$453,287, for their PY1998 LIEE program. Resolution of pre-1998 earnings claims is on hold pending the ED consultant's review and verification of Load Impact and Measure Retention Studies and Energy Division's consultant's financial and management audit of utility energy efficiency programs.

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## F. *Diablo Canyon Steam Generator Replacements*

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-01-009	Brown	O'Donnell	Nataloni	Premo

# CPUC ROADMAP: September 2005

## What it Does

Determines if steam generator replacements for Diablo are cost effective and prudent investments over alternatives. If the project is found reasonable, the proceeding will determine a revenue requirement increase – PG&E requests over \$700 million.

## Next Steps

- Final Commission decision scheduled for September 2005.

## Proceeding Overview

Date	Actions Taken	Comments
August 15, 2005	Final EIR submitted.	
June 20, 2005	ALJ Ruling was issued.	PG&E's updated degradation results were entered into the record. There were no objections to the report.
Apr 19 – 20, 2005	Public workshops were held in San Luis Obispo.	
Mar 18, 2005	Draft EIR was submitted.	
Mar 18, 2005	ALJ Ruling was issued.	Ruling orders PG&E to update the degradation results from the last two outages and to consequently update the cost effectiveness scenarios of D.05-02-052.
Feb 24, 2005	The Commission adopted D.05-02-052.	Interim Approval granted. Preliminarily the SGRP is cost effective. \$706 million, as adjusted for actual inflation and cost of capital is a reasonable estimate over alternatives. A maximum cost cap of \$815 million, also as adjusted, is placed on the project.
Feb 23, 2005	Public meeting held in San Luis Obispo with Commissioner Brown.	
Feb 22, 2005	Reply comments were submitted.	
Feb 14, 2005	Comments were submitted.	
Jan 25, 2005	Proposed Interim Decision issued.	
Sep 20 – Oct 1, 2004	Evidentiary hearings held.	
Jan 9, 2004	<ul style="list-style-type: none"> <li>• ORA, TURN and the San Luis Obispo Mothers for Peace filed responses opposing PG&amp;E's motion for the quick approval of contingency contracts with ratepayers shouldering the risk of a cancelled contract.</li> <li>• PG&amp;E filed A.04-01-009, requesting authority to increase revenue requirements to recover the costs to replace Steam Generators in Units 1 and 2 of the Diablo Canyon Nuclear Power Plant.</li> </ul>	PG&E requests a revenue requirement increase for a Diablo Steam Generator Replacement in 2008-09. PG&E estimated total project cost is \$706 million, including \$182 million in fabrication and delivery costs. Requests interim opinion before June 2004 approving contingency contracts for design, fabrication testing and delivery, with ratepayers backing the risk of a cancelled contract, which could range between \$7 million and \$66.5 million depending on the date of cancellation.

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# CPUC ROADMAP: September 2005

## G. SONGS 2 & 3 Steam Generator Replacements

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-02-026	Brown	O'Donnell	Nataloni	Premo

### What it Does

Determines if steam generator replacements for SONGS 2 & 3 are cost effective and prudent investments over alternatives. If the project is found reasonable, the proceeding will determine a revenue requirement increase.

### Next Steps

- An EIR will be performed, with a Final EIR to be released to the public expected in late June 2005.
- Decision anticipated in September 2005.

### Proceeding Overview

Date	Actions Taken	Comments
June 21, 2005	ALJ Ruling was issued.	SCE's updated degradation results were entered into the record as clarified.
June 9, 2005	Comments due on SCE Update Report.	SDG&E filed comments. SCE filed a reply, clarifying.
May 26, 2005	SCE files tube degradation update report.	
May 17, 2005	Public Workshops held in San Clemente, California	
Apr 15, 2005	Reply briefs were filed.	
Mar 16, 2005	Opening briefs were filed.	
Jan 31 – Feb 11, 2005	Evidentiary hearings were held.	
Jan 18, 2005	SCE filed rebuttal testimony.	
Jan 7, 2005	Supplemental intervenor testimony filed.	
Dec 13, 2004	Intervenor testimony filed.	
Oct 21, 2004	SCE Update on Ownership Issues	Letter informs CPUC that SDG&E and Anaheim have elected to reduce ownership share in lieu of participating in the SGR. The City of Riverside will participate in the SGR.
Jul 16, 2004	SCE files Amended Testimony.	SCE files amended testimony (SCE-1 & SCE-7) to remove application condition that co-owners also approve the SGR request.
Feb 27, 2004	SCE files application to approve replacement of SONGS 2 & 3 steam generators.	SCE requests a revenue requirement increase for SONGS Steam Generator Replacements in 2009. SCE estimates total project cost is \$813 million, including \$213 million in fabrication and delivery costs and \$133 million in financing costs. Requests interim opinion by September 2004 approving contingency contracts for design, fabrication testing and delivery, with ratepayers backing the risk of a cancelled contract of up to \$50 million.

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# CPUC ROADMAP: September 2005

## H. SCE Economic Development Rates

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-04-008	Kennedy	Barnett	None	Lafrenz

### What it Does

Considers SCE's request for authority to offer Economic Development Rate (EDR) options to aid bundled service and direct access customers with a demand of at least 200kW who can demonstrate that without incentives, they would not start, expand, or retain operations in California. SCE requests authority to offer EDRs until December 31, 2006.

### Next Steps

- D.05-09-018 issued accepting economic development rates. Proceeding is closed.

### Proceeding Overview

Date	Actions Taken	Comments
Sept 8, 2005	D.05-09-018 issued.	This decision accepts economic development rates for PG&E and SCE. It allows these utilities to provide discounts to retain large customers. This proceeding is closed.
Dec 15, 2004	Reply briefs were filed.	
Dec 1, 2004	Opening briefs were filed.	
Oct 18-21, 2004	Evidentiary hearings were held.	Intervenors that participated include AREM, Merced Irrigation District, Modesto Irrigation District, Aglet, and ORA.
Oct 5, 2004	SCE filed rebuttal testimony.	
Sep 15, 2004	Intervenor testimony filed.	
Aug 30, 2004	Scoping memo issued in A.04-06-018.	Scoping memo consolidated SCE's application with PG&E's application.
Apr 5, 2004	SCE filed A.04-04-008.	SCE proposes Economic Development Rates to provide a discount beginning at 25% of the eligible customer's otherwise applicable tariff, and declining 5 percent each year over a 5-year term.

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## I. PG&E Economic Development Rates

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-06-018	Kennedy	Barnett	None	Lafrenz

# CPUC ROADMAP: September 2005

## What it Does

Considers PG&E's proposed modifications to its existing experimental economic development rate, Schedule ED. The rate option is targeted at commercial and industrial customers with at least 200kW of demand.

## Next Steps

- D.05-09-018 issued accepting economic development rates. Proceeding is closed.

## Proceeding Overview

Date	Actions Taken	Comments
Sept 8, 2005	D.05-09-018 issued.	This decision accepts economic development rates for PG&E and SCE. It allows these utilities to provide discounts to retain large customers. This proceeding is closed.
Dec 15, 2004	Parties filed reply briefs.	
Dec 1, 2004	Parties filed briefs.	
Oct 18-25, 2004	Parties filed Comments on Draft and Alternate Decisions	
Oct 18-21, 2004	Evidentiary hearings were held.	Intervenors that participated include AREM, Merced Irrigation District, Modesto Irrigation District, Aglet, and ORA.
Jun 14, 2004	PG&E filed A.04-06-018.	SCE proposes Economic Development Rates to provide a discount beginning at 25 percent on electricity in the first year of participation and declining 5% per year over a 5-year term.

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## J. SDG&E Catastrophic Event Memorandum Account Recovery

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-06-035	Kennedy	Long		Premo

## What it Does

Determines whether \$37.6 million of California jurisdictional costs associated with the 2003 Southern California Wildfires conform to SDG&E's CEMA account as authorized in its Preliminary Statement. If the costs are found reasonable, the proceeding will determine a rate recovery method.

# CPUC ROADMAP: September 2005

## Next Steps

- Proposed decision forthcoming.

## Proceeding Overview

Date	Actions Taken	Comments
Feb 7, 2005	Replies to SDG&E's late-filed exhibit were submitted.	
Jan 18, 2005	SDG&E submitted a Late-Filed Exhibit.	Exhibit updates CEMA costs booked from May 2004 through December 31, 2004, adding \$4.2 million.
Dec 20, 2004	Reply Briefs filed.	
Dec 3, 2004	Concurrent Opening Briefs filed.	
Nov 15-19, 2004	Evidentiary Hearings were held.	
Nov 5, 2004	Rebuttal Testimony was filed.	
Oct 22, 2004	Intervenor Testimony Filed.	ORA submitted testimony under a Report on Reasonableness; UCAN filed testimony.
Jun 28, 2004	SDG&E filed Application 04-06-035.	SDG&E requests recovery of \$37.6 million of incremental facilities and service restoration costs related to the 2003 Southern California wildfires of Fall 2003.

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## K. SCE Catastrophic Event Memorandum Account Recovery

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-12-003	Kennedy	Long		Premo

## What it Does

Determines whether \$37.2 million of California jurisdictional costs associated with the 2003 Southern California Wildfires for incremental O&M and Capital Expenditures are reasonable. If the costs are found reasonable, the proceeding will determine a rate recovery method.

## Next Steps

- Proposed Decision pending upon submission of settlement.

## Proceeding Overview

Date	Actions Taken	Comments
June 22, 2005	Joint Motion for settlement submitted.	SCE and ORA submitted a Joint Motion for Adoption of a Settlement.
June 20, 2005	Evidentiary hearing	

# CPUC ROADMAP: September 2005

May 23, 2005	ORA Reasonableness Report filed.	
Feb 17, 2005	Pre-hearing conference was held.	Procedural schedule was set.
Feb 1, 2005	SCE filed supplemental testimony and reply to protests.	
Jan 14, 2005	ALJ Ruling issued.	Requires supplemental testimony and information to determine reasonableness of request. Establishes filing deadlines; denies motion to consolidate; schedules a pre hearing conference
Dec 23, 2004	UCAN files motion to consolidate SDG&E CEMA application A.04-06-035 with SCE A.04-12-003.	Alternatively, UCAN requests ALJ to set aside submission of SDG&E's proceeding in order to reopen record and receive evidence in A.04-06-035.
Dec 2, 2004	SCE filed Application 04-12-003.	SCE requests recovery of \$37.2 million of incremental facilities and service restoration costs related to the 2003 Southern California wildfires of Fall 2003.

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## L. SoCalGas/SDG&E System Integration-Firm Access Rights

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-12-004	Brown	Wong	None	Alfton

### What it Does

This proceeding addresses SoCalGas and SDG&E's application regarding System Integration–Firm Access Rights–Off-System Sales (SI-FAR-OFF). The Commission will decide on the two utilities' proposal to establish an integrated transmission system and firm access rights, and for off-system deliveries.

### Next Steps

- September 12-16, 2005: Evidentiary hearings will be held.

### Proceeding Overview

Date	Actions Taken	Comments
Sept 1, 2005	PHC held	Witness Order and cross examination schedule for evidentiary hearings discussed.
Aug 26, 2005	Rebuttal Testimony of all parties issued	
July 29, 2005	Intervenor Testimony Issued	
June 27, 2005	SoCalGas and SDG&E issued Supplemental Testimony on Phase 1.	
May 24, 2005	Assigned Commissioner's and ALJ's Scoping Memo and Ruling Issued	Proceeding is bifurcated into Phase 1 – System Integration, and Phase 2 – Firm Access Rights and Off-System Issues. Phase 1 issues were delineated.
Apr 29, 2005	PHC held.	Issues, bifurcation and schedule were discussed.
Jan 20, 2005	Interested Parties filed comments, protests and responses to the application.	

# CPUC ROADMAP: September 2005

Dec 2, 2004	SoCalGas and SDG&E filed A.04-12-004.	The application requests authority to integrate the transmission component of their gas transportation rates; establish a system of firm access rights ("FAR") into their transmission system, and provide off-system gas transportation services.
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## M. SDG&E Rate Design Window

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-02-019	Grueneich	Long	DeAngelis	Premo

### What it Does

Considers SDG&E's request for authority to modify existing cost allocation and rate design through a non-bypassable charge to address a new method of implementing AB1X rate caps and a phased-in approach for reducing inter-class subsidies to achieve more cost-based commodity price signals.

### Next Steps

- Evidentiary hearings will convene July 18-22, 2005 in San Diego and July 25-29 in San Francisco.
- Concurrent Reply Briefs and the Projected Submission Date is scheduled for September 2, 2005.

Date	Actions Taken	Comments
July 8, 2005	Concurrent Rebuttal Testimony Filed	Rebuttal was filed by SDG&E, FEA, and the CA Farm Bureau.
June 24, 2005	Intervenor Testimony Submitted	Active parties are ORA, UCAN, AReM, Cal-SLA, city of Chula Vista, city of San Diego, FEA, and CA Farm Bureau.
Feb 18, 2005	SDG&E filed its Rate Design Window (RDW) application.	RDW requests corrections to cost allocation and rate design to provide customers with more cost-based commodity price signals; to adjust electric revenue allocations and rates toward their cost-based levels by reducing the amount of cross-subsidies in the rates of non-residential customer classes; and to ensure that all customer classes bear responsibility for the AB1X mandated residential subsidies.

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## N. Agricultural Internal Combustion Equipment (ICE) – Incentives for Conversion to Electric Service

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-11-007 A.04-11-008	Brown	McKenzie		Auriemma

# CPUC ROADMAP: September 2005

## What it Does

This proceeding considered applications by Pacific Gas and Electric (PG&E) and Southern California Edison (SCE) seeking authority to offer reduced rates and additional line extension allowances to agricultural customers that convert engines used for agricultural pumping from diesel fuel to electricity. The proposed incentives for these engine conversions would potentially achieve reductions in various air pollutants in the San Joaquin and Sacramento Valleys.

## Next Steps

- This proceeding remains open to consider requests for awards of intervener compensation.

## Proceeding Overview

Date	Actions Taken	Comments
Aug 1, 2005	PG&E's and SCE's AG-ICE tariffs	
June 27, 2005	PG&E filed Advice Letter (AL) 2679-E, and SCE filed AL 1897-E.	
June 16, 2005	CPUC issued D.05-06-016.	Approves Settlement Agreement with one modification. At the request of the parties to the Joint Settlement, the effective date of the program was deferred until August 1, 2005 to allow time for the utilities to implement the program.
May 25, 2005	ALJ issued proposed decision.	Approves all-party settlement agreement.
April 29, 2005	Parties filed Brief	Sets forth the justification for an 851 exemption in connection with the transfer of the nitrous oxide credits that would be received as a result of replacing the diesel engines
April 7, 2005	Hearing held on the Settlement Agreement	
March 30, 2005	settlement agreement and joint motion for its approval filed	<p>Main features:</p> <ul style="list-style-type: none"> <li>AG-ICE initial average rate set at approximately 7.5 cents per kWh, to increase by 1.5 percent annually over the ten-year program term</li> <li>Rates structured on a time-of-use basis to discourage peak period usage</li> <li>Additional line extension "adder" for ICE customers limited by a maximum based on the engine's kilowatt (kW) rating</li> <li>Total program capital investment limited to \$27.5 million for PG&amp;E and \$9.17 million for SCE over two-year enrollment period</li> <li>Utility reimbursed by ICE customers departing utility system early</li> <li>Limit of 100 program participants within the boundaries of the South San Joaquin Irrigation District in southern San Joaquin County</li> <li>Acquired CO2 emission reductions held for the benefit of the South San Joaquin Irrigation District in southern San Joaquin County</li> </ul>

# CPUC ROADMAP: September 2005

Mar 11, 2005	Intervenor testimony was filed.	The California Farm Bureau Federation, ORA, and TURN filed testimony. The Agricultural Energy Consumers Association filed its testimony earlier, on February 24.
Mar 4, 2005	Applicants served updated testimony on reliability and other issues.	
Mar 3, 2005	Scoping Memo and Ruling issued.	Consolidated the two applications, confirmed the proceeding category as ratesetting, established the issues and procedural schedule, and designated the principal hearing officer.
Feb 8, 2005	The applicants and interested parties unanimously agree and stipulate to reduce comment period on the Proposed Decision.	From 20 days to 13 days with the reply period reduced from 5 days to 4 days.
Jan 28, 2005	The Energy Division held a Workshop, and technical experts met in a follow-up session on February 1, 2005.	Explored the issues raised in protests, including: (1) the extent to which reliability may be impaired as a result of increasing load on utility systems in the summer of 2005, and possible means of mitigating those concerns; (2) whether the utilities' proposed incentives contribute to margin, or instead negatively impact other ratepayers; and (3) whether the increased capital costs and operation and maintenance costs associated with the proposals for additional line extension incentives will, in the future, have to be borne by other ratepayers.
Nov 9, 2004	PG&E filed A.04-11-007, and SCE filed A.04-11-008.	Both applications offer incentives to customers that convert engines used for agricultural pumping from diesel fuel to electricity including: <ul style="list-style-type: none"> <li>• A 20% reduction compared with the current average rate of the otherwise applicable tariff for their engine use, a reduction that would remain in effect for ten years (subject to escalation of the total average rate at 1.5% per year);</li> <li>• Ratcheted demand charges would be eliminated from the rate applicable to the converted engines; and</li> <li>• Additional line extension allowances tied to reductions in various air pollutants that could be expected from the proposed engine conversions in the San Joaquin and Sacramento Valleys.</li> </ul>

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## O. Southwest Gas GCIM

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-11-009	Brown	Wong	None	Effross

# CPUC ROADMAP: September 2005

What it Does		
<p>Pursuant to D.04-03-034, Southwest's last general rate proceeding, Southwest wishes to establish a Gas Cost Incentive Mechanism as a means to reduce gas costs for ratepayers, and as an incentive to shareholders to benefit from improved gas purchase procedures.</p>		
Next Steps		
<p>Ruling has been issued.</p>		
Proceeding Overview		
Date	Actions Taken	Comments
May 26, 2005	ALJ DeBerry Rules	Application is granted. Since this application is uncontested, public hearings are not necessary, and comment period is waived.
December 15, 2004	ORA files response.	ORA supports Southwest's proposal as submitted. ORA further states there are no disputed issues of fact, and that it believes hearings are not necessary.
November 12, 2004	Southwest files Application (A.) 04-11-009 (Application) requesting Commission approval of a proposed GCIM, and also expedited <i>ex parte</i> action on the Application.	Proposed GCIM will set a volume-weighted performance benchmark to determine the savings or costs resulting from differences between the benchmark and Southwest's actual annual gas costs. Southwest explains that its GCIM proposal is a result of extensive collaboration with the Office of Ratepayer Advocates (ORA) during the past several months, and that its GCIM proposal is patterned after existing gas cost incentive mechanisms currently authorized for other California utilities.

## P. PG&E Incremental Core Storage

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-03-001	Grueneich	Wong		Cadenasso

What it Does
<ol style="list-style-type: none"> <li>Determines how much incremental (amount above current levels) gas storage the core requires.</li> <li>Establishes process by which independent gas storage providers may compete for incremental gas storage needs.</li> <li>Sets cost recovery methods for incremental gas storage acquired by PG&amp;E.</li> </ol>
Next Steps
<ul style="list-style-type: none"> <li>Party testimony to be filed Sept 12, 2005.</li> <li>Rebuttal testimony due Oct 11, 2005.</li> <li>Evidentiary hearings Oct 17-20.</li> <li>Opening briefs due Nov 21, 2005 (tentative).</li> </ul>

# CPUC ROADMAP: September 2005

- Reply briefs due Dec 16, 2005 (tentative).
- Proposed decision March 16, 2006 (tentative).

## *Proceeding Overview*

<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Aug 12, 2005	PG&E files supplemental testimony.	Provided estimates of rate impacts for incremental storage; proposes that CPIM changes would be negotiated with ORA and filed by advice letter; and submitted proposed RFO procedures and evaluation methodology.
June 7, 2005	ALJ Scoping Memo issued.	Major issues to be considered in proceeding are: 1) Should 1-in-10 peak day standard be adopted as core reliability planning standard. 2) What storage services can independent storage providers be allowed to compete for. 3) What processes should be adopted for the solicitation of storage proposals and how will they be evaluated.
June 2, 2005	Prehearing conference held.	
Apr 14, 2005	Reply by PG&E to protests.	PG&E says that: 1) any benefits the noncore gain from its proposal is not a subsidy from the core; 2) will work with gas storage providers on the RFO process; 3) reducing the amounts of firm interstate pipeline holdings in lieu of storage represents a reversal of Commission policy, and; 4) it will maintain its current credit standards.
Apr 4, 2005	Comments filed by ORA.	ORA recommends that the Commission adopt an agreement it reached with PG&E addressing approval procedures and the acquisition of gas storage above the 1 in 10 year standard.
Apr 4, 2005	Protests filed by Lodi Gas Storage, Wild Goose and TURN.	TURN argues that PG&E's proposal results in the core maintaining system reliability to the noncore's advantage and that the Commission set standards for noncore to hold firm pipeline capacity. Wild Goose raises technical issues about the RFO process. Lodi advocates a broader definition of "incremental" gas storage that would lessen the need for firm interstate pipeline capacity and questions PG&E's credit policy.
Mar 2, 2005	Application filed.	Filed in compliance with directive issued in R.04-01-025. PG&E proposes: 1) to add incremental storage to meet a 1-day-in-10-year peak day standard; 2) use gas storage for reliability and hedging; 3) use pre-approval and expedited advice letter procedures to acquire gas storage, and; 4) solicit gas storage proposals from independent gas storage providers through an RFO.

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## Q. PG&E, SCE, SDG&E and SCG Applications for Approval of 2006-2008 Energy Efficiency Programs

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-06-004, A.05-06-011, A.05-06-015, and A.05-06-016	Kennedy	Gottstein	Lee	Tapawan-Conway

### What it Does

This consolidated proceeding will determine whether the funding levels and overall portfolio plans submitted by the utilities are reasonable and consistent with the energy efficiency policy rules adopted in D.05-04-051 in R.01-08-028.

### Next Steps

- Commission decision on Phase I issues re 2006-2008 program plans and budgets, competitive solicitation criteria, etc.

### Proceeding Overview

Date	Actions Taken	Comments
September 7, 2005	Joint Staff and utilities submitted proposed EM&V plans and budgets for 2006-2008 program cycle	
August 30, 2005	The ALJ issued a ruling	The ruling solicits comments on Joint Staff and utilities' proposed EM&V plans and budgets for 2006-2008 program cycle to be posted on September 7, 2005
August 17, 2005	The ALJ issued draft decision (DD) on the utilities' program plans and budgets for 2006-2008 program cycle	Comments on the DD are due on September 6, 2005 and reply comments due on September 12, 2005
July 15, 2005	Utilities filed CMS, PG&E filed additional program details	
July 6-8, 12-13, 2005	CMS meetings held	Utilities, the PRG members and other intervenors discussed and attempted to resolve issues raised in the PRG assessments, the TMW report, and C&S filings; CMS will present status of these issues
July 8, 2005	Energy Division and CEC (Joint Staff) submits comments on C&S savings estimates to the parties	
July 1, 2005	Utilities submitted supplemental filing	Regarding methodology for estimating savings from Codes and Standards (C&S) program
June 30, 2005	Parties filed opening comments on the utilities' applications	
June 30, 2005	Assigned Commissioner issued ruling and scoping memo	Phase I decision will focus on the utility portfolio/program plans and funding levels, Phase II decision will address EM&V plans and funding. Compliance phase will begin after competitive solicitations and could be via Commission decision or resolution.

# CPUC ROADMAP: September 2005

June 22, 2005	ALJ held Pre-Hearing Conference	The ALJ directed the utilities, the PRGs, and those parties that filed opening comments to develop a Case Management Statement (CMS), and set forth timeline for various filings.
June 8, 2005	PG&E filed supplemental filing	Submits PG&E's PRG assessment with attached consultant (TecMarket Works) report on the utilities' program plans as of mid-May.
June 1, 2005	Utilities submitted applications	Attached to SCE/SCG and SDG&E's applications are their respective Peer Review Group's (PRG) assessments.

## R. Lodi Gas Storage Expansion Application

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-07-018	Bohn	McKenzie		Effross

### What it Does

Lodi Gas Storage (LGS) applies to expand construct and operate the Kirby Hills Facility, in Solano County, adjacent to its LGS Facility. This would entail reactivation of a previously operational storage reservoir last used by Dow Chemical in 1993. The proposed facility would have a total storage capacity of up to 7 Bcf, of which ~5.5 Bcf would be working capacity and the rest cushion gas. Up to ten new injection/withdrawal wells would be drilled on four existing well pad sites, and up to four natural gas engines (total 7200 hp) driving reciprocating compressors would be installed.

### Next Steps

- Reply Briefs in CCA Phase II addressing broad PUC jurisdictional issues of AB 117 and their policy implications, in particular on consumer protection issues, are due on August 1, 2005.

### Proceeding Overview

Date	Actions Taken	Comments
August 25, 2005	Ratification of preliminary determinations of category for proceedings initiated by application.	RESOLUTION ALJ 176-3157. The preliminary determinations are pursuant to Article 2.5, Rules 4, and 6.1 of the Commission's Rules of Practice and Procedure. (See also Rule 63.2(c) regarding notice of assignment.)
July 25, 2005	LGS files application for CPCN	

## S. Contra Costa 8 Generation – PG&E

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-06-029	Peevey	Brown		Fulcher

# CPUC ROADMAP: September 2005

<b>What it Does</b>		
PG&E asks for approval of an agreement it has entered into with Mirant for the acquisition of 530 MW of generation.		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>Protests and replies are being reviewed by the assigned ALJ.</li> </ul>		
<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
August 16, 2005	Scoping Ruling issued by assigned Commissioner	
June 17, 2005	Application was filed by PG&E.	

### III. MAJOR RULEMAKING PROCEEDINGS

#### A. Procurement Rulemaking

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
R.04-04-003	Peevey	Wetzell, Brown, Gottstein		Khosrowjah, Sterkel, Ramirez, McCartney

<b>What it Does</b>		
<ol style="list-style-type: none"> <li>Reviews and approves utility energy procurement plans.</li> <li>Establishes policies and cost recovery mechanisms for energy procurement.</li> <li>Ensures that the utilities maintain an adequate reserve margin.</li> <li>Implements a long-term resource adequacy and planning process.</li> </ol>		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>Preparation for 2006 Long Term Procurement Plan filings in ~Jan/Feb 2006</li> </ul>		
<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
Sept 9, 2005	Commissioner Grueneich issued a scoping memo in A.05-06-003.	SCE has asked permission to acquire up to 1500 MW of capacity through new power purchase agreements (PPAs).
Sept 8, 2005	ALJ ruling issued revising schedule for Phase 2 rebuttal testimony.	

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Aug 25, 2005	ALJ ruling issued regarding Capacity Markets staff white paper.	Comments will be filed and served by September 9; reply comments will be filed and served by October 10.
July 29, 2005	ALJ ruling issued which modifies interagency Confidentiality Agreement.	
June 10, 2005	ALJ ruling issued which provides Notice of Availability of Phase 2 Resource Adequacy Workshop Report and providing for comments.	Comments are due July 8 and replies are due July 18.
Apr 25, 2005	Incentive mechanism post-workshop comments were filed.	
Apr 2005	Resource adequacy workshops were held on April 21, 22 and 29.	
Apr x, 2005	Procurement incentive workshop report released for public comment.	
Apr 7, 2005	ALJ Ruling was issued.	Additional resource adequacy workshops were scheduled, and the previously adopted Phase 2 schedule was rescinded and will be reset by future ruling.
Mar 25, 2005	PG&E, SCE and SDG&E submitted compliance filings, as ordered by D.04-12-048.	The utilities provided updated information to their short-term and long-term procurement plans.
Mar 7 - 9, 2005	Procurement incentive workshops were held.	
Jan - Feb 2005	Resource adequacy Phase II workshops were held.	
Dec 16, 2004	The Commission adopted D.04-12-048.	Decision adopts the utilities' long-term procurement plans that were filed in July 2004, allows for greater head-to-head competition and provides guidelines on all-source solicitations, resolves cost recovery issues, and begins integrating renewables procurement with general procurement.
Oct 28, 2004	The Commission adopted D.04-10-035.	Resource adequacy Phase I decision.
Jul 8, 2004	The Commission adopted D.04-07-028, indicating that reliability is not only the CAISO's job.	The decision clarifies and modifies prior orders to indicate that it is also a utility responsibility to procure all the resources necessary to meet its load, not only service area wide but also locally. In doing so, a utility must take into account not only cost but also transmission congestion and reliability.
Jun 15, 2004	Resource adequacy workshop report released for public comment.	Resource adequacy workshops were held on March 16; on April 6, 7, 12, 13, 14 and 26; and on May 5, 17, 18 and 26. The workshops addressed issues such as protocols for counting supply and demand resources, deliverability of resources to load, and load forecasting. The purpose of the report is to identify consensus agreements reached by workshop participants, identify issues where agreement does not exist, and set forth options to resolve those issues.

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Jun 9, 2004	The Commission issued D.04-06-011, on SDG&E's Grid Reliability RFP. This decision also closes R.01-10-024.	This decision approves the five proposals that SDG&E presented to meet its short-term and long-term grid reliability needs. Among those five proposals includes approval for SDG&E to: <ul style="list-style-type: none"> <li>• purchase the 550 MW Palomar plant (in 2006 when construction is complete) from its affiliate, Sempra Energy Resources; and</li> <li>• sign a 10-year Power Purchase Agreement for 570 MW from Calpine's Otay Mesa plant.</li> </ul>
Jan 22, 2004	The Commission adopted D.04-01-050.	The decision addressed long-term procurement policy issues for PG&E, SCE and SDG&E. Major issues include resource adequacy and reserve requirements, market structure, financial capabilities, long-term planning assumptions and guidance, and confidentiality.

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## B. Renewable Portfolio Standard (RPS) Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-04-026	Peevey	Simon		Douglas, Paulo
<b>What it Does</b>				
Implements a Renewable Portfolio Standard (RPS) program in accordance with SB 1078.				
<b>Next Steps</b>				
<ul style="list-style-type: none"> <li>• RPS program plan PD issued 9/6 for 10/6 meeting.</li> <li>• 2005 MPR PD will be issued this fall.</li> <li>• PG&amp;E and Edison have issued RFOs. SDG&amp;E will do so 10/1.</li> </ul>				
<b>Proceeding Overview</b>				
Date	Actions Taken		Comments	
Apr 4 – 5, 2005	Time of Delivery (TOD) MPR workshop was held.			
Mar 7, 2005	Utilities filed their draft 2005 RPS procurement plans.			
Feb 11, 2005	The final Market Price Referent (MPR) was released via an Assigned Commissioner's Ruling. <a href="http://www.cpuc.ca.gov/PUBLISHED/RULINGS/43824.htm">http://www.cpuc.ca.gov/PUBLISHED/RULINGS/43824.htm</a>		MPR is the benchmark price comparison for renewable energy generation vs. traditional gas-fired generation plants. Contracted bids that exceed the benchmark price can be reimbursed through the Supplemental Energy Payment (SEP) fund administered by the California Energy Commission.	
Feb 10, 2005	Reply comments on TOD MPR and REC Trading were			

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	filed.	
Feb 3, 2005	Comments on TOD MPR and REC Trading were filed.	
Dec 13, 2004	SDG&E notified the Energy Division that it compiled its RFO short list.	The initial short list identifies the bidders the utility has selected for potential contract negotiations.
Dec 12, 2004	Scoping Memo for Phase 2 was issued.	<ul style="list-style-type: none"> <li>• The Commission will gather party comments and briefs on: <ul style="list-style-type: none"> <li>➢ Participation of small and multi-jurisdictional utilities, ESPs, and Community Choice Aggregators (CCAs) in the RPS program;</li> <li>➢ Treatment of existing Renewable Energy Credits (RECs) from QFs;</li> <li>➢ Development of a Time of Delivery (TOD) Market Price Referent (MPR);</li> <li>➢ Investigate development of REC trading program.</li> </ul> </li> <li>• Utilities will file Draft 2005 RPS Procurement Plans and a draft 2005 RPS Solicitations, which is expected to happen in the 4th quarter of 2005.</li> </ul>
Sep 29, 2004	PG&E notified the Energy Division that it compiled its RFO short list.	The initial short list identifies the bidders the utility has selected for potential contract negotiations.
Jul 8, 2004	The Commission adopted D.04-07-029, on Least-Cost/Best-Fit.	In this decision, the Commission adopted criteria for determining the least-cost, best-fit for renewable energy bids.
July 2004	Energy Division approved the utilities' request for bid protocols, and the initial RFOs were initiated.	Energy Division approved PG&E's and SDG&E's renewable energy request for bid protocols and the initial RFOs were initiated for these IOUs. SCE's request to be excused from the initial RFO was approved because SCE met the 1% renewable procurement target during the interim procurement period.
Jun 9, 2004	The Commission issued decisions D.04-06-014 and D.04-06-015.	The decisions focused on Standard Terms & Conditions, and the Market Price Referent, respectively.
Apr 22, 2004	The Commission opened this RPS rulemaking, R.04-04-026.	
Mar 22, 2004	Market Price Referent (MPR) white paper was sent to service list for comment.	
Mar 2003	The Commission adopted D.03-06-071.	In this decision, the Commission sets forth the implementation methods for the Renewable Portfolio Standards Program (RPS) as required under SB 1078. The decision establishes four fundamental processes necessary to implement RPS, and mandated by law: (1) the market price referent, or benchmark (MPR); (2) the rules for flexible compliance; (3) the criteria for least cost, best fit ranking of renewable energy bids; and (4) a process for

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		determining standard contract terms and conditions.
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## ***C. Direct Access (DA) and Departing Load (DL) Cost Responsibility Surcharge (CRS)***

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.02-01-011	Brown	Pulsifer		Auriemma, Velasquez

### What it Does

1. This proceeding sets and implements a Cost Responsibility Surcharge (CRS) that is the obligation of applicable Direct Access (DA) and Departing Load (DL) customers. The CRS is necessary in order to make the utilities' bundled customers financially indifferent to load migration from bundled to DA and municipal DL service (including customer self-generation) that occurred after DWR long term contracts were signed.
2. A capped 2.7 cent/KWh CRS needs to be paid by applicable DA and DL customers. The CGDL CRS is capped at 2.7 cents/kWh. The CRS includes the DWR bond charge, the utilities' tail CTC, Edison's Historical Procurement Charge (HPC) and PG&E's Regulatory Asset Charge (RAC) applicable only in Edison's and PG&E's respective service territories, and the DWR power charge. The accrued undercollection associated with the capped CRS is to be tracked in balancing accounts and paid off by DA and DL customers, with interest, over time.
3. This proceeding also sets policy governing the suspension of DA service, DA load growth under existing contracts, and rules for customer movement to and from bundled and DA service. Additionally, this proceeding addresses the Municipal customers' DL CRS exemption applicability.
4. The Energy Division, along with DWR, the IOUs, and interested DA/DL parties, are calculating the CRS paydown estimates as part of a cooperative Working Group.

### Next Steps

- The Commission will reexamine the current 2.7 cent cap on the CRS in 2005 to consider whether this level is sufficient to enable the entire DA CRS undercollection to be "paid back" by the time most of the DWR contracts expire in 2012.
- A Draft Decision and an Alternate Draft Decision, are scheduled to be voted on at the July 21, 2005 Commission meeting. The decisions address the California Municipal Utilities Association's (CMUA) Petition for Modification of D. 04-12-059, which seeks clarification of the CRS applicability on Municipal (Publicly Owned Utility) DL customers
- A Draft Decision addressing Petitions To Modify filed by CMUA, Merced, and Modesto concerning the Regulatory Asset Charge and Energy Recovery Bond Charge applicability on Publicly Owned Utility "transferred load" and "new load," is also scheduled to be voted on at the July 21, 2005 Commission meeting.

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
June 30, 2005	The Commission issued D.05-06-041.	Adopts a CRS applicable to county and municipal water districts' electric self-generation in the service territories of SCE, PG&E, and SDG&E by applying the mechanism and exceptions adopted in D.03-04-030 to this CG.
June 21, 2005	Working Group Meeting	<ul style="list-style-type: none"> <li>The Working Group was notified of confidentiality concerns held by SDG&amp;E that were preventing it from providing DWR's consultants (Navigant Inc.) with confidential load information that is required in order to calculate the 2003-2005 CRS. SDG&amp;E has since provided the information to DWR and its consultants.</li> <li>An alternate proposal for calculating the CRS was made by the Direct Access parties; this proposal would require the use of a benchmark to calculate the CRS, which DA parties argue could provide for more transparency in the CRS calculation process. Several alternate proposals have been circulated since the meeting, and the group is expected to discuss them further in the next few weeks.</li> </ul>
May 17, 2005	Two Draft Decisions were mailed out.	<ul style="list-style-type: none"> <li>The Draft Decisions concerning CMUA's Petition to Modify D. 04-12-059, which seeks clarification of the MDL CRS applicability, and Merced/Modesto Irrigation Districts' Rehearing D. 05-01-31 (A. 03-08-004) were mailed to the respective services lists.</li> </ul>
April 18, 2005	Working Group Status Report was served on the proceeding's service list.	<ul style="list-style-type: none"> <li>The Status Report summarizes the discussions that took place at the April 12<sup>th</sup> and 14<sup>th</sup> Working Group meetings, and also includes the next steps that parties agreed need to be taken in order to move along the processes dealing with the 2003-2005 CRS calculations and the Municipal DL CRS billing and collection negotiations.</li> </ul>
April 14, 2005	Working Group Meeting	<ul style="list-style-type: none"> <li>Per a March 28, 2005 ALJ Ruling, a second Working Group meeting was held in with the intent of moving a long the negotiations process between the Publicly Owned Utilities and the Investor Owned Utilities for Municipal DL billing and collection of the CRS.</li> </ul>
April 12, 2005	Working Group Meeting	<ul style="list-style-type: none"> <li>Per a March 28, 2005 ALJ Ruling, the first Working Group meeting was held in order to begin a process in which all the interested parties will take part in calculating the CRS obligations for 2003 on a true-up basis and for 2004 and 2005 on a forecasted basis.</li> </ul>
Mar 30, 2005	ALJ Ruling	Outlines the process to determine total CRS obligations of direct access and departing load customers: 1) on a true-up basis for the year 2003 and 2) on a forecast basis for 2004 and 2005.
Mar 17, 2005	The Commission issued D.05-03-025.	<ul style="list-style-type: none"> <li>Adopts an Affidavit for DA customers to verify, under penalty of perjury, that they are not exceeding their contractual limits for DA usage.</li> <li>In the Affidavit, the customer is required to warrant that its total level of DA load on all DA accounts does not exceed the contracted level of load defined by the Agreement that was</li> </ul>

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		<p>in effect as of September 20, 2001, and also disclose those specific contractual volumes of load or indicate that the contract is on a “full requirements” basis. To address legitimate concerns as to commercial sensitivity of this data, the decision adopts Restrictions on utility employee access.</p> <ul style="list-style-type: none"> <li>• The Affidavit applies to customers w/ demand over 500 kW.</li> </ul>
Feb 24, 2005	<ul style="list-style-type: none"> <li>• The Commission adopted Resolution E-3909.</li> <li>• The Commission adopted D.05-02-051, which resolves the Petition for Modification of D.03-04-030 (the Customer Generation Departing Load decision) filed by the California Large Energy Consumers Association and California Manufacturers and Technology Association.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopts methods to equitably allocate responsibility for the unrecovered Bond Charges assigned to Customer Generation (CG) effective as of April 3, 2003. Individual CG customers may elect to pay the amounts they individually incurred either in a lump sum payment or a charge amortized over 2 years.</li> <li>• A customer migrating from direct access to Customer Generation (CG) will not be required to pay the DWR Power Charge component of the CRS, but remains liable for past DA CRS undercollections incurred as a DA customer.</li> </ul>
Jan 31, 2005	Energy Division workshop	<ul style="list-style-type: none"> <li>• The workshop discussion addressed the process that is needed in order to implement the billing and collection of the Cost Responsibility Surcharges (CRS) for Municipal Departing Load (MDL), pursuant to D.03-07-028 as modified by D.03-08-076, D.04-11-014, and D.04-12-059.</li> </ul>
Jan 27, 2005	The Commission issued D.05-01-040.	Adopts cost responsibility obligations for 2001 through 2003, applicable to Direct Access and Departing Load customers pursuant to the methodology adopted in D.02-11-022.

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## D. Demand Response Rulemaking and Associated Proceedings

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.02-06-001 A.05-01-016 (PG&E) A.05-01-017 (SDG&E) A.05-01-018 (SCE) A.05-03-016 (PG&E) A.05-03-015 (SDG&E) A.05-03-026 (SCE) A.05-06-028 (PG&E)	Peevey, Grueneich	Cooke		Kaneshiro, Chavez, Rosauer

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## What it Does

1. Formulate policies that will develop demand flexibility as a resource to enhance electric system reliability, reduce power purchase and individual consumer costs, and protect the environment.
2. Develop demand response programs and dynamic pricing tariffs.
3. The demand response rulemaking is a multi-agency effort, which involves the participation of the CEC and CPUC as partnering agencies.
4. The proceeding formed three Working Groups that focused on: (1) overall policy issues; (2) large customer (>200 kW in monthly demand) issues; and (3) small commercial/residential customer issues.
5. Authorized the State Pricing Pilot (SPP) research project, a two-year pricing research project designed to estimate the demand response and price elasticities for a representative sample of residential and small commercial customers (approximately 2,000 customers) on time differentiated rates (TOU and CPP rates), information, and/or technology treatments. The SPP will also evaluate customers' preferences to different tariff attributes, and market shares for specific TOU and dynamic rates, control technology, and information treatments under alternative deployment strategies. The SPP results will provide key inputs for the Advanced Metering Infrastructure (AMI) business case analysis and rate design options.
6. Review the utilities' applications for the implementation of an Advanced Metering Infrastructure (AMI) and associated recovery and proposed dynamic pricing tariffs.

## Next Steps

- Intervenor testimony due on June 6 and 13, 2005, on AMI functionality and pre-deployment tasks/costs for SDG&E and PG&E.
- Prehearing conference for SDG&E's and PG&E's AMI Project applications are set for July 13 and 14, 2005, respectively.
- Evidentiary hearings on SDG&E and PG&E functionality and pre-deployment proposals set for June 16 and 27, 2005.
- Critical Peak Pricing tariff proposals by the IOUs are due on August 1, 2005.

## Proceeding Overview

Date	Actions Taken	Comments
July 1, 2005	Parties file motion for approval, of settlement agreement regarding SDG&E AMI pre-deployment funding and related issues	Comments on proposed settlement due by Friday, July 15, 2005.
June 16, 2005	PG&E filed its AMI Project Application (A.)05-06-028.	PG&E requests approval of its AMI Project to automate 100% of the all electric and gas meters within 5 years at a cost of \$1.46 billion (\$2.227 billion 20-yr present value revenue requirement), ratemaking proposals and cost recovery mechanism.
June 1, 2005	Utilities filed 2006 Demand Response applications.	As directed, the utilities filed their 2006-08 DR applications.
May 18, 2005	ACR on PG&E AMI Application.	Directs PG&E to file supplemental testimony that demonstrates how its AMI proposal meets the functionality criteria established in the Feb. 2004 ACR. Sets evidentiary hearings and overall schedule
May 9, 2005	ACR on SDG&E AMI Application	Directs SDG&E to file supplemental testimony that

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		demonstrates how its AMI proposal meets the functionality criteria established in the Feb. 2004 ACR. Sets evidentiary hearings and overall schedule.
March 30, 2005	SCE filed its AMI Application (A.)05-03-026	SCE requests approval of its AMI deployment strategy and cost recovery of \$31 million to develop an Advance Integrated Meter (AIM). SCE's proposed AMI strategy is to design and develop a new AIM platform that integrates new technologies to increase functionality and operational efficiencies.
Mar 15, 2005	PG&E and SDG&E filed their updated AMI business case analysis and applications for cost recovery for AMI pre-deployment activities.	PG&E in A.05-03-016 seeks cost recovery of up to \$49 million of pre-deployment expenditures for the initial stage of the AMI Project. SDG&E requests approval of its: (1) preferred full scale AMI pre-deployment plan and associated 2005-2006 activities, (2) cost recovery mechanism and revenue requirement for pre- and initial deployment costs in 2005-2007, and (3) preferred full deployment strategy for 2007 implementation and associated costs. SDG&E anticipates that AMI design and start-up expenses to be in excess of \$40 million.
Nov 24, 2004	An Assigned Commissioner and ALJ Ruling was issued which moved the due date for the AMI applications to March 15, 2005 and calls for an AMI reference design technical conference.	By January 12, 2005, the utilities were order to complete and serve their AMI business case analysis required by the July 21, 2004 Ruling. Formal AMI applications are due March 15, 2005. The AMI reference design technical conference is tentatively scheduled for February 1, 2005.
Oct 15, 2004	PG&E, SCE, and SDG&E filed their preliminary AMI business case analysis.	PG&E's evaluated 19 deployment scenarios and found that AMI deployment was cost effective for 5 of those scenarios; SCE evaluated 23 deployment scenarios and found that AMI deployment was cost effective for two partial deployment cases; SDG&E's analysis recommends a phase AMI deployment strategy, starting with customers in the inland and desert zones with loads greater than 100kW.
Nov 24, 2003	Scoping memo outlined issues for Phase 2.	<ul style="list-style-type: none"> <li>• Development of the business case analysis framework for the deployment of an Advanced Metering Infrastructure (AMI) from a utility, customer, and societal perspective.</li> <li>• Development of a real-time pricing tariff for large customers.</li> <li>• A/C cycling evaluation as a control technology that interfaces with AMI elements.</li> <li>• Agricultural customer participation.</li> <li>• Implementation of the CPA Demand Reserves Partnership.</li> <li>• Initiate the planning process for meeting the 5% demand response target by 2007.</li> </ul>

## Large Customer (>200 kW) Issues

Date	Actions Taken	Comments
Apr 21, 2005	Commission decision on default CPP tariffs	The decision declined to adopt default CPP tariffs for 2005. Directed the IOUs to file default CPP applications for summer of 2006 by August 1, 2005.
Jan 27, 2005	Commission adopts decision for 2005 Large Customer Programs	The decision adopts 2005 budgets to continue or expand existing programs and also adopts 20/20 programs for all three

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		utilities.
<i>Small Customer (&lt;200 kW) Issues</i>		
Date	Actions Taken	Comments
April 18, 2005	ACR on the Joint Utilities' 2005 budget request for the SPP, ADRS, and IDP	The ACR granted the Joint Utilities the authority to use \$2.952 million in 2003/2004 unspent funds to continue the SPP, ADRS, IDP, and associated research.
Feb 11, 2005	The Joint Utilities filed their 2005 budget request to continue offering the CPP experimental tariffs, Automated Demand Response System (ADRS) and Information Display Pilot (IDP) and conduct the required research evaluation activities.	The utilities estimate that \$4.4 million will be required to continue offering the CPP tariffs, ADRS, IDP, and complete the research and evaluation activities recommended by the evaluation sub-committee. The utilities request authority to use \$2.9 million of remaining unspent 2003/2004 funds and an additional \$1.5 million to cover these all of the 2005 activities.

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## E. Distributed Generation Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-03-017	Peevey	Malcolm	Lee	Beck, Paulo

### What it Does

1. This rulemaking will develop a Distributed Generation (DG) cost/benefit methodology, evaluate DG as a planning and procurement option, and revisit rate design issues.
2. R. 98-07-037 is now closed. Existing DG programs (SGIP, net metering, AB 1685 implementation, and interconnection) will be folded into this new rulemaking.

### Next Steps

- Proposed decision addressing DG cost-benefit methodology expected in September.
- Proposed decision addressing Staff Solar Report and parties comments likely by the end of 2005.

### Proceeding Overview

Date	Actions Taken	Comments
Aug 26, 2005	CPUC adopts CEC interconnection recommendations.	Adopts dispute mediation process between DG developers and IOUs, addresses interconnection costs, fees, and technical issues.
July 1-17, 2005	Comments and replies received on Staff Solar Report.	
June 27-July 12	Briefs and replies filed on DG cost-benefit issues.	Briefs address cost benefit values, sources, and methodologies.
June 14, 2005	Joint CPUC/CEC Staff Solar Report	Proposes actions to implement the Governor's Solar Initiative.

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	filed for comment.	Issues addressed include performance-based incentives, budget and administration, and eligibility criteria.
May 11-13	Evidentiary hearings on cost-benefit issues.	
April 28, 2005	DG cost-benefit reply testimony was filed.	Reply testimony addresses issues raised in April 13, 2005 direct testimony.
April 15, 2005	2004 SGIP Impacts Evaluation report was issued.	The report presents results of the fourth year of the SGIP program. The evaluation covers all SGIP projects coming online before January 1, 2005 representing a total of 116 MW.
Apr 13, 2005	DG cost-benefit testimony was filed.	Testimony focuses on methodologies and data inputs to use in cost-benefit analyses.
March 29, 2005	Energy Division issued its AB 58 net metering report to the Governor and Legislature.	The report can be downloaded from: <a href="http://www.cpuc.ca.gov/static/industry/electric/distributed+generation/index.htm">http://www.cpuc.ca.gov/static/industry/electric/distributed+generation/index.htm</a>
Mar 23, 2005	Energy Div/ALJ released SGIP cost-effectiveness evaluation framework.	<ul style="list-style-type: none"> <li>• Framework will be used to evaluate cost-effectiveness of the SGIP. Evaluation report expected Summer 2005.</li> <li>• Parties may refer to interim SGIP framework in over DG cost-benefit testimony due April 7.</li> </ul>
Mar 7, 2005	ACR regarding SGIP solar funds.	<ul style="list-style-type: none"> <li>• Advises IOUs they have the authority to “borrow forward” from 2006-2007 SGIP budgets to fund 2005 solar projects.</li> <li>• Directs CPUC and CEC staff to develop a Solar Initiative Program proposal. Staff report expected late April/early May.</li> </ul>
Feb 24, 2005	The Commission adopted D.05-02-042.	This decision was issued to correct various nonsubstantive errors contained in D.04-12-045, issued on December 16, 2004.
Jan 27, 2005	ALJ Ruling postponed hearings to give parties more time to prepare cost/benefit testimony.	New hearing dates will be scheduled.
Dec 16, 2004	The Commission adopted D.04-12-045, which extends SGIP through 2007.	The decision implements AB 1685 emissions and efficiency standards, reduces per watt incentives for most technologies, and removes annual caps limiting the number of projects per entity.
Nov 29, 2004	ACR seeks comments on implementing Governor’s Solar Initiative.	
Sep 22, 2004	The Governor signed Assembly Bill 1684.	Exempts DG fueled by nonrenewable waste heat from meeting SGIP emissions eligibility requirements adopted in AB 1685.
Jul 9, 2004	Energy Division (ED) Report issued for comment.	ED proposes improvements to the Self Gen Incentive Program, implementation process for AB 1685 emissions and efficiency standards effective January 1, 2005.
Mar 16, 2004	R.04-03-017 was opened.	

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## F. Energy Efficiency Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.01-08-028	Kennedy	Gottstein	Lee	Tapawan-Conway

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## What it Does

The current phase of the proceeding focuses on program planning for the 2006-2008 funding cycle, and development of program measurement, savings verification, and market assessment plans.

## Next Steps

- Program planning and selection for 2006-2008 funding cycle.
- Further workshops on evaluation, measurement, and verification protocols.

## Proceeding Overview

Date	Actions Taken	Comments
September 2, 2005	The ALJ issued a ruling	The ruling adopts Joint Staff's proposed performance basis for non-resource programs; proposed process for estimating and verifying parameters needed to calculate net resource benefits (with some clarifications) and directs Joint Staff to proceed with the development of EM&V protocols, evaluation plans and other EM&V-related activities as directed by the ruling
August 10-11, 2005	Energy Division and CEC Joint Staff held workshop on EM&V Protocols Concepts	The workshop discussed initial draft concepts for EM&V protocols being prepared under contract with TecMarket Works
August 3, 2005	The ALJ issued a ruling	The ruling solicits comments on Joint Staff's draft proposal on EM&V protocols issues discussed in the June 29-30 workshop
June 29-30, 2005	Energy Division and CEC Joint Staff held workshop on EM&V	The workshop focused on EM&V model and performance basis for non resource programs
May 2005	Various peer review group and program advisory group meetings	The meetings are in conjunction with the IOU program administrators' planning process for their 2006-2008 EE programs per D.05-01-055
Apr 21, 2005	The Commission adopted D.05-04-051	This decision updates the existing EE Policy Manual and addresses threshold evaluation, measurement and verification (EM&V) issues raised in workshops and establishes a process for developing EM&V protocols.
Apr 19, 2005	The ALJ issued a ruling	The ruling adopts an implementation roadmap for evaluation, measurement and verification that Joint CPUC-CEC staff prepared as directed in D.05-01-055
Apr 4-6, 19-22, 26-29	Various peer review group and program advisory group meetings	The meetings are in conjunction with the IOU program administrators' planning process for their 2006-2008 EE programs per D.05-01-055
Mar 28-30, 2005	The utilities held the 2 <sup>nd</sup> Public Workshops for their 2006-2008 program planning process.	The workshops focused on the topics that were also presented at the third PAG meetings.
Mar 25, 2005	PG&E convened optional PAG meeting.	The meeting focused on Local government partnerships.

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Mar 21-23, 2005	The utilities convened the third Program Advisory Group (PAG) meetings.	The SDG&E PAG met on March 21, the SCE/SCG PAG on March 22, and the PG&E PAG on March 23. The meetings focused on program concepts for 2006-2008.
Mar 18, 2005	PG&E convened optional PAG meeting.	The meeting focused on the following topics: energy efficiency as a resource, integration of third party programs in utility portfolio.
Mar 10, 2005	Energy Division convened the 1 <sup>st</sup> statewide Peer Review Group (PRG) meeting.	The meeting focused on housekeeping matters – PRG mission statement, roles/responsibilities, deliverables, meeting schedules.
Mar 2-4, 2005	The utilities held the 1 <sup>st</sup> Public Workshops for their 2006-2008 program planning process.	The workshops focused on the topics that were also presented at the second PAG meetings.
Feb 23-25, 2005	The utilities convened the second Program Advisory Group (PAG) meetings.	The PG&E PAG met on February 23, the SDG&E PAG on February 24, and the SCE/SCG PAG on February 25. The meetings focused on the utilities' program accomplishments and preliminary ideas for their program portfolios for 2006-2008.
Feb 15-16, 2005	Workshop on policy rules update was held.	ALJ Gottstein facilitated the workshop, which focused on discussion of the draft policy rules contained in her December 30, 2004 ALJ ruling on the first day, and on terms and definitions during the second day.
Feb 9-11, 2005	The utilities convened the initial PAG meetings, in compliance with D.05-01-055.	The SCE/SCG PAG met on Feb. 9, the SDG&E PAG on Feb. 10, and the PG&E PAG on Feb. 11. The meetings focused on housekeeping and preliminary matters
Jan 27, 2005	The Commission adopted D.05-01-055, addressing the Energy Efficiency administrative structure.	The decision returns the utilities to the lead role in program choice and portfolio management, but imposes safeguards in the form of an advisory group structure and competitive bidding minimum requirement. The Energy Division, in collaboration with the CEC, will have the lead role in program evaluation, research and analysis, and quality assurance functions in support of the Commission's policy oversight responsibilities.
Jan 21, 2005	Workshop report on Evaluation, Measurement, and Verification (EM&V) protocols development was issued.	
Dec 29, 2004	The Assigned Commissioner issued a ruling.	The ACR solicits comments from the utilities, implementers of energy efficiency programs involved in the commercial buildings sector, building owners and operators of the commercial building sector and interested parties and interested parties on how to implement and further the goals articulated in the Governor's Green Building Executive Order issued on December 15, 2004.
Dec 17, 2004	The Assigned Commissioner issued a ruling.	The ACR notifies parties of upcoming workshop to update policy rules and related terms and definitions for post 2005 energy efficiency programs.
Dec 2, 2004	The Commission adopted D.04-12-019.	The decision grants, subject to modifications, the joint petition of PG&E, SDG&E, and SoCalGas to increase spending on

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		natural gas EE programs.
Sep 23, 2004	The Commission adopted D.04-09-060.	The decision translates the Energy Action Plan mandate to reduce per capita energy use into explicit, numerical goals for electricity and natural gas savings for the utilities. Electric and natural gas savings from energy efficiency programs funded through the public goods charge and procurement rates will contribute to these goals, including those achieved through the Low-Income Energy Efficiency Program.
Aug 10, 2004	Public Goods Charge Audit report released to the public.	The report focuses on the financial and management audit of PGC energy efficiency programs from 1998-2002.

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## G. Low Income Rate Assistance

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-01-006		Weissman, Thomas	Lee	Webb, Walker, Randhawa
A.04-06-038, et.al. (Applications 04-07-002, 04-07-014, 04-07-015, 04-07-020, 04-07-027, 04-07-010, 04-07-011, 04-07-012, and 04-07-013 consolidated by September 27, 2004 ALJ Ruling)		Weissman, Thomas		Webb, Walker, Randhawa

### What it Does

1. Comprehensive forum addressing Commission's policies governing post-2003 CARE and LIEE low-income programs.
2. The California Alternate Rate for Energy (CARE) program provides households with income below 175% of the Federal Poverty Level with a 20% discount on their energy bills. The Low-Income Energy Efficiency (LIEE) program provides installation of weatherization measures and energy efficient appliances at no cost to LIEE participants.

### Next Steps

- Updated Low-Income guidelines established for utility PY 2005-2006 CARE and LIEE programs. Requires utilities to file revised tariffs effective June 1, 2005 reflecting new income eligibility levels
- The Standardization Project Team will hold a meeting on May 10, 2005 to discuss editorial changes to the Weatherization Installation Standards (WIS) and Policy and Procedures (P&P) Manuals and the implications of the California Title 24 duct testing and sealing requirements for the LIEE Program.
- Energy Division Audit Report of PG&E's Program Year 2001 and 2002 LIEE program due March 30, 2005.
- The consultants on the Impact Evaluation Study will respond to additional public comments received, as necessary, and then submit the final report to the Commission.

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<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
Sept. 1, 2005	ALJ Ruling Issued	Ruling Issued on Applications 05-06-005, 05-06-009, 05-06-012 and 05-06-013 setting a schedule for comments on the Assessment of Proposed New Program Year 2006 Measures
July 21, 2005	Final Decision Issued	Final Decision Issued Approving LIEE and CARE Programs For Seven SMJUs for PY 2005-2006.
July 14, 2005	ALJ Ruling Issued	Ruling Issued on Applications 05-06-009, 05-06-012 and 05-06-013 consolidating various matters and setting a schedule for comments. Comments to be provided no later than September 23, 2005
Jun 28, 2005	Meeting of the Joint Utilities LIEE Standardization Project Team	The Joint Utilities LIEE Standardization Project Team will hold a meeting on June 28, 2005. Discussion topics include: Duct Testing and Sealing as a Measure, Policies for Duct Testing and Sealing as a Free-Standing Measure, Non-Feasibility Conditions for Duct Testing, Duct Sealing and New Measures, and other issues related to costs of duct testing and sealing.
Jun 22, 2005	The Joint Utilities LIEE Standardization Project Team held a meeting on June 22, 2005.	Discussion topics included: California Title 24 duct testing and sealing requirements and associated policy and implementation issues, and revisions to the Weatherization Installation Standards (WIS) manual on furnace repair and replacement and high efficiency air conditioners for the LIEE program.
Jun 21, 2005	Draft Decision Issued	Draft Decision Issued Approving LIEE and CARE Programs For Seven SMJUs for PY 2005-2006. Applications are due from SMJUs by December 1, 2005
Jun 20, 2005	SDG&E and SCE Proposals Filed	SDG&E, and SCE Filed proposals to Evaluate the Effectiveness of their Cool Center Programs.
Jun 16, 2005	Notice of The Joint Utilities LIEE Standardization Project Team meetings	The Joint Utilities LIEE Standardization Project Team will hold a meeting on June 22, 2005 to discuss the California Title 24 duct testing and sealing requirements; associated policy and implementation issues; revisions to the Weatherization Installation Standards (WIS) manual on furnace repair and replacement; and high efficiency air conditioners for the LIEE program.
Jun 14 – 17, 2005	Notice of SCE LIEE Public Workshops	SCE LIEE Public Workshop presentations were held on June 14, June 16 and June 17. The workshops were held in Rosemead, Fontana and Tulare respectively.
Jun 10, 2005	Energy Division's Supplemental Report filed in Docket Office.	Energy Division's Supplemental Report on Small and Multi-Jurisdictional Utilities for PY 2005 Low Income Program filed in Docket Office.
Jun 8, 2005	LIOB Planning Sub-Committee meeting to be held	Planning Sub-Committee of the Low Income Oversight Board meeting to be held on June 8, 2005, at the CPUC in San Francisco. This will serve as the first meeting of the sub-committee and is open to the public.
Jun 7, 2005	Assigned Commissioner Grueneich's Ruling issued	Assigned Commissioner Grueneich issued a Ruling Approving Proposed Amendments to the Workplan, Budget and Schedule for Phase 5 of the Low Income Energy Efficiency Standardization Project
Jun 3, 2005	Notice of public workshops to be held by Southern California	SCE will hold three public workshops to discuss the CARE and LIEE programs' design and reporting requirements for 2006 and

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	Edison Company	2007 as directed by the CP UC in D.05-04-052. Public Workshops to be held on June 14 <sup>th</sup> in Rosemead, CA, Fontana on June 16 <sup>th</sup> and Tulare on June 17 <sup>th</sup> . Exact locations of SCE offices and times can be obtained from notice posted on the LIOB website.
May 13, 2005	Order Correcting Errors in D.05-04-052 (large IOU PY2005 CARE & LIEE Program budgets)	D.05-05-019 corrects errors appearing in Tables 1,2,3,4,7,9,11,12,15,16, and 17 of D.05-04-052.
May 10, 2005	ACR Inviting Applications For Appointment To The LIOB	
Apr 29, 2005	ALJ Ruling Issued	Releasing Energy Division's Report on Small & Multi-Jurisdictional Utility funding for PY 2005 Low Income Programs.
Apr 26, 2005	Standardization Team meeting on cost effectiveness results of the new measures proposed for inclusion in the utilities' 2006 LIEE program	
Apr 22, 2005	Energy Division Acting Director's letter authorizing release of the PY2002 LIEE Impact Evaluation draft report and approving the retention and final payments to the project contractors.	Approval of the Final Draft Report and Authorization of Retention and Final Payments to Contractors for the Program Year (PY) 2002, Low Income Energy Efficiency, (LIEE), Impact Evaluation, Pursuant to D.03-10-041.
Apr 21, 2005	D.05-04-052 on large IOU PY2005 CARE and LIEE budgets issued.	Approves PY 2005 Low-Income Energy Efficiency & California Alternate Rates for Energy programs for Pacific Gas & Electric Company, Southern California Edison, Southern California Gas, and San Diego Gas & Electric Company.
Apr 11, 2005	LIOB Meeting held at Commission offices in San Francisco	Please refer to the LIOB website <a href="http://www.ligb.org/DOCS/">www.ligb.org/DOCS/</a> for additional information
Mar 25, 2005	Joint Assigned Commissioner and ALJ Ruling was issued.	Directs the Standardization Team to withdraw and refile its proposal related to Phase 5 of the LIEE Standardization project.
Mar 25, 2005	The March 30 <sup>th</sup> LIOB meeting and the March 28 <sup>th</sup> sub-committee meeting have been postponed.	Please refer to the Daily Calendar for updates.
Mar 22, 2005	Draft Decision on large IOU PY2005 CARE and LIEE budgets issued.	
Mar 17, 2005	Notice of March 28 <sup>th</sup> LIOB sub-committee teleconference.	A sub-committee, consisting of three current LIOB members, will meet to discuss and develop a report to the LIOB on the replacement of leaky water heaters as affected by proposed changes to the Policy & Procedures and Installations Standards Manuals. The public sub-committee meeting will be held via teleconference on March 28, 2005. The call- in information for both of these meetings can be found on the Commission Daily Calendar.
Mar 17, 2005	Executive Director grants the utilities' February 7 <sup>th</sup> request.	The next evaluation of the LIEE program's impact will be conducted for the 2005 program year, instead of 2004, and will be filed in the 2006 AEAP.
Mar 16 -17, 2005	Standardization Team Meeting was held.	To discuss cost effectiveness results for new measure proposals.
Mar 11, 2005	ALJ Thomas, via email, grants a	LIOB comments are due April 4, 2005.

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	three week extension for the LIOB only.	
Mar 10, 2005	LIOB requests an extension of time to file comments on the proposed revisions to the LIEE manuals.	Proposed revisions were filed on January 18 <sup>th</sup> and the comment period was set by ALJ Ruling dated February 11, 2005.
Feb 25, 2005	Low-Income Oversight Board teleconference meeting.	Board members discussed the new LIEE measure proposals, updates to the Policy and Procedures Manual, status of projects currently underway, Board member term limits, and upcoming opportunities for the Board to file comments with the Commission. In addition, the Board raised several issues including the upcoming Proposed Decision in R. 04-01-006, the February 11 ALJ Ruling requesting comments, the February 15 Draft Decision denying San Gabriel Valley Water Company's low-income water proposals in A.03-04-025, and Senate Bill 580, which would extend the LIOB's role to cover water and telecommunications low-income issues.
Feb 23, 2005	Notice of Co-Assignment in R.04-01-006 and Applications (A.) 04-06-038, et al.	Per the notice of the Chief Administrative Law Judge, Steve A. Weissman is the co-assigned Administrative Law Judge to this proceeding.
Feb 11, 2005	ALJ Ruling asking for comments on the Standardization Team's Manual Revisions filed January 18, 2005.	
Feb 7, 2005	SCE letter to Executive Director Larson, on behalf of the large utilities, requesting the next LIEE Impact Evaluation be conducted for PY2005 instead of PY2004.	
Jan 31, 2005	Parties filed proposal for new measures to be considered in Phase V of the Standardization Project.	There were four proposals that recommended the following new measures: High Efficiency Central Air Conditioners (AC), Central AC and Heat Pump maintenance, Duct Testing and Sealing, and bulk purchases CFLs.
Sep 17, 2004	ACR revising the due date for Energy Division's audit of PG&E's LIEE program.	Energy Division's final report is now due March 30, 2005.
Jun 22, 2004	ACR modifying due date for CARE audit.	Audit is to be completed by July 30, 2005; Energy Division's report due September 30, 2005. Comments due October 29, 2005 with replies due November 15, 2005.
Jan 8, 2004	The Commission opened R.04-01-006, a new rulemaking for post-2003 low-income programs.	R.01-08-027 and A.02-07-001, et. al., are closed.

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## H. Reliable Long-Term Natural Gas Supplies (Gas Market OIR)

Proceeding No.	Commissioners	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
R.04-01-025	Peevey, Kennedy	Weissman	Morris	Loewen

### What it Does

# CPUC ROADMAP: September 2005

Rulemaking to establish policies to ensure reliable, low cost supplies of natural gas for California.

## Next Steps

- Evidentiary hearings on infrastructure adequacy.
- Phase II decision this fall.

## Proceeding Overview

Date	Actions Taken	Comments
August 12, 2005	PG&E, SDG&E, and SoCalGas file testimony.	The three utilities declare that they have worked collaboratively towards the adoption of more unified tariff specifications, although several key differences remain. These are said to be due to the historic differences in natural gas supply quality between northern and southern California.
June 8, 2005	Energy Division issues IOBA workshop report.	Energy Division makes some recommendations to the Commission for disposition of IOBA-related issues, and recommends further negotiations.
May 11, 2005	Workshop held on Interconnection and Operational Balancing Account (IOBA) issues.	Discussed a variety of "threshold" issues as well as contract specifics. Consensus reached on some issues.
May 2, 2005	Pre-workshop comments filed.	
April 25, 2005	Comments on Gas Quality Workshop Report.	
April 21, 2005	Assigned Commissioners and ALJ issue Revised Schedule for Phase 2	Emergency reserves and backstop are shelved for the moment. Evidentiary hearings will be held on guidelines for slack capacity. The existing State-agency Natural Gas Working Group will make a recommendation re its expansion/modifications. Parties encouraged to negotiate on PG&E's competitive storage issue. At-risk ratemaking will be addressed in other proceedings.
April 5, 2005	SoCal hosted gas quality stakeholders' meeting.	Decided that the Air Emissions Advisory Committee should be expanded to include technical representatives from all groups.
April 4, 2005	Energy Division issued Gas Quality Workshop Report.	Comprehensive overview of issues. Tentative recommendation to incorporate Wobbe number in specifications. Calls for further negotiations.
Mar 23, 2005	Prehearing Conference for Phase 2 was held.	
Mar 14, 2005	Parties filed pre-PHC comments	Near-unanimous call to reject emergency reserve and backstop, while general acceptance of infrastructure review working group. Mixed views on throughput risk.
Feb 17 - 18, 2005	Joint CPUC/CEC workshop was held, on issues related to natural gas quality.	Many participants over two day forum.
Sep 2, 2004	The Commission issued D.04-09-022 on Phase I issues.	D.04-02-025 authorizes utilities to give notice to El Paso and TransWestern to relinquish interstate capacity, establishes procedures for obtaining new interstate capacity contracts, allows for designation of receipt points, rejects blanket rolled-in

# CPUC ROADMAP: September 2005

		ratemaking treatment for LNG-associated system upgrades, and orders new applications to be filed for SoCal's firm transportation rights proposal, for proposed SoCal-SDG&E system integration, and for review of PG&E's storage operations and interstate firm capacity levels. Establishes Otay Mesa as a "dual receipt point" for SoCalGas and SDG&E.
Jan 22, 2004	The Commission opened this OIR to consider and rule upon proposals the Commission is requiring California natural gas utilities to submit, which must be aimed at ensuring reliable, long-term supplies of natural gas to California.	The Commission orders PG&E, SDG&E, SoCalGas and Southwest Gas to submit proposals addressing how California's long-term natural gas needs should be met through contracts with interstate pipelines, new Liquefied Natural Gas (LNG) Facilities, storage facilities and in-state production of natural gas. The Commission invites all parties to respond to these proposals, and the Commission will thereafter issue orders guiding or directing the California utilities on these matters.

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## I. Community Choice Aggregation (CCA)

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.03-10-003	Peevey	Malcolm		Velasquez

### What it Does

1. Implements portions of AB 117 concerning Community Choice Aggregation (CCA). AB 117 permits cities and counties to purchase and sell electricity on behalf of utility customers in their jurisdictions after they have registered with the Commission as "Community Choice Aggregators."
2. The proceeding has been bifurcated. Phase I dealt with such issues as implementation and transaction costs, customer information, and set the cost responsibility surcharge (CRS). Phase II addresses the transition and implementation issues between the utilities and the CCAs, and issues of determining cost responsibility for individual CCAs, known as "vintaging."

### Next Steps

- Reply Briefs in CCA Phase II addressing broad PUC jurisdictional issues of AB 117 and their policy implications, in particular on consumer protection issues, are due on August 1, 2005.

### Proceeding Overview

Date	Actions Taken	Comments
July 8, 2005	Opening Briefs filed in CCA Phase II	Parties filed opening legal briefs on July 8, 2005, addressing relevant policy implications of CCA Phase II.
May 25, 2005	CCA Phase II hearings commenced.	Parties participated in CCA hearings, which began on May 25, 2005 and concluded on June 2, 2005.
May 2005	Reply and Rebuttal Testimony on CCA Phase II issues were filed.	Parties filed reply testimony on May 9, 2005 and rebuttal testimony on May 16, 2005.
Apr 28, 2005	Opening testimony on CCA Phase II issues was filed.	Parties filed opening testimony on April 28, 2005.
Mar 30, 2005	Pre-hearing Conference was held.	This PHC outlined which Phase II issues have come to mutual agreement amongst the parties during the workshop process, and which issues still need to be resolved in formal hearings.

# CPUC ROADMAP: September 2005

Mar 2005	Workshops were held on March 3, 9, 16, 22 and 30.	Workshop topics included: Open Season procedures and policies; CRS Vintaging; Tariffs; CCA Implementation Plans; and Credits and Liability for In-kind Power. The purpose of these workshops was to determine areas of agreement and which issues still need to be resolved going forward for Phase II during May hearings.
Feb 14, 2005	Utilities filed tariffs, as ordered by D.04-12-046.	
Feb 3, 2005	An Assigned Commissioner's Ruling and Scoping Memo for Phase 2 Issues was issued.	The Ruling sets the following dates for workshops. A third PHC will be held on March 30, 2005.
Jan 25, 2005	Pre-hearing conference for Phase II of the proceeding was held.	The ALJ and parties discussed scheduling. An ALJ Ruling will follow.
Dec 16, 2004	The Commission adopted D.04-12-046, resolving Phase I issues.	The order adopts a methodology for and sets the initial Cost Responsibility Surcharge (CRS) at 2.0 cents per kWh. The order also establishes ratemaking for utility CCA program costs and addresses outstanding information needs.
Jun 2 – 10, and 24, 2004	Evidentiary hearings held.	
Oct 2, 2003	Rulemaking R.03-10-003 opened.	<ul style="list-style-type: none"> <li>• The Commission opened this OIR to implement portions of AB 117 concerning Community Choice Aggregation.</li> <li>• R.03-10-003 discusses the definition of a Community Choice Aggregator, utility and CCA obligations, and cost issues.</li> </ul>
Sep 24, 2002	Assembly Bill 117 filed with Secretary of State, Chapter 838.	AB 117 requires the Commission to implement the procedure to facilitate the purchase of electricity by Community Choice Aggregators.

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## J. Avoided Cost / QF Pricing Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-04-025	Kennedy	Halligan		McCartney, Lai

### What it Does

1. This rulemaking serves as the Commission's forum for developing a common methodology, consistent input assumptions, and updating procedures for avoided costs across the Commission's various proceedings, and for adopting avoided cost calculations and forecasts that conform to those determinations.
2. It is the forum for considering similarities as well as differences in methods and inputs for specific applications of avoided costs, including QF avoided cost pricing.

### Next Steps

- Coordinate with the Distributed Generation Rulemaking, R.04-03-017, specifically, regarding the preparation of the Itron report on cost-effectiveness which is still in draft form.
- Evidentiary hearings for SRAC issues (Phase 2) beginning on May 2, 2005.

# CPUC ROADMAP: September 2005

- Opening briefs on SRAC issues due May 27, 2005, with reply briefs due June 10, 2005.
- Final decision in Phase II expected in September 2005.

## Proceeding Overview

Date	Actions Taken	Comments
Apr xx, 2005	The Commission adopted D.05-04-xxx.	It addressed the use of the E3 Avoided Cost Methodology in the Energy Efficiency 2006-2008 Program Cycle.
Mar 18, 2005	Draft Interim Opinion on E3's Avoided Cost Methodology.	This Phase 1 draft decision proposes to adopt the E3 Avoided Cost Methodology for use in energy efficiency program planning.
Feb 18, 2005	Assigned Commissioner's Ruling and Scoping Memo issued.	Consolidates R.04-04-003 and R.04-04-025 for the limited purpose of joint evidentiary hearings on policy and pricing of QFs.
Jan 27, 2005	Law & Motion Hearing was held.	Consider resolution of outstanding QF data requests to the utilities. QFs have requested confidential IOU data with which to calculate Incremental Energy Rates (IER) using production cost models with QFs-in and QFs-out, as was previously done in annual ECAC (Energy Cost Adjustment Clause) proceedings in the first half of the 1990's under the Index SRAC Formula, which was in use prior to the Transition SRAC Formula which has been in use since January 1997.
Jan 24, 2005	Joint Pre-hearing conference was held for R.04-04-025 and R.04-04-003.	Primary purpose was to (1) coordinate consideration of QF pricing issues in R.04-04-025 with long-term policy issues for expiring QF contracts in R.04-04-003, and (2) discuss outstanding QF data requests to the utilities.
Jan 21, 2005	Joint Ruling in R.04-04-025 and R.99-11-022.	Joint ruling on Short Run Avoided Cost Pricing for QFs. All comments, briefs, etc. submitted on the remanded issue and PG&E's petition for modification of D01-03-067, filed 12/15/04, will remain in R.99-11-022. Moves SRAC pricing issues into R.04-04-025.
Jan 13, 2005	Ruling in R.04-04-025.	Addresses motions to compel filed by the IEPA (dated January 4, 2005) and CAC/EPUC (dated December 9, 2004). Directs parties to convene and come to terms on the QF data requests to the utilities.
Oct 25, 2004	E3 Report Finalized.	The E3 report on avoided cost has been finalized (with a new title), " <i>Methodology And Forecast Of Long Term Avoided Costs For The Evaluation Of California Energy Efficiency Programs.</i> " The final report, and updated spreadsheet models, can be downloaded directly from the E3 website at <a href="http://www.ethree.com/cpuc_avoidedcosts.html">www.ethree.com/cpuc_avoidedcosts.html</a> . The pre- and post-workshop comments on the E3 report are posted on the E3 website.
Apr 22, 2004	Order Instituting Rulemaking issued.	

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## K. Gain on Sale Rulemaking

# CPUC ROADMAP: September 2005

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-09-003	Brown	Thomas		Fulcher

## What it Does

This Rulemaking develops policies and guidelines for use by the Commission when it allocates the gain from the sale of a utility asset. These policies and guidelines will apply to the sale of energy, telecommunications, and water utility assets.

## Next Steps

- Proposed decision anticipated in September 2005.

## Proceeding Overview

Date	Actions Taken	Comments
Oct 19, 2004	Reply comments were filed.	Comments and replies are being reviewed by ALJ and staff.
Oct 4, 2004	Comments were filed.	
Sep 2, 2004	Commission issued R.04-09-003.	<ul style="list-style-type: none"> <li>Commission establishes the burden of financial risk as the primary determinant of the allocation of the gain from the sale of a utility asset. It proposes eight guidelines to be followed when these allocations are made. It anticipates that the “typical” case will allocate 20% of the gain to shareholders, and 80% of the gain to ratepayers.</li> <li>The Rulemaking also proposes a review and clarification of P.U. Code § 789, et seq. It also promulgates rules for the enforcement of P.U. Code § 455.5.</li> </ul>

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## L. Electromagnetic Fields (EMF) Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-08-020	Peevey	DeBerry	Nataloni	Lewis

## What it Does

This Rulemaking discusses existing scientific research on electromagnetic fields (EMFs) and the findings of a Department of Health Services Report released in 2002. Rulemaking 04-08-020 states that given the continued scientific uncertainty associated with EMFs, the Commission will continue its existing EMF mitigation policy of Prudent Avoidance. R.04-08-020 will also consider three issues:

- The results of the Commission’s current “low-cost/no cost” mitigation policy and the need for modifications.
- Explore improvement in the implementation of the existing “low cost/no cost” mitigation policy.
- As new EMF related scientific data becomes available, new or revised Commission EMF mitigation policies.

# CPUC ROADMAP: September 2005

Next Steps		
<ul style="list-style-type: none"> <li>Possible workshops and/or evidentiary hearings to be scheduled.</li> </ul>		
Proceeding Overview		
Date	Actions Taken	Comments
Jan 28, 2005	Reply comments were submitted.	
Dec 31, 2004	Comments were submitted.	
Aug 24, 2004	Rulemaking was adopted.	

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## IV. TRANSMISSION PROCEEDINGS

### A. Transmission OII

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I.00-11-001	Peevey	TerKeurst		Elliott, Blanchard

What it Does		
<ol style="list-style-type: none"> <li>Examine transmission system needs throughout California, including consideration of transmission needs stemming from proposals associated with renewable sources and with other electric procurement.</li> <li>Phases 1 through 4 and 7 are complete; Phases 5, 6 and 8 in progress.</li> </ol>		
Next Steps		
<ul style="list-style-type: none"> <li>Proceeding to close in near future.</li> <li>Phase 5: Phase 5 issues are subsumed within new OII.05-06-041.</li> <li>Phase 6: Tehachapi Collaborative meeting September 19, 2005.</li> <li>Phase 8: Decision on July 21 agenda to adopt transmission cost adder method for 2005 RPS procurement cycle.</li> </ul>		
Proceeding Overview		
<ul style="list-style-type: none"> <li>Phase 5 – Economic Need Assessment Method / Path 26 Project.</li> </ul>		
Date	Actions Taken	Comments
June 30, 2005	OII.05-06-041 opened.	Phase 5 issues are subsumed in new OII, coordinated with A.05-04-015 Devers-PV2, to take evidence addressing methodologies for assessment of the economic benefits of transmission projects.

# CPUC ROADMAP: September 2005

Jul 15, 2004	Stakeholder meeting at which CAISO presented results of methodology applied to Path 26.	Meeting report issued July 19, comments on report submitted July 27, revised report due August 2, comments on revised report due August 9, 2004.
Jun 2, 2004	ISO filed testimony on Path 26 test of its Economic Need Assessment Method.	
Jan 28, 2004	Ruling regarding Scope and Schedule of Phase 5.	Adopts approach proposed by the ISO in its PHC statement, including monthly workshops with Commission staff and parties. The generic economic methodology should be applied to Path 26, and ISO is to file testimony by June 2, 2004, or earlier.
<ul style="list-style-type: none"> <li>Phase 6 – Tehachapi Wind Power Project.</li> </ul>		
Date	Actions Taken	Comments
Aug 15, 2005	Meeting of Tehachapi Collaborative Study Group.	Continue Fresno tie studies to 1200 MW flow. ISO to advise on Fresno tie assumptions and add a case for a Tehachapi-Midway line.
July 1, 2005	FERC ruled on Edison's Petition	Segments 1 and 2: Granted rolled-in rate treatment; Deferred an advance prudence determination; Allowed recovery of all prudent costs in case of abandonment; and for Segment 3: Denied all SCE's requests including rate roll-in.
June 28, 2005	Meeting of Tehachapi Collaborative Study Group	Agreement to add CAISO study simulations of significant wind generation with little transmission upgrade to Study Plan #2.
Apr 20, 2005	Reply comments were filed on Final report from the Tehachapi Collaborative Study Group.	A sub-group of the Tehachapi Collaborative Study Group is continuing the study to complete the planning described in the March 16, 2005, report. The estimated completion date for submittal of the Final Report is March 1, 2006
Apr 6, 2005	Comments were filed on Final report from the Tehachapi Collaborative Study Group.	Cost recovery is essential to IOUs but remains uncertain. The CPUC should support the Edison roll-in proposal at the FERC. There is little evidence now of demand by wind developers. Plan and build for real RPS projects now instead. Collector loop also needs study and planning. Adjust RPS schedule because 2010 is not assured for 4000 MW of wind online.
Mar 16, 2005	Tehachapi Collaborative Study Group report filed by SCE.	Comments due April 6, 2005, replies due April 20, 2005. Report calls for continued study with follow-up report due by December 31, 2005. A sub-group of the Tehachapi Collaborative Study Group is continuing the study to complete the planning described in the March 16, 2005, report. The estimated completion date for submittal of the final report is March 1, 2006.
Dec 9, 2004	SCE compliance filing of two CPCNs for Antelope transmission projects (previously named Tehachapi).	Compliance filing per D.04-06-010 and Oct 27, 2004 Ruling: 1) CPCN for Segment 1: Antelope-Pardee line with PEA. 2) two CPCNs without PEAs for: Seg. 2: Antelope to Vincent; and Seg. 3: Antelope to Tehachapi Substations 1 & 2.
Dec 5, 2004	Effective date of Edison Advice Letter 1833-E.	Establishes Memorandum Account (requiring prudence review) for recovery of Tehachapi-related costs not approved by FERC.
Nov 18, 2004	Imperial Valley Study Group (IVSG) Meeting at SDG&E.	D.04-06-010 called for renewable transmission planning Study Groups in areas other than Tehachapi; IVSG is the first to form. Also known as the Salton Sea Study Group its goal is a transmission plan to export 2000MWs of chiefly geothermal

# CPUC ROADMAP: September 2005

		power. The Imperial Irrigation District IID plans a major role in proposing transmission projects and alternatives.
Oct 21, 2004	Ruling was issued.	Directs Edison to comply with Ordering Paragraphs 8 and 9 of D.04-06-010 by filing two separate CPCN applications by December 9, 2004, as set forth.
Aug 30, 2004	California Appeals court nullifies CPUC interpretation of PU Code 399.25 requiring that utilities pay upfront costs of system upgrades required to connect new sources of renewable energy to the grid.	The CPUC filed a Petition for Rehearing on September 15, 2004.
Jun 9, 2004	The Commission issued D.04-06-010.	Directs a Study Group Collaborative to write and Edison to file in 9 months a Comprehensive Transmission Phased Development Plan for wind generation in the Tehachapi area. Directs Edison to file a CPCN for Phase 1 in 6 months.
<ul style="list-style-type: none"> <li>Phase 8 – Transmission Adders for RPS Procurement</li> </ul>		
Date	Actions Taken	Comments
Aug 22, 2005	TRCRs filed by Edison and SDG&E	
Aug 3, 2005	TRCR filed by PG&E	
July 21, 2005	D.05-07-040 issued.	PG&E and Edison and SDG&E to file annual Transmission Ranking Cost Reports (TRCRs) by August 22, 2005.
July 11, 2005	Comments filed	<p>CEERT – Withdraw and rewrite; or:  Include only transmission costs needed for feasible CAISO schedules; do not include costs needed to reduce congestion caused by all generators; Delete stmt that RPS bid ranking need not be linked to CAISO practices; Award credits to curtailed RPS generators comparable to DEC payments to IOUs; Prorate upgrade costs over all new generators benefiting.</p> <p>PG&amp;E – Full support of Draft.</p> <p>CalWEA – Direct SCE to assume that network benefits fo Antelope 1 and 2 cancel out their costs; Spread costs over all generators.</p> <p>SCE – Treat upgrade costs consistent with FERC / CAISO / IOU interconnection tariffs; Include operational integration costs such as reserves fo intermittent wind gen; Correct stmt that CAISO studies do not assume that new projects replace output from other generaton.</p>
June 21, 2005	Draft Decision mailed for Comment	Transmisison Ranking Cost Reports TRCRs to be filed 14 days from effective date of order. Issues of delivery outside IOU service territory and of curtailability are transferred to the procurement R.04-04-026.
May 27, 2005	Ruling	IOUs to request from RPS developers by June 10, 2005 data needed by transmission planners.
Apr 22, 2005	Reply comments on Workshop Report on Transmission Costs used in RPS Procurement were filed.	Same as Opening Comments
Apr 8, 2005	Comments on Workshop Report on Transmission Costs used in RPS Procurement were filed.	<p>TURN – Revise TRCR method. Replace adders.</p> <p>CEERT – Before 2005 RPS solicitation decide that RPS projects load first.</p> <p>CalWEA – Decide if/that RPS-related TRX is network, before</p>

# CPUC ROADMAP: September 2005

		<p>who should pay.                      Edison – No reduced deliverability. Resolve issues by contract, not CPUC order. Must ID both source and customer to avoid double counting.                      SDG&amp;E – Can’t decide issues yet. Work groups could study and maybe propose a Phase 2.                      PG&amp;E – Make current TRCR method permanent. Conditional “curtailability” OK.</p>
Mar 17, 2005	Ruling issued with attached Workshop Report on Transmission Costs used in RPS Procurement.	
Jan 20-21, 2005	Workshop at PUC with CEC Staff.	The workshop discussed issues related to the Transmission Ranking Cost Report (TRCR) component of the Renewables Portfolio Standard (RPS) program including coordinating efforts between the Commission, ISO, and FERC for transmission upgrades, developing transmission cost adders to be considered in RPS bid evaluations, and assignment of costs between developers and energy utilities. Staff will issue a TRCR whitepaper, incorporating party comments during the workshop.
Sep 10, 2004	Assigned Commissioner’s Ruling issued.	Adopts the Transmission Ranking Cost (TRC) Reports that the utilities filed for use in the 2004 RPS solicitations; schedules PHC Oct 1, 2004 to begin refining the transmission cost methodology for next year's RPS solicitations; and announcing that the service list will be updated for all 8 phases as of October 1, 2004.
Jun 9, 2004	The Commission issued D.04-06-013.	The Commission adopted guidelines for developing transmission cost adders for RPS bids in the first year of procurement beginning July 1, 2004.

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## B. Mission-Miguel

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.02-07-022		Malcolm		Elliott

<b>What it Does</b>		
The Commission granted a CPCN for the Mission-Miguel 230kV Transmission Line.		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>Construction Mitigation Monitoring continues toward a scheduled June 2006 completion.</li> </ul>		
<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>

# CPUC ROADMAP: September 2005

Mar 24, 2005	SDG&E sent letter to Energy Division director.	SDG&E stated that it plans to bring the temporary 230kV line into service two months ahead of schedule, i.e., in July instead of September 2005.
Mar 2005	Construction in progress and Mitigation Monitoring started.	Two mitigation variances on work hours due to bad weather were approved in March 2005.
Dec 16, 2004	Commission approved SDG&E's Petition to Modify D-04-07-026 for a temporary upgrade of a 69 kV line to 230 kV.	The temporary upgrade of 69kV line to 230kV starts from summer 2005 until new 230kV line is energized in 2006.
Jul 27, 2004	Mitigation Monitoring Agreement was approved.	Meets the requirement of the Ordering Paragraph in the Commission's approved decision, D.04-07-026.
Jul 8, 2004	The Commission adopted D.04-07-026, approving the CPCN.	The decision adopts a plan whereby existing lines are kept energized until new 138kV and 69kV lines are built on new parallel towers by summer 2005. Then re-construction of old towers starts for new 230kV that to be energized summer 2006. No cost cap was adopted because the revised estimate of \$31 million is below the \$50 million cost threshold for requiring a cap.
Feb 8, 2004	SDG&E filed a new CPCN for a 230 kV line from Miguel-Sycamore and Miguel-Old Town. They renamed the project as "Otay-Old Town."	This project was identified in November 2003 as Miguel-Mission 3, but applicant will terminate the 230 kV UG portion at "Old Town substation instead of Mission. There will be a new 230 kV circuit in the Miguel-Mission Right of Way.
Feb 27, 2003	The Commission adopted D.03-02-069.	The Commission found the project to be economical and in the public's interest, and should proceed to the environmental phase of a CPCN.

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## C. Jefferson-Martin

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.02-09-043		TerKeurst	Nataloni	Elliott, Blanchard

### What it Does

The Commission decided to grant a CPCN for the Jefferson-Martin 230kV Transmission Line Project.

### Next Steps

- Estimated construction completion by Summer 2006.
- This proceeding is closed, and construction and mitigation monitoring is underway.

### Proceeding Overview

Date	Actions Taken	Comments
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# CPUC ROADMAP: September 2005

Aug 19, 2004	The Commission adopted D.04-08-046.	
Jul 8, 2004	Route analysis completed per June 8 <sup>th</sup> Ruling.	
Nov 12, 2003	The EIR was finalized and published.	
Sep 30, 2002	PG&E filed A.02-09-043 for CPCN, including a Proponent's Environmental Assessment (PEA).	The project is estimated to cost \$175 million.

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## D. Otay-Mesa

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-03-008	Peevey	Brown	Nataloni	Elliott, Blanchard

### What it Does

The Commission decided to grant a CPCN for the Otay Mesa Power Purchase Agreement Transmission Line Project.

### Next Steps

- Construction and mitigation monitoring is now underway.
- Project under construction for an estimated June 2007 completion.

### Proceeding Overview

Date	Actions Taken	Comments
June 30, 2005	Commission approved Otay Mesa Project Decision 05-06-061	Project CPCN approved as proposed with design alternatives but not overhead single pole option Did overriding considerations for CEQA
May 27, 2005	ALJ issued proposed decision.	
May 20, 2005	Final EIR and Response to Comments were issued.	
Apr 16, 2005	Draft Environmental Impact Report comments were submitted.	
Mar 15, 2005	Public workshops held on DEIR.	
Mar 3, 2005	DEIR released for 45-day public review.	
Jan 21, 2005	Scoping memo issued by ALJ.	
Sep 29, 2004	Scoping Report released.	
Aug 3 – 4, 2004	Scoping meetings for EIR preparation were held in San Diego.	30-day scoping period from July 23 to August 23, 2004.
Jul 20, 2004	Application deemed complete by Energy Division staff.	

# CPUC ROADMAP: September 2005

May 13, 2004	Energy Division selected contractor for environmental document preparation.	
Mar 8, 2004	SDG&E file a new CPCN for a 230 kV line from Miguel-Sycamore and Miguel-Old Town.	This project was identified in November 2003 as Miguel-Mission 3, but applicant will terminate the 230 kV UG portion at "Old Town substation instead of Mission. There will be a new 230 kV circuit in the Miguel-Mission Right of Way reviewed under Miguel-Mission #2 EIR.

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## E. Antelope-Pardee (Tehachapi Phase 1: SCE Segment 1 of 3)

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-12-007	Gruneich	Halligan	Chaset	Boccio

### What it Does

The Commission will decide whether to grant a CPCN for the Antelope-Pardee 500 kV Transmission Line Project.

### Next Steps

- Develop format of the environmental document.
- Draft EIR anticipated release for public and agencies comment is October 2005.
- Anticipated release of final Draft EIR for Commission certification is March 2006.
- CEQA EIR preparation underway April 2005 through March 2006.
- Tehachapi Project Phase 1 Segment 1 (Antelope-Pardee) estimated date in service is December 2007.

### Proceeding Overview

Date	Actions Taken	Comments
Aug 22, 2005	Meeting held on analysis of alternatives.	Intensive alternative route analysis is underway, of routes crossing and circumventing the National Forest. Connecting Antelope to Vincent instead of Pardee is one alternative being considered.
July 14, 2005	Scoping meeting	
June 29, 2005	Scoping meeting	
	Begin analysis of alternative routes	
	Begin field studies	
Mar 21, 2005	Contract sent to consultant for signature.	
Feb 28, 2005	CEQA consultant selected.	
Feb 1, 2005	CEQA consultants interviewed.	
Dec 15, 2004	RFQ issued for CEQA consultants.	

# CPUC ROADMAP: September 2005

Dec 9, 2004	SCE filed a CPCN for the Antelope-Pardee 500 kV line project for the PPM Wind Farm development	
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## F. Antelope-Tehachapi-Vincent 500 kV Line (Tehachapi Phase 1: SCE Segments 2 and 3)

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A 04-12-008	Grueneich	Halligan	Chaset	Barnsdale

### What it Does

The Commission will decide whether to grant a CPCN for the Antelope-Tehachapi-Vincent 500 kV Transmission Line Project for Tehachapi Wind Farm development.

### Next Steps

- CEQA EIR preparation will start after SCE completes the PEA which is scheduled for September 2005.
- Anticipated release of Draft Environmental Impact Report (DEIR) is September 2006.
- Tehachapi Project Segment 2 (Antelope-Vincent) estimated date in service is June 2009.

### Proceeding Overview

Date	Actions Taken	Comments
July 2005	RFQ issued for CEQA consultant.	
Mar 2005	The staff is preparing the RFQ for a CEQA consultant.	

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## G. Devers-Palo Verde #2 Transmission Project

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A 05-04-015	Grueneich	TerKeurst	Nataloni/Lee	Blanchard

### What it Does

The commission will decide whether to grant a CPCN for the Devers-Palo Verde #2 transmission project.

# CPUC ROADMAP: September 2005

<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>• NOP 30 day scoping period estimated to be October – November 2005 for EIR/EIS.</li> <li>• The Energy Division CEQA unit will deem application complete after PEA deficiency reviews. This is estimated to be September, 2005.</li> </ul>		
<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
August 26, 2005	Scoping Memo sent to service list for A05-04-015 & OII 05-06-041	
Aug. 25, 2005	CPUC sends 3 <sup>rd</sup> completeness letter to SCE	
July 25, 2005	CPUC sends second deficiency letter to SCE	
July 20, 2005	Joint Pre-Hearing Conference held on A05-04-015 & OII 05-06-041	
July 12, 2005	SCE submitted Responses to CPUC deficiency comments	
May 11, 2005	CPUC submitted deficiency comments to SCE on PEA	
Apr 11, 2005	Application was filed at Commission.	

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## H. Economic Assessment Methodology OII

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I. 05-06-041	Grueneich	TerKeurst		Elliott

<b>What it Does</b>		
<p>The commission will decide what methods are appropriate to determine the economic benefits of a proposed transmission project.</p>		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>• Joint workshop with DVP2 set for September 14-15, 2005.</li> </ul>		
<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
August 26, 2005	Scoping Memo sent to service list for A05-04-015 & OII 05-06-041	General inquiry is enhanced by applying principles to the DPV2 project. Workshop report 9-29-05 followed by ALJ Ruling 10-27-

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		05 on scope of hearings. Phase 1 Hearings set for January 2006 (Phase 2 hearings to be exclusively on DPV2 issues). Decision set for June 2006.
July 20, 2005	Joint Pre-Hearing Conference held on A05-04-015 & OII 05-06-041	
June 30, 2005	Proceeding opened	Coordinated with A05-04-015 Devers-PV2, to take evidence addressing methodologies for assessment of the economic benefits of transmission projects.

## V. OTHER ISSUES

### A. Qualifying Facilities (QFs)

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
R.99-11-022		DeBerry		McCartney
R.04-04-003	Peevey	Wetzell, Brown, Gottstein		McCartney

### What it Does

- R.99-11-022:** Address the issue remanded by the September 2002 LA Court of Appeals order: The Commission must determine whether "SRAC prices [were or were not] correct for the period of December 2000 through March of 2001." QFs contend that prices were correct during the remand period and no retroactive adjustments are necessary. However, the utilities and two consumer groups contend that QFs were overpaid during the remand period, based on FERC's revised market prices.

**R.99-11-022:** Previously considered proposed changes to Edison's IER/O&M Adder. Note: An old proposed decision on this issue may be issued for comment in January 2005, but it may now be more appropriate to consider these issues in the Avoided Cost Rulemaking, R.04-04-025.
- R.04-04-003:** Formulate long-term QF policy in the procurement rulemaking.
- R.04-04-025:** Formulate QF pricing policies and "...promote consistency in methodology and input assumptions in Commission applications of short-run and long-run avoided costs...."

### Next Steps

- R.99-11-022:** ALJ currently evaluating responses to the June 2004 ruling which requested more information on actual utility avoided cost during the remand period. However, more information may have to be obtained from parties prior to the preparation of a draft decision on the Remand issues from LA Court of Appeals.
- Germaine to R.04-04-003, R.04-04-025:** Monitor New Court Case – SCE is again challenging a Commission decision in the LA Court of Appeals.<sup>1</sup> SCE is seeking review of Commission decisions D.03-12-062, D.04-01-050, and D.04-07-037 on the grounds that the Commission unlawfully ordered SCE to extend certain QF contracts by entering into SO1 contracts at current SRAC prices. SCE contends that the Commission cannot and should not order such extensions without first determining that prices do not exceed avoided cost.

<sup>1</sup> LA Court of Appeals Case No. B177138

[http://appellatecases.courtinfo.ca.gov/search/mainCaseScreen.cfm?dist=2&doc\\_id=176229&rc=3](http://appellatecases.courtinfo.ca.gov/search/mainCaseScreen.cfm?dist=2&doc_id=176229&rc=3)

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<i>Proceeding Overview</i>		
Date	Actions Taken	Comments
Jan 24, 2005	Joint Pre-hearing conference was held for R.04-04-025 and R.04-04-003.	Primary purpose was to (1) coordinate consideration of QF pricing issues in R.04-04-025 with long-term policy issues for expiring QF contracts in R.04-04-003, and (2) discuss outstanding QF data requests to the utilities.
Jan 21, 2005	Joint Ruling in R.04-04-025 and R.99-11-022.	Joint ruling on Short Run Avoided Cost Pricing for QFs. All comments, briefs, etc. submitted on the remanded issue and PG&E's petition for modification of D01-03-067, filed 12/15/04, will remain in R.99-11-022. Moves SRAC pricing issues into R.04-04-025.
Dec 8, 2004	Comments on Proposals re: Long-Term Policy for Expiring QF Contracts in R.04-04-003.	Twelve sets of Comments were filed on the Nov 10, 2004 proposals: CAC/EPUC, CBEA/CalWEA, CCC, County of Los Angeles, GPI, IEP, ORA, PG&E, SCE, SDG&E, and TURN.
Nov 10, 2004	Proposals filed re policy on Long-Term Policy for Expiring QF Contracts, in R.04-04-003.	Proposals filed on long-term policy options for expiring QF contracts. Ten sets of proposals were filed by CAC/EPUC, CAISO, CBEA/CLGC, CCC, County of Los Angeles, Modesto Irrigation District, ORA, PG&E, SCE, and SDG&E.
Aug 11, 2004	SCE appeals QF issues in these R.01-10-024 decisions: D.03-12-062, D.04-01-050, D.04-07-037.	SCE is seeking review of Commission decisions D.03-12-062, D.04-01-050, and D.04-07-037 on the grounds that the Commission unlawfully ordered SCE to extend certain QF contracts by entering into SO1 contracts at current SRAC prices. SCE contends that the Commission cannot and should not order such extensions without first determining that prices do not exceed avoided cost. Case No. B177138. CPUC Legal Division is active in this court case.  This is the second appeals case filed by SCE in the LA Court of Appeals on QF issues in the last two years. The previous case, in filed in 2002, concerned QF pricing during the 2000-2001 energy crisis.
Jul 29, 2004	CCC filed response to PG&E, SCE and SDG&E's filings, in R.99-11-022.	CCC contends that the IOUs did not present an accurate picture of energy prices during the subject period. Filings are under review. ALJ will determine next steps.
Jul 15, 2004	CCC request to comment, in R.99-11-022.	CCC requested an opportunity to comment on the July 6 <sup>th</sup> and 13 <sup>th</sup> utility filings and ALJ granted.
Jun 23, 2004	ALJ Ruling issued, in R.99-11-022.	The "ruling directs energy utilities to provide the actual purchased energy costs for the period December 2000 though April 2001, a period that includes the Remand Period."
Apr 22, 2004	R.04-04-025 issued by the Commission.	"Order Instituting Rulemaking to Promote Consistency in Methodology and Input Assumptions in Commission Applications of Short-run and Long-run Avoided Costs, Including Pricing for Qualifying Facilities." For detailed next steps in R.04-04-025, see the "Avoided Cost / QF Pricing Rulemaking" section of this Energy Roadmap document.
Mar 17, 2004	In R.99-11-022, reply comments were submitted regarding SRAC prices paid.	PG&E, SCE, and San Diego were directed to provide average monthly purchased energy prices paid for December 2000, January 2001, February 2001, March 2001, and April 2001.
Feb 17, 2004	In R.99-11-022, comments were	PG&E/ORa/TURN (Jointly), CAC, CalWEA, CCC, IEP, and SCE

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	submitted.	filed comments regarding SRAC prices paid during the remand period of December 2000 through March 2001.
Jan 22, 2004	D.04-01-050 issued in the procurement rulemaking, R.01-10-024.	<ul style="list-style-type: none"> <li>• Existing QFs have three contracting options: <ul style="list-style-type: none"> <li>➤ voluntary QF participation in utility competitive bidding processes;</li> <li>➤ renegotiation by the QF and the utility on a case-by-case basis of contract terms; and</li> <li>➤ five-year SO1 contracts with the understanding that appropriate revisions by the Commission to the QF pricing methodology will flow through to the renewed contracts.</li> </ul> </li> <li>• New QFs may seek to negotiate contracts with utilities under the following circumstances: <ul style="list-style-type: none"> <li>➤ voluntary QF participation in utility competitive bidding processes;</li> <li>➤ renegotiation by the QF and the utility on a case-by-case basis of contract terms that explicitly take into account the utility's actual power needs, and that do not require the utility to take or pay for power that it does not need.</li> </ul> </li> </ul>
Nov 7, 2003	Prehearing conference held on LA Court of Appeals order, in R.99-11-022.	At the PHC, ALJ DeBerry called for Comments to be filed on February 2, 2004, and Reply Comments on March 2, 2004 to address the issue of whether "SRAC prices were correct for the period of December 2000 through March of 2001." QFs contend they were underpaid during this remand period because IER and O&M Adder values in the SRAC formula were too low relative to these corresponding market values as determined by FERC.
Sep 4, 2002	The Second LA Court of Appeals issued a decision <sup>2</sup> in B155748, et.al.	The decision held that, PUC "Decision Nos. 01-03-067, 01-12-028 and 02-02-028 are affirmed except to the extent that the Commission declined [failed] to consider whether the SRAC should be applied retroactively [to the December 2000 through March 2001 period]. That portion of those Decisions is annulled. The matter is remanded back to the Commission for proceedings consistent with this opinion." Petitions for review were denied November 26, 2002. ALJ DeBerry is drafting a ruling on the remand.

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## B. Border Price Spike Investigation (Border Price OII)

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I.02-11-040		TerKeurst, Thomas		Loewen

### What it Does

1. Determine whether utilities' actions were responsible for natural gas price spikes at the California border during 2000-2001.
2. This investigation is divided into two phases—the first phase will address actions by the Sempra utilities (SDG&E and SoCalGas) and their unregulated affiliates. The first phase is further divided – Phase IA deals with the regulated

<sup>2</sup> Remand Order: <http://www.courtinfo.ca.gov/opinions/archive/B155748.DOC>  
<http://www.courtinfo.ca.gov/opinions/archive/B155748.PDF>.

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Sempra utilities and Phase IB deals with unregulated Sempra utilities.

## Next Steps

- Awaiting final disposition of Phase IA (Sempra regulated utilities), which is not yet completed despite the December 16, 2004 vote rejecting the proposed decision.
- Phase IB (Sempra unregulated affiliates) has begun.

## Proceeding Overview

Date	Actions Taken	Comments
Dec 16, 2004	The Commission voted down the proposed decision.	Some commissioners found no evidence of utility wrong-doing. No alternate was voted on.
Nov 16, 2004	ALJ filed a proposed decision (PD) finding SoCalGas guilty of wrong-doing.	The PD stated that the company knowingly and deliberately made excessive Hub loans in summer 2000 for repayment in December 2000 to spike the gas market in the latter month. Combined with hedges the company entered into, this allowed the utility to make illicit profits.
Sep 30, 2004	Sempra Energy Trading filed Complaint in Northern California District, US Court against the PUC.	The Complaint basically seeks to prevent discovery in I.02-11-040 directed to Sempra Energy Trading.
Aug 13, 2004	Opening briefs were filed.	SCE argues that SoCal possessed market power and abused it, to benefit its shareholders. SoCal argues that its behavior during the subject period was legal, sanctioned, and exemplary. ORA sides with SoCal, finding all of its actions reasonable and benefiting core customers. PG&E argues that its commodity PBR mechanism is superior to SoCal's commodity PBR mechanism, but does not claim that faults with the mechanism led SoCal to perverse outcomes.
Jun 28 – Jul 16, 2004	Phase IA hearings for Sempra utilities were held.	
Mar 10, 2004	ALJ Ruling bifurcates Phase I between regulated utilities and utilities' unregulated affiliates.	
Dec 10, 2003	SCE submitted testimony.	Testimony asserts that SCG had a role in causing 2000-2001 price spikes.
Oct 1, 2003	SoCalGas and SDG&E filed additional testimony analyzing the impact of SoCalGas' Cost Incentive Mechanism and SDG&E's Gas PBR, and comparing these to PG&E's Core Procurement Incentive Mechanism.	The testimony concluded that the mechanisms were substantially similar, and also concluded that differences in actions and results between northern and southern California were mostly due to differences in "core assets", i.e., pipeline and storage capacity.
Jun 11, 2003	Initial testimony submitted.	

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## C. SES Proposed Port of Long Beach LNG Terminal Investigation

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I.04-04-024	Brown	Allen, Malcolm	Morris	Phelps, Effross

### What it Does

Investigation into Sound Energy Solutions (SES) proposal to construct and operate a liquefied natural gas (LNG) terminal at the Port of Long Beach (POLB).

### Next Steps

- Opening testimony (except issues relating to market impacts) due Oct 28, 2005.
- Public participation hearings are scheduled for Nov 7 and 8, in Long Beach and Wilmington, respectively.
- Reply testimony (except issues relating to market impacts) due Nov 8, 2005.
- Rebuttal testimony due Nov 22, 2005.
- Evidentiary hearings scheduled for Dec 1-13, 2005 (mostly in San Francisco).
- Opening briefs due Jan 23, 2005.
- Reply briefs due Feb 8, 2005.
- Proposed decision (on all issues except market impacts) anticipated in April 2006.
- Review of market impacts – TBD.

### Proceeding Overview

Date	Actions Taken	Comments
Jun 13, 2005	ALJ Ruling was issued.	Ruling revised the procedural schedule and the public participation hearings schedule based on the assumption that the DEIR/DEIS will be issued in early Fall 2005. Ruling also denied SES May 10 <sup>th</sup> motion.
May 10, 2005	SES Motion for Modification of Ruling regarding Hearings.	Motion moves for modification of the ALJ's March 22, 2005 ruling establishing a procedural schedule that anticipates holding public participation hearings in July 2005 and evidentiary hearings in Aug 2005. Motion states the Commission should suspend the procedural schedule until the release of the DEIR/DEIS and action by the Ninth Circuit Court of Appeals on the jurisdictional dispute between the Commission and the FERC regarding the SES facility.
Mar 22, 2005	ALJ Ruling was issued.	Procedural schedule set.
Feb 2, 2005	Order removed this OII from the Calendar and cancelled hearings.	Hearings that were set for March 10, 2005 in Long Beach and March 11, 2005 in Wilmington have been cancelled.
Jan 17, 2005	California's Court of Appeal granted SES' Motion to Stay and Hold in Abeyance.	Court of Appeal of the State of California held Petition for Writ of Review in abeyance pending further order by the Court.

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Dec 1, 2004	SES filed Motion of Petitioner to Stay and Hold in Abeyance in the Second Appellate District in the Court of Appeal of the State of California.	Petitioner SES moves to stay further action on its Petition for Writ of Review, filed contemporaneously, and to hold this appeal in abeyance pending the resolution of a related case before the United States Court of Appeals, Ninth Circuit ( <i>Californians for Renewable Energy, Inc. v. Federal Energy Regulatory Commission</i> , No. 04-73650; <i>California Public Utilities Commission v. Federal Energy Regulatory Commission</i> , No. 04-75240.)
Dec 1, 2004	SES filed Petition for Writ of Review in the Second Appellate District in the Court of Appeal of the State of California.	The issue presented to the Court is whether the CPUC may alter the dedication requirement as set forth by the Supreme Court in <i>Richfield Oil Corp. v. CPUC</i> (1960) 54 Cal. 2d 419, by holding that liquefied natural gas (LNG) import terminal facilities reserved for the exclusive use of the terminal's owner can be found to have been dedicated to public use through a subsequent deregulated sale of the natural gas commodity at a downstream location.
Oct 28, 2004	The Commission issued D.04-10-039 denying SES's Request for Rehearing.	SES is a "public utility" under California law as it is holding itself out to provide service to the public. SES's proposed facilities are not in foreign commerce, but are intrastate facilities and thus not exempt from regulation pursuant to Public Utilities Code § 202. It is not premature for the Commission to investigate the proposal or to order SES to file for a CPC&N if it commences construction of its proposed LNG terminal. The Legislature did not explicitly repeal CPUC Jurisdiction over the siting of LNG Terminals by repealing the LNG Terminal Act, as the CPUC's Jurisdiction is derived from other sections of the Public Utilities Code.
Apr 22, 2004	Commission orders SES to file an application for a certificate of public convenience and necessity (CPCN) if it intends to pursue project construction.	Investigation opened to promote public safety and California's environmental welfare, consistent with state and federal law. OII mailed on April 27, 2004.

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## D. Sempra Affiliate Investigation

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I.03-02-033	Brown	TerKeurst	Edson	Fulcher

### What it Does

1. This proceeding investigates whether Sempra's utilities have violated the Affiliate Transaction Rules. Such actions would use the utilities' market power to benefit other Sempra units to the detriment of utility customers.
2. The Energy Division staff will have two audits performed for this investigation. The first audit will investigate allegations that Sempra has violated these rules since their inception in 1997. The second audit will review overall compliance with the rules during 2003.

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Next Steps		
<ul style="list-style-type: none"> <li>Draft report due late October, 2005</li> </ul>		
Proceeding Overview		
Date	Actions Taken	Comments
Apr 25, 2005	ED sent letter to Sempra requiring faster response to data requests.	Auditor had complained about slow response to its data requests.
Dec 2004	Sempra provided responses to the initial data requests.	The first project update was submitted to the CPUC.
Nov 2004	DGS approved the contract and work has begun by GDS. Initial data requests have been issued to Sempra.	An initial meeting with GDS, Sempra, and the Energy Division project manager was held. The initial data requests were submitted to Sempra.
Jul 2004	Contract office has negotiated contract with GDS. Signed contract expected to be submitted end of July.	Energy Division staff will work with GDS to ensure that the audits will be performed and that they will satisfy the requirements of the OII. The staff continues to assert that the contractor underestimated the requirements of the project, but the contractor understands that he will be required to provide the necessary labor and product even if it exceeds his bid.
Sep 18, 2003	The Commission issued D.03-09-070, in response to a Sempra Petition to Modify (and to others' responses).	D.03-09-070 "deconsolidated" this proceeding from the Border Gas Price OII (I.02-11-040). The decision ordered an audit of Sempra "to assess the potential for conflicts between the interests of Sempra and the interests of the regulated utilities and their ratepayers, and to examine whether business activities undertaken by the utilities and/or their holding company and affiliates pose potential problems or unjust or unreasonable impacts on utility customers." The audit is to be performed through contract issued and monitored by Energy Division staff. This revised Opinion adds additional conflict of interest language, to ensure that applicants for this audit have had no recent dealings with either of the Sempra utilities.

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## E. 206 Complaint Case / DWR Contract Renegotiation

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
EL02-60 (FERC)			Bromson	Chatterjee

What it Does
<ol style="list-style-type: none"> <li>Argue that some of the long-term DWR contracts are unlawful, and try to gain concessions from counterparties.</li> <li>The California State Auditor issued a report on the effects of the renegotiated contracts on California energy markets, which can be found at: <a href="http://www.bsa.ca.gov/bsa/pdfs/2002-009.pdf">http://www.bsa.ca.gov/bsa/pdfs/2002-009.pdf</a></li> <li>The Complaint has been dropped for sellers that have renegotiated their contracts. The El Paso contract was one of</li> </ol>

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the remaining contracts until it was renegotiated under global settlement in March 2003. CDWR renegotiated long-term contracts can be found at: <http://wwwceers.water.ca.gov/newContracts.html>

## Next Steps

- Awaiting a decision from the Federal Court of Appeals Ninth Circuit.

## Proceeding Overview

Date	Actions Taken	Comments
Dec 8, 2004	Appeal of FERC's denial of the CPUC Section 206 Complaint under the Federal Power Act took place in the Federal Court of Appeals Ninth Circuit.	
Sep 22, 2004	In the US Court of Appeals (Ninth Circuit) the consolidated case number for the CPUC v. FERC is 03-74207 and CEOB v. FERC is 03-74-246. CPUC/CEOB filed a joint reply brief.	Reply brief included that FERC's refusal to consider the justness and reasonableness of the rates in its review was pure legal error; the FERC granting market-based rate authority does not mean that these contract rates were determined to be just and reasonable; FERC staff report established more that a "correlation" between the dysfunctional spot market and the long-term contract market; and Petitioners should not be treated as Parties to the contracts.
Mar 22, 2004	CPUC/EOB filed to the US Court of Appeals (Ninth Circuit) seeking a review of FERC's November decision and the legal standards used in refusing to set aside or modify long-term contracts (Coral, Dynegy, Mirant, Sempra and Pacificorp).	The appeal contests that FERC may have erred in concluding that the Federal Power Act permits the public to bear unjust and unreasonable contract rates.
Nov 10, 2003	FERC Order denied California parties' complaint.	FERC did not rule on whether California spot market adversely affected the DWR long-term contracts instead said that the petitioners did not have sufficient basis for modifying the contracts.
Mar 26, 2003	FERC released <i>Final Report on Price Manipulation in Western Markets</i> .	The report concludes that market dysfunction in the short-term market affected the long-term contracts. The spot power prices correlate with long-term contract prices, especially in one to two year contracts. The analysis will be used to inform the ongoing proceeding. No order was issued and FERC action is pending.
Feb 25, 2002	CPUC and EOB filed Section 206 Complaint at FERC.	The Complaint alleged that certain long-term contracts between sellers and CDWR were unlawful due to price and non-price terms and conditions.

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## F. San Diego Gas & Electric building lease

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-05-008	Brown	Prestidge	none	Monson

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<b>What it Does</b>		
SDG&E would lease a portion of one of its building to another firm.		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>Set pre-hearing conference.</li> </ul>		
<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
May 6, 2005	Application filed.	

## VI. PETROLEUM PIPELINE PROCEEDINGS

*The following proceedings will address the various requests by petroleum pipeline companies for Commission authority to revise rates, sell petroleum pipeline assets to other companies, or take other actions.*

### A. SFPP (Kinder Morgan Petroleum Pipeline Subsidiary) Cost of Service Review

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.03-02-027	Peevey	Long	none	Monson

<b>What it Does</b>		
<ol style="list-style-type: none"> <li>Determines appropriate rate increase to offset additional cost of electric power.</li> <li>Sets return on equity.</li> <li>Determines appropriate rate base and expense levels.</li> </ol>		
<b>Next Steps</b>		
<ul style="list-style-type: none"> <li>Proposed decision forthcoming.</li> </ul>		
<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Feb 27, 2004	Reply briefs were filed.	
Jan 30, 2004	Opening briefs were submitted.	
Dec 9 - 12, 2003	Evidentiary hearings were held.	

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Sep 19, 2003	ALJ issued a Scoping Memo setting hearing dates, and allowing SFPP to update its showing on market-based rates.	Major issues include: <ul style="list-style-type: none"> <li>• return on equity far above that for any other utility under California jurisdiction; and</li> <li>• cost of dismantlement, removal, and restoration of facilities (under certain conditions) to be included in rates.</li> </ul>
Feb 21, 2003	Kinder Morgan petroleum pipeline subsidiary filed A.03-02-027, requesting a cost of service review.	This proceeding could set the means of regulating petroleum pipelines.

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## B. Pacific Terminals Asset Disposition

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-06-015	Unassigned	DeBerry	none	Monson

### What it Does

Decide whether Pacific Terminals should be allowed to remove oil storage and transportation facilities.

### Next Steps

- Complete hearings

### Proceeding Overview

Date	Actions Taken	Comments
February 24, 2005	D.05-02-044 authorized LB Pacific to acquire Pacific Pipeline System LLC	
Aug 2, 2005	Applicant ordered to provide CEQA information to Commission.	

## C. Pacific Terminals Asset Sale

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-01-003	Brown	Walker		Monson

### What it Does

The Commission will decide on whether to allow Pacific Terminals to sell its Meadowlark property in Huntington Beach.

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## Next Steps

- Final decision.

## Proceeding Overview

Date	Actions Taken	Comments
Mar 1, 2005	Draft decision mailed for comment.	
Jan 6, 2005	The application was filed.	Pacific Terminals has not yet offered the property for sale.

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### D. SFPP's North Bay Expansion

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-11-017		Long	None	Monson

## What it Does

SFPP increased its rates for its North Bay Expansion on December 15, 2004. The Commission will decide on whether to allow SFPP to continue with those increased rates.

## Next Steps

- Issue a draft decision

## Proceeding Overview

Date	Actions Taken	Comments
Nov 9, 2004	Application was filed.	Issues brought up in A.03-02-027, SFPP's cost of service, will be addressed in this proceeding.

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### E. ConocoPhillips and Union Pipeline Merger

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-11-001	Peevey	Long	None	Monson

## What it Does

The Commission will decide whether to grant ConocoPhillips Pipeline and Union Pipeline's request to merge Union into ConocoPhillips.

# CPUC ROADMAP: September 2005

Next Steps		
<ul style="list-style-type: none"> <li>Draft decision.</li> </ul>		
Proceeding Overview		
Date	Actions Taken	Comments
Jan 27, 2005	Decision was issued by Commission	Decision authorized the merger.
Nov 1, 2004	Application was filed.	

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## F. Mobile Pacific Pipeline

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-09-015				Monson

What it Does		
The Commission will decide whether to allow Mobil Pacific Pipeline company to de-certify a pipeline.		
Next Steps		
<ul style="list-style-type: none"> <li>Pre-hearing conference to be scheduled.</li> </ul>		
Proceeding Overview		
Date	Actions Taken	Comments
Sep 14, 2004	Application was filed.	

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## G. Crimson California Pipeline

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.04-06-002	Kennedy	Barnett	None	Monson

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## What it Does

The Commission will decide whether to allow Crimson California Pipeline, LP, to purchase Shell California Pipeline, LP.

## Next Steps

- Pre-hearing conference to be scheduled.

## Proceeding Overview

Date	Actions Taken	Comments
Apr 7, 2005	D.05-04-006 issued by Commission	Decision authorizes Crimson's purchase of Shell California's assets.
Mar 23, 2005	Draft Decision issued	
Jun 9, 2004	Application was filed.	

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## H. San Pablo Bay Pipeline

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.00-12-008	Kennedy	Patrick	none	Monson

## What it Does

The Commission will decide whether to allow San Pablo Bay Pipeline Company to own and operate the Richmond-to-Pittsburg Fuel Oil Pipeline and the Hercules Pump Station as a common carrier pipeline pursuant to PU Code Sections 216 and 228.

## Next Steps

Issue draft decision by August, 2005

## Proceeding Overview

Date	Actions Taken	Comments
Mar 16, 2005	Ruling issued	Parties are authorized to file briefs.
Dec 12, 2000	Application was filed.	

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## I. ARCO Products Company vs. SFPP

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
C.00-04-013	Peevey	Brown		Monson

### What it Does

The Commission will decide whether ARCO Products Company's (a division of Atlantic Richfield and Mobil Oil) claim against SFPP for unjust and reasonable rates has merit, and if so, how to deal with the ratemaking implications.

### Next Steps

- Draft decision.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 30, 2004	Briefs filed by parties.	
Apr 2000	Complaint was filed.	

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## J. SFPP Intrastate Transportation Rates

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.00-03-044	Peevey	Long		Monson

### What it Does

The Commission will decide whether Arco Products Company's (a division of Atlantic Richfield and Mobil Oil) can justify its rates based on market factors.

### Next Steps

- Draft decision.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 30, 2004	Briefs filed by parties.	
Mar 2000	Application was filed.	

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## K. *ARCO, Mobil Oil and Texaco vs. SFPP*

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
C.97-04-025	Peevey	Long		Monson

### What it Does

The Commission will make a decision regarding ARCO Products Company, Mobil Oil Corporation, and Texaco Refining and Marketing's allegation against SFPP regarding a violation of Public Utilities Code Section 451, by charging rates that are not just and reasonable for the intrastate transportation of refined petroleum products.

### Next Steps

- Draft decision.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 30, 2004	Briefs filed by parties.	
Apr 1997	Complaint was filed.	

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## L. *Pacific Pipeline System LLC*

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-05-002	Brown	Prestidge	none	Monson

### What it Does

The Commission will whether Pacific Pipeline can increase its rates by \$0.10/bbl to pay for extraordinary winter damage.

### Next Steps

- Draft decision.

### Proceeding Overview

Date	Actions Taken	Comments
July 21, 2005	D.05-07-036 issued.	This decision grants the surcharge.
May 4, 2005	Application filed	

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## TELECOMMUNICATIONS

### I. AT THE TOP OF THE NEWS

#### A. *SBC & ATT file their merger application*

On February 28, 2005, SBC and AT&T (applicants) filed A.05-02-027 requesting authorization from the CPUC to merge operations. If approved the application would transfer control of ATT California and TCG affiliates to the SBC holding company. In response to an Assigned Commissioner's ruling (ACR), the applicants filed a supplemental application on March 30<sup>th</sup> with additional information covering Section 854 (b) and (c) merger filing requirements. Fifteen protests were filed on the merger application on April 15<sup>th</sup>. To date, a Prehearing Conference has taken place and a scoping memo has been issued. Public Participation Hearings were held throughout California in June.

#### B. *Verizon & MCI merger*

Public Participation Hearings were held August 15 through 18, 2005, in Whittier, Long Beach and San Bernardino. The hearings were generally well attended with at least thirty people in attendance at all hearings. Ninety-five percent, or 211, of the speakers were in favor of the merger and/or Verizon. Five percent or twelve speakers were opposed to the merger and/or Verizon or MCI. Intervenor testimony was filed August 15.

#### C. *Electronic Access to Telco Carrier Tariffs Established*

The Carrier Branch has launched a pilot system to store copies of telecommunications utility tariffs on a PUC file server. New programming envisioned and requested by staff and created by IMSD has enabled staff to look up tariff documents submitted by any company and read the document, print part or all of the document, or save a copy on their own hard drives. The system was up and running as of June 2005 with the complete Pacific Bell tariff (as of June 2, 2005), which consists of 71 files comprising a total 64 MB. Pacific will continue to provide new tariff files at the beginning of each month which TD support staff will upload to the server and provide a link. Staff is working on expanding the monthly tariff submittals to include Verizon, AT&T, SureWest, and TGI soon. By the end of the year all remaining carriers will be required to submit complete tariff copies either semi-annually or annually depending on the number of advice letters filed each year.

With IMSD, staff is exploring ways to make this information securely and seamlessly available for public access. The goal is to make this information instantly available to the public with greatly reduced labor costs to the PUC.

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## D. *Broadband over Power Line OIR*

An OIR initiating a proceeding to encourage the deployment of Broadband over Power Line (BPL) technology in California was on the Commission's August 25<sup>th</sup> agenda. The matter was held but now appears on the Commission's September 8<sup>th</sup> meeting agenda.

## E. *Classification of DSL Service*

On August 5, 2005, the FCC issued an order reclassifying DSL as an information service and removing many regulatory obligations previously applicable to ILEC providers of DSL service. The order also eliminates ILECs' line-sharing unbundling obligations, but gives CLECs one-year to negotiate commercial line-sharing agreements with the ILECs.

## II. CURRENT PROCEEDINGS

Tier I:

### A. *Implementation of FCC's Lifeline/Link-Up Order: Universal Lifeline Telephone Service Eligibility Certification*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R. 04-12-001	Peevey	Jones	Dumas	A. Young, G.Carlin, M. Coen, K.Feizi, H. Mirza
Next Milestone: <i>Workshop on the new ULTS eligibility (April 20, 2005)..</i>				

In April 2004, the FCC issued Order and Report FCC No. 04-87 requiring all states to document customers' income qualification for their income-based Lifeline/Link-Up programs. At the present time, the California ULTS program, which is based on income eligibility, allows participants to self-certify their income, with no process in place for documentation of customers' incomes. In order to comply with the FCC's order and to preserve the \$330 million annual support from the federal Lifeline/Link-Up programs, on December 2, 2004, the Commission issued R.04-12-001 to implement the FCC Order. Staff anticipates that the Commission will adopt a decision in April 2005 and TD will be directed to implement the Commission order. Depending on that decision, staff anticipates the following tasks:

- Convening a working group with industry representatives to address revising General Order 153 Administrative Procedures for the administration of ULTS.
- Issuing an invitation for bid or request for proposal for the role of certifying agent.
- Sponsoring a resolution adopting revised GO 153 and approving the certifying agent contract.
- Submitting the Commission approved certifying agent contract to Department of General Services for approval.
- Managing the certifying agent contract.
- Monitoring carriers' compliance with the Commission order.
- Updating ULTS Call Center and Outreach contractors on new eligibility criteria.

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## B. *UNE (Unbundled Network Element) Pricing*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.93-04-003	Peevey, Brown	Duda		Banuelos, Lakritz, King
Next Milestones: Rebuttal comments due April 1, motions for hearings due April 15, 2005.				

Two separate proceedings, collectively known as the “UNE Reexamination,” were initiated to reexamine certain prices that SBC and Verizon charge competitors who purchase “unbundled network elements” (UNEs). By purchasing UNEs, competitors are able to use portions of these incumbents’ networks to offer competitive local exchange services. The primary UNE is the copper twisted wire pair or “loop” that provides the “last mile” connection to a customer’s premise. When a CLEC purchases an incumbent’s UNE loop plus its switching services, it is termed a “UNE platform” or UNE-P.

### SBC

The SBC-CA unbundled network element (UNE) pricing re-examination proceeding (A.01-02-024, A.01-02-035) began as a product of the Open Access and Network Architecture Development (OANAD) proceeding in which parties were allowed to nominate two UNEs per year for price changes, provided they could justify a 20% increase or decrease in cost. The SBC-CA UNE re-examination reviewed monthly rates for Switching (local and tandem), Interoffice Transport (DS0, DS1, DS3), and the local loop. TD staff ran parties’ competing models to determine costs based on ALJ and Commissioner input requests.

- On September 23, 2004, in D.04-09-063, the Commission increased rates for the UNE loop and the UNE-P: \$11.93 and \$16.53, respectively, up from the previous rates of \$9.82 and \$13.93, respectively. New rates for other UNEs are listed in the Appendixes to that decision.
- On October 18, the ALJ issued a ruling to resolve how the parties will pay “true-up” amounts. The “true-up” amounts are the difference between the interim rates already paid and the new rates, and parties must now compensate each other as if the new rates had been in effect during the interim period. SBC filed its calculations of the amounts owed between the parties on October 22, 2004.
- On November 1, 2004 SBC filed (1) its proposal to Payment of true-up amounts, including any payment options it is offering, (2) criteria the Commission should use to determine if carriers will be competitively harmed or undergo a financial hardship, (3) how to resolve disputes over true-up calculations, and (4) whether the true-up calculations should incorporate any adjustment to the shared and common cost markup and how that would be calculated.
- On December 28, 2004, the ALJ mailed a Proposed Decision, proposing a 10 percent shared and common cost markup, in addition to a schedule for true-up payments. Specified large carriers will have ten days after the effective date of the order to make payments. All other carriers may pay in 12 equal monthly installments beginning 30 days from the effective date of the order.
- On January 27, 2005, Commissioner Brown issued an alternate Proposed Decision substantively the same as the ALJ’s Proposed Decision, except with a 15 percent shared and common cost markup.

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- On February 4, 2005, Commissioner Peevey issued an alternate Proposed Decision substantively the same as the ALJ's Proposed Decision, except with a 21 percent shared and common cost markup for true-up amounts, and a 19 percent markup for rates in effect after the effective date of the order.
- At its March 17, 2005 meeting, the Commission adopted Commissioner Peevey's alternate setting a 21 percent shared and common cost for the true-up, and a 19 percent markup for current rates.

## Verizon

TD staff is now focusing its efforts on updating Verizon's UNE rates. Similar to the SBC proceeding, the "Verizon UNE Phase" has its origins in OANAD. The initial rate tariffs to allow competitors to purchase unbundled network components were set in 1997 in D.97-01-022. Pending development of permanent rates, in March 2003 the Commission adopted new interim rates (D.03-03-033) for Verizon's UNEs because of delays to the proceeding and to bring rates in line with the appropriate forward-looking cost methodology. The rates adopted were based on New Jersey's cost proceedings. The parties are currently wrapping up issues regarding the re-filing of their respective cost models, with the hope that the Commission will use them to set permanent rates.

- However, on May 21, 2004, Verizon filed a petition to raise its interim California UNE rates similarly as its rates were raised in New Jersey. Verizon asserts that since the Commission justified California's interim rates on the basis of New Jersey's prior rates, the Commission must now increase its interim rates by the same margin until permanent rates are set.
- On November 5, 2004, the ALJ issued a proposed decision that would adopt New Jersey's rate adjustment and a shared and common cost markup of twenty-two percent. The ALJ subsequently revised the markup to ten percent, which was similar to the markup New Jersey used for its new rates.
- In response to the ALJ's revised markup, the assigned Commissioner's office issued an alternate proposed decision that maintained the existing twenty-two percent markup.
- On January 27, 2005, in D.05-01-057, the Commission adopted the ALJ's ten percent markup decision. The net result of the UNE cost increases and the shared and common cost decrease is as follows:
  - 2.3 percent decrease to the 2-wire loop rate
  - 1.9 percent decrease to the 4-wire loop rate
  - 28.3 percent increase to the port rate
  - 3.3 percent increase to the tandem switching usage rate
  - 4.9 percent increase to the end-office switching usage rate
  - 3.2 percent increase to the estimated UNE-P rate for former GTEC areas
  - 0.9 percent increase to the estimated UNE-P rate for former Contel areas.
- On March 7, 2005, the ALJ issued two rulings regarding the permanent rate setting phase of the proceeding. These rulings addressed three Verizon motions regarding corrections the Joint Commenters (CLECs) had made to their permanent pricing model, HM 5.3. The first ruling granted part of Verizon's motion to compel discovery of new documentation of the corrections. This ruling also denied Verizon's motion to strike Joint Commenter reply comments and testimony regarding price floor calculation methodology. The second ruling allowed Verizon to file limited surrebuttal testimony regarding the Joint Commenter's HM 5.3 corrections. This ruling also revised the proceeding schedule as follows:
  - March 15, 2005. Response by Verizon to Joint Commenters' summary table of HM 5.3 corrections due.

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- April 1, 2005. Rebuttal comments on price floor issues due.
- April 15, 2005. Deadline for motions requesting hearings on price floor issues.
- May 2, 2005. Ruling on need for hearings on cost studies, modeling, UNE pricing, and price floor issues and submission of case if hearings are not required.
- August 2, 2005. Proposed Decision issued if hearings are not required.

## C. Intercarrier Compensation

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
P.01-10-008 / R.03-08-018	Peevey	Malcolm		Fua, Sastra
Next Milestone: Final Commission order on Phase I proposed decision..				

In response to AT&T's petition (P.01-10-008), filed on October 4, 2001, the Commission opened an OIR to review intrastate carrier access charges. The OIR's purpose is to consider reductions to the network interconnection charges of SBC and Verizon adopted in D.95-12-020, but may be expanded to also consider whether the Commission should start regulating CLECs' intrastate access charges.

- At the request of Commissioners' offices, TD researched the latest FCC rules governing CLECs' interstate access charges and the range of CLECs' intrastate access charges in California.
- TD's research found that in its Seventh Report and Order of the Access Charge Reform proceeding, the FCC established a benchmark mechanism limiting CLECs' interstate access charges to a level it considers just and reasonable. TD's research also includes the gathering of current access charge rate information from various ILECs and CLECs.
- On August 21, 2003, the Commission issued a rulemaking to review intrastate carrier access charges. The Commission opened this rulemaking recognizing that circumstances have changed since the Commission made significant changes to access charges in 1994. The Commission will consider reductions to the access charges of SBC and Verizon and limit the scope of this proceeding to the network interconnection charge (NIC) portion of SBC's access charges and the transport interconnection charge (TIC) of Verizon's access charges.
- Opening comments and reply comments on Phase 1 issues were filed on October 24, 2003 and November 12, 2003 respectively. A threshold issue was whether the Commission should offset decreases in LEC access charge revenues with increases in other rates if the NIC and TIC portion of access charges were eliminated.
- In the November 20, 2003 prehearing conference, no parties asked for hearings in Phase 1 of this proceeding.
- On June 17, 2004, the ALJ issued the Phase I proposed decision and found that consistent with the original NRF policy of revenue neutrality, reductions to access charges should be offset by increases to other rates. The decision also found that access charges for mid-size and small LECs, as well as CLECs, should be revised in the third phase of the proceeding.
- Subsequently, the Commission reopened the proceeding through a September 20, 2004, ALJ ruling. The ruling solicited parties' comments on two broad issues: (1) whether a proposal published by the Intercarrier Compensation Forum to reduce access charges would have any impact on this proceeding, and (2) whether rate rebalancing would create a windfall to SBC and Verizon because of their increasing shares of intrastate toll markets. The ruling does not change the ALJ's draft decision on the basis of those comments.
- On January 10, 2005, a prehearing conference was held to determine the parties, the positions of the parties, the relevant issues, and other procedural matters for Phase II.
- On January 25, 2005, the ALJ issued a scoping memo.

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## *D. New Regulatory Framework (NRF) Review – Phase 2A & 2B Issues/SBC Audit*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.01-09-001	Kennedy	Thomas, Kenney	Gasser	Christiansen, Rahman, Wong,
Next Milestone: Initiate Phase 3.				

The Commission reviews the NRF price cap form of regulation every three years to assess its ongoing effectiveness, and to determine if it should be revised. Opened in September 2001, this proceeding is the fourth such triennial review for SBC's and Verizon's operations under the NRF. The proceeding's completed first phase involved an audit of Verizon's operations, and was decided in D.02-10-020. To address the remaining issues methodically, this second part of the review was parsed into two phases:

- Phase 2A, to address the pension, Post Retirement Benefits Other than Pensions (PBOP), income taxes, and depreciation issues raised by the audit.
- Phase 2B, to address affiliate transaction issues raised by the audit. (Phase 2B also involves a review of SBC's service quality.) Hearings on Phase 2 matters were conducted in June 2002. The audit found that SBC had not complied with Commission accounting and ratemaking policies and had under-reported earnings for the 2-year audit period by about \$1.94 billion. The audit recommended a refund to customers of approximately \$350 million.
- Phase 2A audit issues were decided in D.04-02-063.
- Phase 2B issues were decided in D.04-09-061.
- The Commission's Phase 2A and 2B orders did not result in a refund to customers.
- ORA has petitioned the Commission for a modification of the Phase 2A decision regarding the treatment of PBOPs, alleging that the order did not comply with adopted PBOPs policies. TD is working with the Legal Division appellate section to prepare a legal analysis of the petition.

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## *E. NRF and Service Quality – Phase 2B*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.01-09-001 / I.01-09-002	Kennedy	Thomas		Fua
Next Milestone: Proposed Decision on Application for Rehearing.				

The Commission adopted D.03-10-088 on October 30, 2003. This decision was the result of a comprehensive investigation into the quality of telecommunications services provided by SBC and Verizon under the New Regulatory Framework (NRF) mode of incentive regulation. The decision found that Verizon offers very good service quality and that SBC offers generally good service quality in most areas, but there are several important areas of weakness in the quality of specific residential services.

- Prior the adoption of the decision, ORA and TURN had argued that when the assigned Commissioner's office admitted four new items of evidence into the record without holding evidentiary hearings, it was prejudicial and deprived parties of their right to due process. TURN argued that it should be able to enter its own statistical analysis into the record. The final decision did not accept ORA and TURN's arguments.
- On December 8, 2003, ORA and TURN jointly filed an application for rehearing of D.03-10-088, restating their original arguments and also stating that D.03-10-088 was arbitrary and capricious because it reaches conclusions based on claims that are contrary to the record facts, creates new standards for service quality performance, and selectively and arbitrarily excludes evidence submitted by ORA and TURN that impeaches evidence admitted after the proceeding was submitted.
- On July 8, 2004, the Commission adopted D.04-07-036, which granted the rehearing application of ORA and TURN regarding the four new items of evidence submitted into the record after the close of evidentiary hearings, allowed TURN's time trend regression analysis to be moved into the record on rehearing, and granted rehearing regarding Pacific Bell's P.A. 02-03 customer surveys and the results.
- On August 12, 2004, SBC filed a Motion for Stay of Ordering Paragraph 14 of D.04-07-036, which required it to produce its P.A. 02-03 customer surveys and results. On December 3, 2004, the Commission denied SBC's Motion and again required SBC to provide its customer surveys and results along with any other surveys conducted during the NRF period.

## *F. NRF Review – Phase 3A & 3B/ Post Audit Policy Development*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.01-09-001	Kennedy	Kenney	Gasser	Christiansen, Rahman, Wong
Next Milestone: A Commission ruling setting a schedule for filing NRF Phase 3 testimony.				

Phase 3 of this proceeding was originally set to consider and implement any revisions to existing price cap regulatory policy for SBC and Verizon that may be needed as a result of Phase 1 and 2 audit findings. Phase 3B will also take service quality issues into account.

- Staff anticipates that parties will be directed by the Commission to file testimony in Phase 3 within about 120 days of the effective date of the Commission's Phase 2 decisions.
- The Assigned Commissioner issued a ruling on October 15, 2004, asking parties to comment on whether the original scope and schedule of Phases 3A and 3B should be revised in light of

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technological, regulatory, and market changes. Opening comments were filed November 1, 2004, and reply comments were filed November 10, 2004.

## ***G. SB 1563 OIR to Plan for Widespread Use of Advanced Communications ("Broadband")***

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.03-04-003	Kennedy	Malcolm		P. White, P. Chang, J. Farmer, B. Schein, S. Wong, M.Pangilinan, M. King, E. VanWembeke
Next Milestones: Report adoption.				

Senate Bill (SB) 1563, passed by the Legislature in 2002, amended PU Code Section 709 and added PU Code Section 709.3 to broaden California's telecommunications policies. The Commission issued R.03-04-003 in April 2003 to develop such a plan. The topics being explored for SB 1563 are:

- Existing barriers to the ubiquitous availability and use of advanced telecommunications technology.
  - Whether new telecommunications technologies or the cost of existing technologies have changed in ways that would make them more economical to deploy statewide; and whether and how telecommunications technologies and their costs are expected to change in the future in ways that would make them more economical to deploy statewide.
  - Whether and how open and competitive markets for advanced communications technologies can encourage greater efficiency, low prices, and more consumer choice.
  - Whether and how identified technologies may promote economic growth, job creation and social benefits.
- The Commission held a prehearing conference on September 15, 2003. Parties discussed the proceeding's scope of issues and schedule.
  - On December 23, 2003, staff issued a data request to telecommunications and electric utilities asking for information concerning fiber deployment. Staff intended to use this information to show the extent of fiber facilities in the state. Data responses were insufficient and not useful for purposes of the report.
  - On January 13, 2004, staff sent a survey to 3,000 Community Based Organizations (CBOs) and Community Technology Centers. The survey sought input on the various communities' experiences with broadband, how it is used by the community, the benefits to the community, how subsidies are helping, and how additional subsidies or other methods of funding could help address digital divide concerns. One hundred and ten surveys were returned.
  - On February 13, 2004, staff met with members of the industry, cities, and municipalities to obtain their views on the impact of Rights-of-Way requirements on broadband deployment.
  - During February and March, 2004, staff conducted public meetings in San Francisco, Fresno, San Diego, Los Angeles, and Redding to receive further input for the report.
  - On April 9, 2004, staff sent a second survey to 16 economic development agencies, healthcare associations, nonprofit associations, business associations, and local government associations seeking further input as to how these organizations and their constituents use broadband. Eighty-two surveys were returned.
  - On May 11, 2004, The ALJ issued a scoping memo and ruling setting a tentative schedule for comments on the draft report. However, production difficulties caused numerous delays

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such that on November 29, 2004, Commissioner Kennedy apprised the Legislature that the report would be delayed beyond its December 31, due date.

- The Commission issued R.03-04-003 in April 2003 to develop such a plan. The following schedule identifies key dates for this report :
  - February 1, 2005, draft report published for comment.
  - February 8, 2005, Full Panel Hearing held in San Francisco to discuss draft report.
  - February 11, 2005, comments on draft report filed.
  - February 17, 2005, reply comments filed
  - February 24, 2005, placed on Commission meeting agenda. The item was held, however, and remains pending.

## H. Telecommunications Bill of Rights (BOR)

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.00-02-004	Wood	McVicar	Dumas, Yun	Hernandez, Maniscalco, R. White, L. King, Faarman, McIlvain, Sastra, Rahman
Next Milestone: Awaiting outcome of April 6 <sup>th</sup> Pre-Hearing Conference with respect to procedural schedule.				

This rulemaking was issued on February 3, 2000 to establish rules for protecting consumers' rights in today's competitive telecommunications services marketplace.

- *April to September 2000*: Public comments solicited and public participation hearings were held.
- *June 6, 2002*: Initial proposed decision and proposed general order issued.
- *July 24, 2003*: Revised proposed decision and proposed general order issued.
- *March 2, 2004*: Revised proposed decision and proposed general order issued.
- *May 13, 2004*: Commissioners Brown and Kennedy issued alternate proposed decisions and general orders.
- *May 18, 2004*: Commissioner Wood issued a revised proposed decision and general order.
- Several workshops and all-party meetings were held between August 2002 and October 2003.
- *May 27, 2004*: Interim Decision D.04-05-057 and General Order 168 were adopted by the CPUC. Key components are:
  - Establishment of seven basic rights afforded to consumers (disclosure, choice, privacy, public participation and enforcement, accurate bills and redress, non-discrimination, and safety)
  - Establishment of comprehensive set of consumer protection rules to enforce the above rights.
  - Applicability to CPUC-regulated telecommunications carriers of all classes.
  - Provides protection to residential and small business customers.
  - Requires carriers to fully comply with D.04-05-057 and G.O. 168 by December 6, 2004, except for specified rules relating to changing computer and billing systems. Carriers have until July 31, 2005 to comply with the remaining rules.
  - Defers consideration of a consumer education program as well as rules on privacy, limitation of liability, and in-language requirements to a later phase of the proceeding.
- Tariff and compliance filings from as many as 1,800 telecommunications carriers were mandated. Key dates are:
  - *July 1, 2004*: TD Workshop held instructing carriers on BOR tariff and compliance documents they must file.

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- *August 6, 2004:* Tariffed carriers required to submit tariff-tracking inventory and revised tariffs (via advice letter) or “no tariff change” letter.
- *December 6, 2004:* Tariff changes become effective. Also, carriers shall serve TD with written certification of BOR compliance, except specified rules.
- *July 31, 2005:* Carriers shall serve TD with written certification of BOR compliance for remaining rules.
- *June 30, 2004 and July 7, 2004:* Carriers submitted several motions to stay and applications to rehear the decision and general order. *August 19, 2004:* The CPUC denied the motions to stay. *October 7, 2004:* The CPUC denied the applications for rehearing, with the exception of some limited changes to D.04-05-057 and Rule 8(b) of G.O. 168.
- *September 2004:* Wireless carriers filed two complaints (i.e. Nextel complaint and Cellco complaint) in U.S. District Court challenging certain aspects of the BOR rules. *January 2005:* the CPUC filed a motion to dismiss these complaints. The complainants later filed motions to dismiss them in light of the stay of the BOR adopted in D.05-01-058 (see below).
- *November 9, 2004:* Cricket Communications requests waiver from D.04-05-057 from the CPUC.
- *November 12, 2004:* wireline carriers filed a complaint (i.e. AT &T et. al. complaint) in the California Court of Appeal challenging certain aspects of the rules. *December 2004:* The CPUC responded to the complaint, contending that it be denied. The case is still pending.
- *December 16, 2005:* Time Warner requests waiver from D.04-05-057 from the CPUC.
- Pursuant to Rule 48 (b) of the Rules of Practice and Procedure, the CPUC’s Executive Director responded to 50 letters requesting extensions of time to comply with the December 6, 2004 deadline for having most of their operations in compliance with D.04-05-057 and G.O. 168. TD staff provided the Executive Director with technical assistance on these requests.
- *January 11, 2005:* U.S. Cellular requests waiver from D.04-05-057 from the CPUC. *February 3, 2005:* Waiver request withdrawn in light of the BOR stay (see below).
- *January 27, 2005:* The CPUC adopted Decision (D.)05-01-058 in which it voted to stay telecommunications consumer protection rules and rights adopted in May 2004 to: a) allow adequate time to address implementation issues, b) ensure that California’s consumer protection structure will be viable and enforceable, c) consider a broader reexamination of policy issues and those raised by carrier Petitions for Modification. The CPUC also stated its intention to complete its reconsideration by no later than the end of 2005.
- Collaborations between TD staff with CSID to develop BOR internal training sessions and a consumer education program have been deferred during the stay.
- *March 2, 2005:* Commissioner Grueneich issued a letter requesting that the CPUC seek comments on whether there are any portions of the telecommunications bill of rights that can be revised or reinstated on an expedited basis.
- *March 10, 2005:* An Assigned Commissioner Ruling (ACR) was issued seeking comment in response to the March 2<sup>nd</sup> letter as well as on the proposed procedural schedule outlined in the ACR. It reiterated the intention to finalize the reconsideration of the rules and to terminate the stay by the end of 2005.
- *March 24, 2005:* Commissioner Grueneich facilitated an all-party meeting including carrier representatives and consumer advocates to discuss the stayed consumer protection rules. Specifically parties provided input on:
  - Areas of consumer protection at risk during the stay period
  - Provisions that could be reinstated, or revised and reinstated, on an expedited basis
  - Areas of concern regarding impact on competition, technological innovation, fairness, and economic development

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- Areas of potential consensus which can be reached among parties on the reinstatement of provisions
- The Legislature is considering several bills related to the BOR rules in varying degrees:
  - AB 67
  - AB 610
  - AB 746
  - AB 1082
  - SB 402
  - SB 1068

## I. OII. 04-02-007 "Voice Over Internet Protocol" (VoIP)

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
I. 04-02-007	Kennedy/Brown	Grau	Levine	P. White, Van Wambeke, Young, L. King, Rahman, Pangilinan
Next Milestone: On hold pending federal/court actions.				

- An OII was adopted February 11, 2004, that makes the tentative conclusion that VoIP service that interconnects with the PSTN is a public utility, subject to CPUC jurisdiction, and asks questions to help determine the appropriate regulatory framework for VoIP services.
- Opening comments were filed in April and reply comments were filed in May 2004. This case is on hold pending federal/court actions.

## J. SBC/ATT Merger

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
A. 05-02-027	Peevey			Amato
Next Milestone: Protests due April 15, 2005.				

On February 28, 2005, SBC and AT&T (applicants) filed A.05-02-027 requesting authorization from the CPUC to merge operations. Application would transfer control of ATT California and TCG affiliates to the SBC holding company.

- Application was filed under Section 854(a) only. Applicants sought a waiver from Section 854(b) and (c) merger filing requirements claiming that this merger is exempt.
- On March 16, 2005, the Assigned Commissioner (Peevey) issued an ACR requiring SBC & AT&T to amend the application with information necessary and appropriate to demonstrate compliance with Section 854(b) and (c). ACR did not determine whether this merger was exempt from these statutes.
- On March 30, 2005, applicants filed a supplemental application in compliance with ACR. Protests are due on the merger application by April 15<sup>th</sup>.

## K. Area Code Changes: 310

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.95-04-043	Peevey, Brown	Pulsifer	Mickiewicz	Conner, Pangilinan,
Next Milestones: Per D.03-10-060, TD is to continue monitoring the telephone number supplies in 310.				

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- The number pool exhaustion projections for the 310 area code:
  - *Fourth quarter, 2005* – current North American Number Plan Administrator (NANPA) projection *updated on November 2004*.
- 310 Area Code Change Plans:
  - The North American Number Plan Administrator (NANPA) submitted a two-way split plan to the Commission in 2000. The plan splits the present 310 area code roughly along Imperial Highway between Inglewood and El Segundo.
  - The Commission approved the plan as a back-up area code change plan in September 2000 pending the results of pooling and other conservation measures, and is monitoring the 310 area code to determine when this plan should be implemented.
  - On October 16, 2003, the Commission voted to continue monitoring the 310 area code and not implement the back-up split plan.
  - On August 24, 2004, the Commission issued a proposed decision that would implement the 310 area code change back-up plan. The decision proposed that there is a need to replenish telephone numbers in the 310 area code.
  - On August 25, 2004, Commissioner Lynch issued an alternate decision proposing that it was not necessary to implement the 310 split plan, and instead concluded that the Commission should continue to monitor the supply of numbers in the 310 area code and pursue further conservation measures.
  - On October 7, 2004, the Commission rejected both of the proposed decisions.
  - On March 9, 2005, a group of telecommunication carriers filed a joint petition seeking to implement a triggered overlay as the back-up plan for the 310 area code. The triggered overlay would replace the prior CPUC adopted back up split plan. The proposal would implement an area code change when only 6 full NXX codes are left.
  - ALJ Ruling dated April 1 set forth public meetings in the 310 area code to get public comments. Four meeting were set up for April 26<sup>th</sup> and 27<sup>th</sup> to be held in El Segundo, Redondo Beach, Malibu, and Culver City.

## Tier II:

### *L. OIR 05-04-005 Assessing and Revising The Regulation of Telecommunications Utilities*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.05-04-005	Kennedy	Reed	N/A	Christiansen
Next Milestone: Comments filed May 30, 2005				

On April, 2005, the Commission voted out an Order Instituting Rulemaking (R.) 05-04-005 to assess and revise the regulation of all telecommunications utilities in California, except for small incumbent local exchange carriers (ILECs). The purpose of the OIR is to develop a uniform regulatory framework for all California-regulated telephone utilities that reflects the substantial changes in the telecommunications industry that have occurred over the past few years. At this time a firm schedule has not been adopted for the proceeding, except for the dates for parties to file comments (May 14, 2005) and reply comments (May 30, 2005).

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## M. Frontier Price Floor Application

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
A.05-01-020	Grueneich	Bushey	N/A	Low, Hirsch
Next Milestone: Awaiting possible prehearing conference (PHC).				

Frontier (Citizens Telephone of California) filed Application 05-01-020 to establish permanent price floors for Local Measured Service (LMS), Extended Area Service (EAS) and Zone Usage Measurement (ZUM) service. Frontier seeks to have pricing flexibility for these services which were recategorized from NRF Category I to Category II in Decision (D.) 96-03-020. Frontier cannot exercise pricing flexibility until price floors are established for services recategorized by D.96-03-020.

- Frontier sought *Ex Parte* relief in this application since the procedures for determining price floors was established in D.99-11-050. Frontier now has competition in its service area from SureWest Televideo (SureWest) and possibly other carriers.
- SureWest Televideo protested Frontier's application. SureWest believes that the cost floors are too low and inconsistent with the principles of the New Regulatory Framework (NRF).
- On February 1, 2005, Frontier filed four advice letter (AL) filings based on the costs that are pending in this application (A.05-01-020).
- SureWest protested AL 902, and requests that consideration of AL 902 be consolidated with the application since the issues in that AL are closely related to those in the application. SureWest requests that hearings be held in this matter.
- The ALJ is expected to schedule a PHC to determine if issues can be resolved by parties without a hearing.

## N. SureWest (Roseville) Revenue Requirement (EAS)

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
I.01-04-026	Peevey	Galvin	Yun	Low, Schein
Next Milestone: Further ALJ action.				

The OII was issued on April 19<sup>th</sup> 2001 to investigate the expense levels and revenue requirement of Roseville Telephone Company (Roseville). The OII's purpose is to determine the appropriate source of permanent funding to replace the \$11.5 million EAS payment that Roseville previously received from Pacific Bell, and that pursuant to D.00-11-039, Roseville will receive from the California High Cost Fund-B on a temporary basis during the pendency of this proceeding.

- In May of 2002, D.02-05-009 ruled on Roseville's petition to modify D.00-11-039 and denied Roseville's request to rely on the CHCF-B as a source of permanent funding. In related developments, Roseville's request to include the rate reduction of \$400,000 in this OII was granted.
- ORA conducted an audit between February and June 2002 and filed the audit report in June 2002.
- Evidentiary Hearings were held in the week of Nov. 4<sup>th</sup> 2002. A Ruling was issued in January 2003 directing parties to file a joint comparison exhibit of proposed disallowances and their impact on the Results of Operation. Reply Briefs were filed on Jan. 31<sup>st</sup> 2003 and the joint comparison exhibit was filed on February 19<sup>th</sup> 2003.
- April 2005 - ALJ has requested TD staff support in obtaining and evaluating further information from the utility.

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## O. General Order 96-A Revisions

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.98-07-038	Kennedy	Kotz, Thorson		Low, McIlvain
Next Milestone: Commission issuance of the final GO 96-B decision.				

A rulemaking to revise GO 96-A was mailed to interested parties on February 14, 2001.

- D.01-07-026 (interim opinion) adopted several rule revisions to eventually be codified in GO96-B. The rule revisions concern:
  - Publication of tariffs and the use of the Internet to publish tariffs for certain utilities.
  - Representations made by a utility regarding any tariffed service of that utility.
- TD workshop ordered by D.01-07-026 was held on August 29, 2001. The workshop's purpose was to discuss with telecommunication carriers how to implement the rule revisions by January 1, 2002.
- Resolution M-4801, dated April 19, 2002, confirmed staff's authority to suspend, on the Commission's behalf, advice letters that may go into effect absent a suspension. Additionally, the resolution set length of suspension and notification requirement guidelines, among others.
- D.02-01-038 (second interim opinion) adopted certain requirements for telecommunication utilities to notify customers of proposed transfer, withdrawal of service, or of higher rates and charges.
- D.02-02-049 modified Resolution M-4801, denied rehearing, and clarified the scope of Commission delegation to staff of the authority to process and suspend advice letters.
- Draft of the third interim decision was sent out for comments on August 11, 2004. Comments were due August 31, 2004.
- D.05-01-032 (third interim opinion) was issued on January 13, 2005. This decision requires much greater specificity regarding utility advice letter filings, which should facilitate the staff and parties review of these filings. This decision adopts requirements for maintaining advice letter service lists and provides guidelines for electronic service. The decision is also addresses implementation of PU Code Sec. 455 regarding the suspension of advice letters by Commission staff and separately by the Commission itself.

## P. Gain on Sale Rulemaking

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.04-09-003	Brown	Thomas		Christiansen, Rahman
Next Milestone: Waiting for ruling on next aspects of proceeding.				

On September 4, 2004, the Commission opened Rulemaking (R.) 04-09-003, to consider policies and guidelines for the allocation of gains resulting from the sale of assets of Energy, Telecommunications, and Water utilities. The goal of the rulemaking is to ensure that gain on sale guidelines are easy to follow, that gains and losses are allocated based on financial risk, and that incentives are provided for prudent investment in property necessary for service to utility customers. The Rulemaking also proposes to review and clarify PU Code § 789, and will also address implementation of PU Code § 455.5 reporting requirements.

- Comments were filed by November 3, 2004, and reply comments by December 8. The four telephone companies regulated under NRF will have the gain on sale issue addressed in R.01-09-001/I.01-09-002 (4<sup>th</sup> Triennial Review into the NRF of SBC and Verizon).

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- The assigned ALJ is preparing, with the assistance of the Telecommunications, Energy, and Water Divisions, a decision that will resolve issues and potentially close the proceeding.

## Tier III

### *Q. OSS Performance Incentive Plan 6-Month Review for SBC*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
I.97-10-017	Brown	Reed		P. King
Next Milestone: Staffing				

The FCC requires evidence of a program that will monitor and regulate Operations Support Systems (OSS) performance before incumbents are allowed to enter the long-distance market. The Commission established the SBC performance incentives plan (PIP) in D.02-03-023 to prevent OSS discrimination by SBC once it received Section 271 approval.

- When adopted, the PIP for SBC was intended to be an “interim” plan and only suited for getting SBC into the California long distance market without undue delay.
- Major issues were put off until a 6-month review of SBC’s experience, which informally began in December 2002. Staff held a workshop to seek agreement on methods to resolve disputes, but no agreements were reached. The review is currently on hold pending staff resource availability.
- However, with limited staff resources, TD currently is unable to support new performance incentive plan development. TD is currently seeking to procure additional staffing.
- On March 9, 2004, SBC petitioned the Commission to modify the performance incentives plan decision, D.02-09-050, by suspending a feature which doubled the credits that SBC must pay for each measure that failed at least eight out of nine consecutive months.
- On November 19, 2004, the Commission granted SBC’s petition. In addition to suspending the incentive-doubling mechanism for these continuously failing measures, the Commission required SBC to provide monthly detailed reports regarding these failures.

### *R. Establish OSS Performance Incentive Plan for Verizon*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
I.97-10-017	Brown	Reed		
Next Milestone:				

Verizon currently has no OSS performance accountability to potential competitors. However, with limited staff resources, TD currently is unable to support performance incentive plan development. TD is currently seeking to procure additional staffing.

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## *S. Review and Modify Adopted OSS Performance Measurements for SBC and Verizon*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
I.97-10-017	Brown	Reed		P. King, P. Chang
Next Milestone: Proposed Decisions for Special Access and settled Performance Measures.				

- Operations and support systems (OSS) performance measures were established in D.99-08-020 to ensure that SBC's and Verizon's OSS services to the CLECs do not present barriers to the CLECs' ability to offer consumers local phone service.
- D.03-07-035 dated July 10, 2003 adopted over 200 changes to the performance measures as had been recommended by parties.
- In D.02-12-081, the Commission directed parties to identify OSS performance measures for intrastate special access no later than September 1, 2003. On August 29, SBC California submitted opening comments proposing five special access measures. CLECs also filed comments on that date proposing their own measures and standards for special access services, claiming SBC measures do not provide incentives for improving performance or a means to detect and prevent discrimination.
- Negotiations for the annual JPSA review began in January 2004. On May 3, 2004, parties filed a motion to adopt a joint motion to adopt their revision agreements. Parties reached agreement on newly identified issues as well as some longstanding issues where attempts at agreement had not been successful in the past. MCI did not participate in the negotiations, and filed an opposition stating that scarce resources required them to focus instead on more urgent topics such as hot cut performance measures. MCI asserted that the annual review should be postponed until those more urgent issues were resolved.
- In August 2004, Verizon requested that negotiations for changes to Verizon's performance measures be held separately from SBC's.

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## ***T. SBC – Section 851 Application to Lease Space & Transfer Assets to ASI***

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
A.02-07-039	Brown	Reed		P. White, Christiansen,
Next Milestone:				

As a condition to the merger of SBC and Ameritech, in 1999 the FCC required Pacific Bell (Pacific) to transfer its advanced services assets and related business functions to a new affiliate, Advanced Services, Inc (ASI).

- In January 2001, the federal courts determined that an ILEC subsidiary such as ASI was a successor or assignee of the ILEC and thus subject to the obligations of Pacific. This determination raised the issue of whether Pacific would want to continue to pursue the separation requested in A.00-01-023, and the application was stayed.
- A.02-07-039, filed in July 2002, is a restatement of Pacific's prior Section 851 request to lease space and transfer assets to ASI. A.00-01-023 was denied without prejudice by D.02-04-057.
- Pacific (now SBC-California), filed an amendment to its application several months after A. 02-07-039 to include items left off the initial application. Multiple parties cited this modification as reason to dismiss the application. No action has been taken since the amendment and no parties have sought additional Commission action.

## ***U. Verizon – Section 851 Application to Transfer Intrastate Advanced Data Service Assets to VADI; consolidated with VADI Transfer, Withdraw Service and Cancel CPCN***

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
A.01-11-014; A.00-09-028	Brown	Thomas		Christiansen, Wong
Next Milestone: .				

In A.01-11-014, Verizon Advanced Data Inc. (VADI) requested to transfer its advanced data services assets and reintegrate with Verizon California. In the companion application (A.00-09-028) Verizon previously had requested to transfer intrastate advanced data services to VADI but the company subsequently filed a motion to withdraw this request on the grounds that Verizon had reconsidered it's decision to maintain advanced services in the separate VADI affiliate.

- D.03-06-044 granted the transfer of VADI assets and the reintegration of the operation into Verizon California. Ordering Paragraph 6 requires Verizon to make a compliance filing explaining the ratemaking and accounting treatment for the transfer. Verizon filed Advice Letter (AL) 10550 on July 1, 2003.
- Resolution T-16925, to be considered in the Commission's April 7, 2005 meeting, finds that AL 10550 complied with the requirements of D.03-06-044 and closes the matter.

## ***V. Area Code Changes: 909***

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.95-04-043	Peevey, Brown	Pulsifer	Mickiewicz	Conner, Pangilinan
Next Milestone: Continue to monitor implementation of 909/951 split plan.				

- 909 Area Code Change Plans:
  - On November 13, 2003, the Commission adopted a split plan for the 909 area code.

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- Split the existing 909 area code roughly along the San Bernardino and Riverside County line, with the Calimesa Rate Center and San Bernardino area retaining the 909 area code.
- Permissive dialing - July 17, 2004
- Mandatory dialing - October 30, 2004
- End of Mandatory dialing – February 27, 2005

## *W. Service Quality Standards*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.02-12-004	Kennedy	Grau		Fua, Sastra,
Next Milestone: Draft service quality rules.				

In December 2002, the Commission issued a rulemaking to revise existing measures of telecommunications service quality in order to reflect current technological and business conditions.

Opening comments and reply comments on were filed in April 2003 and May 2003, respectively on (1) proposed measures for specific services, (2) costs and benefits associated with proposed measures, (3) whether publishing carriers' reported service quality measures is a reasonable alternative or interim step to establishing standards and service quality assurance mechanisms, and (4) whether workshops would be productive after draft rules are issued.

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## III. SIGNIFICANT ADVICE LETTERS & RESOLUTIONS, INCLUDING PUBLIC PROGRAM BUDGETS AND CONTRACTS

### A. SBC

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
AL No. 26689	N/A	N/A	N/A	Low, Shiu
Next Milestone: Address expected protest and draft resolution for Commission consideration				

- SBC California (SBC) filed Advice Letter (AL) No. 26689 to change the Customer-Owned Pay Telephone (COPT) rates.
- SBC requests authority to lower COPT local call measured usage rates about 40%, and increase COPT access line rates by approximately 60%.
- SBC states the change of rates is in compliance with FCC's New Service Test (NST).
- NST is costing methodology which includes direct and overhead costs
- SBC sent out notification of the proposed rates changes to affected COPT customers on May 16, 2005.
- Since 1996, the FCC has required the rates for COPT of Bell Operating Companies to meet the NST.
- SBC had not previously filed cost support using the NST requirement for establishing COPT rates.
- SBC claims that the FCC has *preempted* the CPUC's rules in this instance and established a new cost methodology upon which prices for coin service are to be based
- Coalition of Payphone Service Providers (PSPs) claims that the establishment of COPT rates is very similar to Unbundled Network Elements (UNE) rates, in that the FCC specifies the method for developing the rates (in the process preempting traditional ratemaking approaches), but leaves the actual review of the ILECs proposed rates up to the *state commissions*.
- SBC did not provide cost support for its requested increases. TD has requested SBC to provide this support..
- Because the large increase in COPT access line rate, TD anticipates that the Coalition of Payphone Service Providers will protest AL No. 26689.
- PSP indicates that payphones are still being used and that these payphones are the "last link" for the transient individuals and therefore the payphone rates must be kept affordable.
- On June 6, 2005, Coalition filed a protest to SBC's AL No. 26689.
- Coalition alleges SBC's proposed rate increases are contrary to federal law because SBC did not set its COPT rates according to the FCC-mandated rate-setting methodology known as the new services test (NST).
- Coalition also alleges SBC's proposed rate increases violate California law because any increase in SBC's COPT line rates must be proposed by a formal application.
- On June 6, 2005, the San Diego Payphone Owners Association (SDPOA) filed a protest to SBC's AL No. 26689.
- SDPOA alleges that SBC's proposed rate increases are inconsistent with G.O. 96-A. An increase of the magnitude at issue must be the subject of an application to increase rates in accordance with the Commission's rule of practice and procedure and may not be implementing by advice letter.

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- On June 13, 2005, SBC submitted the response to the protests of Coalition and SDPOA. to AL No. 26689.
- SBC argues that carriers may use an alternative methodology as long as the carrier can affirmatively justify its overhead allocation.
- SBC states G.O. 96-A's application process does not govern pricing implementation when federal law explicitly preempts state rules.
- On June 20, 2005, Coalition filed a reply to SBC's response to the Coalition's protest dated June 13, 2005.
- Coalition states that federal law preempts state requirements that are "inconsistent" with the FCC's regulations, not *all* state regulations.
- On June 27, 2005, SDPOA filed a reply to SBC's response to the SDPOA's protest dated June 13, 2005.
- SDPOA states that the Commission may apply its requirement that SBC must submit an application, rather than an advice letter filing to pursue a significant rate increase in the COPT rate.
- On June 28, 2005, SBC responded to Coalition's reply in supporting of AL No. 26689 filing.
- SBC claims that Coalition has been unable to explain why SBC's methodology is not reasonable or does not comply with the NST.
- Legal Division is reviewing SBC claims regarding the FCC's preemption of state authority issue.

## B. Interconnection Agreements

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
Resolution ALJ 181 / various applications	Peevey			Conner, Farmer
Next Milestone: Review and approve interconnection agreement advice letters within the required timeframe.				

The Telecommunications Act of 1996 required local exchange carriers to provide local network interconnection with any requesting telecommunications carrier. Section 252 of the 1996 Act requires states to review and approve interconnection agreements.

- The Commission adopted Resolution ALJ 167 in 1996 establishing the rules for interconnection agreement approval. Resolution ALJ 181, adopted on October 5, 2000, contains the current rules for filing for Commission approval of interconnection agreements. Under these Resolutions:
  - Carriers file Advice Letters for approval of negotiated interconnection agreements, for approval to adopt already approved agreements, or to opt into a portion of an already approved agreement. TD reviews and approves advice letters for negotiated interconnection agreements by resolution, reviews and approves advice letters for amendments to approved interconnection agreements on 30 days notice, and reviews and approves advice letters to opt into preexisting agreements on 16 days notice.
  - Carriers file applications for approval of interconnection agreements when the parties cannot agree to the terms and conditions of interconnection.
- ALJ 181 defines the process and procedures for resolving arbitrated interconnection agreements. The Commission is addressing three major arbitration petitions as follows:
  - On June 1, 2004, Level 3 Communications filed for arbitration of interconnection with SBC California (A.04-06-004). The draft Arbitrator's Report was issued on

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December 22, 2004. The Final Arbitrator's Report was to be filed on February 8, 2005. The proceeding was suspended in Feb. 2004 at the request of the parties to process a negotiated agreement via Advice Letter. The ICA was approved by Resolution T-16933 on April 21, 2005. On April 29, 2005 parties filed to dismiss the Arbitration proceeding.

- On September 24, 2004, SBC California petitioned for arbitration of an interconnection agreement with AT&T Commcations of California (A.04-09-023). Hearings concluded on January 6, 2005, and briefs have been filed.
- On November 8, 2004, PacWest Telecomm, Inc. filed for arbitration of an interconnection agreement with Sure West Telephone. (A.04-11-005). Briefs were filed in March 2005, a Draft Arbitrators Report was filed on April 4, 2005 with comments submitted by PacWest and SureWest on April 14<sup>th</sup> and 18<sup>th</sup>.

## C. Streamlined CTF Claim Filing and Review Process

Program	Commissioner	ALJ	Counsel	TD Staff
				Morehouse
Next Milestone: Claim applications.				

Resolution T-16763, dated May 27, 2004, modified and simplified the CTF claim filing and review process in order to reduce the time between carriers providing CTF services to eligible organizations such as schools and libraries, and carriers receiving reimbursements from the CTF program.

- Shortens the time frame for telecommunications carriers to file reimbursement claims from the CTF from two years forty-five days to one year forty-five days from the end of the month for which the claim is made.
- Revises the format of the CTF claim worksheet to be consistent with program changes adopted on May 8, 2003, in Resolution T-16742, and with efforts by TD to simplify claim filing.
- Orders carriers to discount services to CTF customers upon notification of customer eligibility and prior to submitting reimbursement claims.
- Creates a comprehensive guide for carriers submitting CTF claims
- Adopts rules which carriers may impose on E-rate<sup>3</sup> customers who wish to also receive California Teleconnect Fund discounts.
- Specifies when carrier claims will be eligible for interest and provides direction for carriers wishing to claim interest.
- The Governor signed SB 1276 in August 2004, enacting the California Teleconnect Fund (CTF) appropriations for fiscal year 2004-2005.

## D. NRF Sharable Earnings Filings

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
N/A	N/A	N/A	N/A	Christiansen, Wong
Next Milestone: Prepare resolutions as necessary for Frontier and SureWest.				

<sup>3</sup> The E-rate - or, more precisely, the Schools and Libraries Universal Service Support Mechanism - provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access.

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NRF regulation is based on a price cap indexing mechanism that was adopted for the four largest California ILECs (SBC, Verizon, Citizens, and Roseville), and relies on profit as the incentive to motivate utility management to run the company economically and efficiently.

- NRF was originally designed for ILEC rate caps to be indexed and modified annually (i.e., changed for increases or decreases in inflation, and offset for gains in productivity that result from technological innovation in the telecommunications market).
- NRF allows customers to share in ILEC profits that exceed a specified threshold.
- On April 1 of each year, the NRF process requires ILECs file a report on their annual intrastate earnings to determine whether the earnings sharing level has been reached.
- In 1995 during the 2<sup>nd</sup> Triennial NRF Review for SBC and Verizon (then Pacific Bell and GTE California, respectively), the Commission suspended the price cap indexing mechanism because inflation had proved to be moderate in recent years, and the indexing process was actually reducing these ILECs' price caps every year. The Commission also believed that competition in the local exchange markets warranted the suspension of the sharing mechanism.
  - Since 1995, SBC and Verizon have made annual earnings report filings for monitoring purposes only.
  - Citizens and Roseville continue to make intrastate sharable earnings report filings.
- SBC, Verizon, and SureWest [formerly Roseville] made the required filing by April 1, 2005. Frontier [Formerly Citizens Telephone Company] requested, and was granted, an extension until May 20, 2005 to make their filing.
- Verizon and SBC no longer have a sharing mechanism, but are required to file earnings/rate of return data (ROR).
  - SBC Reported a 2004 ROR of 16.59%.
  - Verizon Reported a 2004 ROR of 6.08%
- No Resolutions are required for SBC and Verizon.
- SureWest reported a 2004 ROR of 9.18%, and will share \$750,000, plus interest, based on a settlement with ORA that was adopted in D.04-11-025. The settlement addressed the 2003 sharable earnings and other previously pending issues, and resulted in suspension of annual sharing under the existing NRF program in exchange for specified customer refunds for the years 2005-2010. No resolution was necessary for SureWest's earnings filing.
- TD is evaluating the need to prepare a resolution for Frontier's earnings filing.

## E. NRF Price Cap Filings

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
N/A	N/A	N/A	N/A	Christiansen, Wong
Next Milestone: 2006 Price Cap Filing on October 1, 2005				

On October 1 of each year, the four NRF-regulated telephone companies file Advice Letters (AL) to adjust the prices of their services to reflect cost changes that resulted from Commission orders.

- SBC filed AL 25578, and proposed to decrease revenues \$8.8M for the gain on the sale of land. TD prepared DRAFT Resolution T-16913, which adopts the decrease, to be voted at the 1/13/05 Commission meeting.
- Verizon filed AL 10996, proposing to decrease revenues \$19M for savings that resulted from the merger of GTE and Bell Atlantic. The revenue decrease was adopted in Resolution T-16904.

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- Frontier (dba Citizens Telecommunications Company of California) filed AL 856, proposing to increase revenues \$64K that resulted from changes in various costs of federal and state regulations. The revenue increase was adopted in Resolution T-16905
- SureWest (previously Roseville) filed AL 1014, proposing no changes to its revenues. Resolution T-16906 adopted SureWest's proposal.

## F. Implementation of 2-1-1 Dialing in California

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.02-01-025	Kennedy	Sullivan		Rahman, Conner
Next Milestones: Additional counties are expected to file for 2-1-1 approval soon.				

The FCC designated the abbreviated dialing prefix "2-1-1" for use by social services information and referral (I&R) agencies in July 2000. The CPUC instituted R.02-01-025 to consider the implementation of 2-1-1 dialing in California. Decision (D.) 03-02-029 established that applications to offer county

2-1-1 services would be addressed and approved through TD resolutions. The following providers have been approved by Commission resolutions:

- InfoLine of LA (Los Angeles County), October 16, 2003.
- EDEN & R, Inc. (Alameda County, December 4, 2003.
- Contra Costa Crisis Center (Contra Costa County), February 26, 2004.
- Info Link Orange County, April 1, 2004.
- Help Link (San Francisco County), May 27, 2004.
- Interface Helpline (Ventura County), May 27, 2004.
- Volunteer Center of Riverside County, August 19, 2004.
- INFO LINE of San Diego County, August 19, 2004.
- Family Services of Santa Barbara (Santa Barbara County), December 2, 2004.
- Community Services Planning Council Inc. (Sacramento County), March 15, 2005

Additionally, the following extensions have been granted.

- In December 2004 the Commission granted an extension request by I&R providers to implement 2-1-1 service in the following counties: Alameda, Los Angeles, Orange, San Diego and Riverside.
- In February 2005 the Commission granted an extension request by Contra Costa Crisis Center in Contra Costa County.
- In April 2005 the Commission granted an extension request by Helplink of San Francisco.

## G. AB 140 Grants To Unserved Areas

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R.03-02-034	Peevey	Grau		Borak
Next Milestone: Schedule to award 2005 grants by June 2005.				

California Assembly Bill (AB) 140 (Ch. 903, Stats. 2001) created the Rural Telecommunications Infrastructure Grant Program. The first of its kind in the nation, the program provides grants of up to \$2.5 million per project, with total grant funding of \$10 million per year, for construction of telecommunications infrastructure to low-income, rural communities currently without telephone service. The legislation requires the CPUC to develop eligibility criteria for community-based

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groups to apply for grants, and to establish a government-industry working group to develop the technical criteria for use in evaluating grant applications.

- On February 27, 2003 the CPUC issued OIR 03-02-034 as a means to implement AB 140. D.03-09-071 implemented the program on September 18, 2003. D.05-03-005 adopted the interim grant program administration rules as final rules on March 17, 2005.
- On June 8, 2004 the California Public Utilities Commission (PUC) approved Resolution T-16846, providing funding for the following rural locations:
  - Wireline telecommunications service to the Yurok Tribe in Humboldt County in the amount of \$2,500,000
  - Combination of wireless and wireline infrastructure to the community of Iowa Hill in Placer County in the amount of \$1,834,900.
  - Wireless infrastructure throughout Trinity County in the amount of \$2,500,000.
- On December, 27, 2004, the Telecommunications Division mailed out some 3,000 notices apprising Community Based Organizations and other interested parties of the next fiscal year cycle of funding for the Grants Program
- Four Phase 2 Applications were received on May 2, 2005 and are currently under review. The applicants and their locations are as follows:
  - Tule River Tribal Council in Porterville, California
  - Indian Springs School District in Big Bend, California
  - Community of Charleston View in Inyo County
  - Community of Lost Hills in Fresno County
  
- The Government Industry Working Group has recommended awarding grant monies to two rural entities who have applied for funding under the Rural Telecommunications Infrastructure Grant Program. The Indian Springs School District has applied for \$2.5 Million in funding to build ten cell tower sites in rural Northeastern Shasta County. The Tule River Tribal Council in Tulare County has applied for a \$954,000 grant to build a fiber optic passive optical network to serve several areas on its Reservation currently without telephone services. Resolutions approving both grants are on the commission agenda for June 16, 2005.
- Because the community of Lost Hills was unable to secure a fiscal agent, their application could not move forward. They have been encouraged to reapply for next year's funding cycle.
- The community of Charleston View did not have a service provider identified for their project. They have been encouraged to reapply for next year's funding cycle once they have secured a service provider for their project.

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## IV. PUBLIC PROGRAM OVERSIGHT

### A. Description of Public Programs

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
				Shantz, McNamara (CTF only), & staff
Next Milestone: Ongoing program responsibility (SB 669 and AB 1734).				

PUC provides oversight and administration of five telecommunications public programs, which seek to improve telephone penetration. Pursuant to PU Code § 270 et seq, the Commission may only expend funds for these programs upon appropriation in the annual Budget Act. For the 2004-05 fiscal year, the State Annual Budget Act appropriated in excess of \$860 million for these five telecommunications public programs. Funding for these programs is derived from surcharges assessed on all telephone users' monthly bills. These programs include:

- Universal Lifeline Telephone Service (ULTS), which provides discounted telephone service to low-income households;
- California High Cost Fund A (CHCF-A) and B (CHCF-B), which subsidize carriers for providing service to customers in high-cost areas. PU Code § 270 and 739.3 provided a sunset date of January 1, 2005 for the CHCF-A and CHCF-B programs. During the 2004 Legislative session, Senator Bowen introduced SB 1276 extending the sunset date for both programs to January 1, 2009. This bill was signed into law in September 2004. The bill also requires the Commission, by January 1, 2006, to conduct a review of these programs and the support mechanism for the CHCF-B.
- The California Teleconnect Fund (CTF), which provides discounted telephone service to schools, libraries, hospitals, clinics, and community-based organizations.
- Deaf and Disabled Telecommunications Program (DDTP), which is a \$60-70 million program that provides some 2.5 million deaf and disabled Californians with relay service (CRS, or California Relay Service) through a third-party operator as well as specialized equipment to qualifying individuals (CTAP, or California Telephone Access Program).
  - On February 10, 2005 the Commission approved Resolution T-16895, which set the 2005-2006 Fiscal Year budget for the DDTP program at \$66.8 million. The budget includes funding to extend the captioned telephone service trial. The resolution also recommends that the Commission explore more efficient ways of providing program services to clients via a formal proceeding.

Ongoing TD responsibilities associated with the administration of these programs include but are not limited to:

- Providing technical and administrative support to the advisory boards;
- Developing proposed annual budgets for the advisory boards for submission to the Commission;
- Sponsoring resolutions approving the annual program budgets and their respective funding sources;
- Providing technical support to decision makers on policy issues associated with universal service and public programs;
- Reviewing and approving monthly claims submitted by telecommunications companies;
- Managing 60-70 contracts and reviewing their invoices submitted for payment;
- Directing Commission's Fiscal Office to schedule payments with the State Controller's Office on a bi-monthly basis;

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- Reviewing and monitoring over \$860 million of surcharge revenues reported and remitted by the telephone companies;
- Comparing budget and revenue forecasts with actual expenditures and surcharge monies received and deposited in the State Treasury;
- Working with the Commission Budget Office on budget change proposals and/or appropriation deficiency requests;
- Reviewing advice letters associated with annual funding requests filed by the 17 small local exchange carriers; and
- Reviewing and recommending to the Commission approval of program-related contracts and their management.

## ***B. DDTP Post-Transition: Administration and Contract Management***

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
			Mickiewicz, Dryvynsyde, Cady	Shantz, Gustafson
Milestones:				

The Deaf and Disabled Telecommunications Program (DDTP) continues to provide equipment and relay services to some 2.5 million deaf, hearing impaired, and speech or otherwise disabled Californians and the persons with whom they communicate.

- New website: as of 3/14/05, the new DDTP website went “live.” The public can view the website at [www.ddtp.org](http://www.ddtp.org); and provide comments online at [webcomments@ddtp.org](mailto:webcomments@ddtp.org).
- Relay “Choice”: Users of the California Relay Services (CRS), now have the choice of three providers under CRS II, i.e., MCI, Nordia or Sprint. Instructions for registering choice of provider, modality or language are on the new DDTP website, as well as available through the various vendors, see 711 Instructions on the website.
- Captioned Telephone Service (CapTel): agreement language between the CPUC and Sprint/CTI and separately with Weitbrecht Communications Inc. (Ultratec) is now in place for the long awaited CapTel Expanded Field Trial (EFT). Implementation details for the trial are now being worked out, which will allow for distribution of up to 200 CapTel units per month for three years. CapTel service is offered in some 26 other states, but has been available on a limited trial basis in CA.
- Contract management: Ongoing management of existing DDTP contracts which are now State contracts continues, including extension and rebid of contracts as required based on operational needs, and as permitted or required by DGS.
- Contract extensions through FY 05 06 have been approved by the DGS for CCAF (California Communications Access Foundation), the CPUC’s primary program and contract administrator for the DDTP; the DDTP’s marketing contractor (OWC or One World Communications) and equipment call center (CSD or Communications Services for the Deaf). A one year contract is in place for a new warehouse vendor. Significant challenges remain in transitioning from the former warehouse vendor. These are now being addressed by the California Attorney General and CPUC legal.
- CPUC/TD/IMSD/Legal continue working with the Department of General Services (DGS) on the DDTP Transition – Phase II, including rebid of services, which is anticipated for

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the post June 30, 2006 timeframe. (Phase I of the Transition began on 7/1/03.) (Does not include the California Relay Service contracts.)

- Using the Invitation For Bid competitive bidding process, TD procured the services of vendors to provide communication assistance for the DDTP.
- Separately, the CPUC/IMSD is working with DGS on a competitive process for procuring specialized telecommunications equipment for the DDTP. TD anticipates this will involve development of a list of vendors from which DGS will purchase the specialized telecommunications equipment for the DDTP.
- **CRS II Implementation and Related Matters:** CPUC continues to work with Mission Consulting, CCAF and vendors (MCI, Nordia, Sprint, Verizon) on implementation issues, including CRS II reporting, operational and acceptance testing issues. The CRS II “cut over” for services was completed in December 2004.
- **Transfer of MCI’s CRS Call Center in Riverbank, CA to vCustomer:** MCI submitted an application to the CPUC (A. 05-06-037) requesting transfer of various assets to vCustomer, including the Relay Call Center. Assuming approval of this application by the CPUC, staff will work with DGS on the assignment of the MCI CRS II call center contract to vCustomer. MCI and vCustomer have informed the CPUC/TD that all CRS II-related facilities and personnel will transition with the sale. TD does not expect any change in services.

## C. *ULTS Call Center and Outreach Contracts*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
Next Milestone:				

In 2003, the Department of General Services (DGS) approved a one-year marketing plan (outreach) contract for \$5 million and a 36-month contract for the operation of a call center for \$1.5 million with Richard Heath and Associates (RHA). On September 8, 2003, RHA launched Phase II of the ULTS (Universal Lifeline Telephone Service) marketing outreach program to increase subscribership among the following target groups: African American, Cambodian, Chinese, Filipino, Hispanic, Hmong, Korean, Laotian, and Vietnamese, Russian, and Armenian. The Call Center provides in-language service to callers in the following languages: English, Spanish, Cambodian, Cantonese, Hmong, Korean, Lao, Mandarin, Tagalog and Vietnamese. In 2004, the Commission released a Request for Proposals for a new ULTS Marketing and Outreach Contract. Three proposals made it to the bid opening stage. The contract was awarded to RHA for the amount of \$4,078,688. The contract is for one year, with the option to extend for two additional one-year periods. The contract was reviewed and approved by DGS in August.

- The first year marketing efforts have achieved notable results. The ULTS Call center received a total of 23,229 calls. Of the 23,229 total calls received, 72% were determined eligible for ULTS and were referred to a carrier to sign up for phone service.
- The second year marketing campaign targets women, since women make most of the calls into the Call Center. The campaign stresses how affordable the plan is, as well as how important it is to families to be connected to schools, family members, and public safety providers.
- The ULTS logo has also been updated. It emphasizes the “Lifeline” word and incorporates artistic figures, a telephone, and connectivity.

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- A new marketing campaign and associated eight-week media buy began February 14 for English and Spanish, and February 26 for Asian languages. The results are outstanding. The Call Center received over 6,500 calls during the month of March and over 3,300 calls during April. A total of 5,376 successful transfer calls were made to carriers in March, and 2,784 successful transfers were made in April. For the first seven months of this contract year (September 2004 through April 2005), the number of calls received by the Call Center totaled 20,364. The number of successful transfers totaled 16,507.

## D. Advisory Boards

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
				Shantz, McNamara, Gustafson, Mirza, Young, Kumra, Carlin, Morehouse
Next Milestone: Ongoing program responsibility (SB 669 and AB 1734)				

TD provides principal liaison support to each of the five boards whose composition was recently addressed by legislation and Commission decision. The duties and responsibilities of the liaisons for CHCF-A, CHCF-B, CTF, and ULTS include but are not limited to:

- Facilitate advisory board meetings by scheduling the room for such meetings;
- Preparing agendas and meeting information packages;
- Taking and preparing minutes of the meeting;
- Assisting in the development of the proposed fiscal year program budgets; and
- Assisting in the preparation and filing of advisory boards' annual reports.

TD's liaison for DDTP is a non-voting member whose duties and responsibilities are to assist the DDTP advisory board in the development of each proposed fiscal year program budget and in the preparation and filing of the annual report.

## V. REPORTS TO THE LEGISLATURE

There are no ongoing reports at this time.

## VI. FCC RULINGS AND NOTICE OF PROPOSED RULEMAKINGS (NPRMS)

### A. Triennial Review of Unbundled Network Elements

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
FCC, CC Docket No. 01-338; 96-98. R.95-04-043	Kennedy	Pulsifer	LeVine	Enis, Hymes
Next Milestones: Integration of state proceeding with FCC TRRO.				

This proceeding reviews the present federal mandate requiring that ILECs unbundle network elements for lease and use by CLECs. The FCC order released August 21, 2003, prescribed specific guidelines that a state commission must follow to determine if competitors are impaired without access to individual UNEs. These FCC-mandated timelines required that states complete

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a “granular” analysis by market within nine months from the effective date of the Order or July 2, 2004. The FCC broadly categorized UNEs into those provided for mass market customers (residential and small business) and enterprise customers (larger businesses) but left states to determine the actual market definition to be used to perform the impairment analysis. Only the most recent events are listed below. For a more complete listing, see the January issue of the Telecommunications Roadmap.

- On March 2, 2004 the D.C. Circuit Court issued its opinion in the *United States Telecom Association vs. the FCC* vacating major portions of the FCC’s rules promulgated in the TRO including how impairment analysis should be conducted and how much of a role the FCC could delegate to state commissions. .
- On February 4, 2005, the FCC released the order, now termed the Triennial Review Remand Order (TRRO). Most noticeably, the FCC rules will phase out switching as a UNE in twelve months. The order addresses the unbundling framework, dedicated interoffice transport, high-capacity loops, and mass market local circuit switching.<sup>4</sup>

## B. Classification of DSL Service

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
FCC, CC Docket No. 02-33; 95-20; 98-10.	N/A	N/A	LeVine	P. White, P. Chang
Next Milestone: An FCC ruling on the regulatory classification of DSL service.				

In February 2002, the FCC released a Notice of Proposed Rulemaking (NPRM) to consider and rule on:

- How to classify broadband access service to the Internet over domestic wireline facilities (DSL service) for regulatory purposes.
- Whether facilities-based providers of broadband Internet access services provided over wireline and other platforms, including cable, wireless and satellite should be required to contribute to universal service.

On August 5, 2005, the FCC issued an order reclassifying DSL as an Information service. The action was consistent with the Supreme Court’s *Brand X* decision, issued June 27, which had classified cable modem service as an information service. This reclassification removes many regulatory obligations previously applicable to ILEC providers of DSL service. The order eliminates ILECs’ line-sharing unbundling obligations but gives CLECs one-year to negotiate commercial line-sharing agreements with the ILECs. The impact and details of the FCC’s DSL reclassification order will be clearer when the full text is released to the public.

## C. Performance Measurements

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
FCC, CC Docket No. 01-318; 98-56; 98-147; 96-98; 98-141.	N/A	N/A	LeVine	
Next Milestone: FCC Ruling on whether to implement federally mandated performance measurements/standards.				

State regulators currently develop performance measurements and standards for evaluating ILEC performance in provisioning the local facilities that are used by their wholesale customers (the CLECs) to compete for end-user customers. The FCC’s role has been to examine the results

<sup>4</sup> The full TRRO can be viewed on the FCC’s website at:  
[http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-04-290A1.doc](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-04-290A1.doc)

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of these state-administered standards in the context of determining whether an ILEC has adequately opened its local market to competition and, thus, should be authorized to enter the long distance market under the provisions of Section 271 of the Telecommunications Act.

- The FCC commenced these rulemaking proceedings in November of 2001 to decide whether it should adopt a set of national performance measurements and standards for evaluating ILEC performance in provisioning local facilities.
- The FCC's stated goal for these proceedings is to adopt federal standards if doing so will:
  - Balance CLECs' concerns about poor provisioning with ILECs' concerns about the cost of complying with numerous state and federal measurements and standards.
  - Benefit the industry in general by increasing the uniformity of expectations, and create clear, predictable and enforceable standards.
- Interested parties have submitted initial and reply comments on these matters, and the next expected milestone is the issuance of the FCC's ruling.

## *D. Pricing of Unbundled Network Elements and Resale Services*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
FCC, WC Docket No. 03-173.	N/A	N/A	Dumas	Enis, King
Next Milestone: Issuance of a notice of final rule.				

The FCC released this TELRIC NPRM on September 15, 2003 (1) to determine whether existing rules on UNE and resale service pricing should be modified to promote more efficient facilities investment, and (2) to help state commissions more readily develop UNE prices and resale service discounts that are uniform among states.

- State commissions and other interested parties completed filing their comments in the rulemaking on January 30, 2004. TD and Legal reviewed the comments initially filed by other parties and submitted the CPUC's first comments as reply comments.

## *E. FCC's IP-Enabled Services Rulemaking, SBC's IP-Platform Services Forbearance Petition and Vonage Petition*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
WC Docket Nos. 04-29 and 04-36, DA 04-1685	N/A	N/A	LeVine	P. White, Van Wambeke, Young, L. King, Rahman, Pangilinan
Next Milestone:				

Issued February 12, 2004, the FCC's NPRM sought comment on the regulation of Internet services. The NPRM also asks questions covering a wide range of services and applications to differentiate between Internet services and traditional telephony services, and to distinguish among different classes of Internet services. Specifically, the Notice asks which regulatory requirements - for example, those relating to E911, disability accessibility, access charges, and universal service - should be extended to different types of Internet services. The Notice also asks questions about the legal and regulatory framework for each type of Internet service and any jurisdictional considerations.

- Opening comments were filed May 28, 2004.
- Reply comments were filed July 14, 2004.
- Responding to a petition by Vonage, the FCC found in November 2004 (FCC 04-267) that Vonage's VoIP service is not subject to traditional state public utility regulation and further

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stated that other types of IP-enabled services, such as offered by cable companies, that have similar basic characteristics would also not be subject to state public utility regulation.

- December 22, 2004. The CPUC petitioned the US Court of Appeal for a review of the FCC's Vonage Order.
- April 7, 2005. The Commission voted to withdraw the appeal of the FCC's Vonage order.

## F. *Developing a Unified Intercarrier Compensation Regime*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
CC Docket No. 01-92	N/A	N/A	Dumas	Fua, Enis, Hymes, Sastra
Next Milestone: Opening Comments due May 23, 2005				

On March 3, 2005, the FCC issued a Further Notice of Proposed Rulemaking on intercarrier compensation and established a comment cycle. The FCC is requesting input on the methods by which carriers compensate each other for exchanging telecommunications traffic on the public switched telephone network. The FCC is also seeking comments on the type and degree of reform to both intrastate and interstate intercarrier compensation paradigms that have been suggested by various interests including NARUC. At issue in this proceeding are potential changes to not only the intercarrier compensation regimes that govern telecommunications but fundamental changes to long-standing universal service funding policies that rely on these regimes.

NARUC staff and stakeholders met on NARUC's proposal in Washington, D.C., on April 21-22, 2005. The NARUC task force group is working to further refine its proposal to submit to the FCC

## VII. OTHER PROJECTS

### A. *CPCN – New Requests and/or Revocations*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
				Fish, Mc Ilvain
Next Milestone: Revoke 627 licensees that have never reported nor paid surcharges.				

Staff has been investigating the status of 627 licensees that have never reported nor paid Public Program surcharges through March 31, 2004.

- TD drafted Resolution T16753 to revoke the operating authority of 57 carriers who failed to report remittances to the Public Program Funds. The Commission passed R.T16753 on August 21, 2003.
- Resolutions T16875, T16892, and T16900 revoked a total of 508 additional carriers in the last quarter of 2004 for reporting non-compliance.
- 58 other carriers were voluntarily revoked in the last quarter of 2004.

### B. *Carrier List Maintenance*

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
				Fish, Mendiola, Nosaka
Next Milestone: Investigate compliance with Division e-mail contact requirement.				

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TD sent a 6/08/04 letter requiring all carriers to provide e-mail contact for official notices and inquiries.

TD routinely sends out notices via mass e-mails to over 1200 carrier licensees.

## C. Advice Letter Process Changeover

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
				McNamara
Next Milestone: Investigate options for CD-ROM filing of current tariff schedules and cancelled tariff sheets.				

Telco Division (TD) received over 4000 advice letters for calendar year 2002 and the number of ALs continues to increase yearly.

- The Commission approved Resolution M-4809 on June 19, 2003, to allow industry divisions to deviate from current GO 96-A requirements regarding submission of tariff sheets and AL filings.
- The Commission approved Resolution T-16807 on December 5, 2003, authorizing CD-ROM Advice Letter filing by all telecommunications utilities.
- On December 12, 2003, TD required all telecommunications carriers to file CD-ROM Advice Letters starting January 5, 2004.
- 4,360 CD-ROM advice letters were filed in 2004. 323 carriers filed one or more advice letters; SBC filed the most, with 1,526 total.

## D. Public Program Audits

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
N/A	N/A	N/A	N/A	Christiansen, Schein
Next Milestone: Roseville audit report.				

- PU Code Section 274 requires the Commission to conduct, at least every three years, a financial audit and a compliance audit of the program-related costs of the following six funds:
  - California High Cost Fund – A
  - California High Cost Fund – B,
  - Universal Lifeline Telephone Service Fund
  - Deaf & Disabled Telecommunications Program Fund
  - Payphone Service Providers Fund
  - California Teleconnect Fund
- Consistent with past practice, the Commission has engaged the Department of Finance to conduct some of these program audits and is performing others in-house.
- The Telecommunications Division recently utilized the hiring freeze exemption process to hire two Financial Examiners (FE IIIs) to work on some of these audits. One auditor has since left the Commission, leaving only one FE III to conduct Public Programs Audits.
- Audit reports have been completed for 5 small LEC's.
- Audit fieldwork by the remaining FE III has been completed for four additional small LECs, and draft reports have been prepared and are being reviewed.
- A contract with the Department of Finance (DOF) to perform audits on some larger carriers beginning early this fiscal year was approved in July 2003.

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- The DOF work will focus on a mid-sized LEC, a large inter-exchange carrier, and a large LEC.
- Fieldwork for the audit of Roseville has been completed, and the staff has received a draft report for its review. Staff has also received comments to the draft report. DOF is reviewing and considering TD's suggested changes.
- Fieldwork for SBC and MCI audits is underway. A DRAFT report on the MCI audit is expected to be released for TD review in July 2005.

## E. Number Pooling Administration

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R. 95-04-043 & I.95-04-044	TBD	Pulsifer	Mickiewicz	Conner, Pangilinan
Next Milestones:				
<ul style="list-style-type: none"> <li>➤ Monitor pooling blocks by rate center.</li> <li>➤ Review code openings to replenish pools and to establish LRNs (Location Routing Number).</li> <li>➤ Review applications for waivers from carriers to obtain additional blocks.</li> </ul>				

Number pooling enables the allocation of numbers to carriers in blocks of 1,000 numbers. Prior to pooling, carriers could only receive numbers in blocks of 10,000 numbers (whole prefixes).

- On September 15, 1999, California received authority from the FCC to conduct mandatory number pooling trials for carriers with LNP (local number portability) capability in areas designated within the top 100 MSAs (Metropolitan Statistical Area).
- The first pooling trial began in the 310 area code on March 18, 2003. By April 2002, when National Pooling began, California implemented a total of 16 pooling trials. As of April 2003, all area codes in California are in pooling.
- TD staff routinely monitors the number of blocks available in each area code by rate center, works with the Pooling Administrator to determine the need to replenish the pools (provide new numbering resources), approves carrier requests for assignment of thousands-blocks, and reclaims thousands-blocks, when not used, from carriers.
- Since January 2005, TD evaluated 69 requests to open NXX codes to establish LRNs and replenish the number pools. TD approved 56 of these 69 requests to open NXX codes.

## F. Number Code and Thousands Block Reclamations

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R. 95-04-043 & I.95-04-044	TBD	Pulsifer	Mickiewicz	Conner, Wong, Pangilinan
Next Milestones:				
<ul style="list-style-type: none"> <li>➤ Monitor the Code Reclamation List monthly; reclaim codes as necessary.</li> <li>➤ Monitor the Thousands-block Reclamation List monthly; reclaim thousands-blocks as necessary.</li> <li>➤ Investigate carriers for accurate Part 4 reporting.</li> </ul>				

### NXX Code (prefix) Reclamation:

- The North American Numbering Plan Administration (NANPA) assigns prefixes (NXX codes) to carriers based on FCC rules and industry guidelines. Once a prefix is assigned to a carrier, that carrier is required to submit a Part 4 form to NANPA within a six-month time frame to verify that the carrier has activated the code. On a monthly basis, NANPA provides the Commission a listing of all the codes for which Part 4's were not submitted within the six-month period.

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- Between December 2004 and May 2005, TD has reclaimed five NXX codes in the 310 NPA. TD is currently in the process of reclaiming another NXX code in the 310 NPA and more NXX codes in other NPAs.

## Thousands-Block Reclamation:

- The Pooling Administrator (PA) approves carriers' request for thousands-blocks from the number pools. Similar to NXX code approval, carriers must submit Part 4 forms notifying the PA that the thousands-block is in use.
- TD reviews the monthly list of delinquent Part 4s provided by the PA and reclaims blocks as appropriate. TD has found that for most of the thousands-blocks listed, the carrier just neglected to submit the Part 4 form or will return the blocks once prompted by TD.

## G. Emergency Code Requests/Lotteries/Safety Valve Process

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
R. 95-04-043 & I.95-04-044	TBD	Pulsifer	Mickiewicz	Conner, Pangilinan
Next Milestone:				
<ul style="list-style-type: none"> <li>➤ Continue to review requests for numbering resources via the emergency code and safety valve processes.</li> <li>➤ Continue to hold lotteries.</li> </ul>				

In December 1998, the FCC granted the Commission authority to continue to use NXX code (prefix) rationing measures prior to the implementation of area code relief, including the authority to determine all aspects of how NXX codes shall be assigned pursuant to rationing.

- TD administers the NXX Code Lottery for the allocation of NXX codes for area codes in jeopardy of exhaustion. Twenty-one of the 25 area codes in California are in rationing. Prior to area code relief planning, and with industry participation, NANPA determined the code allocation for each area code in jeopardy.
- In 1998 TD began proactively evaluating the remaining lives of California area codes and designated the lottery allocations. Today, TD allocates two NXX codes per month in all rationed NPAs except the 310 area code, which remains at two NXX codes every other month.
- The emergency code and safety valve processes allow carriers to acquire numbering resources outside of the lottery process and number pooling rules.
- The TD continues to review applications for numbering resources through the emergency code and safety valve processes dependent on carriers' needs.

## H. Certification of Intrastate Telecommunications Utilities Using "Voice Over Internet Protocol" (VoIP)

Proceeding No.	Commissioner	ALJ	Counsel	TD Staff
N/A	N/A	N/A		McNamara, Van Wambeke
Next Milestone:				

TD has identified several firms using VoIP technology to provide telephone service in California. Because the Internet is used in the transport of the telephone calls carried by these identified firms, these VOIP firms believe that they are providing unregulated information services rather than regulated telecommunications services to their California customers, and as a consequence, have not obtained CPCNs.

- In late September, the TD informed six of these VoIP firms that it believes they are operating as telephone corporations in California and, as such, should file applications with the Commission to conduct business as telecommunications utilities by October 22, 2003. These

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VoIP firms subsequently claimed that their operations are not telecommunications subject to the PU Code, and did not file applications to do business in California.

- TD and Legal presented the Commission with a management report on this matter in mid-November that covered the legal and technical issues these operations raise, the consequences of allowing the operations to continue unregulated, and recommended next steps for the Commission to take. The Commission is now considering how to regulate VoIP carriers (see above discussion of OII. 04-02-007).

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## WATER

### Items of Interest

- Resolution W-4540, authorizes all Class B, C, and D water and sewer companies a cost-of-living rate increase or cash flow rate increase subject to refund with authorized rates effective as of filing or the first day of the test year.
- Resolution W-4556, approved Great Oaks Water Company's requests for a waiver of the requirements of the Commission's General Rate Case Plan for Class A Water utilities, Decision 04-06-018, to file its next general rate case by an advice letter instead of an application.

### 1. General Rate Cases

#### A. *Apple Valley Ranchos Water Company* (serves 13,859 customers)

*(filed 1 February 2005)*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0502005	Dian Grueneich	Douglas M. Long			

for authority to increase rates charged for water service by \$2,748,100 or 18.56% in 2006, \$496,580 or 2.69% in 2007, and \$1,075,879 or 5.46% in 2008.

- ALJ Ruling dated 5/12/05, denies a Motion to Strike Additional Testimony filed by the ORA on May 10, 2005

#### B. *California Water Service Company* (serves 424,800 customers in 24 districts)

*(a) filed 19 August 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0408017	Susan P. Kennedy	Michael Galvin			

for an order authorizing replacement of the operations center and customer center in the Chico District and treatment of their net sale proceeds as subject to Public Utilities Code Section 790.

- Scoping Memo issued October 8, 2004
- Motion dated 4/29/05, for extension of the statutory deadline under California Public Utilities Code Section 1701.5 to resolve issues in the scoping memo.

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*(b) filed 08 August 2005*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0508006, 007,008, 009, 010, 011, 012, 013	John Bohn	James McVicar			

for authority to increase rates charged for Water Service in the Antelope Valley District by \$437,218 or 36.94% in fiscal year 2006-2007; by \$145,000 or 8.94% in fiscal year 2007-2008; and by \$145,000 or 8.21% in fiscal 2008-2009. (TEND 0205)

for authority to increase rates charged for Water Service in the Bear Gulch District by \$2,107,653 or 11.16% in fiscal year 2006-2007; by \$1,099,700 or 5.24% in fiscal year 2007-2008; and by \$1,099,700 or 4.97% in fiscal 2008-2009. (TEND 0305)

for authority to increase rates charged for Water Service in the Dominguez-South Bay District by \$321,289 or 1.01% in fiscal year 2006-2007; by \$874,600 or 2.71% in fiscal year 2007-2008; and by \$874,600 or 2.64% in fiscal 2008-2009. (TEND 0405)

for authority to increase rates charged for Water Service in the Hermosa-Redondo District by \$1,313,889 or 7.43% in fiscal year 2006-2007; by \$566,600 or 2.98% in fiscal year 2007-2008; and by \$566,600 or 2.89% in fiscal 2008-2009. (TEND 0505)

for authority to increase rates charged for Water Service in the Kern River Valley District by \$1,726,987 or 66.64% in fiscal year 2006-2007; by \$172,700 or 3.99% in fiscal year 2007-2008; and by \$172,700 or 3.84% in fiscal 2008-2009. (TEND 0605)

for authority to increase rates charged for Water Service in the Marysville District by \$592,959 or 31.19% in fiscal year 2006-2007; by \$423,200 or 16.96% in fiscal year 2007-2008; and by \$423,200 or 14.50% in fiscal 2008-2009. (TEND 0705)

for authority to increase rates charged for Water Service in the Palos Verdes District by \$2,111,565 or 8.38% in fiscal year 2006-2007; by \$1,890,300 or 6.91% in fiscal year 2007-2008; and by \$1,890,300 or 6.47% in fiscal 2008-2009. (TEND 0805)

for authority to increase rates charged for Water Service in the Redwood Valley District by \$1,972,540 or 211% in fiscal year 2006-2007; by \$333,600 or 11.5% in fiscal year 2007-2008; and by \$333,600 or 10.3% in fiscal 2008-2009. (TEND 0905)

- Amended Motion to Establish a New Schedule and to Withdraw the September 21, 2005 Motion to Establish a Schedule.
- Confirms that this is a rate setting proceeding. Sets the following schedule: 11/30/5 - 2nd prehearing conference; 1/24-27, 2006 - evidentiary hearings; 2/17/6 - opening briefs, 2/27/6 - reply briefs/proceeding submitted; June 2006 – decision. Grants ORA's motion to withdraw its September 21, 2005 motion.

# CPUC ROADMAP: September 2005

## *C. California-American Water Company (serves in 135, 900 customers in 10 districts)*

### *(a) filed 13 August, 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0408012	Susan Kennedy	James McVicar		Jonathan Reiger	

for Authority pursuant to Public Utilities Code Section 454 to Restructure and Consolidate its Rates for its Monterey and Felton Districts.

- Scoping Ruling issued September 30, 2004
- ALJ Ruling dated 12/15/04, finds Felton Flow eligible to claim intervener compensation.
- Denies the August 23, 2005 Motion of Felton Friends of Locally Owned Water for Leave to Late File Comments on Proposed Decision.
- ORA filed a reply on August 29, 2005 on the proposed decision of ALJ McVicar rejecting district consolidation.

### *(b) filed 13 August 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0408013 (A.0404040,41)	Geoffrey Brown	Christine Walwyn			

for Authority pursuant to Public Utilities Code Section 454 to Restructure and Consolidate its Rates for its Sacramento and Larkfield Districts.

- D0502007, Interim Opinion, issued 2/10/05, grants interim rate relief to California American Water Company for its Larkfield and Sacramento districts on the effective date of this decision, as set forth.
- D0509020, dated September 8, 2005, the modified Settlement Agreement, with its attached tariffs and Sacramento District general rate case tables, is approved and adopted. This proceeding is closed.

### *(c) filed 20 September 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0409019	Susan Kennedy	Michelle Cooke			

for a certificate of public convenience and necessity to construct and operate its Coastal Water Project to resolve the long-term water supply deficit in its Monterey District and to recover all present and future costs in connection therewith in rates.

- Ruling October 18, 2004 delays filing of protests until a Proponent's Environmental Assessment (PEA) is filed.
- ALJ Ruling sets a pre-hearing conference for October 5, 2005.

# CPUC ROADMAP: September 2005

*(d) filed 16 February 2005*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0502012, A.0502013	Susan P. Kennedy	Christine M. Walwyn			

for authorization to increase rates for water service in its Monterey District by \$9,456,100 or 32.88% in the year 2006; by \$1,894,100 or 4.95% in the year 2007; and by \$1,574,600 or 3.92% in the year 2008; and for an order authorizing sixteen (16) Special Requests with revenue requirements in the sum \$3,815,900 in the year 2006, in the sum of \$5,622,300 in the year 2007; and in the sum of \$8,720,500 in the year 2008. (The total increase in rates for water service combined with the sixteen Special Requests could increase revenues by \$13,272,000 or 46.16 % in the year 2006; by \$7,516,400 or 17.86% in the year 2007; and by \$10,295,100 or 20.73% in the year 2008.)

for authorization to increase rates for water service in its Felton District by \$769,400 or 105.2% in the year 2006; by \$53,600 or 3.44% in the year 2007; and by \$16,600 or 1.03% in the year 2008; and for an order authorizing two (2) Special Requests.

- ALJ Ruling, dated 7/6/05, finds Felton Friends of Locally Owned Water and Public Citizen eligible to claim intervenor compensation.
- ALJ Ruling dated 9/28/05, grants permission to withdraw late-filed evidence.

## *D. San Gabriel Valley Water Company (serves 47,700 customers)*

*(a) filed July 29, 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0211044	Michael R. Peevey	Bertram Patrick			

for authority to increase rates charged for water service in its Fontana Water Company Division to increase revenues by \$11,573,200 or 39.1% in 2003, \$3,078,400 or 7.3% in 2004, \$3,078,400 or 6.8% in 2005, and \$3,079,900 or 6.4% in 2006. (N02-10-019).

- ORA filed a response on 9/28/05 to SGWC's petition for modification of D05-08-041.
- 9/29/05, City of Fontana filed a opposition to San Gabriel Valley Water Company Petition for Modification of D05-08-041

# CPUC ROADMAP: September 2005

*(b) filed 5 August 2005*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0508021					

or authority to increase rates charged for Water Service in its Fontana Water Company Division by \$5,662,900 or 13.1% in July 2006; by \$3,072,500 or 6.3% in July 2007; and by \$2,196,000 or 4.2% in July 2008. (TEND 1005)

- ORA filed a response on 9/28/05 to SGWC's petition for modification of D05-08-041.
- 9/29/05, City of Fontana filed a opposition to San Gabriel Valley Water Company Petition for Modification of D05-08-041

## *E. Southern California Water Company*

*(serves 250,000 customers in 20 ratemaking districts, 39 separate systems)*

*(a) filed 15 July, 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0407018	Michael Peevey		Dave Fukutome		

For an order pursuant to P.U. Code 851 approving a Reallocation Agreement with the City of Folsom, as directed by D.0404069.

- ALJ Ruling, 9/13/04, grants the City of Folsom's Petition to Intervene filed August 11, 2004.
- Scoping Ruling dated November 2, 2004
- ALJ Ruling dated 9/16/05, designates the principal hearing officer.

## *F. Union Pacific Railroad Company and Keene Water System*

*(a) filed 4 November 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A.0411004	Michael R. Peevey	John E. Thorson			

for authorization to increase rates and for interim rate relief.

- Opinion denying applicant's request for interim relief. Comments are due March 21, 2005.
- D0504028, dated April 7, 2005, denies applicant's request for interim rate relief.
- ALJ Ruling sets evidentiary hearing for July 20, 2005.

# CPUC ROADMAP: September 2005

## 2. Orders Instituting Investigation

### A. *Grand Oaks Water Company* (serves 39 customers))

*filed January 12, 1997*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
I9706037 C9701003	Geoffrey F. Brown	Steven Kotz			

to show cause why Grand Oaks Water Company and its owners, Brit O. Smith and Phillip L. Shirley, should not be fined for failure to comply with Commission order

- D9708067, dated 8/1/97, Interim order - Emergency order granting Dominguez Water Company authority to operate the water system of Grand Oaks Water Company.
- D0404038, dated August 25, 2005, Interim Opinion. Normalizes the ownership and operation of Grand Oaks Water Company.
- ALJ Draft Decision dated 7/7/05, on Normalizing the Ownership and Operation of Grand Oaks Water Company. Comments are due July 27, 2005.

# CPUC ROADMAP: September 2005

## 3. Orders Instituting Rulemaking

### A. Rate Case Plan OIR

*filed September 4, 2003*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
R0309005	Geoffrey F. Brown	Meribeth A. Bushey			Peter Liu

Order Instituting Rulemaking on the Commission's Own Motion to evaluate existing practices and policies for processing General Rate Cases and to revise the General Rate Case Plan for Class A water companies.

- Comments received October 21, 2003
- Reply Comments Received November 3, 2003
- Draft Decision issued January 27, 2004
- 2<sup>nd</sup> Draft Decision issued April \_\_, 2004
- Interim Decision issued June 9, 2004, adopting a revised rate case plan requiring Class A water utilities to submit general rate case application on a 3-year cycle as required by PU Code Section 455.2.
- Water Division is currently holding workshops to address the Phase II issues.
- ALJ Ruling setting filing for status report on Phase II issues on March 15, 2005.

### B. CPUC – Class A and Class B Water Utilities – OIR to develop Rules and Procedures to Preserve the Public Interest Integrity of Government Financed Funding – Proposition 50

*filed September 2, 2004*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
R0409002	Michael R. Peevey	Christine Walwyn			Sean Wilson

Order Instituting Rulemaking on the Commission's Own Motion to develop rules and procedures to preserve the public interest integrity of government financed funding, including loans and grants, to investor-owned water and sewer utilities.

- Reply comments due on 11/12/04.
- Assigned Commissioner's Scoping Memo and Ruling filed 3/21/05 determines the category of this proceeding to be quasi-legislative, defined in Rule 5(d) of the Commission's Rules of Practice and Procedure, finds that hearings are not needed and sets a procedural schedule.

# CPUC ROADMAP: September 2005

## *C. Gain on Sale Rulemaking*

*(filed September 2, 2004)*

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
R0409003	Geoffrey F. Brown	Sarah R. Thomas		Jason Zeller	Sean Wilson

Order Instituting Rulemaking on the Commission's Own Motion for the purpose of considering policies and guidelines regarding the allocation of gains from sales of energy, telecommunications, and water utility assets.

- ALJ Ruling dated October 14, 2004, granting all parties a 30-day extension of time to file to file comments
- Reply comments due no later than December 8, 2004
- ALJ Ruling, 6/17/05, designates the appropriate proceedings for considering the regulatory treatment of gain on sale for incumbent local exchange carriers: the regulatory treatment of gain on sale (GOS) for large and mid-sized ILECs will be considered in R05-04-005; the regulatory treatment of GOS for the small ILECs shall remain in R04-09-003.

# Water Roadmap: for April 2005

## 4. Transfer

### *A. Riley Property Holdings LLC*

*(filed January 24, 2005)*

Proceeding Nos.	Commissioner	ALJ	Examiner	Counsel	WD Analyst
A.0412016	Susan P. Kennedy	Maribeth A. Bushey			

to acquire indirect control over Valencia Water Company.

- Requires parties to file responses, by March 4, 2005
- Draft decision, 7/26/05, Opinion Conditionally Approving Application. Comments are due August 15, 2005
- D0208058, dated 8/25/2005, conditionally approves application. This proceeding is closed.

# Water Roadmap: for April 2005

## 5. Formal Other

### ***A. Casmalia Community Services Dist. Vs Unocal Corp. - To Determine That Defendant Is A Public Utility***

***(a) filed September 2, 2003***

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
C0309001	Geoffrey F. Brown	John E. Thorson	Sazedur Rahman		Rami Kahlon

vs. Unocal Corporation, aka Casmite Water System, to determine that Defendant is a public utility and to prevent it from increasing rates for water services.

- Responses due November 3, 2003
- Casmite Filed a Motion to Stay Complaint Pending Filing of a CPCN Application on November 3, 2003
- PHC Held November 25, 2003
- Closing briefs are due October 29, 2004.
- ALJ Ruling, 6/8/05, Stays a release of the draft decision until August 15, 2005.
- ALJ Proposed Decision dated 8/23/05 granted Casmite a CPCN operation. Decision also authorizes initial rates for the water utility and imposes certain sanctions due to Casmite's operation of a public utility without a CPCN.
- D0508026, dated 8/25/05, Extends the 18-month statutory deadline in this proceeding (September 6, 2005) to November 8, 2005

***(b) filed December 22, 2003***

Proceeding Nos.	Commissioner	ALJ	Proj. Mgr	Counsel	WD Analyst
A0312024	Geoffrey F. Brown	John E. Thorson			Rami Kahlon

for a certificate of public convenience and necessity to operate a public utility water system near Casmalia in the County of Santa Barbara and to establish rates for service.

- Ruling Setting Joint Prehearing Conference issued January 28, 2004
- Water Division issued Staff Report on July 2, 2004
- Closing briefs are due October 29, 2004
- ALJ Ruling, 6/8/05, Stays a release of the draft decision until August 15, 2005.

# Water Roadmap: for April 2005

## ***B. California Water Service Company (serves 424,800 customers in 24 districts)***

***(a) filed December 4, 2003***

Proceeding Nos.	Commissioner	ALJ	Proj Mgr	Counsel	WD Analyst
A.0312008	Susan P. Kennedy	Michael Galvin		James E. Scarff	

for an order authorizing treatment of net proceeds from real property sales as subject to Public Utilities Code Section 790 and for establishment of memorandum accounts to record net sales proceeds.

- Scoping Memo Issued March 4, 2004.
- Evidentiary hearing begins; 4/7/05.
- 4/29/05, Motion for extension of the statutory deadline under California Public Utilities Code Section 1701.5 to resolve issues in the scoping memo.
- D0508031, dated 8/25/05, Extends the 18-month statutory deadline in this proceeding (September 6, 2005) to November 8, 2005.

***(b) filed February 17, 2005***

Proceeding Nos.	Commissioner	ALJ	Examiner	Counsel	WD Analyst
A.0502016	Dian Grueneich		Kevin P. Coughlan		

for an order authorizing in its Kern River Valley a water quality memorandum account.

- Cal-Am filed an Amended Application on 7/20/05.
- ORA filed a Protest to Cal-Am's Amended Application on 8/26/05.

## ***C. Rehearing of Commission Resolution W-4556***

***(c) filed September 29, 2005***

Proceeding Nos.	Commissioner	ALJ	Examiner	Counsel	WD Analyst
A.0509031			Kevin P. Coughlan		

rehearing of Resolution W-4556 by the Office of Ratepayer Advocates.

# Water Roadmap: for April 2005

## 6. Informal General Rate Cases

### ***A. Nacimiento Water Company (serves 530 customers)***

***filed April 3, 2003***

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000075	Izetta Jackson	Moe Kazemzadeh	Joseph Loo

- The owner has agreed to an informal GRC
- Requesting \$201,882 or 76.93% increase
- Public Meeting held on February 7, 2004
- Request for Extension to Respond to Data Request filed March 31, 2004
- Staff report being prepared
- Staff report mailed out in September 2004.
- Resolution W-4555 authorizes Nacimiento Water Company a general rate increase of \$182,333 or 68.10% in 2003.

### ***B. Big Basin Water Company (serves 561 customers)***

***filed May 13, 2003***

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000080	Izetta C. R. Jackson	Moe Kazemzadeh	Herb Chow

Request authority to increase its water rates by \$165,908 or 70.00% to recover increased operating expenses and make a return on its rate base of 12.86%

- Public Meeting held July 8, 2003 at Boulder Creek Country Club
- Preparing staff report
- Resolution W-4475 dated June 9, 2004, authorized an Interim rate increase of \$30,000 or 12.75%.
- Staff report mailed out in November 2004.
- Resolution W-4526 authorizes Big Basin Water Company a general rate increase of \$106,725 or 46.5% in 2003.

# Water Roadmap: for April 2005

## ***C. Alisal Water Corporation – Salinas District (serves 8,400 customers)***

***filed October 4, 2004***

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000106	Kevin Coughlan	Peter Liu	Raj Naidu

- Requesting \$1,009,944 or 23.55% increase
- Public Meeting held on December 14, 2004
- Staff Report being verified
- Also verified Test Year 2005, Escalation Year 2006 and Calculation Year 2007 construction cost estimates and schedule on August 15, 2005.
- Also verified the Test Year 2005 construction cost estimates on August 29, 2005.

## ***D. Cobb Mountain Water Company (serves 62 customers)***

***filed April 22, 2005***

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000110	Kevin Coughlan	Moe Kazemzadeh	Michael Miller

- Requesting \$3.523 or 25.16 % increase
- Public Meeting held on August 8, 2005.

## ***E. Lake Alpine Water Company (serves 516 customers)***

***filed May 27, 2005***

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000111	Kevin Coughlan	Moe Kazemzadeh	Michael Miller

- Requesting \$159,100 or 51.47% increase
- Public Meeting scheduled for October 19, 2005

# Water Roadmap: for April 2005

## *F. Tahoe Swiss Village Utility, Inc.*

(serves 360 customers)  
filed July 2, 5005

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
W000110	Kevin Coughlan	Moe Kazemzadeh	Steve Haine

- Requesting \$49,526 or 28.98 increase
- Public Meeting scheduled be held in October 4, 2005

# Water Roadmap: for April 2005

## 7. Informal Other

### ***A. Spring Crest Water & Power Company*** *(serves 10 customers)* *Outreach and Receivership*

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
	Izetta Jackson		Kerrie Evans

- Desert Water District to take over Operation once Receiver Signs an MOU.

# Water Roadmap: for April 2005

## 8. Audits, Stock Approvals and Loans

### *A. Nacimiento Water Company Audit*

Joseph Loo

### *B. Del Oro Country Estates audit & GRC*

Edmund Viray

### *C. Big Basin audit & GRC, Conlin-Strawberry Audit*

Herb Chow

### *D. Hillview Water Company Audit & GRC*

Joseph Loo

Stan Puck

Edmund Viray

Tayeb Mogri

### *E. San Gabriel Valley Water Company Audit*

Joseph Loo

Tayeb Mogri

Stan Puck

Edmund Viray

### *F. Park Water Company*

filed September 23, 2005

Proceeding Nos.	Examiner	Proj. Mgr	WD Analyst
A.0509028	Kevin Coughlan	D. Wagoner	Ramon Go

for authority to issue evidence of indebtedness (First Mortgage Bonds) in the aggregate principal amount not to exceed Fifteen Million (\$15,000,000) Dollars.