

# Energy Roadmap: March 2006 Update

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## 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

- Commission decision on agricultural class definition expected at the December 15, 2005, meeting.

#### Proceeding Overview

Date	Actions Taken	Comments
Nov 18, 2005	Commission Issues D.05-11-004	Adopts May 13, June 3, and July 8, 2005 settlement agreements on residential, commercial, industrial and agricultural revenue allocation and rate design. Marginal cost issues are largely deferred until phase 2 of PG&E's test year 2007 GRC.
Nov 14, 2005	ALJ PD on Agricultural Class Definition Issued for Comment	PD rejects settlement filed by PG&E, AECA, and CFBF
Oct 6, 2005	Evidentiary Hearing on PG&E/AECA/CFBF Settlement.	
Sept 26, 2005	Almond Hullers and Processors Assn. and Mercado Latino, Inc. file Opposition to PG&E/AECA/CFBF Settlement.	
Sept 2, 2005	PG&E, Agricultural Energy Consumers Assn., and California Farm Bureau file Settlement.	Settlement on agricultural class definition would defer further consideration of the definition, and addresses billing adjustments relating to complaints regarding the definition.
July 21, 2005	Commission Issues D.05-07-041	Decision finds that neither BART nor SierraPine are subject to certain costs associated with PG&E's energy recovery bonds.
July 8, 2005	PG&E and Settling Parties filed 3 Supplemental Settlement Agreements.	Supplemental settlement agreements address large light and power, and agricultural customers' rates, and energy recovery bonds.

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June 3, 2005	PG&E and Settling Parties filed two Supplemental Settlement Agreements.	Supplemental settlement agreements address residential and small large light and power customers' rates.
May 13, 2005	Parties File Motion to Adopt Settlement Agreement	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. 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

1. Increase rates by an average of 15%.
2. Sets return on equity.
3. Determines appropriate rate base and expense levels.

### Next Steps

- WCG will file advice letters for authority to charge rates.

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Mar 17, 2005	D.05-03-010 voted out.	
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.	

## C. SCE General Rate Case – Phase I

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

<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Feb. 14, 2006	Reply comments filed on proposed decision	Replied comments filed by SCE, DRA, and intervenors.
Feb. 7, 2007	SCE filed comments on Exhibit 900	SCE filed comments on errors in results of operation (RO) model , Exhibit 900
Feb. 6, 2006	Comments filed on proposed decision	Comments on proposed decision filed by SCE, DRA, and intervenors
Jan. 17, 2006	Proposed decision issued	Comments due February 6, 2006 and reply comments due 5 days after comments are filed
Nov. 17, 2005	Ruling issued	Comments on SCE, CUE and TURN's proposed stipulation are due November 18, 2005.
Nov. 17, 2005	ORA, and Aglet file motion	Motion filed in opposition for approval of stipulation on reliability investment incentive mechanism of Edison, CUE, and TURN.

### 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

- Oral arguments – date TBD.
- Revised proposed decision to be issued.

### Proceeding Overview

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Nov. 2, 2005	SCE, Coalition of CA Utility Employees, and TURN file motion	Motion filed for approval of stipulation on reliability investment incentive mechanism.
Oct. 21, 2005	Updated briefs are filed	SCE filed updates regarding postage and Mohave issues.
Oct. 11, 2005	Updated hearings begin	
Sept. 30, 2005	SDG&E files motion	Motion files to establish a Memorandum Account for its 2006 SONGS-related revenue requirement
Sept. 2, 2005	Reply briefs due	
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.
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 overlflection of Postretirement Benefits Other Than Pensions costs. SCE proposed increases of \$159 million in 2007 and \$122 million in 2008.

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## D. SCE General Rate Case – Phase II

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
A.05-05-023	Bohn	DeBerry		Robles, Ghadessi

### What it Does

1. Establishes marginal costs, revenue allocation, and rate design to determine the distribution and generation components of SCE's rates.
2. Phase II issues include:
  - a) Establishing method by which marginal generation, distribution, and customer costs for each rate group are determined.
  - b) Identifying delivery-related marginal costs at different voltage levels for allocation of design demand costs, by rate group.
  - c) Determining how Equal Percent of Marginal Cost (EPMC) factors are developed for revenue allocation.
  - d) Determining whether to use EPMC or another methodology in allocating distribution and generation costs.
  - e) Determining the total revenue allocated to any one rate group, considering a "cap" or maximum increase
  - f) Determining the appropriate rate design for California Alternative Rates for Energy (CARE) rates.
  - g) Likewise, determining rate design for non-CARE and medical baseline rate tiers.
  - h) For non-residential rate design, establishing lighting, traffic control, large power, agricultural and pumping, and Stand-by rates.
  - i) Establishing rate design for interruptible customers.
  - j) Tariff change proposals.

### Next Steps

- ORA testimony due December 16, 2005
- Intervenor Testimony due January 20, 2006
- **Rebuttal Testimony due March 10, 2006**
- **Evidentiary Hearings March 20 – March 30, 2006**

### Proceeding Overview

Date	Actions Taken	Comments
Feb 23	Parties reach settlement in principle on revenue allocation	Parties will continue discussions in an effort to reach settlement on rate design.
Feb 3, 2006	SCE issues Comparison of Parties' Positions	After extensive settlement discussions, SCE circulates update of parties' positions delineating 1) specific proposals, 2) list of parties in agreement, and 3) list of alternate proposals for Marginal Cost, Revenue Allocation, and Rate Design issues.
Jan 17, 2006	A coordinated "Comparison of Parties' Positions" due February 3, is allowed to replace Statements of Contested Facts, due January 27.	Due to parties' continuing efforts to reach settlement, ALJ DeBerry rules that a comparison exhibit, showing all parties' positions, is allowed to replace Statements of Contested Facts.
Nov 14, 2005	Settlement Discussions begin	Discussions begin amongst all parties including DRA.
Sep 6, 2005	Updated Exhibits filed	An update of exhibits filed with May 20 Phase II application.
Aug 15, 2005	Scoping Memo and Ruling of Assigned Commissioner issued	Specifies Phase II issues and schedule of proceeding dates.
July 20, 2005	Prehearing Conference	ALJ DeBerry heard parties' statements in preparation for issuing scoping memo for proposed proceeding schedule.
May 20, 2005	Phase II GRC application	Exhibits include: Application, Policy Proposals, Marginal Cost and

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	Sales Forecast Proposals, Revenue Allocation Proposals, Rate Design Proposals, Proposed Rate Schedule Changes, and Witness Qualifications.
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## 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	Strain, Lafrenz

### What it Does

1. Sierra Pacific 2006 GRC requests an overall revenue requirement increase of \$8.1 million, which represents an overall rate increase of 12.7%.
2. 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

- Settlement to be reviewed by the ALJ and considered by the Commission.

### Proceeding Overview

Date	Actions Taken	Comments
Feb. 6, 2006	Joint Motion to accept Settlement filed	The Parties approved and adopted a settlement agreement. Parties agreed to a revenue requirement increase by \$4.098 million which is about half of the revenue requirement requested in Sierra Pacific's application,
Jan 18, 2006	Joint Statement of Material Facts to be Adjudicated at Hearing filed	The Sierra Pacific, DRA, TURN, The A-3 Customer Coalition and Western Manufactured Housing Community Association (hereafter, collectively, the Parties) indicated to the ALJ that settlement discussions were actively ongoing
Oct. 7, 2005	Scoping Ruling issued	Confirm that this is a ratesetting proceedings and establishes the procedural schedule: Parties file a joint statement by 1/18/06; Hearings on 1/23-27/06; Opening briefs due 2/24/06; Reply briefs due 3/10/06; and decision issued 6/06
Oct. 3, 2005	Sierra Pacific files supplement to application	Supplement consists of Sierra Pacific's Depreciation Study.
Sept. 7, 2005	Prehearing conference held	Parties adopted a new procedural schedule.
June 3, 2005	Sierra Pacific filed A.05-06-018	Application requests authority to increase its electric rates and charges for electric service.

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## F. PG&E 2007 GRC – Phase I

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
A0512002	Bohn	Kenney/Econome	None	Lafrenz/Strain

### What it Does

- Phase I sets the revenue requirement (RR) for distribution and generation capital and operating costs for test year 2007, and attrition years 2008, and 2009.
- Phase II sets rate design and cost allocation. This is done by a separate application
- PG&E is seeking a rate increase of \$849 million (19.3%) over its authorized 2005 RR
- PG&E requests the following base RR, to be effective January 1, 2007:
  - Gas Distribution \$1.097 billion (\$150 million (15.8%) increase over authorized 2005 RR of \$947 million)
  - Electric Distribution \$3.051 billion (\$577 million (23.3%) increase over authorized 2005 RR of \$2.47 billion)
  - Electric Generation \$1.09 billion (\$122 million (12.6%) increase over authorized 2005 RR of \$968 million)
- The following are some of the requests PG&E included 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
  - Proposes a new performance incentive mechanism (PIM) and a request for pension funding that was not included in its NOI.
- 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

- Mandatory Settlement Conference by 5/10/06
- Joint Case Management Statement and Settlement Conference Report filed and served 5/22/06
- Second Prehearing Conference 5/25/06
- Evidentiary Hearings begin 5/31/2006 – 7/7/06

### Proceeding Overview

Date	Actions Taken	Comments
Feb. 21, 2006	Ruling issued	Sets public participation hearings
Feb. 3, 2006	Scoping Ruling issued	Confirms that this is a ratesetting proceeding and establishes the procedural schedule
Jan. 17-19, 23, 2006	Prehearing Conference Statements Filed	Statements filed by PG&E, DRA, and intervenors
Jan. 12, 2006	Reply to Protests filed by PG&E	
Jan. 5, 2006	Protests filed	DRA, Merced Irrigation District, Modesto Irrigation District,

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		and South San Joaquin Irrigation District filed protests to the application.
Dec. 21, 2005	Ruling issued	Sets a Prehearing conference on January 23, 2006
Dec. 2, 2005	2007 GRC Application filed	
Oct 3, 2005	Notice of Intent is filed	
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.

## G. PacifiCorp General Rate Case

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.0511022	Brown	Galvin	none	Lafrenz

### What it Does

4. Request an \$11.0 million increase
5. Increase rates by an average of 15.6%.
6. Requests authority to implement an energy cost adjustment clause and to implement a Post Test-Year Adjustment Mechanism in this GRC

Note: PacifiCorp through the advice letter process proposed to move customers covered by a 1956 contract that expired on April 17, 2006, to full tariff rates. It was determined that the appropriate process is to include this issue in PacifiCorp's GRC and not through the advice letter process.

### Next Steps

- March 6-7, 2006 – evidentiary hearing - Klamath Water User Association customer rates
- March 17, 2006 – prehearing conference
- April 13, 2006 – decision on propose agreement on transition rates for Klamath Water Users Association customers

### Proceeding Overview

Date	Actions Taken	Comments
Feb. 24, 2006	Rebuttal Testimony to propose agreement on transition rates	DRA opposes the creation of a memorandum account to track the subsidy and allocate the entire subsidy to California ratepayers during the phase-in period.
Feb. 6, 2006	Scoping Ruling	Confirms that this is a ratesetting proceeding. Set the following procedural schedule: March 6 -7, 2006 – evidentiary hearing; March 17, 2006 – prehearing conference; April 13, 2006 – decision on propose agreement on transition rates for Klamath Water Users Association customers; other issues – December 31, 2006. Decision submittal date December 31, 2006.
Jan. 30, 2006	Propose agreement on transition rates for Klamath Water Users Association customers	PacifiCorp, the Klamath Water Users Association (KWUA), and the Department of Interior (DOI) reached an agreement on a transition plan that is designed to move the customers covered by

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		the 1956 contract between PacifiCorp's predecessor, Oregon Power Company, and the DOI from the current rates of \$0.006/kWh to full tariff rates over a four-year period. This plan also includes a creation of a memorandum account to track the subsidy during the phase-in period.
Dec. 22, 2005	Notice filed	Prehearing conference on January 18, 2006
Nov. 29, 2005	Application filed	

## 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

#### What it Does

Sets annual bond charge for payment of debt service on DWR bonds.

#### Next Steps

- DWR is expected to issue its "draft" determination of its 2007 debt service revenue requirement and 2007 bond charge in July 2006.

#### Proceeding Overview

Date	Actions Taken	Comments
Dec 1, 2005	The Commission adopted D.05-12-010	Adopts the 2006 DWR bond charge of \$.00485 per kWh
Nov 2, 2005	Draft Decision was mailed	Sets the 2006 DWR bond charge at \$.00485 per kWh
Oct 27, 2005	DWR supplemented and updated its August 3 <sup>rd</sup> Determination	DWR's bond-related revenue requirement decreased \$43 million, to \$882 million
Oct 17, 2005	Reply briefs filed	No party disputed DWR's requested bond-related revenue requirement
Oct 11, 2005	Briefs filed	No party disputed DWR's requested bond-related revenue requirement
Aug 3, 2005	DWR submitted 2006 Determination	DWR sought \$919 million to cover its power-related costs
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.

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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

1. Sets annual power-related revenue requirement, allocates it between the three utilities, and establishes utility-specific power charges for DWR power.
2. Trues-up prior year allocations.

### Next Steps

- The Commission still must issue a decision regarding the allocation of benefits of Williams gas contract (deferred from recent decision allocating 2006 DWR revenue requirement).
- DWR is expected to issue its “draft” determination of its 2007 debt service revenue requirement and 2007 bond charge in July 2006.

### Proceeding Overview

Date	Actions Taken	Comments
Dec 1, 2005	The Commission adopted D.05-12-010	Allocates DWR’s 2006 power cost revenue requirement among IOUs, and sets IOU power charges for 2006.  The allocation of benefits of the Williams gas contract was deferred to a yet-to-be-issued Commission decision.
Nov 21, 2005	Draft Decision was mailed	
Oct 27, 2005	DWR supplemented and updated its August 3 <sup>rd</sup> Determination	DWR’s power-related revenue requirement increased \$418 million, mainly due to higher forecast gas costs, to a total of \$4.546 billion
Oct 17, 2005	Reply briefs filed	
Oct 11, 2005	Briefs filed	Parties dispute allocation of benefits of Williams gas contract, and allocation of certain hedging-related costs and benefits. DWR’s cost estimates are NOT disputed.
Aug 3, 2005	DWR submitted its 2006 Determination of Revenue Requirement	DWR sought \$4.128 billion to cover its power-related costs
Jun 30, 2005	The Commission adopted D.05-06-060	This decision grants, in part, a petition to modify D.04-12-014, the Commission’s previous order adopting a “permanent” methodology for the allocation of DWR’s contract costs, replacing it with the methodology in the instant order. The adopted methodology is considered effective as of Jan 1, 2004. Under the adopted method, the “variable” costs of each DWR contract will be directly assigned to the IOU that physically manages that contract. The “fixed” costs of the DWR revenue requirement are allocated to each IOU as follows: PG&E (42.2%), SCE (47.5%) and SDG&E (10.3%).
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.

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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.

### Next Steps

- Potential settlement agreement forthcoming.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 27, 2006	Reply Briefs submitted by SoCalGas, SCGS, Exxon Mobil	
Jan 13, 2006	Opening briefs submitted by TURN, CIPA/CNGPA/Indicated Producers/WSPA, DRA, SCGC, SoCalGas, Exxon Mobil	
Nov 2, 2005	Ruling regarding procedural schedule issued by ALJ Wong.	<p>1. Southern California Generation Coalition, The Utility Reform Network, and the Office of Ratepayer Advocates shall serve their "factual presentation," as described above, on the factual issues in dispute on November 10, 2005.</p> <p>2. Any party who wants to respond to the November 10, 2005 factual presentation shall serve their responsive prepared testimony on December 7, 2005.</p> <p>3. Evidentiary hearings in this proceeding shall be held beginning on December 13, 2005, at 10:00 a.m. at the Commission's hearing room, 505 Van Ness Avenue, San Francisco, and continue through December 15, 2005.</p>
Sept 22, 2005	Response filed by ORA/PELEO/PUC, Southern California Generation Coalition, TURN	
Sept 8, 2005	Comments filed by SoCalGas	
Sept 7, 2005	Motion filed by CIPA, ExxonMobil, Indicated Producers, SoCalGas, & WSPA for Approval of Revised Joint Stipulation.	
Aug 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.

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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.</li> <li>• 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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## 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.

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## Next Steps

- Potential settlement agreement forthcoming.

## Proceeding Overview

Date	Actions Taken	Comments
Feb 14, 2006	Ex Parte filed by Indicated Producers.	On February 9, 2006, Evelyn Kahl, counsel to the Indicated Producers (IP), met in San Francisco with Belinda Gatti, advisor to Commissioner Brown. Kahl advised the Commission that the IP and WSPA are very interested in gaining greater certainty in the relationship between SoCalGas and interstate producers. Kahl indicated that IP/WSPA have proposed a standardized agreement. Kahl observed that SoCalGas is in a strong monopoly position in this relationship.
November 2, 2005	Ruling: ALJ Wong revises the procedural schedule.	<ul style="list-style-type: none"> <li>• Utility to serve updated testimony: January 10, 2006</li> <li>• Prepared testimony by all other parties to be served: January 31, 2006</li> <li>• Prepared rebuttal testimony by all parties to be served.: February 21, 2006</li> <li>• Evidentiary hearings: March 6-10, 2006. Start time on March 6, 2006 at 10:00 a.m.</li> </ul>
October 31, 2005	Comments on ALJ Ruling dated 10/25/05 filed by CIPA, ExxonMobil, Indicated Producers, CNGPA, WSPA	
October 31, 2005	Comments on revised procedural schedule filed by ORA/PELEO/PUC, SCGC	
October 25, 2005	ALJ Wong issued ruling.	Revises the evidentiary hearing dates. Sets evidentiary hearing for February 21-24, 2006. Comments on the procedural schedule/Responses to the ruling are due by October 31, 2005.
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.
June 3, 2005	Status report issued by SoCalGas and joint	The parties reported that they were still engaged in discussions and

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	parties.	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. 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

- Phase I Proposed Decision to be issued.

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Nov 4, 2005	Reply briefs filed.	
Oct 21, 2005	Opening briefs filed.	
Sept 12-15, 2005	Evidentiary hearings held.	
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.	
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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## ***F. Agricultural Internal Combustion Equipment (ICE) – Incentives for Conversion to Electric Service***

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

### **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 intervenor compensation.

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
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 ratepayers</li> </ul>
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.

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Nov 9, 2004	PG&E filed A.04-11-007, and SCE filed A.04-11-008.	<p>Both applications offer incentives to customers that convert engines used for agricultural pumping from diesel fuel to electricity including:</p> <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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## G. Southwest Gas GCIM

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

### What it Does

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.

### Next Steps

Ruling has been issued.

### 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.

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## H. 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

1. Determines how much incremental (amount above current levels) gas storage the core requires.
2. Establishes process by which independent gas storage providers may compete for incremental gas storage needs.
3. Sets cost recovery methods for incremental gas storage acquired by PG&E.

### Next Steps

- Reply briefs due **Mar 6, 2006**.
- Proposed decision **July 2006** (tentative).

### Proceeding Overview

Date	Actions Taken	Comments
Feb 17, 2006	Opening briefs filed.	TURN argues that additional core storage is not needed for reliability and that if a 1-in-10 peak day standard is adopted PG&E's noncore customers would unfairly benefit by lower gas spot prices. Lodi Gas Storage and Wild Goose allege PG&E's proposed credit standards are anti-competitive. PG&E argues that its credit standards protect core customers from the potential unavailability of gas injected into storage. DRA supports a 1-in-10 standard because core load is growing and the core should pay for any additional storage due to the benefits core customers receive.
Jan 25, 2006	Partial settlement agreement filed.	Outlines RFO process for acquiring additional storage. All parties except TURN agree that 1-in-10 peak day standard should be used to determine amount of incremental core storage to obtain and that the costs be recovered from bundled core customers.
Jan 17-18, 2006	Evidentiary hearings held.	
Sept 13, 2005	Intervenor testimony filed by ORA, TURN, Lodi Gas Storage (LGS), Wild Goose Gas Storage (WGS), and SPURR.	ORA recommends that PG&E make the list of storage products that it would make bids on less restrictive, and to be allowed to enter gas storage open seasons. TURN opposes PG&E's proposal as it unfairly benefits non-core customers. LGS prefers bilateral negotiations rather than an RFO and notes several PG&E credit policy issues. WGS recommends modifications to the list of products PG&E can bid for. SPURR supports PG&E's proposals regarding the treatment of CTAs.
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.

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		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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## ***I. 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

- **The Commission will act on the utilities' compliance filings on their 2006-2008 energy efficiency final program portfolios.**

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Feb 17, 2006	PG&E filed an advice letter compliance filing for its 2006-2008 energy efficiency programs as required by D.05-01-055. PG&E also filed a Motion to Bifurcate its compliance filing.	In this compliance filing, PG&E only addressed the third-party program component of its portfolio, including additional details on its mass market programs. PG&E anticipates to file the local government partnership programs in April 2006.
Feb 1, 2006	SDG&E and SCG filed advice letter compliance filings for their 2006-2008 energy efficiency programs as required by D.05-01-055.	
Jan 6, 2006	SCE filed an advice letter compliance filing for its 2006-2008 energy efficiency programs as required by D.05-01-055.	
November 18, 2005	The Commission adopted D.05-11-011	The decision approves EM&V funding for the 2006-2008 program cycle and addresses related issues.
October 19, 2005	ALJ issued draft decision on EM&V funding for 2006-2008 program cycle	
September 22, 2005	Commission adopted D.05-09-043	The decision approves funding levels for the utilities energy efficiency portfolio plans for 2006-2008-Phase 1 issues
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.
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-

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		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.

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## J. 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
October 13, 2005	LGS files <i>ex parte</i> .	On October 11, 2005, David J. Bergquist, Senior Vice President of Lodi Gas Storage, L.L.C. (LGS), sent to Cmmr. Bohn a copy of the letter (attached to the notice) addressed to Dorris Lam of the Energy Division. Copies of the letter were also sent to Robert Lane, advisor to Cmmr. Bohn, and ALJ McKenzie. The letter concerns the Energy Division's Second Deficiency Report regarding LGS' Proponent's Environmental Assessment for the Kirby Hills gas storage facility.
October 5, 2005	LGS files motion for leave to file and for approval of a settlement agreement between PG&E and Lodi.	
September 30, 2005	Response filed by PG&E	
September 6, 2005	LGS files <i>ex parte</i> .	On August 31, 2005, David J. Bergquist, Senior Vice President of Lodi Gas Storage, L.L.C. (LGS), sent to Cmmr. Bohn a copy of the letter (attached to the notice) addressed to Dorris Lam of the Energy Division. Copies of the letter were also addressed to Robert Lane, advisor to Cmmr. Bohn, and ALJ McKenzie. The letter concerns the Energy Division's deficiency report regarding LGS' Proponent's Environmental Assessment and urges Commission approval of a Certificate of Public Convenience and Necessity for the Kirby Hills

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		Facility no later than late January/early February 2006.
September 2, 2005	LGS files reply comments to those of PG&E.	
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	

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

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

### What it Does

PG&E asks for approval of an agreement it has entered into with Mirant for the acquisition of 530 MW of generation.

### Next Steps

- Protests and replies are being reviewed by the assigned ALJ.
- **PD to be issued.**

### Proceeding Overview

Date	Actions Taken	Comments
Dec 8, 2005	Motion filed by PG&E.	To adopt settlement agreement.
Dec 5, 2005	Settlement meeting with ORA.	
Oct 3, 2005	Response filed by Merced Irrigation District, and Modesto Irrigation District.	Response to Joint Motion filed on September 23, 2005 (q.v.).
Sep 23, 2005	Joint Motion filed by California Unions for Reliable Energy, Coalition of California Utility Employees, ORA, PG&E, TURN.	To clarify the scoping memo and adopt a stipulation.
Aug 16, 2005	Scoping Ruling issued by assigned Commissioner President Peevey.	
June 17, 2005	Application was filed by PG&E.	

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## L. SoCalGas Long-Term Gas Transportation Agreement Application

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-10-010	Brown	Barnett		Effross

### What it Does

SoCalGas applies for approval of a long-term gas transportation agreement entered into by Guardian Industries Corp, and SoCalGas on 8/12/05. Guardian produces glass in Kingsburg, CA. It has historically used oil as fuel, and is considering switching to gas. Guardian has also stated that it will relocate its facility, and the attendant jobs, out of state, unless it receives favorable rate treatment to lower its costs of operation. SoCalGas and Guardian propose an agreement whereby SoCalGas will deliver gas on a firm basis, subject to an escalating ceiling and floor rate, and offer a five year discount to the Public Purpose Program Surcharge. This would effectively provide a discount to Guardian.

### Next Steps

- Hearings

### Proceeding Overview

Date	Actions Taken	Comments
Jan 2, 2006	Reply briefs filed by SoCalGas, TURN, DRA	
Dec 13, 2005	Opening briefs filed by SoCalGas, TURN, ORA	
Nov 15, 2005	SoCalGas files <i>ex parte</i>	On October 10, 2005, Marzia Zafar, CPUC Regulatory Relations Manager for Southern California Gas Company (SoCalGas), met with Belinda Gatti, advisor to Cmmr. Brown, in San Francisco. Also present were Peter Hanson, advisor to Cmmr. Brown, Lad Lorenz, Vice President of Regulatory Affairs for SoCalGas, and Marty Bergman and Ray Siada of Guardian Glass. Parties urged the Commission to expedite this proceeding in order for Guardian Glass to make its decision whether to stay in California or to relocate to another state. Guardian Glass representatives explained that although the SoCalGas transportation rate is competitive with other States, the surcharge levied on that rate is not competitive. Zafar explained that the legislature enacted the Public Purpose Program surcharge and left the allocation of it to the Commission, and that a discount is appropriate in order to keep this customer and its three hundred jobs in California.
Oct 31, 2005	Prehearing Conference at CPUC	
Oct 28, 2005	TURN files protest.	Questions the engineering of a discount through reducing Public Purpose Program Surcharge.
Oct 27, 2005	ORA files protest.	Questions the engineering of a discount through reducing Public Purpose Program Surcharge.
Oct 7, 2005	SoCalGas files motion for Authority to Submit and Maintain Confidential	Confidential Materials Attached and Filed Under Seal, namely, the Unredacted Attachment 1 and the Unredacted Testimonies of

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	Information under Seal and for Protective Order	witnesses Joe Velasquez and Allison F. Smith to the Application filed concurrently herewith.
Oct 7, 2005	SoCalGas files motion for Order Shortening Time to Respond to Application.	
Oct 7, 2005	SoCalGas files application.	

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## ***M. SCE and SDG&E Nuclear Decommissioning Cost Triennial Proceeding - NDCTP***

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-11-008	Brown	Long		Premo
<b>What it Does</b>				
<p>The Nuclear Decommissioning Cost Triennial Proceeding sets contribution levels for the Nuclear Decommissioning Trust Funds and addresses reasonableness for decommissioning activities and expenses between 2002 and 2005. SCE requests an annual revenue requirement of \$58.5 million and SDG&amp;E requests an annual revenue requirement of \$12.22 million, commencing January 1, 2007.</p>				
<b>Next Steps</b>				
<ul style="list-style-type: none"> <li>• <b>Intervenor Testimony due April 7, 2006.</b></li> <li>• <b>Rebuttal due April 28, 2006.</b></li> <li>• <b>Hearings scheduled for May 22-26 and May 31-June 2, 2006.</b></li> <li>• <b>Opening Briefs scheduled for June 23, 2006.</b></li> <li>• <b>Concurrent Reply Briefs and Projected submission date is July 14, 2006.</b></li> </ul>				
Date	Actions Taken	Comments		
Feb 14, 2006	PG&E files Motion to Reconsider Ruling on Motion to Compel			
Feb 10, 2006	SCE files Motion to Vacate and Reconsider Ruling on Motion to Compel			
Feb 10, 2006	SCE files Response to DRA Motion to Compel			
Feb 9, 2006	Ruling on Motion to Compel issued	SCE is ordered to provide DRA with the requested tax forms. SCE did not respond to the motion within 10 days		
Jan 27, 2006	DRA files Motion to Compel	DRA requests the ability to copy certain tax forms.		
Jan 18, 2006	Scoping Memo issued.	SCE/SDG&E's application is combined with PG&E's application A.05-11-009. .		
Jan 5, 2006	Pre Hearing Conference held.			
Dec 16, 2005	DRA files protest to application.	Identified concerns include the need for increased decommissioning funding for SONGs and Palo Verde, trust fund balance estimates and assumptions, escalation rates and contingency factors, and tax treatment.		
Nov 10, 2005	SCE and SDG&E submit a Joint Application and Testimony for their 2005 NDCTP			

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## *N. PG&E Nuclear Decommissioning Cost Triennial Proceeding - NDCTP*

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-11-009	Brown	Long		Premo
<b>What it Does</b>				
<p>The Nuclear Decommissioning Cost Triennial Proceeding sets contribution levels for the Nuclear Decommissioning Trust Funds and addresses reasonableness for decommissioning activities and expenses between 2002 and 2005. PG&amp;E requests annual revenue requirements of \$9.491 million and \$0 for Diablo Units 1 and 2 Trusts, respectively, and \$14.621 million for Humboldt Unit 3 Trust, for 2007-2009.</p>				
<b>Next Steps</b>				
<ul style="list-style-type: none"> <li>• A Intervenor Testimony due April 7, 2006.</li> <li>• Rebuttal due April 28, 2006.</li> <li>• Hearings scheduled for May 22-26 and May 31-June 2, 2006.</li> <li>• Opening Briefs scheduled for June 23, 2006.</li> <li>• Concurrent Reply Briefs and Projected submission date is July 14, 2006.</li> </ul>				
Date	Actions Taken	Comments		
Jan 31, 2006	PG&E files required Supplemental Testimony.			
Jan 18, 2006	Scoping Memo issued.	PG&E's application is combined with the SCE/SDG&E application A.05-11-008. PG&E is directed to file supplemental testimony concerning an Independent Board of Consultants to oversee Humboldt 3 decommissioning as ordered in D.00-02-046.		
Jan 5, 2006	Pre Hearing Conference held.			
Dec 16, 2005	DRA files protest to application.	Identified issues include protection of the funds, the need for increasing funds for Diablo, trust fund estimates, escalation rates and contingency factors, waste burial assumptions, decommissioning timing of Humboldt and tax treatments.		
Nov 10, 2005	PG&E submits Application and Testimony for its 2005 NDCTP.			

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## III. MAJOR RULEMAKING PROCEEDINGS

### A. Long-Term Procurement Plan (LTPP) Rulemaking

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
R.06-02-003	Peevey	Brown	Levine	Sterkel, Oh, Auriemma

#### What it Does

1. Reviews the need for additional policies to support new generation and long-term contracts in California, including consideration of transitional and/or permanent mechanisms (e.g., cost allocation and benefit sharing, or some other alternative) which can ensure construction of and investment in new generation in a timely fashion.
2. Serves as the forum for the Commission's biennial procurement review process, established pursuant to AB57, D.04-01-050 and D.04-12-048, which requires that IOUs submit long-term procurement plans that serve as the basis for utility procurement and comprehensively integrate all Commission decisions from all procurement related proceedings.
3. Functions as the umbrella rulemaking to all other procurement related proceedings.

#### Next Steps

- Part 1 -- Proposals to be filed on 3/7/06. Workshop to discuss proposals on 3/14/06. Second workshop in late March, along with post workshop-Comments and reply-comments. Decision by June 2006.
- LTPP plans expected to be filed in Summer 2006, with significant pre-filing work finished before filings.

#### Proceeding Overview

Date	Actions Taken	Comments
Mar 7, 2006	Proposals due.	Parties to submit proposals on need for additional policies to support new generation.
Feb 23, 2006	ACR Issued	Ruling issued setting PHC, providing additional details on OIR's request for proposals on 3/2/06.
Feb 16, 2006	OIR Opened.	R.06-02-013 adopted by Commission.
Dec 14, 2005	Workshop	Energy Division hosted a workshop to discuss the upcoming, new long-term procurement proceeding.

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## B. Resource Adequacy (RA) Rulemaking

Proceeding No.	Commissioner	Admin. Law Judges (ALJ)	Counsel	Energy Division Staff
R.05-12-013	Peevey	Wetzell	Bone, Dorman	Sterkel, Brooks

### What it Does

#### Phase 1 Issues

1. Consideration of a Local Capacity Requirement (LCR), including the CAISO's LCR study.
2. Establishment of a Local Resource Adequacy Requirement (Local RAR) program, in addition to the System RAR requirement established pursuant to D.05-10-042.
3. Review of system RAR program implementation issues, compliance issues, tradeable capacity products, and other issues deferred by D. 05-10-042.

#### Phase 2 Issues

1. Consideration of Multi-year RAR requirements, Capacity Markets, RAR program requirements for small and multi-jurisdictional utilities.

### Next Steps

- Workshop on monthly System RAR on 3/7/2006, first monthly filings due in May 2006
- Local RAR program issues on 3/15/2006.
- Determination of hearings or more workshops by mid-March.
- Decision expected by June 2006.

### Proceeding Overview

Date	Actions Taken	Comments
Mar 13, 2006	Post-Workshop Comments Due	
Mar 1, 2006	Scoping Memo Issue	
Feb 16, 2006	First RAR Filings	All load-serving entities filed their first system RAR compliance filings via advice letter.
Feb 7-8, 2006	Workshop held to discuss Local RAR and LCR.	Energy Division held 2 day workshop to discuss CAISO's LCR Study and Local RAR proposals filed
Feb 2, 2006	PHC Held	
Jan 24, 2006	Local RAR Proposals filed	Parties were ordered by D.05-10-042 to file proposals on Local RAR.
Jan 13, 2006	PHC Statements filed	
Dec 15, 2006	OIR Opened.	R.05-12-013 opened by the Commission

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## C. Procurement Rulemaking

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

### What it Does

1. Reviews and approves utility energy procurement plans.
2. Establishes policies and cost recovery mechanisms for energy procurement.
3. Ensures that the utilities maintain an adequate reserve margin.
4. Implements a long-term resource adequacy and planning process.

### Next Steps

- Proceeding may be closed in near future.

### Proceeding Overview

Date	Actions Taken	Comments
2/16/2005	D.06-02-032 established a load-based gap on GHG emissions.	
12/15/2005	D.05-12-021 considered reallocation of DWR contracts.	
12/15/2005	D.05-12-022 considered PTM requests on D.04-12-048.	Grants in part, and denies in part, petitions to modify D04-12-048.
12/1/2005	D.05-12-019 adopted regarding Qfs.	Continues the interim relief as provided in D04-01-050 for Qualifying Facilities with expired or expiring contracts from January 1, 2006 until the Commission issues a final decision in the combined two dockets, R04-04-003 and R04-04-025.
Oct 27, 2005	The Commission adopted D.05-10-042	The decision adopts a system resource adequacy program requirement for 2006, with annual and monthly showings.
Sept 22, 2005	SCE withdrew A. 05-06-003; On Sept 9 <sup>th</sup> , Commissioner Grueneich issued a scoping memo in application.	SCE withdrew application for approval of new generation contracts; SCE had 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.	
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.	

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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.
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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## D. Renewable Portfolio Standard (RPS) Rulemaking

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-04-026	Peevey	Simon		Douglas

### What it Does

Implements a Renewable Portfolio Standard (RPS) program in accordance with SB 1078.

### Next Steps

- 2005 Market Price Referent draft resolution will be issued 3/06
- Parties will file briefs in March regarding Feb 16, 2006 RPS Compliance & Reporting Workshop.
- Proposed decision on short-term RPS procurement plans and TOD benchmarking expected 2<sup>nd</sup> quarter 2006
- Proposed decision on RPS reporting and compliance rules expected in Summer 2006.

### Proceeding Overview

Date	Actions Taken	Comments
Summer 2006	Proposed decision on reporting & compliance rules	
2 <sup>nd</sup> quarter 2006	Proposed decision on TOD benchmarking, 2006 short-term RPS procurement plans	
Mar 17, 2006	Reply comments filed on reporting & compliance workshop	
Mar 14, 2006	Draft resolution on final 2005 MPR mails	
Mar 10, 2006	Comments filed on reporting & compliance workshop	
Mar 7, 2006	Responses filed to 2/17 proposals	
Mar 1, 2006	Reply comments filed on TOD benchmarking	
Feb 17, 2006	ESP, CCA, SMJU participation proposals filed	
Feb 16, 2006	New OIR on ESPs, etc. issued (R. 06-02-012)	
Feb 16, 2006	All-Party Workshop: RPS Compliance & Reporting Rules	
Dec 22, 2005	Major IOUs file 2006 RPS short term plans.	
Dec 15, 2005	2005 MPR proposed decision on	

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	Commission agenda.	
Dec 14, 2005	PHC on ESPs, CCAs, small multi-jurisdictionals, and RECs.	
Dec 10, 2005	IOUs will file supplemental compliance filings for 2005 LT RPS procurement plans.	
Nov 18, 2005	ESP-CPUC Jurisdiction decision adopted.	
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 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)

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		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 determining standard contract terms and conditions.
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## ***E. 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 in effect as of September 20, 2001, and also disclose those specific</li> </ul>

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		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.
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>The Affidavit applies to customers w/ demand over 500 kW.</li> <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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## F. 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) A.05-06-006 (PG&E) A.05-06-008 (SCE) A.05-06-017 (SDG&E)	Peevey, Grueneich	Cooke		Kaneshiro, Chavez, Rosauer

### What it Does

- 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.
- Develop demand response programs and dynamic pricing tariffs.
- The demand response rulemaking is a multi-agency effort, which involves the participation of the CEC and CPUC as partnering agencies.
- 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.
- Authorized the State Pricing Pilot (SPP) research project, a two-year pricing research project designed to estimate the demand

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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 evaluates 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 provide a key input 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

- **Draft decision that adopts multi-party settlement approving IOUs' 3-yr. Demand Response budgets ('06-'08) is on the March 15 Commission agenda.**
- **Hearings on PG&E AMI deployment application start February 28.**
- **Staff will convene a cost-effectiveness demand response scoping workshop on March 21.**
- **Draft decision on the default CPP settlements is expected soon.**

## AMI Proceedings Overview

### PG&E's AMI pre-deployment Application (A.) 05-03-016

Date	Actions Taken	Comments
October 24, 2005	Turn filed a motion for rehearing of (D.)05-09-044	
September 22, 2005	The Commission approved PG&E's AMI pre-deployment funding request (D.05-09-044)	The Commission approved \$49 million for AMI pre-deployment activities such as metering data communication net-work set-up, billing/care system integration and system testing
Mar 15, 2005	PG&E filed A.05-03-016	PG&E seeks cost recovery of up to \$49 million of pre-deployment expenditures for the initial stage of the AMI Project.

### SDG&E's AMI Application (A.)05-03-015

November 18, 2005	ALJ Ruling	The ALJ Ruling modifies the schedule adopted in the July 26, 2005 Ruling in response to an October 20, 2005 motion by SDG&E to modify the procedural schedule. Evidentiary hearings are schedule for July 10-24, 2006 and a final decision in December of 2006.
August 25, 2005	Commission approves multi-party settlement agreement	The Commission approved \$3.4 million in funding for SDG&E's AMI pre-deployment activities for the period of September 2005 through March 2006 and an additional \$5.9 million for the period March 2006 through the end of 2006.
March 30, 2005	SDG&E amended its application	
March 15, 2005	SDG&E filed Application (A.) 05-03-015	SDG&E requests approval of their preferred full scale AMI deployment strategy and approximately \$50 million for pre-deployment costs.

### SCE's AMI Application (A.) 05-03-026

Dec 1, 2005	Commission approves multi-party settlement.	SCE's phase 1 AMI pre-deployment application is approved.
October 3, 2005	A multi-party settlement agreement was filed	The Settling Parties agreed to SCE's scope and timing of Phase 1 Advanced Integrated Meter (AIM) project development and the approval of \$12 million in ratepayer funding for the Phase 1 AIM project activities
March 30, 2005	SCE filed 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

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		(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.
<b>PG&amp;E's AMI Application (A.)05-06-028</b>		
November 28, 2005	ALJ Ruling is issued	The Ruling modifies the schedule adopted in the July 27, 2005 Scoping Ruling in response to a November 2, 2005 motion by ORA to modify the schedule. Evidentiary hearings are scheduled for February 27 through March 13, 2006, and a final decision on July 20, 2006.
October 13, 2005	PG&E files amendment to A.05-06-028	PG&E amended its estimated AMI project implementation costs from \$1.46 billion to \$1.75 billion. This amount includes the \$49 million in AMI pre-deployment costs authorized in D.05-09-044
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.
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
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 <b>A.05-03-016</b> 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>

# Energy Roadmap: March 2006 Update

<i>Large Customer (&gt;200 kW) Proceedings Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
January 30, 2006	Multi-party settlement is filed with the Commission regarding the IOUs' 3-year demand response program budgets ('06-'08)	Parties defer issues of cost-effectiveness and DR programs goals. Seek approval of \$225 m. in funding for DR programs for next three years.
Nov. 21, 2005	Decision closes the original OIR (R.02-06-001)	The decision directs agency staff to complete several remaining tasks which could lead to new OIRs: develop a measurement protocol for DR programs, develop a cost-effectiveness evaluation protocol for DR, explore possible improvements to customer billing formats to better convey their energy usage.
Nov. 14, 2005	Two settlements (one for PG&E/SCE, the other for SDG&E) were proposed in the default CPP proceeding.	The PG&E/SCE settlement proposes a CPP tariff that is voluntary (both IOUs argue that a default tariff is counterproductive.) The SDG&E settlement proposes a default CPP tariff on the condition that SDG&E conduct intensive customer outreach and education about the new rates.
Oct. 19, 2005	Draft decision issued for public comment. Closes the original OIR (R.02-06-001)	The decision directs agency staff to complete several remaining tasks which could lead to new OIRs: develop a measurement protocol for DR programs, develop a cost-effectiveness evaluation protocol for DR, explore possible improvements to customer billing formats to better convey their energy usage.
August 1, 2005	IOUs filed revised default CPP tariffs in compliance with April, 2005 decision	Default CPP tariffs (with opt-out option) for large customers are proposed by the IOUs.
June 1, 2005	IOUs filed applications seeking approval of large customer DR programs for 2006-2008	The IOUs seek budgets approving DR programs for the next three years. Programs include interruptible programs, day-ahead programs, customer education, monitoring and evaluation protocols.
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 utilities.
<i>Small Customer (&lt;200 kW) Issues</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
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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# Energy Roadmap: March 2006 Update

## G. 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 filed for comment.	Proposes actions to implement the Governor's Solar Initiative. 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

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		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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## H. Energy Efficiency Rulemaking

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

### 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

- Further workshops on EM&V protocols, and EM&V reporting requirements.
- Commission to consider inventive mechanisms for energy efficiency programs.

### Proceeding Overview

Date	Actions Taken	Comments
Feb 21, 2006	Ruling issued by ALJ.	Adopts the Portfolio Monitoring reporting requirements for program implementation plans, monthly and quarterly reports.
Jan 11, 2006	Ruling issued by ALJ.	Adopts protocols for process and review of post-2005 EM&V activities.
Oct 5-6, 2005	Energy Division and CEC Joint Staff held workshop on EM&V protocols and program reporting requirements.	
Oct 4, 2005	The ALJ issued a ruling.	The ruling solicits comments on the Joint Staff's Draft Protocols for EM&V of Energy Efficiency.
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

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		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.
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.

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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 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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## I. Low Income Rate Assistance

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.04-01-006		Weissman, Thomas	Lee	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		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.

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## Next Steps

- **LIEE Impact Evaluation public workshop to be held on March 13, 2006**
- **In accordance with D.05-07-014, Small and Multi-jurisdictional Utilities (SMJUs) shall file new applications for its Low Income Programs no later than June 1, 2006, for budget years 2007 and 2008**
- **In accordance with D.05-12-026, each of the major energy utilities shall file 2007-2008 funding applications for LIEE and CARE programs no later than July 1, 2006.**
- **In accordance with D.05-12-026, each of the major energy utilities shall file applications no later than April 14, 2006 to seek 2006 budget augmentations.**
- 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.

## Proceeding Overview

Date	Actions Taken	Comments
Feb. 28, 2006	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
Feb. 17, 2006	Combined workshop to Review November 1, 2005 Standardization Team Report and progress on the CARE and Low-Income Energy Efficiency Program Winter Initiative	Decision D.05-10-044 was issued approving various emergency changes to CARE and LIEE programs in light of anticipated high natural gas prices in the winter of 2005-2006. ALJ Weissman held this workshop to discuss the status of the CARE and Low-Income Energy Efficiency Program Winter initiative. Workshop also included the review of the Standardization Team Proposed Revisions to the LIEE Statewide P&P and the WIS Manual filed on November 1, 2005.
Nov. 15, 2005	Draft Decision Issued	Draft Decision issued on Rulemaking 0-4-01-006 and Applications 05-06-005, 05-06-009, 05-06-012 and 05-06-013 approving 2006-2007 Low Income Programs and Funding For the Larger Utilities and Approving new Low Income Energy Efficiency Program Measures for 2006
Oct. 27, 2005	ALJ Ruling Issued	Decision D.05-10-044 issued on Applications 05-06-005, 05-06-009, 05-06-012 and 05-06-013 approving various emergency changes to CARE and LIEE programs in light of anticipated high natural gas prices in the winter of 2005-2006
Oct. 20, 2005	Workshop on Utility Proposals	Based on the proposals received from the utilities and the comments and replies received from many other parties, ALJ Weissman held a full day workshop in San Francisco to discuss the proposals in detail in order to protect the most vulnerable consumers at this time of high natural gas prices.
Oct. 6, 2005	Full-panel hearing	In anticipation of exceptionally high gas prices this winter (as much as 70% higher than last year) and its impact on low-income residential customers, ALJ Weissman held a full-panel en-banc hearing on October 6, 2005, in Los Angeles to study these impacts and solicit proposals from IOU's for providing low-income customers with greater bill protection.

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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 Edison Company	SCE will hold three public workshops to discuss the CARE and LIEE programs' design and reporting requirements for 2006 and 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.

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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 three week extension for the LIOB only.	LIOB comments are due April 4, 2005.
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.

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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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## J. 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

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

### Next Steps

- **Hearings in December, 2005, on Gas Quality Standards.**
- Phase II decision this **winter**.
- **Comments by parties to SoCal's new OBA proposal (reflecting tighter delivery requirements at Otay Mesa).**

### Proceeding Overview

Date	Actions Taken	Comments
November 22, 2005	SoCal revises its OBA proposal to reflect new engineering findings calling for less flexible delivery requirements at Otay Mesa.	Parties will file responses to SoCal's new OBA on December 2. It is possible that some parties may ask for evidentiary hearings related to the new tighter proposed requirements at Otay Mesa.
November 4, 2005	Parties files responses to the ED report on EG gas supplies.	Parties generally support ED recommendation for long-term firm capacity contracts for based-loaded generating plants.
October 6,	Energy Division files report on gas	ED report recommends that utilities consider entering into

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2005	supply arrangements made by electric utilities for generating plants.	long-term capacity contracts for gas supplies for base-loaded generating plants.
September and October, 2005	Opening and reply briefs filed.	General consensus on current adequacy of in-state infrastructure. Divergence of opinions on generic tests for resource adequacy; on methodology for determining when receipt point-related upgrades are necessary and how to pay for them; on the terms of capacity contracts related to local transmission upgrades.
August 2005	Hearings on infrastructure adequacy	
August 16, 2005	SoCal files proposed OBA (Operational Balancing Agreement) and IA (Interconnection Agreement) standardized contracts, based on negotiations. Comments by other parties.	Issues are substantially narrowed.
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 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

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		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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## K. 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

- This proceeding implements Public Utilities Code sections 218.3, 331.1, 366.2, 381.1 and 394.25 which were added to the PU Code pursuant to the passing of Assembly Bill 117 – AB 117 permits cities and counties to purchase and sell electricity on behalf of utility customers in their jurisdictions after these cities and counties have registered with the Commission as “Community Choice Aggregators (CCAs).”
- This proceeding has been bifurcated as follows:
  - Phase I – addressed implementation, transaction costs, and customer information issues; it also set an interim cost responsibility surcharge (CRS) at 2.0 cents per kWh, which will be trued up in 18 months, or sooner, and thereafter, will be trued up annually.
  - Phase II – will address transition and implementation issues between the utilities and the CCAs – such as customer notice, customer protection, operational protocols, billing, metering and distribution services, reentry/switching fees, and CARE discounts – in addition to determining cost responsibility for individual CCAs, known as CRS “vintaging.”

### Next Steps

- Energy Division Staff will facilitate a workshop on March 28<sup>th</sup> 2006 in order to allow parties to understand and clarify CCA tariffs issues that have been raised.
- The Energy Division is working on a procedural timeline that will address the necessary steps that will be taken by the CCAs, the utilities, and the CPUC, and which will be triggered by the CCAs’ submittal of their respective Implementation Plans.

### Proceeding Overview

Date	Actions Taken	Comments
February 14, 2005	The three large investor owned utilities filed their CCA implementation tariffs	The protest period, at the request of the CCA parties has been extended to 60 days.
December 15,	Decision 05-12-041, “the Phase II	This decision rules on the CCA implementation issues.

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2005	Decision," was approved.	
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.
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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## L. 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.

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## 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.
- 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.	<b>It addressed the use of the E3 Avoided Cost Methodology in the Energy Efficiency 2006-2008 Program Cycle.</b>
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), "Methodology And Forecast Of Long Term Avoided Costs For The Evaluation Of California Energy Efficiency Programs." 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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## M. Gain on Sale Rulemaking

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 set for April 13, 2006, meeting.

### Proceeding Overview

Date	Actions Taken	Comments
Nov 2005	ALJ Proposed Decision issued.	
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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## N. 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:

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

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## Next Steps

- Possible workshops and/or evidentiary hearings to be scheduled.

## 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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## O. Holding Companies and Affiliate Relationships

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
R.05-10-030	Brown	Vieth	Morris	Fulcher

## What it Does

This Rulemaking re-examines the relationships of the major energy utilities with their parent holding companies and affiliates. The rules governing these relationships, such as the various holding company conditions and the Affiliate Transactions Rules, and other applicable rules, will be reviewed.

## Next Steps

- ALJ will review comments on the OIR and will issue scoping memo May 2006.

## Proceeding Overview

Date	Actions Taken	Comments
Nov 30, 2005	Comments on Rulemaking filed by parties.	
Oct 27, 2005	Rulemaking issued by Commission.	

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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

1. Examined transmission system needs throughout California, including consideration of transmission needs stemming from proposals associated with renewable sources and with other electric procurement.
2. **Phases 1 through 8 are complete or subsumed in other proceedings.**

#### Next Steps

- Proceeding to close in near future **following decision modifying frequency of transmission project status reports now required monthly.**

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### B. *Mission-Miguel*

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

#### What it Does

The Commission granted a CPCN for the Mission-Miguel 230kV Transmission Line.

#### Next Steps

- Construction Mitigation Monitoring continues toward a scheduled June 2006 completion.

#### *Proceeding Overview*

Date	Actions Taken	Comments
June 30, 2005	Commission approved Otay Mesa 230kV line from Miguel to Sycamore and Miguel to Old Town that included a second circuit 230kV line on vacant position of 230kV tower approved under Mission-Miguel #2.	The second 230kV circuit on a vacant position of the proposed 230kV tower was reviewed and analyzed under the Mission-Miguel #2 Project EIR, but the CPCN approval occurred under the Otay Mesa Project.
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

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		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.

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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 granted 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
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 granted 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.
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.	
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	Grueneich	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

- Draft EIR/EIS anticipated release for public and agencies comment is **July 2006**.
- Anticipated release of final Draft EIR/EIS for Commission certification is **December 2006**.
- CEQA/NEPA EIR/EIS preparation underway.

### Proceeding Overview

Date	Actions Taken	Comments
Mar 6, 2006	Development of the Administrative Draft EIR/EIS	CPUC/USFS are working on the administrative Draft EIR/EIS with a due date of March 24, 2006.
Dec 9, 2005	Alternative Screening meeting	The number of Alternatives to be studied in the document will be reduced to those that are feasible. As discussed in the comment below the possible Alternatives range from routes crossing the Forest, including partial undergrounding, to nonForest routes that connect Antelope substation to Vincent substation.
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.	
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-Vincent and Tehachapi-Antelope 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-Vincent and Tehachapi-Antelope 500 kV Transmission Line Project for Tehachapi Wind Farm development.

### Next Steps

- CEQA contractor to be selected March 2006.
- CEQA EIR preparation will start after the CEQA consultant has been retained.
- Anticipated release of Draft Environmental Impact Report (DEIR) is December 2006.

### Proceeding Overview

Date	Actions Taken	Comments
Mar 7-8, 2006	Contractor interviews completed.	
Jan 2006	RFQ issued.	
Sep 2005	PEA completed.	
Mar 2005	The staff is preparing the RFQ for a CEQA consultant.	
Dec 9, 2004	Application filed.	PEA deferred.

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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.

### Next Steps

- DEIR/EIS released to the public on May 1, 2006 for a 60 day comment period.
- Environmental analysis and alternative screening process underway.

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<i>Proceeding Overview</i>		
<b>Date</b>	<b>Actions Taken</b>	<b>Comments</b>
Jan. 20, 2006	NEPA NOI 30 day scoping period ended	Addendum scoping report released to the public
Jan 18 & 19 2006	Held 3 NEPA NOI scoping meetings in Arizona	
Nov 28, 2005	CEQA NOP scoping period ended	Scoping report released to the public
Nov. 1,2,3, 2005	CPUC held Scoping meetings in Blythe, Beaumont, and Palm Desert for the 30 day NOP Scoping period.	
Sept. 30, 2005	Application deemed complete	
Sept. 27, 2005	ALJ sends out Ruling addressing schedule and other procedural matters	
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. Sunrise PowerLink Project

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
A.05-12-014	Grueneich	Malcolm	Sher	Blanchard

### What it Does

The commission will decide whether to grant a CPCN for the Sunrise Powerlink project.

### Next Steps

- The Commission to rule on SDG&E's request for the Commission to proceed with reviewing the need for the Project before SDG&E submits PEA with specific proposed route.

### Proceeding Overview

Date	Actions Taken	Comments
Mar 7, 2006	Contractor selected for CEQA process.	
Feb. 11, 2006	Commissioner issued Ruling on questions to SDG&E and Parties due Feb.24	
Jan 31, 2006	PHC held in Ramona	
Dec. 14, 2005	Application filed with CPUC	No PEA was filed with Application SDG&E requested deferral to submit in July 2006

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## I. Economic Assessment Methodology (T.E.A.M.) OII

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

### What it Does

The commission will decide what methods are appropriate to determine the economic benefits of a proposed transmission project.

### Next Steps

Joint Hearing dates with DPV2 to be set.

### Proceeding Overview

Date	Actions Taken	Comments
Oct 28, 2005	Ruling in A05-04-015 & OII 05-06-041	No issues resolved by Sep Workshop; Ph 1 hearings to address all issues raised to date.
Sep 26, 2005	Ruling in A05-04-015 & OII 05-06-041	Modified schedule: Phase I Comments due Oct 6; Ph I CAISO testimony due Oct 21; SCE to submit detailed costs of DPV2 as part of supplemental direct testimony in Ph2.
Sep 14-15, 2005	Joint Workshop held in A05-04-015 & OII 05-06-041	
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 10-27-05 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.

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## J. Renewable Transmission OII

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
I. 05-09-005	Grueneich	Halligan		White; Blanchard

### What it Does

This OII takes proactive steps to ensure the development of adequate transmission infrastructure to access renewable resources for California. It will examine and modify the Commission's transmission processes as they relate to renewable energy development, building on the progress made in OII 00-11-001 and OIR 04-04-026.

### Next Steps

- Workshop on streamlining the Commission's transmission permitting process (discussion of internal Commission evaluation) scheduled for March 23, 2006.
- Draft and final Commission decision on cost recovery under P.U. Code Sec. 399.25 projected for April and May, 2006, respectively.

### Proceeding Overview

Date	Actions Taken	Comments
Mar 13, 2006	Energy Division recommendation	The Energy Division released to the service list its recommendation on streamlining the permit process.
Mar 13, 2006	Tehachapi Collaborative meeting	Continued to develop theme structure and contents of TCSG Second Report; decision made to request extension of due date to mid-April, 2006.
Mar 1, 2006	All-party meeting	Update and parties' short statements regarding cost recovery; summary of the status of the Commission's internal review and planned workshop regarding transmission permitting streamlining; summary of IOU reports on transmission problems of contacted RPS projects and prospects for future "low-hanging fruit" RPS projects requiring little transmission development; update on status of TCSG and its upcoming report to the Commission.
Feb 17, 2006	Reply briefs filed	
Jan 27, 2006	Opening briefs on cost recovery	Parties filed opening briefs on transmission cost recovery pursuant to P.U. Code Sec. 399.25
Jan 25, 2006	Transmission status reports	PG&E, SCE and SDG&E filed reports on the status of transmission for contracted RPS projects and prospects for future "low-hanging fruit" RPS projects requiring limited or no transmission development.
Dec 21, 2005	Assigned Commissioner's Scoping Memo and Ruling	Identified top priority issues are (1) cost recovery issues raised by P.U. Code Sec. 399.25; (2) streamlining the Commission's transmission permitting process where possible; (3) coordinating RPS procurement with transmission planning generally; and (4) identifying "low-hanging fruit," or transmission infrastructure investments by the IOUs that do not require Certificate of Public Convenience and Necessity (CPCN) or Permit to Construct (PTC) review by the Commission, and which would facilitate renewable resource development without large-scale, long-term transmission upgrades. Established schedules (see Next Steps, above).
Dec 6-7, 2005	Workshop held	Workshop to discuss what should be the top priority issues. Summaries of TCSG and Imperial Valley SG status.
Nov 21, 2005	Ruling	Workshops set: Dec 6, 2005 for top priority issues; Dec 7 for Study Group reports.

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Nov 21, 2005	Ruling	Comments due Nov 28 on changing category from ratesetting to quasi-legislative.
Nov 7, 2005	PHC held	All-Party Mtg also held the hour beforehand to accomodate Commr's schedule.
Oct 18, 2005	Ruling setting PHC	PreHearing Conference to be held Nov 7, 2005.
Sep 8, 2005	Proceeding opened	SDG&E to file the Imperial Valley Study Group IVSG Report Oct 1, 2005. SCE to file the Tehachapi Collaborative SG Report #2 on March 1, 2006.
Tehachapi Wind Power Project (issue transferred from Phase 6 of the Transmission OIL.00-11-001)		
Date	Actions Taken	Comments
Mar 1, 2006	All-party meeting	Status of Tehachapi Collaborative and 2 <sup>nd</sup> Report reflected the TCSG letter to Commissioner Grueneich.
Feb 16, 2006	TCSG letter to Commissioner Grueneich	Requests 5 week extension of due date of TCSG Second Report; letter recommends deferring the TCSG second report filing date to April 7, 2006; report recommendations will include: <ul style="list-style-type: none"> <li>Phase 1 and 2 facilities be authorized and constructed as quickly as possible;</li> <li>All studies be completed for Phases 2 and 3 (approx. 3000MW);</li> <li>Phase 3 construction not be authorized yet because Phase 4 alternatives including a new line between Tehachapi and Midway may be preferable;</li> <li>The collaborative transmission planning process should be transferred to the CAISO because resolution of grid operations and cost recovery issues require CAISO input.</li> </ul>
Feb 13, 2006	Meeting of TCSG	
Jan 26, 2006	Meeting of TCSG	
Dec 19, 2005	Meeting of TCSG	
Nov 30, 2005	Meeting of TCSG	
Nov 2, 2005	Meeting of TCSG	Extensive notes on continuing studies to identify Alternative to Recommend – see Schumacher or Elliott for details.
Sep 30, 2005	Imperial Valley Study Group Report issued.	
Sep 19, 2005	Meeting of Tehachapi Collaborative Study Group.	Edison results still needed for maximum power through Fresno Tie. PG&E to provide UPFC costs for Tie and do N-1;-2 studies of Alternatives with lowest ISO production cost runs. ISO to make two additional runs; provide historical flows on P15 and P26.
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.

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# Energy Roadmap: March 2006 Update

## 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.

#### Proceeding Overview

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.

<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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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 submitted.	PG&E/ORA/TURN (Jointly), CAC, CalWEA, CCC, IEP, and SCE 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

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		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 Sempra utilities and Phase IB deals with unregulated Sempra utilities. **If the second phase ever occurs, it will investigate actions by non-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.
- **PHC on December 22, 2005, to set up Phase IB schedule.**

### Proceeding Overview

Date	Actions Taken	Comments
November 3, 2005	SCE files testimony in Phase IB.	Claims SDG&E inappropriately signed transportation deal with Baja affiliate which resulted in lost service to SDG&E customers in 2000-01.
September 1, 2005	Sempra Energy files testimony in Phase IB.	Claims its Energy Risk Management department did not create incentives for SoCal and SDG&E to affect border prices. Claims there was no inappropriate information exchange between regulated and unregulated affiliates.
Dec 16, 2004	The Commission voted down the proposed decision.	Some commissioners found no evidence of utility wrong-doing. No alternate was voted on.

<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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Nov 16, 2004	ALJ filed a proposed decision (PD) finding SoCalGas guilty of wrongdoing.	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. *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.

### Next Steps

- Draft report has been submitted to Commission staff and has been distributed to the parties for comment. Draft decision will be written issuing the final report and adopting appropriate recommendations.

### Proceeding Overview

Date	Actions Taken	Comments
Feb 2006	Audit report distributed to parties for comment.	
Jan 2006	Final audit report submitted to Energy Division staff.	
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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## D. 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

1. Argue that some of the long-term DWR contracts are unlawful, and try to gain concessions from counterparties.
2. The California State Auditor issued a report on the effects of the renegotiated contracts on California energy markets, which can be found at: <http://www.bsa.ca.gov/bsa/pdfs/2002-009.pdf>
3. The Complaint has been dropped for sellers that have renegotiated their contracts. The El Paso contract was one of the remaining contracts until it was renegotiated under global settlement in March 2003. CDWR renegotiated long-term contracts can be found at: <http://www.cers.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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## 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

#### What it Does

1. Determines appropriate rate increase to offset additional cost of electric power.
2. Sets return on equity.
3. Determines appropriate rate base and expense levels.

#### Next Steps

- Proposed decision forthcoming.

#### Proceeding Overview

Date	Actions Taken	Comments
Feb 27, 2004	Reply briefs were filed.	
Jan 30, 2004	Opening briefs were submitted.	
Dec 9 - 12, 2003	Evidentiary hearings were held.	
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. 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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## C. 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

- Application has been dismissed. MPPL may sell G-130 along with other assets.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 4, 2006	Application dismissed.	MPPL may sell G-130 along with other assets.
Sept 29, 2005	Four Teams filed its protest.	Parties have since been negotiating.
Sept 5, 2005	Examiner's ruling allowed Four Teams to protest.	
Sept 14, 2004	Application was filed.	

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## D. 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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## E. 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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## F. 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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## G. 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 has allowed Pacific Pipeline to increase its rates by \$0.10/bbl to pay for extraordinary winter damage.

### Next Steps

- PPS will file an advice letter to discontinue surcharge about September 2011.

### Proceeding Overview

Date	Actions Taken	Comments
Jan 30, 2006	PPS filed AL 28	Authority to recover costs through CEMA.
July 21, 2005	D.05-07-036 issued.	This decision grants the surcharge.
May 4, 2005	Application filed	

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## H. Chevron Products Company Complaint

Proceeding No.	Commissioner	Admin. Law Judge (ALJ)	Counsel	Energy Division Staff
C.05-12-004	Brown	Walker	Harris	Monson

### What it Does

Chevron filed a complaint against Equilon doing business as Shell Oil Products and Shell Trading based on Equilon charging rates that reflect its monopoly power.

### Next Steps

- A pre-hearing conference is scheduled for 10:00 am Tuesday, March 24, 2006.

### Proceeding Overview

Date	Actions Taken	Comments
Feb 16, 2006	Motion regarding arbitration filed.	
Feb 16, 2006	Equilon's response filed.	
Dec 5, 2006	Application filed.	

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