

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric
Company for Approval of Utility Retained
Generation Cost Recovery Mechanism. (U 902-E)

Application 02-01-015
(Filed January 10, 2002)

SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

1. Summary

Pursuant to Article 2.5 of the Commission's Rules of Practice and Procedure (Rules), and following the prehearing conference held on March 8, 2002, this ruling addresses the scope, schedule, and related matters in the captioned proceeding.

2. Notice of Hearing

NOTICE IS HEREBY GIVEN that an evidentiary hearing is set for Monday, May 20, 2002, at 9:00 a.m., in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.

3. Background

San Diego Gas & Electric Company (SDG&E) filed this application pursuant to Commission authorization and direction in Decision (D.) 01-12-015. In that decision, the Commission determined that while SDG&E's existing ratemaking mechanisms for utility-retained generation (URG) are adequate on an interim basis, SDG&E should make a proposal for a more permanent URG cost recovery mechanism. The Commission permitted SDG&E to include in its proposal a provision for eliminating traditional after-the-fact reasonableness

reviews, provided that the proposed mechanism reasonably assures that ratepayers are protected against paying for unreasonable costs.

4. Scope of Proceeding

The issues to be considered are whether to approve SDG&E's proposed URG cost recovery mechanism and, with respect to SDG&E, only whether certain restrictions governing URG dispatch that were imposed by D.01-01-061 should be lifted.

5. Coordination of Proceedings

The Office of Ratepayer Advocates (ORA) filed a prehearing conference statement in which it requested that this proceeding be consolidated with the Commission's procurement rulemaking (R.01-10-024). ORA believes that the issues raised in this application are substantially similar to those raised in R.01-10-024, and that the issues in this application cannot be resolved without consideration of procurement as a whole. If the proceedings are not consolidated, ORA recommends that the assigned Administrative Law Judges (ALJs) in the two proceedings coordinate with each other in processing these matters. At the prehearing conference, several parties voiced support for ORA's primary and secondary recommendations. SDG&E opposes consolidation, but agrees with the need for coordination of the proceedings.

The scoping memo for R.01-10-024 was issued on April 2, 2002. The issues in this proceeding are closely related to those being considered in the rulemaking. For example, implementation of policies for renewable electric generation and integrated resource planning may affect policies for SDG&E's URG development and operation. There is clearly a need to coordinate the two proceedings, but I do not find that consolidation is warranted. The assigned ALJ

should consult with the assigned ALJ in the R.01-10-024 during the course of this proceeding.

6. Schedule

The following procedural schedule, which is based on agreements reached at the prehearing conference, is hereby affirmed. The Assigned Commissioner or the ALJ may modify the schedule as necessary. To provide additional opportunity for coordination with R.01-10-024, the schedule for briefing and decision will be determined upon conclusion of the evidentiary hearings. It is my intention to complete this proceeding before the end of this year.

Event	Date
ORA & intervenor testimony served*	April 30, 2002
Rebuttal testimony served*	May 10, 2002
Evidentiary hearings begin	May 20, 2002
Evidentiary hearings end	May 24, 2002
Concurrent opening briefs filed and served; Request for oral argument before the Commission submitted to ALJ	TBD
Concurrent reply briefs filed and served; projected Submission Date	TBD
Proposed decision issued	TBD
Final Commission decision	TBD

* Exhibits shall be in compliance with Rule 70.

7. Category of Proceeding and Need for Hearings

This ruling confirms the Commission’s preliminary finding in Resolution ALJ 176-3080, dated January 23, 2002, that the category for this proceeding is ratesetting and that hearings are necessary. This ruling, only as to category, is appealable under the procedures in Rule 6.4.

8. Ex Parte Rules

The ex parte rules set forth in Rule 7(c) of the Commission's Rules of Practice and Procedure apply to this proceeding.

9. Principal Hearing Officer

Pursuant to Public Utilities Code § 1701.3, ALJ Wetzell is designated as the principal hearing officer in this application.

10. Final Oral Argument

Pursuant to Rule 8(d), any party requesting final oral argument before the Commission shall make such request by letter to the ALJ on the date set for filing of concurrent opening briefs.

11. Service List and Electronic Distribution of Pleadings

The current service list for this proceeding is attached to this ruling as Appendix A. A current service list for this proceeding is also available on the Commission's web page, www.cpuc.ca.gov.

The University of California and California State University (UC/CSU), by Anne Selting, Grueneich Resource Advocates, request to participate as an interested party. This request is hereby granted.

Pursuant to Rule 2.3(b), pleadings may be served in electronic form to those parties that provided an electronic mail address to the Commission. Testimony must also be served in a paper format to avoid differences in pagination that can complicate the cross-examination of witnesses. The electronic addresses of all parties to the proceeding can be found in the comma-delimited service list file.

Therefore, **IT IS RULED** that:

1. The scope and the schedule for this proceeding are as set forth in the foregoing discussion.

2. The category for this proceeding is ratesetting. This ruling, only as to category, is appealable under the procedures in Rule 6.4.

3. The *ex parte* rules set forth in Rule 7(c) of the Commission's Rules of Practice and Procedure apply to this proceeding.

4. Administrative Law Judge Wetzell is the principal hearing officer.

5. The official service list is attached to this ruling as Appendix A. Parties should serve all filings on parties listed on the service list, including those identified as "State Service." Parties may serve documents in electronic form to those parties that provided an electronic mail address to the Commission consistent with the procedures discussed at the prehearing conference. Parties are not required to serve paper documents on those individuals listed under "Information Only," but should include "Information Only" recipients with respect to documents served electronically.

Dated April 26, 2002, at San Francisco, California.

/s/ CARL WOOD

Carl Wood

Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Scoping Memo and Ruling of Assigned Commissioner on all parties of record in this proceeding or their attorneys of record.

Dated April 26, 2002, at San Francisco, California.

 /s/ FANNIE SID
Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

APPENDIX A

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