

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding the Implementation of the Suspension of Direct Access Pursuant to Assembly Bill 1X and Decision 01-09-060.

Rulemaking 02-01-011
(Filed January 9, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING COORDINATION OF ISSUES
WITH APPLICATION 00-11-035 *ET AL.***

This ruling provides notice to parties in this proceeding of a prehearing conference (PHC) and workshop scheduled for July 8, 2003, in Application (A.) 00-11-038 *et. al.* to address the Commission's processing of the California Department of Water Resources (DWR) supplemental determination of its 2003 revenue requirement. Parties to this proceeding are hereby provided opportunity to comment concerning pertinent discovery and related coordination and modeling issues between this proceeding and the A.00-11-038 PHC and workshop, for the purposes outlined below.

In Decision (D.) 02-11-022, the Commission adopted a methodology to determine DWR cost responsibility for Direct Access (DA) load, but did not yet have the data to adopt final DA cost responsibility amounts for 2001-02 or for 2003 at that time. An interim DA cost responsibility surcharge (CRS) cap of 2.7 cents/kWh was adopted, with provision for subsequent determination of total DA cost responsibility for 2001-02 undercollections and for 2003 prospective obligations.

The Commission stated in D.02-11-022 that since the DWR 2003 revenue requirement is determined in A.00-11-038 *et al.*, the forecast assumptions underlying the DWR revenue requirement would also be applied to derive the total Direct Access (DA) cost responsibility obligation for 2003. Since the 2003 DWR redetermination has now been filed, the time is ripe for finalizing the corresponding DA cost responsibility obligations.

Accordingly, comments are solicited from parties to this proceeding concerning any coordination issues to be addressed in connection with the above-referenced PHC and workshop required to finalize and adopt the 2001-02 undercollection and prospective 2003 obligation pertaining to DA cost responsibility for each utility. In particular, parties to this proceeding should identify any data requirements relevant to DA cost responsibility calculations that need to be produced, modeled, or analyzed at the July 8, 2003 workshop as part of the DWR 2003 revenue requirements redetermination. The finalization of cost responsibility amounts for this period shall also incorporate a process for finalizing the total cost responsibility obligation for Departing Load (DL), pursuant to Commission directives.¹ Parties should thus also identify any data requirements, coordination, and modeling issues relating to quantifying the total DL cost responsibility for the identified time periods.

Under the total portfolio method as adopted in D.02-11-022, the DA cost responsibility obligation must incorporate relevant values for utility retained

¹ The Commission adopted requirements for the imposition of a cost responsibility obligation on “Customer Generation Departing Load” pursuant to D.03-04-030. In addition, an Administrative Law Judge Proposed Decision and Assigned Commissioner’s Alternate Decision are pending on the next scheduled Commission meeting relating to cost responsibility for “Municipal Departing Load.”

generation (URG) as well as DWR costs. In comments on procedural issues, parties should take into account any data requirements and modeling/coordination issues relating to the requirements for URG as well as DWR components for finalizing both the 2001-02 recorded undercollection as well as the prospective 2003 DA cost responsibility obligation. If additional procedural measures (other comments and the workshop scheduled for July 8, 2003) are deemed necessary (*e.g.*, further workshops and/or discovery), parties should indicate what further measures they believe are necessary. If any party believes further evidentiary hearings are required to provide a basis for the Commission to finalize and adopt the actual total DA cost responsibility obligations for the 2001-02 undercollection and for the 2003 prospective obligation, they should so indicate in their comments, and specifically identify what material factual issues are in dispute and would be resolved through such hearings.

The ruling in A. 00-11-038 *et. al* permits parties to file a PHC statement no later than noon on the day before the July 8, 2003 PHC. To coordinate with that process, parties to this proceeding are authorized to concurrently file comments in this proceeding regarding any coordination or data/modeling requirements in connection with the PHC and/or workshop on the DWR redetermination to be addressed in order to finalize the DA cost responsibility obligation for the 2001-02 undercollection and 2003 prospective requirements. Parties to this proceeding should also consider attending the July 8, 2003 PHC and/or workshop docketed in A.00-11-038 *et. al*. to make sure that their concerns regarding the process for finalizing the DA and DL cost responsibility obligations for the 2001-02 undercollections and 2003 prospective obligations are appropriately addressed.

IT IS RULED that:

1. Comments are solicited from parties to this proceeding concerning any coordination issues to be addressed in connection with the above-referenced PHC and workshop in A.00-11-038 *et. al.* required to finalize and adopt the 2001-02 undercollection and prospective 2003 obligation pertaining to DA and DL cost responsibility for each utility.

2. In their comments on coordination issues, parties should take into account any data requirements and modeling issues relating to the requirements for URG as well as DWR components for finalizing both the 2001-02 recorded undercollection as well as the prospective 2003 DA cost responsibility obligation.

3. To coordinate with A.00-11-038 *et. al.*, parties to this proceeding are authorized to file comments in this proceeding regarding any coordination or data/modeling requirements no later than the scheduled time for filing PHC statements in A. 00-11-038 which are due by noon on July 7, 2003. Comments shall be served by e-mail as well as filed and served by regular mail.

4. Parties to this proceeding should consider attending the PHC and/or workshop scheduled on July 8, 2003 in A.00-11-038 *et. al.* in the interests of making sure their concerns are heard and addressed relating to coordination and finalization of the DA and DL cost responsibility obligations for 2001-03.

5. Following the PHC and workshop in A.00-11-038 *et. al.*, a further procedural schedule will be considered in this docket for a process to finalize and adopt for each utility the applicable values for the 2001-02 DA and DL cost responsibility undercollection and 2003 prospective obligations.

Dated June 24, 2003, at San Francisco, California.

/s/ Thomas R. Pulsifer

Thomas R. Pulsifer

Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge’s Ruling Regarding Coordination of Issues With Application 00-11-038 *et al.* on all parties of record in this proceeding or their attorneys of record.

Dated June 24, 2003, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

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, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.