

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution ALJ-272
Administrative Law Judge Division
August 18, 2011

RESOLUTION

RESOLUTION ALJ-272 Extends the Pub. Util. Code § 851 Pilot Program Established in Resolution ALJ-186, as modified by Resolutions ALJ-202 and ALJ-244, pending our consideration of comments filed by interested parties and possible future amendments to the pilot program.

SUMMARY

This Resolution extends the Public Utilities Code Section 851¹ pilot program established in Resolution ALJ-186 (adopted August 25, 2005), as modified by Resolution ALJ-202 (adopted August 23, 2007) and Resolution ALJ-244 (adopted February 25, 2010) for up to one year (until August 23, 2012), pending our consideration of comments filed by interested parties regarding whether the pilot program should be continued or made permanent and possible future amendments of the pilot program, and the adoption of a Commission order on these issues.

BACKGROUND

On August 25, 2005, the Commission adopted Resolution ALJ-186, which established a two-year pilot program for processing and approving certain transfers of interests in utility property, which are valued at \$5 million or less and require advance Commission approval pursuant to Section 851,² through advice letters, rather than through formal

¹ Section 851 generally requires advance Commission approval of any sale, lease, encumbrance, mortgage, or other transfer or disposition of an interest in utility property that is necessary or useful in the provision of the utility's services to the public.

² All Code references are to the Public Utilities Code, unless otherwise specified.

applications. The purpose of the pilot program was to expedite and simplify the Commission's review and approval of certain non-controversial transactions involving the transfer or conveyance of interests in utility property that do not warrant a more extensive review by the Commission through the formal application process. Under Resolution ALJ-186, the pilot program was set to expire in August 2007, unless extended by the Commission.

In August 2007, after considering comments from interested parties, the Commission adopted Resolution ALJ-202, which modified the pilot program regulations pursuant to Assembly Bill (AB) 736 (Stats 2005, ch. 370, Section 1), and General Order (GO) 96-B, regarding the processing of advice letters at the Commission in general. Resolution ALJ-202 also extended the pilot program for an additional three (3) years, until August 2010.

In August 2010, after considering comments from the parties, the Commission adopted Resolution ALJ-244, which further modified the pilot program to reflect amendments made to Sections 851 and 853 by AB 698 (Stats 2009, ch. 370, Section 1), and extended the pilot program until August 23, 2011, unless sooner extended or made permanent by the Commission.

DISCUSSION

In the near future, the Commission will be considering possible amendments to the pilot program, whether the pilot program should be continued or made permanent, and other issues raised in the comments filed by interested parties. We wish the pilot program to remain in effect pending our decision on these issues. However, unless sooner extended, the pilot program will expire on August 23, 2011.

We therefore extend the pilot program for up to one year (until August 23, 2012), unless sooner extended or unless the Commission adopts an order regarding whether the pilot program should be continued or made permanent and possible additional modifications to the pilot program.

PUBLIC REVIEW AND COMMENT

The draft of this resolution was mailed to the parties on the appropriate service lists in accordance with Section 311(g) and Rule 14.5 of the Commission's Rules of Practice and Procedure. Comments were served as required and directed on August 2, 2011 by PacifiCorp, as well as San Diego Gas & Electric Company and Southern California Gas Company (jointly). All of these parties support the Commission's extension of the pilot program as set forth in this Resolution.

THEREFORE, IT IS ORDERED that:

1. The Public Utilities Code Section 851 pilot program adopted in Resolution ALJ-186 and amended in Resolutions ALJ-202 and ALJ- 244, which authorizes the utilities to request Commission approval of certain transactions involving the transfer or disposition of interests in utility property valued at \$5 million or less by advice letter, is extended for up to one year (until August 23, 2012), unless sooner extended or unless the Commission adopts an order regarding whether the pilot program should be continued or made permanent and possible additional modifications to the pilot program.
2. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on August 18, 2011, the following Commissioners voting favorably thereon:

PAUL CLANON
Executive Director