

ATTACHMENT

R.05-09-006: Implementing Policy on Broadband Over Powerlines (BPL)

Pursuant to Pub. Util. Code Sec. 311(e), the digest of the substantive differences between the draft decision (mailed on February 16, 2006) and the alternate draft decision (mailed on March 13, 2006) is as follows:

Affiliate Transaction Rules:

The draft decision determines that BPL is a communications platform that does not provide products that use electricity or services that relate to the use of electricity. The draft decision further finds that transactions between an electric utility and a BPL affiliate should not be subject to the Commission's existing Energy Affiliate Transaction Rules.

The alternate draft decision finds that BPL is a communications platform that is dependent upon the use of the electric distribution infrastructure of energy utilities. The alternate draft decision further finds that transactions between an electric utility and a BPL affiliate should be subject to the Commission's existing Energy Affiliate Transaction Rules.

Pub. Util. Code Sec. 851 and 853(b)

The draft decision finds that pursuant to Pub. Util. Code Sec. 853(b), it is reasonable to exempt BPL projects and transactions from Pub. Util. Code Sec. 851. No restriction is placed on the length of a lease.

The alternate draft decision finds that pursuant to Pub. Util. Code Sec. 853(b), it is reasonable to exempt BPL projects and transactions from Pub. Util. Code Sec. 851, as long as those projects do not exceed twenty years or the year 2031. Leases for the provision of BPL that exceed this restriction are subject to review under Pub. Util. Code Sec. 851.

Timing

The draft decision finds that the Commission should not adopt rules requiring entities that acquire BPL rights on a utility system to begin implementing BPL service within a certain period of time.

The alternate draft decision finds that the Commission should adopt rules requiring entities that acquire BPL rights on a utility system to begin implementing BPL service within five years.

Other Operating Revenue

The draft decision finds that the “other operating revenue” sharing mechanism, as adopted in Decision 99-09-070, should be applied and applies the 90/10 shareholder/ratepayer mechanism.

The alternate draft decision finds that the “other operating revenue” sharing mechanism, as adopted in Decision 99-09-070, should be applied but finds that this investment is passive rather than active, under the landlord/tenant arrangement specified in the alternate draft decision, and applies the 70/30 shareholder/ratepayer sharing mechanism.

(END OF ATTACHMENT)