Decision 06-11-030 November 30, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company To Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design. (U 39 M)	Application 06-03-005 (Filed March 2, 2006)

(*See* Appendix A for a list of appearances.)

INTERIM OPINION ADOPTING AGRICULTURAL DEFINITION SETTLEMENT

1. Summary

This decision grants the motion of Pacific Gas and Electric Company (PG&E), Agricultural Energy Consumers Association (AECA), California Farm Bureau Federation (CFBF) and California Rice Millers (CRM) (collectively the Settling Parties) requesting adoption of the "Agricultural Definition Settlement in Application 06-03-005" (Agricultural Definition Settlement). The Agricultural Definition Settlement is uncontested, reasonable in light of the whole record, consistent with law, in the public interest, and adopted without modification. This proceeding remains open to consider all other issues related to PG&E's electric marginal cost, revenue allocation and rate design application.

2. Background

PG&E's current agricultural applicability statement was adopted in Decision (D.) 88-12-031 and is as follows:

> A customer will be served under this schedule if 70 percent or more of the energy use is for agricultural end-uses. Agricultural end-uses include growing crops, raising

> livestock, pumping water for agricultural irrigation, or other uses which involve production for sale, and which do not change the form of the agricultural product.

As part of its rate design testimony in Application (A.) 04-06-024,[1] PG&E proposed to revise the applicability statement in each of its agricultural tariffs. In that proceeding, the following positions were taken:[2]

> …PG&E initially proposed a new class definition that more closely paralleled the "on the farm" definition in place prior to 1989, and in Southern California Edison Company's tariffs. The proposal required that 70% or more of the usage be "on the farm," and excluded customers with demands over 500 kilowatts (kW). PG&E also proposed that customers on an agricultural schedule on or before June 17, 2004 (the filing date of this application) be "grandfathered," remaining on agricultural rates even if their operations would not meet the new definition. As proposed, the grandfathering provision would apply until such time as there was a change in farm ownership. PG&E asserted that its proposal, with the grandfathering provision, would result in fewer new customers qualifying for agricultural rates, but there would be little migration of existing customers out of the class.
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> AECA initially proposed a definition that included "preparatory" activities necessary to bring a product to market (*e.g.,* pasteurizing milk, ginning cotton, hulling almonds). AECA opposed PG&E's 500 kW limit and the "on the farm" location requirement. AECA subsequently urged no change be adopted in this GRC, but that the Commission order a workshop for the three investor owned utilities and agricultural community to create a consistent and fair statewide definition. If the workshop was unsuccessful, AECA recommended the Commission issue an OII. AECA

[1] Phase 2 of PG&E's test year 2003 general rate case (GRC).

[2] D.05-12-025, *mimeo.*, pp. 17-18.

> also noted that changes may result from the Critical Peak Pricing (CPP) proceeding (Application (A.) 05-01-016, A.05-01-017 and A.05-01-018). AECA expressed concern that likely upcoming CPP changes, along with other possible changes, make "too many moving parts" for the Commission to render an informed decision here.
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> CFBF opposed PG&E's proposal. CFBF contended the definition must be flexible enough to incorporate efficient farming practices (*e.g.*, a group of farmers collectively purchasing one large piece of equipment that saves energy and money). CFBF also opposed AECA's initially proposed definition, but supported an OII. CFBF is also concerned that PG&E's grandfathering proposal fails to adequately account for intra-family farm transfers, which CFBF asserts is nearly 80% of changes in farm ownership.

PG&E, AECA and CFBF subsequently reached an agreement and on September 2, 2005 filed a motion for adoption of an agricultural definition settlement. That settlement was contested by the Almond Hullers and Processors Association and Mercado Latino, Inc. Evidentiary hearing was held October 6, 2005. The settlement was amended by addendum dated October 6, 2005.

The settlement maintained the current agricultural applicability statement. It also added provisions related to the treatment of billing adjustments, including the limitation of refunds to a period beginning from the date of the customer's written request to be placed on agricultural rates. This was consistent with a Commission finding in D.05-05-048. However, on rehearing of D.05-05-048, the Commission lifted that limitation and now applies the full three years prior to the date of a complainant's original request, consistent with PG&E's Tariff

Rule 17.1 and Public Utilities Code § 736.[3] The settlement was therefore inconsistent with the Commission's most recent finding on the subject.

In addition, PG&E agreed not to propose a change in the agricultural class definition in its opening testimony in Phase 2 of its 2007 test year GRC. PG&E also agreed that it would not seek any change in the agricultural class definition before September 1, 2006 and, before advocating any change, would confer with AECA and CFBF. In turn, if PG&E sought a change, AECA and CFBF agreed to cooperate with PG&E in pursuing an expedited schedule for resolution of the issue.

The October 6, 2005 addendum clarified that if certain billing adjustments resulted in a net charge rather than a net refund, PG&E would not bill the customer. There was also agreement that it was the intent of the drafters that the settlement applied to all complaint cases where a decision had not been rendered.

D.05-12-025, dated December 15, 2005, addressed the proposed settlement and found, among other things, that:

1. The Settlement largely does two things: (a) addresses billing adjustments (in a manner that limits refunds using a method the Commission has now reversed) and (b) defers further consideration of the class definition issue. (Finding of Fact 2.)
2. PG&E's current agricultural eligibility statement (based on whether or not the electricity is used to "change the form of the agricultural product") has led to debates that have sometimes taken on a metaphysical tone, can be subject to conflicting interpretations, can present questions of where

[3] Subsequent statutory references are to the Public Utilities Code unless otherwise indicated.

> to draw the line between agricultural and commercial use, and has led to nearly 10 years of litigation, thereby demonstrating the desirability of clarification or redefinition of the class. (Finding of Fact 3.)
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> 3. The Settlement unreasonably silences PG&E, defers rather than resolves the agricultural class definition issue, and limits refunds. (Finding of Fact 5.)
> 4. The Settlement is neither reasonable in light of the whole record, consistent with law, nor in the public interest, and the Settlement as a whole fails to achieve a sufficiently just and reasonable outcome to merit its adoption. (Finding of Fact 8.)

The Commission concluded that the motion to adopt the proposed settlement should be denied, the current agricultural class eligibility statement should not be modified at that time, and the order should be effective immediately so that certainty would be provided to customers and parties regarding retention or modification of the agricultural class eligibility statement, clarity would be provided regarding the period for refunds, and parties could continue to examine the agricultural class definition without delay.[4]

As part of its Test Year 2007 Phase 2 GRC application, PG&E again provided testimony on the agricultural definition issue and requested that its proposed agricultural applicability statement be implemented on an expedited schedule. The proposed statement in PG&E's prepared testimony contains the following:

> Beginning March 2, 2006, agricultural rate schedules apply where PG&E determines that 70 percent or more of the electric usage on the meter is used for growing or harvesting of agricultural, aquaculture and horticultural products for sale,

[4] *See* D.05-12-025, Conclusions of Law 6-8.

> or for raising livestock, fish or poultry for sale. In order to qualify for an agricultural rate, all of the activity must be served through a single meter on a single premises. Up to 30 percent of the electric usage on the meter can be for any other purpose, including storage, warehousing, processing, or preparation for market of agricultural and horticultural products (*e.g.,* canning, packaging, dehydrating, butchering, etc.). None of the usage may be for residential purposes. Agricultural applicability does not apply to processing or preparation for market of agricultural and horticultural products that were grown, raised, or harvested on, and delivered from, another premises. Agricultural applicability also does not apply to water pumping by an irrigation district for downstream use by agricultural or other customers.[5]

PG&E stated that the proposed statement is an attempt to bring clarity to its agricultural definition and greater consistency to the agricultural definition within the state, principally with Southern California Edison's (SCE's) "on the farm" agricultural definition. PG&E's proposed statement also includes grandfathering provisions whereby meters that are on agricultural rates prior to March 2, 2006 would remain on agricultural rates subject to certain usage and ownership provisions.

AECA, CRM and CFBF have indicated they do not support PG&E's proposed agricultural class definition and, in opposition, would propose a substantially different definition. Settlement talks on this issue began early on in the proceeding. For instance, in its April 25, 2006 prehearing conference statement, CRM stated that it had been in settlement discussions with PG&E, AECA and CFBF concerning the agricultural definition and was hopeful that a settlement would be reached.

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[5] Exhibit 1, p. 6-6.

PG&E proposed, and no party objected, to consider the agricultural definition issue on a separate expedited schedule. The May 25, 2006 assigned Commissioner's Ruling and Scoping Memo set testimony, hearing and briefing dates such that a decision on the agricultural definition issue would be issued by the end of 2006. At the request of the Settling Parties,[6] in order to provide sufficient time to settle the issue before intervenor testimony would be due, an ALJ ruling, dated July 10, 2006, extended that schedule by approximately one month.

On July 26, 2006, the Settling Parties provided notice of a conference regarding a proposed stipulation and settlement on PG&E's agricultural applicability criteria modifications. The conference was held on August 2, 2006. On August 8, 2006, the Settling Parties filed their motion to adopt the Agricultural Definition Settlement. No comments contesting the settlement were filed. Evidentiary hearing was held on September 20, 2006.

3. Settlement Terms

A "March 2, 2006 Agricultural Applicability Statement" is included as part of the Agricultural Definition Settlement. The Settling Parties propose that Section A of that statement would replace each of the current agricultural tariff applicability statements. Section A reads as follows:

A. Applicability

1. A customer will be served under this schedule if 70% or more of the annual energy use on the meter is for agricultural end-uses. Agricultural end-uses consist of:

   (a) growing crops,

[6] Request was by a July 7, 2006 conference telephone call with the assigned administrative law judge (ALJ).

(b) raising livestock,
(c) pumping water for irrigation of crops, or
(d) other uses which involve production for sale.

2. Only agricultural end-uses performed prior to the First Sale of the agricultural product are agricultural end-uses under this criteria, except for the following activities, which are also agricultural end-uses under this criteria: (a) packing and packaging of the agricultural products following the First Sale and before any subsequent sale, and (b) agricultural end-uses by nonprofit cooperatives.*

3. None of the above activities may process the agricultural product. Residential dwelling, office, and retail usage are not agricultural end-uses.

4. Rule 1 specifies additional activities and meters that will also be served on agricultural rates, and guidelines through the following sections: (B) Other Activities and Meters Also Served on Agricultural Rates, (C) Specific Applications of the March 2, 2006 Applicability Criteria, and (D) Guidelines for Applying the Applicability Criteria.

* Guidelines for interpreting this applicability statement are set forthwith in Section D.

The Settling Parties propose that the entire applicability statement,[7] which includes Sections A through E, be included as a Rule 1 definition in its electric tariffs.

Section B includes grandfathering provisions whereby specific activities previously determined in Commission decisions to be agricultural end-uses will

[7] A copy of the entire Agricultural Definition Settlement, including the Agricultural Applicability Statement, is contained in Appendix B.

continue to be considered agricultural end-uses.[8] Certain similar activities, most of which were previously determined by PG&E to be agricultural end-uses, will also be considered agricultural end uses going forward.[9] Section B also provides for meters that are on agricultural rates prior to March 2, 2006 remaining on agricultural rates providing (1) energy usage on the meter continues to meet the Applicability Statement in effect at that time, and (2) metered usage remains, without interruption, in the name of the present account holder.[10]

For clarification purposes, especially as to the processing of agricultural products (Section A.2.), Section C specifies numerous activities that are, and are not, agricultural end-uses.

Section D contains guidelines for applying the applicability criteria. Definitions and requirements related to production for sale, packing and packaging, nonprofit cooperatives, "First Sale," processing, processing operation, agricultural product, and harvest operation are specified.

Section E clarifies which applicability statement (current or proposed) would be applicable in determining the specified Tariff Rule 17.1 adjustments, in the pre- and post- March 2, 2006 time periods.

Regarding the grandfathering provisions, customers who have been on PG&E's agricultural rate schedules prior to March 2, 2006 will be grandfathered

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[8] These activities include milk processing, cotton ginning, almond hulling and shelling, and a feed mill integral to the operation of an agricultural end-use.

[9] These similar activities include sun-dried raisin packing, pistachio hulling and shelling, rice drying, hulling and milling necessary to produce white rice, and packing of brown and white rice, but no grinding, crushing, parboiling, cooking, or gelatinizing of rice.

[10] For transfers of ownership, specific exceptions (*e.g.*, lineal descendents) for remaining on agricultural rates are included.

onto the existing agricultural applicability criteria (*i.e.,* be allowed to remain on agricultural rates even if they do not qualify under the proposed settlement criteria). In addition, customers who filed formal CPUC complaints prior to March 2, 2006 that have not yet been decided and who are subsequently successful, will also be grandfathered. Customers who seek agricultural rates and/or file formal complaints on or after March 2, 2006 will not be subject to grandfathering.

Customers who apply for PG&E service and who are placed on agricultural rates on or after March 2, 2006 and prior to the effective date of this decision will have been notified that their status as agricultural customers is potentially subject to change and they may therefore only be agricultural customers on an interim basis. All adjustments of rate applicability for the interim customers will be consistent with this decision and will be prospective from the effective date of this decision. The Settling Parties believe that this interim treatment was required to ensure that there would be no perverse incentives to commence litigation to fit within the grandfathered customer classification.

4. Request for Adoption of the Settlement

The Agricultural Definition Settlement is supported by those parties that expressed an interest in this particular issue and is uncontested by all other parties to this proceeding. The Settling Parties maintain that the Agricultural Definition Settlement is reasonable in light of the record, consistent with law, and in the public interest. The Settling Parties state that each portion of the Agricultural Definition Settlement is dependent upon the other portions, as changes to one portion would alter the balance of interests and mutually agreed upon compromises and outcomes. Therefore, the Settling Parties request that the

Agricultural Definition Settlement be adopted as a whole by the Commission, without modification.

The Commission has previously found that it is desirable to clarify or redefine PG&E's agricultural class definition.[11] The current definition raises issues for the Commission and for PG&E in terms of implementation. Challenges to the current agricultural class definition have focused on the meaning of the phrases "which do not change the form of the agricultural product," "agricultural product" and "production for sale."[12] PG&E states that it is important to its customers to know whether they are or are not entitled to agricultural rates; and the company wants to tell them without having to litigate to find the answer.

5. Commission Review

As a matter of public policy, the Commission favors settlement of disputes, if such settlements are fair and reasonable in light of the record. This policy supports many worthwhile goals, including reducing the expense of litigation, conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.[13]

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[11] D.05-12-025, *mimeo.*, Finding of Fact 3.

[12] In *Producers Dairy Foods, Inc. v. PG&E* (Decision 97-09-043), *Air-Way Gins, Inc. v. PG&E* (Decision 03-04-059), and *Almond Tree Hulling Co., et al. v. PG&E* (Decision 05-05-048), the Commission interpreted "changing the form" of the product, and "production for sale," concluding that liquid milk producers, cotton ginners, and almond hullers were eligible for agricultural rates.

[13] D.92-12-019, 46 CPUC 2d 538, 553.

The general criteria for Commission approval of settlements are stated in Rule 12.1(d) of the Rules of Practice and Procedure[14] and are as follows:

[14] Unless otherwise indicated, subsequent rule references are to the Rules of Practice and Procedure.

> The Commission will not approve stipulations or settlements, whether contested or uncontested, unless the stipulation or settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

In the following sections we discuss the merits of the Settling Parties' proposal as it relates to our approval criteria.

5.1 Reasonable in Light of the Whole Record

The Agricultural Definition Settlement is reasonable in light of the whole record. The outcome constitutes a compromise between the positions set forth in the prepared testimony by PG&E and the positions of parties that were active on this issue, namely AECA, CFBF, and CRM.

While AECA, CFBF and CRM did not file prepared testimony, their positions with regard to PG&E's proposal are evident from the record in A.04-06-024, prehearing conference statements in this proceeding and statements made at the evidentiary hearing on September 20, 2006.

The compromise accommodates PG&E's desire for more certainty regarding reclassification to agricultural rates, and AECA's, CFBF's, and CRM's objections – on public policy, fairness, legal and other grounds – to PG&E's proposed changes to the agricultural class definition. For instance, it placates CFBF's concerns regarding grandfathering by further extending the transfer of ownership provisions proposed by PG&E. By expanding the activities included within the agricultural class definition proposed by PG&E, the Agricultural Definition Settlement also accommodates AECA's position that there should be a broader interpretation of who should be allowed in the agricultural class. Regarding CRM's concerns, the Agricultural Definition settlement includes milling necessary to produce white rice and packing of brown and white rice as agricultural end uses. Inclusion of rice milling appears reasonable, since the

process is analogous to almond hulling, which was previously determined by the Commission to be an agricultural end-use.

In considering reasonableness, we also acknowledge two other points made by the Settling Parties. First, the Agricultural Definition Settlement is essentially a rewrite of the old definition with clearer terms and less ambiguity. It basically keeps the agricultural class as it was before. Second, the agricultural class in general is stagnant and overall may be shrinking. The changed definition will not affect a large number of customers.

Finally, the Agricultural Definition Settlement reasonably resolves the reservations expressed by the Commission in D.05-12-025 in rejecting the prior settlement proposed in A.04-06-024. Specifically, the Agricultural Definition Settlement resolves rather than defers the definition issue and includes refund provisions under Tariff Rule 17.1.

5.2 Consistent with Law

The Agricultural Definition Settlement is consistent with law and prior Commission decisions.

It is consistent with § 744, which requires that the Commission adopt agricultural rates for those customers "whose principle purpose is the agrarian production of food or fiber."

As indicated previously, it addresses and resolves the prior agricultural definition proposal problems that were expressed by the Commission in D.05-12-025.

Finally, it is consistent with Commission decisions under the prior agricultural definition, which included within the agricultural class feed mills that are integral to a cattle-raising operation, milk processing, cotton ginning, and almond hulling and shelling.

5.3 In the Public Interest

The Agricultural Definition Settlement is in the public interest. It fairly and reasonably defines the scope of the agricultural class, and it does so in clear and certain terms. By increasing the clarity of the new agricultural definition, the new definition should significantly reduce the litigation that beset the prior definition.

The increased clarity of the new definition is accomplished by several improvements to the current definition.

First, the phrase "change the form of the agricultural product," which created interpretational problems under the old definition, has been eliminated. In its place, the new definition (in Section A) prohibits activities that "process the agricultural product." Both "process" and "agricultural product" are defined in Section D, which the Settling Parties believe eliminates any slack in the interpretation of these phrases.

Second, the new definition has added the requirement (in Section A) that agricultural end-uses must occur before the "First Sale" of the agricultural product, and it clearly defines "First Sale" in Section D. Many of the disputes under the prior definition arose because it was not clear where in the commercial chain agricultural production ends and processing begins. The "First Sale" provision eliminates this uncertainty by establishing a clear dividing line.

Third, Section C of the new definition catalogues a number of specific agricultural activities, and characterizes them as either agricultural or non-agricultural. By specifically listing activities that are or are not agricultural, the new definition eliminates much of the subjectivity of the prior definition.[15]

The Agricultural Definition Settlement is also in the public interest because it defines the scope and make-up of the agricultural class reasonably and fairly. Section B ensures that the make-up the agricultural class will remain nearly the same as before, and that migration to or from the agricultural class as a result of the new definition will be minimized. Section B.1. provides agricultural eligibility for activities determined by the Commission or PG&E to be agricultural under the prior definition. Section B.2. provides agricultural eligibility for meters that are currently served on agricultural rates, until there is a change of ownership.

We note that, in an attempt to provide greater statewide consistency, PG&E's proposed agricultural definition was in line with SCE's "on the farm" definition. The Agricultural Definition Settlement moves away from SCE's agricultural class definition by including, as agricultural end-uses, other activities that are not specifically "on the farm." However, according to PG&E's witness, use of the "on the farm" definition does not appear workable given the interests of the intervenors. Also, in his opinion, the agricultural industry in PG&E's service territory is more diverse than that in southern California; and, in general, it is not a reasonable expectation that PG&E could have an "on the farm"

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[15] The activities specifically listed in Section C include those activities that, based on the Settling Parties' collective experience, are most prone to dispute over whether or not

Footnote continued on next page

definition and meet the needs of the agricultural industry that exists in northern California.[16] Given this explanation, and absent any studies or data to support the proposition that statewide consistency in the definition of the agricultural class is desirable or appropriate, it is reasonable at this time for PG&E and SCE to have substantially different agricultural class definitions.

5.4 Conclusion

The Agricultural Definition Settlement should be adopted. Consistent with Rule 12.1(d), it is reasonable in light of the whole record, consistent with law, and in the public interest. Also, the Settling Parties have followed and met the settlement proposal requirements of Rules 12.1(a) and 12.1(b).

6. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with § 311 of the Pub. Util. Code and Rule 14.2(a) of the Commission's Rules of Practice and Procedure. No party filed comments.

7. Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and David K. Fukutome is the assigned ALJ.

Findings of Fact

1. The agricultural class definition that was adopted in D.88-12-031 can be subject to conflicting interpretations, can present questions of where to draw the

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they are "processing." By directly and specifically addressing these activities, Section C eliminates any subjectivity or uncertainty as to how these activities will be treated.

[16] PG&E/Backens, 1 RT 26-27.

line between agricultural and commercial use, and has led to nearly 10 years of litigation, thereby demonstrating the desirability of clarification or redefinition of the class.

2. The Agricultural Definition Settlement is a compromise between the positions set forth in the prepared testimony by PG&E and the positions of parties that were active on this issue, namely AECA, CFBF, and CRM.

3. The Agricultural Definition Settlement includes, as agricultural end-uses, those end-uses previously determined to be agricultural in D.97-09-043, D.03-04-059 and D.05-05-048.

4. The Agricultural Definition Settlement includes refund provisions under Tariff Rule 17.1.

5. The Agricultural Definition Settlement fairly and reasonably defines the scope of the agricultural class, and it does so in clear and certain terms.

6. The Agricultural Definition Settlement is uncontested.

7. There is no evidence to support the proposition that statewide consistency in the definition of the agricultural class is desirable or appropriate.

Conclusions of Law

1. The Agricultural Definition Settlement is reasonable in light of the whole record, consistent with law and in the public interest.

2. The Agricultural Definition Settlement should be adopted.

3. This decision should be made effective immediately to enable PG&E to implement the settlement without delay.

INTERIM ORDER

IT IS ORDERED that:

1. The August 8, 2006 motion of Pacific Gas and Electric Company, (PG&E) Agricultural Energy Consumers Association, California Farm Bureau Federation and California Rice Millers requesting the adoption of the Agricultural Definition Statement in Application 06-03-005 is granted.

2. Within 10 days of today's date, PG&E shall file an advice letter to revise its tariffs to implement this decision. The tariff changes shall become effective on today's date subject to Energy Division determining that they are in compliance with this order.

3. This proceeding remains open for resolution of the pending application.

This order is effective today.

Dated November 30, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners

APPENDIX A
List of Appearances

Applicant: Ann H. Kim and Daniel Cooley, Attorneys at Law, and Rene Thomas, for Pacific Gas and Electric Company.

Interested Parties: R. Thomas Beach for Crossborder Energy; Law Offices of William H. Booth, by William H. Booth, Attorney at Law, for California Large Energy Consumers Association; McCracken, Byers & Haesloop, by David J. Byers, Attorney at Law, for California City-County Street Light Association; Goodin, MacBride, Squeri, Ritchie & Day, LLP, by Michael B. Day and Joseph F. Wiedman, Attorneys at Law, for PV Now and by James D. Squeri, Attorney at Law, for California Retailers Association; Matthew Freedman, Attorney at Law, for The Utility Reform Network; Department of the Navy, by Norman J. Furuta, Attorney at Law, for Federal Executive Agencies; Morrison & Foerster, LLP, by Peter Hanschen, Attorney at Law, for Agricultural Energy Consumers Association; Ellison, Schneider & Harris, LLP, by Lynn Haug, Attorney at Law, for California Department of General Services/Energy Policy Advisory Committee and East Bay Municipal Utility District, and by Greggory L. Wheatland, Attorney at Law, for Vote Solar Initiative; Gregory Heiden, Attorney at Law, for the Division of Ratepayer Advocates; Alcanter & Kahl, by Evelyn Kahl, Attorney at Law, for Energy Producers and Users Coalition, and by Seema Srinivasan, Attorney at Law, for Cogeneration Association of California; Manatt, Phelps & Phillips, LLP, by Randall W. Keen, Attorney at Law, for Indicated Commercial Parties; Carolyn Kehrein, of Energy Management Services, for Energy Users Forum; Paul Kerkorian, of Utility Cost Management, LLC, for California Rice Millers, ADM Rice, Inc.; Douglass & Liddell, by Gregory S. G. Klatt, Attorney at Law, for Wal-Mart/JC Penney; Ronald Liebert, Attorney at Law, for California Farm Bureau Federation; Sutherland, Asbill & Brennan, LLP, by Keith R. McCrea, Attorney at Law, for California Manufacturers & Technology Association; Rob Neenan, for California League of Food Processors; Les Nelson, Executive Director, for California Solar Energy Industries Association; Andersen & Poole, by Edward G. Poole, Attorney at Law, for Western Manufactured Housing Communities Association; Bill F. Roberts, of Economic Sciences Corporation, for Building Owners and Managers Associations; J. P. Ross, for Vote Solar Initiative; James Ross, of RCS, Inc., for Cogeneration Association of California; Charmin Roundtree-Baaqee, for East Bay Municipal Utility District; Reed V. Schmidt, of Bartle Wells Associates, for California City-County Street Light Association; Downey Brand, LLP, by Ann L. Trowbridge, Attorney at Law, for California Clean DG Coalition, Merced Irrigation District and Sacramento Municipal Utility District; and Joy A. Warren, Attorney at Law, for Merced Irrigation District.

State Service: Dexter E. Khoury and Cherie Chan, for the Division of Ratepayer Advocates; Donald J. LaFrenz, Bruce Kaneshiro, Felix Robles, and Maryam Ghadessi, for the Energy Division; Christopher R. Villarreal, for the Division of Strategic Planning; and Ron Wetherall, for the California Energy Commission.

(END OF APPENDIX A)

D0611030 Appendix A to A0603005