Decision **DRAFT DECISION OF ALJ WALKER** (Mailed 6/27/02)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Edison Company (U 338-E) for Approval of the Fifth Amendment to the Power Purchase Contract Between Southern California Edison Company (U-338-E) and Watson Cogeneration Company.	Application 00-05-066 (Filed May 31, 2000)

OPINION DISMISSING APPLICATION WITHOUT PREJUDICE

1. Summary

Because of changed circumstances since this application was filed, Southern California Edison Company (SCE) states that proposed pricing changes cannot at this time be implemented. Accordingly, the application is dismissed without prejudice to the parties' right to refile at a later time.

2. Discussion

This application was filed on May 31, 2000, seeking Commission approval of a fifth amendment to a power purchase agreement between SCE and Watson Cogeneration Company (Watson) under which SCE purchased power from Watson's cogeneration plant. The amendment was intended to permit the parties to implement pricing changes previously approved by the Commission.

Processing of the application was deferred during the energy crisis. In an Administrative Law Judge's Ruling dated April 3, 2002, the parties were asked to comment on whether changes in the application were warranted because of recent events and the passage of time.

After conferring with Watson, SCE responded on June 3, 2002. SCE stated that because the tariff contemplated in the amendment (TOU-CR-1) was closed to new customers on April 12, 2001, there is no practical way at this time for SCE to implement the amendment proposed in this application. According to SCE, until the parties agree on an alternative means of implementation, approval of the amendment would have no effect.

Under these circumstances, the most prudent course is to dismiss the application without prejudice to refiling at such time as the parties have agreed on an alternative means of implementation of the proposed amendment.

In Resolution ALJ 176-3040, dated June 8, 2000, the Commission preliminarily categorized this proceeding as ratesetting and preliminarily determined that hearings were not necessary. Based on the record, we conclude that a public hearing is not necessary, nor it is necessary to alter the preliminary determinations in Resolution ALJ 176-3040.

3. Comments on Draft Decision

The draft decision of the administrative law judge in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were received on _____.

Findings of Fact

1. Processing of this application was deferred during the energy crisis.
2. According to SCE, changed circumstances have made it impractical for SCE to implement the amendment proposed in the application.

Conclusion of Law

The application should be dismissed without prejudice to refiling at such time as the parties have agreed on an alternative means of implementation.

O R D E R

IT IS ORDERED that the application of Southern California Edison Company (SCE) for approval of a fifth amendment to the Power Purchase contract between SCE and Watson Cogeneration Company is dismissed without prejudice to refiling at a later time.

Dated _____, 2002, at San Francisco, California.