PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Resolution ALJ 176-3175
Administrative Law Judge Division
June 29, 2006

R E S O L U T I O N

RESOLUTION ALJ 176-3175. Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4, and 6.1 of the Commission's Rules of Practice and Procedure. (See also Rule 63.2(c) regarding notice of assignment.)

The Commission's rules and procedures which implement the requirements of Senate Bill (SB) 960 (Leonard, ch. 96-0856) are, for the most part, found in Article 2.5 of our Rules of Practice and Procedure. The rules and procedures were adopted by the Commission in D.97-11-021, which describes more fully the background to the development of these rules. Rule 4 describes the formal proceedings to which the SB 960 rules (Article 2.5) apply. Rule 6.1 requires the Commission to preliminarily determine a proceeding's category, whether the proceeding requires a hearing, and designate an Assigned Commissioner and Administrative Law Judge. Rule 6.1(a) states that the preliminary determination of category is not appealable but shall be confirmed or changed by Assigned Commissioner's ruling. Unless and until a preliminary determination is changed by such ruling, the preliminary determination of category governs the applicability of the other reforms that SB 960 requires. Rule 63.2 provides for petitioning the Commission to reassign a proceeding to another administrative law judge. Rule 63.2(c) establishes the time for filing such a petition. For purposes of Rule 63.2(c), notice of the assignment is the day the assignments associated with this preliminary categorization document appear in the Daily Calendar following the Commission business meeting.

The Categories

SB 960 makes sweeping changes in many aspects of the Commission's practices in an effort to improve the quality and timeliness of Commission decision making. It creates three categories of proceedings: adjudicatory, ratesetting, and quasi-legislative. The applicability of many of the changes it requires depends upon the category assigned to

the proceeding. For example, the ex parte rules which apply differ if the proceeding is categorized as adjudicatory rather than quasi-legislative. The Legislature defined each of these procedural categories in Section 7 of SB 960. Consistent with these definitions, the rules provide that:

> "'Adjudicatory' proceedings are: (1) enforcement investigations into possible violations of any provision of statutory law or order or rule of the Commission; and (2) complaints against regulated entities, including those complaints that challenge the accuracy of a bill, but excluding those complaints that challenge the reasonableness of rates or charges, past, present, or future.
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> "'Ratesetting' proceedings are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities). 'Ratesetting' proceedings include complaints that challenge the reasonableness of rates or charges, past, present, or future. For purposes of this Article, other proceedings may be categorized as ratesetting as described in Rule 6.1(c).
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> "'Quasi-legislative' proceedings are proceedings that establish policy or rules (including generic ratemaking policy or rules) affecting a class of regulated entities, including those proceedings in which the Commission investigates rates or practices for an entire regulated industry or class of entities within the industry." (Rules 5(b), 5(c), and 5(d).)

Mixed or Unclear Category Proceedings

For a proceeding that may fall into more than one category, the rules allow parties to recommend that the Commission pick the most suitable category, or to recommend dividing the subject matter of the proceeding into different phases or one or more new proceedings, each with its own category. The rules provide that a proceeding that does not clearly fit into *any* of SB 960's defined categories will be conducted under the rules applicable to the ratesetting category. As such a proceeding matures, the Commission may determine that the rules applicable to one of the other categories, or some hybrid of those rules, would be better suited to the proceeding.

As stated in D.97-06-071, ratesetting proceedings typically involve a mix of policymaking and factfinding relating to a particular public utility. Because proceedings that do not clearly fall within the adjudicatory or quasi-legislative categories likewise typically involve a mix of policymaking and factfinding, the ratesetting procedures are, in general, preferable for those proceedings.

Next Steps

As stated above, this preliminary determination of category is not appealable. Once interested parties have had an opportunity to respond to the initiating party's proposed category, the preliminary determination shall be confirmed or changed by Assigned Commissioner's Ruling pursuant to Rule 6(a)(3). This Assigned Commissioner Ruling may be appealed to the full Commission pursuant to Rule 6.4(a). Parties have 10 days after the ruling is mailed to appeal. Responses to the appeal are allowed under Rule 6.4(b), and must be filed and served not later than 15 days after the ruling is mailed. The full Commission will consider the appeal.

Any party, or person or entity declaring an intention to become a party is entitled to petition for reassignment of the proceeding to another Administrative Law Judge, as described in Rule 63.2. Such a petition must be filed no later than 10 days after notice of the assignment. For purposes of Rule 63.2(c), notice of the assignment is the day the assignments associated with this preliminary categorization document appear in the Daily Calendar following the Commission business meeting.

Conclusion

The Commission has reviewed the initial pleading of the utility applicants listed in the attached schedule and has made a preliminary determination of category and need for hearing, consistent with the requirements and definitions of Article 2.5 of its rules.

IT IS ORDERED that each proceeding listed in the attached schedule is preliminarily categorized, and the need for a hearing is noted.

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 June 29, 2006, the following Commissioners voting favorably thereon:

/s/ STEVE LARSON

STEVE LARSON
Executive Director

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

PRELIMINARY DETERMINATION SCHEDULE

Resolution ALJ 176-3175 (6/29/06)

NUMBER TITLE	PROPOSED CATEGORY	PRELIM. CATEGORY	HEARING
A06-06-013 WORLD-LINK SOLUTIONS, INC., for a Certificate of Public Convenience and Necessity to provide Resold and Leased Facilities-Based Competitive Local Exchange and Resold InterLATA and IntraLATA Toll Services.	Ratesetting	Ratesetting	NO
A06-06-015 MARIN SHUTTLE INC., for authority to operate as an on-call Passenger Stage Corporation to and from points and cities in the Counties of Marin, Sonoma and Napa, on the one hand, and to and from the San Francisco and Oakland International Airports, and the Emeryville Amtrak station and the Port of San Francisco, on the other hand; and to establish a Zone of Rate Freedom.	Ratesetting	Ratesetting	NO
A06-06-016 DYNASTY INVESTMENT GROUP, LLC, for authority to operate as a Reservation only and Door-to-Door Passenger Stage Corporation shuttle between points in the County of Sacramento to and from the San Francisco International Airport; and to establish a Zone of Rate Freedom.	Ratesetting	Ratesetting	NO
A06-06-017 SOUTHERN CALIFORNIA GAS COMPANY (U 904 G), regarding Year Twelve (2005 - 2006) of its Gas Cost Incentive Mechanism.	Ratesetting	Ratesetting	NO
A06-06-018 CITY OF FULLERTON, for Authority to convert the existing private at-grade crossing of Hughes Drive to a public crossing, CPUC Crossing No.003-14.60, DOT No. 906013G, City of Fullerton, County of Orange, California.	Ratesetting	Ratesetting	NO
A06-06-019 LAGERGREN, PETER A., NETWORK SERVICE BILLING, INC., for Authority to Transfer Control of Network Service Billing, Inc. (U 6965 C) to Peter A. Lagergren.	Ratesetting	Ratesetting	NO
A06-06-020 SOUTHERN CALIFORNIA EDISON COMPANY, dba SCE, Application of Southern California Edison Company (U 338-E) for Authorization to Recover Costs Incurred in 2005 and recorded in the Rainstorm Catastrophic Event Memorandum Account.	Ratesetting	Ratesetting	YES

PRELIMINARY DETERMINATION SCHEDULE

Resolution ALJ 176-3175 (6/29/06)

NUMBER TITLE	PROPOSED CATEGORY	PRELIM. CATEGORY	HEARING
A06-06-022 AFFINITY NETWORKS INCORPORATED, BLUE RIDGE TELECOM SYSTEMS LLC, DELUG, SAMUEL P., NOS COMMUNICATIONS, INC., NOSVA LIMITED PARTNERSHIP, for approval of change in control .	Ratesetting	Ratesetting	NO
A06-06-023 LB PACIFIC, L.P., PACIFIC PIPELINE SYSTEM LLC, PLAINS ALL AMERICAN PIPELINE, L.P., for authorization pursuant to Public Utilities Code Section 854(a) for Transfer of Control of Pacific Pipeline System LLC from LB Pacific, LP to Plains All American Pipeline, L.P.	Ratesetting	Ratesetting	NO
A06-06-024 LB PACIFIC, L.P., PACIFIC TERMINALS LLC, PLAINS ALL AMERICAN PIPELINE, L.P., for authorization pursuant to Public Utilities Code Section 854(a) for Transfer of Control of Pacific Terminals LLC from LB Pacific, LP to Plains All American Pipeline, L.P.	Ratesetting	Ratesetting	NO