TRP/tcg 8/23/2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding the Implementation of the Suspension of Direct Access Pursuant to Assembly Bill 1X and Decision 01-09-060.	Rulemaking 02-01-011 (January 9, 2002)

ADMINISTRATIVE LAW JUDGE'S RULING REGARDING THE DIRECTIVE IN DECISION 02-07-032

This ruling is issued in response to D.02-07-032 (Decision) which authorized Southern California Edison (SCE) to establish a "Historical Procurement Charge" (HPC) in the matter of A.98-07-003. SCE was thereby authorized to apply the HPC to Direct Access (DA) customers by reducing the DA customers' generation credit by 2.7 cents/kWh until the effective date of a Commission decision implementing a DA cost responsibility surcharge in the instant rulemaking (R.02-01-011). The Decision stated that "there should be a cap on the total surcharge levels imposed on DA customers (including the impact of any changes to PX credits)." The Decision did not set a specific overall cap, "in deference to other proceedings." The Decision did, however, contain a directive for "the Assigned Commissioners and ALJs in other proceedings with surcharge implications (R.02-01-011, A.00-11-038 et al., and A.98-07-003) to solicit comments from parties in those proceedings" on the question of whether the 2.7 cents/kWh HPC for SCE may be a reasonable level for a cap on the maximum rate charged to DA customers (Decision at 24).

Issues concerning the appropriateness and potential magnitude of a cap on the maximum annual amount that may be billed to DA customers for a cost responsibility surcharge was among the issues addressed in prepared testimony and evidentiary hearings in this proceeding. The scope of R.02-01-011 is not limited only to the SCE service territory (as was the case with D.02-07-032), but covers the service territory of all three major electric utilities. Parties have previously been scheduled to file post-hearing briefs on DA cost responsibility surcharges in this proceeding on August 30, 2002. Since parties will have the opportunity to address the issue of caps (along with levelized fixed charges or other possible alternatives) among the scope of issues covered in their post-hearing briefs in this proceeding, there is no need to require a separate round of comments expressly addressing the issue of the 2.7 cents / kWh cap set in D.02-07-032. The directive in D.02-07-032 for comments to be solicited on the issue of a cap is thus satisfied by virtue of the previously set schedule for the filing of post-hearing briefs in this proceeding (R.02-01-011). In addressing the issue of caps in their briefs, parties are expected to take into account the potential effect and appropriateness of the 2.7 cents / kWh cap imposed on DA customers in the SCE service territory pursuant to D.02-07-032.[1]

IT IS RULED that:

1. This ruling provides notice to parties in this proceeding of the directive in D.02-07-032 for the Assigned Commissioners and ALJs in other proceedings with surcharge implications (i.e., R.02-01-011, A.00-11-038 et al., and A.98-07-003) to

[1] While adopting a 2.7 cents / kWh cap for SCE, Decision 02-07-032 states: "We will not and cannot prejudge the outcome of any proceedings beyond the instant case."

solicit comments from parties in those proceedings on the question of whether the reasonable level for a cap on the maximum rate charged to DA customers.

2. The requirements for comments on issues relating to the HPC of 2.7 cents/kWh, and an overall cap on cost responsibility surcharges as set forth in D.02-07-032 will be satisfied as part of the coverage of issues included in the filing of post-hearing briefs in this proceeding, as previously scheduled.

3. In addressing the overall issue of caps in their post-hearing briefs, parties are expected to take into account the potential effect and appropriateness of the 2.7 cents/kWh cap imposed on DA customers in the SCE service territory pursuant to D.02-07-032.

Dated August 23, 2002, in San Francisco, California.

/s/ THOMAS R. PULSIFER
Thomas R. Pulsifer
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding the Directive in Decision 02-07-032 on all parties of record in this proceeding or their attorneys of record.

Dated August 23, 2002, at San Francisco, California.

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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