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Decision 96-11-018 November 6, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego & Electric)
 Company (U 902-E) for an Ex Parte)
 Order Approving Modifications to)
 Uniform Standard Offer No. 1 and)
 Standard Offer No. 3.)

ORIGINAL
 Application 95-11-057
 (Filed November 22, 1995)

Application of Southern California)
 Edison Company (U-338-E) for an)
Ex Parte Order Approving)
 Modifications to Uniform Standard)
 Offer No. 1 and Standard Offer No. 3.)

Application 96-01-008
 (Filed January 3, 1996)

Application of Pacific Gas & Electric)
 Company (U 39-E) for an Order)
 Approving Modifications to Uniform)
 Standard Offer No. 1.)

Application 96-01-014
 (Filed January 12, 1996)

ORDER CORRECTING ERRORS

Decision (D.) 96-10-036, approved by the Commission at its meeting of October 9, 1996, includes minor drafting errors pertaining to an exemption for certain biomass qualifying facilities (QFs). Proposed corrections to these errors were described in an Administrative Law Judge's (ALJ) Ruling issued on October 25, 1996. The proposed corrections would change "publicly owned" to "tax advantaged" at pages 41 and 47 of D.96-10-036.

The ALJ's ruling provided for comments on the proposed corrections in accordance with Public Utilities Code Section 1708. Independent Energy Producers Association (IEP) filed comments in support of the proposed corrections. IEP notes that "publicly owned" also appears in Finding of Fact 11 on page 46 and in Ordering Paragraph 8 on page 50 of D.96-10-036. Southern California Edison Company (Edison) finds the phrase "tax advantaged" vague and believes that it does not provide adequate

guidance as to which QFs would qualify for the exemption. Edison recommends changing "small, tax advantaged, landfill biomass QFs" to "landfill biomass QFs that qualify for tax credits under Section 29 of the Internal Revenue Code." We agree that additional changes consistent with the comments should be made to correctly state our intent in D.96-10-036.

IEP notes in its comments that by retaining the December 31, 2002 termination date for new standard offer agreements, D.96-10-036 is inconsistent with Assembly Bill (AB) 1890 (Stats. 1996, Ch. 854). AB 1890 provides for a transition to a fully competitive market by January 1, 2002. We agree that the termination date should conform to AB 1890.

Therefore, IT IS ORDERED that the following revisions to Decision 96-10-036 are made:

1. On page 2, line 15, change "December 31, 2002" to "December 31, 2001."
2. On page 22, line 3, insert a new paragraph which reads: "The Joint Parties intended the revised contract term to coincide with the advent of full competition under the restructuring decision. With the enactment of Assembly Bill 1890 (Stats. 1996, Ch. 854), the termination date should be December 31, 2001."
3. On page 41, footnote 22, lines 8-9, change "small, publicly owned, landfill biomass QFs" to "landfill biomass QFs that allow another entity to become eligible for tax credits under Section 29 of the Internal Revenue Code."
4. On page 46, Finding of Fact 7, delete "46" on line 1 and change "2002" to "2001" on line 2.
5. On page 46, Finding of Fact 11, line 1, change "Small publicly owned" to "Certain," change "QFs" to "projects," and insert "under Section 29 of the Internal Revenue Code" following "tax benefits" at line 2.

6. On page 47, Conclusion of Law 14, line 3, change "Small publicly owned" to "Tax advantaged."
7. On page 48, Ordering Paragraph 3, line 9, insert "except that each of the dates set forth in Sections II.A. and II.B. of Appendix A shall be changed to one year earlier" following "therein."
8. On page 49, continuation of Ordering Paragraph 3, line 2, insert "except that each of the dates set forth in Sections II.A. and II.B. of Appendix A shall be changed to one year earlier" following "therein."
9. On page 50, Ordering Paragraph 8, lines 1-2, change "small, publicly owned landfill biomass projects" to "landfill biomass QFs that allow another entity to become eligible for tax credits under Section 29 of the Internal Revenue Code."

This order is effective today.

Dated November 6, 1996, at San Francisco, California.

P. GREGORY CONLON
President
DANIEL Wm. FESSLER
HENRY M. DUQUE
JOSIAH L. NEPPER
Commissioners

I abstain.

/s/ JESSIE J. KNIGHT, JR.
Commissioner