

ALJ/BDP/sid

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Decision 98-05-008 May 7, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Pacific Gas and Electric Company, Kramer Junction Company and LUZ Solar Partnerships III through VII for an Order Approving the Reserved Portion of the Applicants' Settlement Agreement.

ORIGINAL

Application 98-02-037
(Filed February 18, 1998)

O P I N I O N

In Decision (D.) 97-05-074, the Commission adopted a settlement agreement between Pacific Gas and Electric Company (PG&E), Kramer Junction Company, and LUZ Solar Partnerships III through VII (collectively, the Applicants). The Commission stated:

"Lastly, since this is not the appropriate proceeding to do so, we do not address PG&E's request that there should be no disallowance of costs or imputed income resulting from the Settlement Agreement." (D.97-05-074, mimeo., p. 12.)

The Applicants state that the settlement agreement is conditioned on a Commission order finding that "there will be no disallowance of costs or imputed income as a result of PG&E receiving less than the full tariff amounts it might allegedly have recovered from KJC/LSP" (Settlement Agreement, paragraph 5).¹ Further, to address the Commission's concern that the complaint

¹ KJC/LSP operates five solar electric generation units (SEGS Projects). PG&E provides natural gas transportation to those facilities pursuant to Public Utilities Code § 454.6 and PG&E tariff Schedules G-PO3/G-EPO, which provide a discounted rate subject to the condition that fossil fuel (gas) usage in such facilities does not exceed 35% of the total energy input in a calendar year.

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case under which the settlement agreement was submitted to the Commission would not give parties which might be affected notice of the settlement or an opportunity to review and take positions on the ratemaking implications of the settlement, the Applicants have served a copy of the instant application on the service list in PG&E's current Biennial Cost Adjustment Proceeding, Application (A.) 97-03-002. No protests have been filed. Applicants now seek a finding from the Commission that there will be no such disallowance.

We agree. In D.97-05-074, we reserved the issue of disallowances for procedural, not substantive reasons. Since the Commission's concern that there be broader notice of the settlement has now been addressed, we will grant Applicants' request.

Findings of Fact

1. In D.97-05-074, the Commission adopted a settlement agreement between PG&E, Kramer Junction Company, and LUZ Solar Partnerships III through VII.
2. In D.97-05-074, for procedural reasons, the Commission reserved the matter of disallowances for a subsequent proceeding.
3. Notice of the instant application, A.98-02-037, appeared in the Commission's Daily Calendar dated February 26, 1998.
4. A.98-02-037 was served on the service list for PG&E's current Biennial Cost Adjustment Proceeding, A.97-03-002.
5. No protests to A.98-02-037 have been filed.

Conclusions of Law

1. Sufficient notice of the settlement between PG&E and the qualifying facilities has been provided to potentially affected parties in A.97-03-002 to review and take positions on the ratemaking implications of the settlement adopted in D.97-05-074.

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2. The Applicants' request for a Commission finding that there should be no disallowances resulting from the settlement agreement should be granted ex parte.

O R D E R

IT IS ORDERED that:

1. There shall be no disallowance of costs or imputed income to Pacific Gas and Electric Company resulting from the settlement agreement adopted in Decision 97-05-074.

2. Application 98-02-037 is closed.

This order is effective today.

Dated May 7, 1998, at San Francisco, California.

RICHARD A. BILAS

President

P. GREGORY CONLON

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners

Commissioner Jessie J. Knight, Jr.,
being necessarily absent, did not
participate.