

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Rulemaking Regarding Whether, or Subject to
What Conditions, the Suspension of Direct
Access May Be Lifted Consistent with Assembly
Bill 1X and Decision 01-09-060.

Rulemaking 07-05-025
(Filed May 24, 2007)

**JOINT STATEMENT OF PACIFIC GAS AND ELECTRIC COMPANY,
SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN
CALIFORNIA EDISON COMPANY ON WORKSHOP TOPICS**

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Dated: November 30, 2010

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I. INTRODUCTION

Pursuant to the November 22, 2010 Assigned Commissioner’s Ruling Adopting Amended Scoping Memo and Schedule (Ruling), Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (collectively, the IOUs) submit their joint proposal on workshop topics regarding the Indifference calculation and other “unresolved Phase III technical disputes.”¹

II. PROPOSED TECHNICAL WORKSHOP TOPICS

While all of the issues in Phase III are intricately intertwined, for purposes of the upcoming workshops, the IOUs focus their proposed topics on the Indifference calculation and the Transitional Bundled Rate (TBS) rate components because (i) the Ruling focuses on *technical* issues for the workshops; (ii) numerous workshops and informal working group sessions have already been devoted to the direct access (DA) switching rules and the security requirement for Energy Service Providers (ESP) under Public Utilities (P.U.) Code Section 394.25(e); (iii) the parties’ disputes on the switching rules are not over technical issues, but

¹ See Ruling, pp. 3-4.

rather policy issues; and (iv) while the issues associated with the ESP security requirement *are* technical in nature, those issues should be examined in evidentiary hearings² along with the legal arguments on the scope of the indemnification in P.U. Code Section 394.25(e).

Accordingly, the IOUs' proposed workshop topics are as follows.

A. Overview of the Indifference Calculation

B. Discussion Topics

- 1. Whether the Market Price Benchmark (MPB) reasonably forecasts market prices**
- 2. Whether the Capacity Adder to the MPB should be updated; methods for regularly updating the Capacity Adder**
 - a. Impact on TBS rates.**
- 3. Whether the MPB should include an adder for renewable resources, including:**
 - Whether the IOUs sell renewable resources into the market as a result of departing load;
 - How a proxy for the value of renewable resources could be determined;
 - Impact on TBS rates.
- 4. Whether the MPB should be modified to reflect the load profile of the departing customers, including:**
 - Whether the load profile of the departing customers is relevant in selling those resources into the market to account for departing load.

² The Ruling at p. 5 erroneously concludes that the ESP financial security issues are “essentially legal issues” that can be resolved through legal briefs. While the threshold legal issue of the scope of the indemnification in P.U. Code Section 394.25(e) can be briefed, the factual issues associated with the calculation of the re-entry fees for involuntarily returned DA customers – and the financial security required from the ESPs to cover those re-entry fees – involves significant and complex factual issues that need to be discussed in parties’ prepared testimony. The IOUs intend to submit testimony on these issues for consideration in the Phase III evidentiary hearings.

5. **Whether the MPB should reflect the premium value of the IOUs' services as Providers of Last Resort (POLR) for departing load**
6. **Whether the California Independent System Operator (CAISO) services costs should be included in the IOUs' total portfolio costs, including:**
 - Whether the CAISO services costs are generation related or load related.

Respectfully submitted,

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November 30, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **JOINT STATEMENT OF PACIFIC GAS AND ELECTRIC COMPANY, SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA ON WORKSHOP TOPIC** on all parties identified in Docket No. R.07-05-025 by U.S. mail and electronic mail, and by Federal Express to the assigned Commissioner(s) and Administrative Law Judge(s).

Dated at San Diego, California, this 30th day of November, 2010.

/s/ JOEL DELLOSA
Joel Delloso