

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

Application of Southern California Edison
Company (U 338-E) for Applying the Market
Index Formula and As-Available Capacity
Prices Adopted in D.07-09-040 to Calculate
Short-Run Avoided Cost for Payments to
Qualifying Facilities Beginning July 2003 and
Associated Relief.

And Related Matters.

**Application 08-11-001
(Filed November 4, 2008)**

**Rulemaking 06-02-013
Rulemaking 04-04-003
Rulemaking 04-04-025
Rulemaking 99-11-022**

**JOINT STATUS REPORT
ON THE QUALIFYING FACILITY AND
COMBINED HEAT AND POWER PROGRAM
SETTLEMENT AGREEMENT**

DATED: June 21, 2011

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

Application of Southern California Edison Company (U 338-E) for Applying the Market Index Formula and As-Available Capacity Prices Adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities Beginning July 2003 and Associated Relief

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The Qualifying Facility and Combined Heat and Power Program Settlement Agreement (“Settlement Agreement”) was approved by the California Public Utilities Commission (“Commission”) in *Decision Adopting Proposed Settlement*, Decision (“D.”) 10-12-035 (the “Decision”). Ordering Paragraph 6 of the Decision requires the parties to the settlement to file quarterly status reports on the effectiveness of the Settlement Agreement beginning on a date that is three months after the date of the Decision and continuing until a motion for closure of the docket is filed. The status report must identify “what actions have been completed and what actions remain to be completed before the conditions precedent have been met.”

Five parties applied for rehearing of the Decision on January 18 and 20, 2011. On March 25, 2011, the Commission issued D.11-03-051 which denied rehearing of D.10-12-035, as modified. None of the parties who applied for rehearing of the Decision filed a writ of review of

either D.10-12-035 or D.11-03-051; therefore, both decisions are now final and non-appealable.

The Settlement Agreement will not become effective until after the Federal Energy Regulatory Commission (“FERC”) issues an order that is final and non-appealable approving an application by the investor-owned utilities (“IOUs”) to terminate their obligation pursuant to the Public Utility Regulatory Policies Act to purchase from qualifying facilities greater than 20 MW. (Settlement Agreement Term Sheet, Section 16.2.1.) The IOUs filed their Application at FERC on March 18, 2011. On June 16, 2011, FERC issued its *Order Granting Application to Terminate Purchase Obligation* (“FERC Order”), which approved the IOUs’ Joint Application.¹ The FERC Order will become final and non-appealable on July 18, 2011 unless an application for rehearing of the FERC Order is filed by that date. (16 U.S. C. § 825 I(b).)

After the FERC Order becomes final and non-appealable, the final condition precedent to the effectiveness of the Settlement Agreement will have been met. The Joint Parties promptly will file a motion for closure in these consolidated proceedings pursuant to D. 10-12-035, Ordering Paragraph 6, which also will request the Commission to establish the Settlement Effective Date.

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¹ 135 FERC ¶61,234 (2011). The FERC Order is posted at: <http://www.ferc.gov/whats-new/comm-meet/2011/061611/E-7.pdf>

PG&E is authorized to sign this status report on behalf of the Joint Parties.

DATED: June 21, 2011

Respectfully submitted on Behalf of the Joint Parties,

By: _____ /S/
EVELYN C. LEE

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On Behalf of the Joint Parties:

**Pacific Gas and Electric Company,
Southern California Edison Company,
San Diego Gas & Electric Company,
The Utility Reform Network,
Division of Ratepayer Advocates,
California Cogeneration Council,
Independent Energy Producers,
Cogeneration Association of California, and
Energy Producers and Users Coalition**

**CERTIFICATE OF SERVICE
BY ELECTRONIC AND U. S. MAIL**

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, 77 Beale St., B30A, San Francisco, CA 94105-1814.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On the 21st day of June, 2011, I served a true copy of:

**JOINT STATUS REPORT
ON THE QUALIFYING FACILITY AND
COMBINED HEAT AND POWER PROGRAM
SETTLEMENT AGREEMENT**

[XX] Electronic Mail: By serving the enclosed document, via electronic mail transmission, to each of the parties with electronic mail address listed on each of the official CPUC Service Lists for Docket No's. A.08-11-001, R.06-02-013, R.04-04-003, R.04-04-025, and R.99-11-022.

[XX] By U. S. Mail: By serving the enclosed document, via U. S. Mail, to each of the parties listed on the Official Service Lists for CPUC Docket No's. A.08-11-001, R.06-02-013, R.04-04-003, R.04-04-025, and R.99-11-022 without electronic mail addresses.

[XX] By Messenger to:

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California Public Utilities Commission
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I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on this 21st day of June, 2011 at San Francisco, California.

/S/

ELIZABETH J. DIAMOND