

**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 SEMI-ANNUAL PROGRESS REPORT

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December 1, 2011

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Pursuant to Decision (“D.”) 10-12-035,¹ which approved the Qualifying Facility (“QF”) and Combined Heat and Power Program Settlement Agreement (“Settlement”), and consistent with the directions of Administrative Law Judge Amy Yip-Kikugawa, Pacific Gas and Electric Company, Southern California Gas Company and San Diego Gas & Electric Company (collectively “IOUs”) state as follows:

D.10-12-035 directed the IOUs to file the first semi-annual progress report on the first business day of the month following the Settlement Effective Date (“SED”)². The SED was November 23, 2011,³ making December 1, 2011 the due date for filing the first semi-annual

¹ The California Public Utilities Commission (“Commission”) approved the Settlement in D.10-12-035. The Commission issued subsequent decisions, *i.e.*, D. 11-03-051, D.11-10-016 and D.11-10-043, to resolve issues that parties raised in various related rehearing requests and petitions for modification.

² *Mimeo* at 44.

³ On November 23, 2011, the Commission’s decisions approving the Settlement Agreement became final and non-appealable meeting the final condition precedent necessary to the Settlement Agreement becoming effective. The other condition precedent necessary for the Settlement to become effective was a final and non-appealable order by the Federal Energy Regulatory Commission approving the IOUs’ joint application to terminate the mandatory purchase obligation for QFs in excess of 20 MW. The FERC’s *Order Granting Application to Terminate Purchase Obligation (Pacific Gas and Electric Company, et al., 135 FERC ¶61,234 (June 16, 2011))*, became final and non-appealable on July 18, 2011.

progress report (“Due Date”). In recognition of the fact that there were only four business days between the SED and the Due Date and that the IOUs nonetheless must comply with the express directive of D.10-12-035, in addition to this December 1 filing, on December 23, 2011, the IOUs will serve parties on the service list of A.08-11-001 with supplemental reports of their procurement activity (MWs only) under the Settlement Agreement. Thereafter, the IOUs will file their semi-annual reports on March 31 and September 30 in the following years, using the Energy Division's template for the semi-annual reports, which template is still being developed.

Respectfully submitted on behalf of the IOUs,

/s/ GEORGETTA J. BAKER

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