BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement) Portions of AB117 Concerning Community) Choice Aggregation)	Rulemaking 03-10-003 (October 2, 2003)

INITIAL PHASE II BRIEF OF LOCAL POWER

July 8, 2005

Paul Fenn, AM
Local Power
4281 Piedmont Avenue
Oakland, CA 94611
510 451 1727
paulfenn@local.org

TABLE OF CONTENTS

INITIAL PHASE II BRIEF OF LOCAL POWER

I. Introduction

Local Power hereby submits its Initial Brief on the Testimony and Evidentiary Record of all parties participating in Phase II of the California Public Utilities Commission proceeding on Community Choice Aggregation, R.03-10-003.

II. Achieving the Legislature's Intent in AB117

a. The legislature intended the purpose of CCAs to be a means for electricity customers acting through their local government to achieve consumer protection and to leverage negotiation with Electric Service Providers (ESPs).

> "Notwithstanding Section 366, a community choice aggregator is hereby authorized to aggregate the electrical load of interested electricity consumers within its boundaries to reduce transaction costs to consumers, provide consumer protections, and leverage the negotiation of contracts" (Public Utilities Code 366.2(c)(1)).

b. The legislature intended CCAs to be a "communitywide electricity buyers'program" administered by local governments:

> "For purposes of this chapter, ''community choice aggregator'' means any of the following entities, if that entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003:
> (a) Any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a communitywide electricity buyers' program.
> (b) Any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code" (Public Utilities Code Section 331.1).

c. The legislature intended for the Commission to facilitate negotiation between CCAs representing end use customers and ESPs:

> "Section 366 of the Public Utilities Code is amended to read:
> 366. (a) The commission shall take actions as needed to facilitate direct transactions between electricity suppliers and end-use customers. Customers shall be entitled to aggregate their electrical loads on a voluntary basis, provided that each customer does so by a positive written declaration. If no positive declaration is made by a customer, that customer shall continue to be served by the existing electrical corporation or its successor in interest, except aggregation by community choice aggregators, accomplished pursuant to Section 366.2." (Public Utilities Code Section 366(a)).

d. The legislature intended for a CCAs to adopt an Implementation Plan and undertake a 90-day waiting period correspondence with the Commission to establish a cost-recovery mechanism to prevent cost-shifting before entering into a contracts with an Electric Service Provider (ESP):

> "Within 90 days after the community choice aggregator establishing load aggregation files its implementation plan, the commission shall certify that it has received the implementation plan, including any additional information necessary to determine a cost-recovery mechanism. After certification of receipt of the implementation plan and any additional information requested, the commission shall then provide the community choice aggregator with its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in subdivisions (d), (e), and (f)" (Public Utilities Code Section 366.2(c)(7)).

e. Furthermore, the legislature intended for a maximum 30-day waiting period between the date on which a CCA signs an ESP contract and the day customers are transferred to the CCA:

> "(15) Once the community choice aggregator's contract is signed, the community choice aggregator shall notify the applicable electrical corporation that community choice service will commence within 30 days.
> (16) Once notified of a community choice aggregator program, the
> electrical corporation shall transfer all applicable accounts to the new supplier within a 30-day period from the date of the close of their normally scheduled monthly metering and billing process" (Public Utilities Code Section 366.2(c)(15) and (16)).

As one cannot put 90 days into 30 days, it is clear that the legislature intended for a CCA's adoption of filing of an Implementation Plan with the Commission to precede that its' signing of a contract with an ESP.

f. The legislature created the CCA Implementation Plan process specifically in order to *"create"*

a cost recovery mechanism:

> "In order to determine the cost-recovery mechanism to be imposed on the community choice aggregator pursuant to subdivisions (d), (e), and (f) that shall be paid by the customers of the community choice aggregator to prevent shifting of costs, the community choice aggregator shall file the implementation plan with the commission, and any other information requested by the commission that the commission determines is necessary to develop the cost-recovery mechanism in subdivisions (d), (e), and (f)" (Public Utilities Commission Section 366.2 (c)(5)).

g. The legislature intended the CCA Implementation Plan to provide the Commission with a basis on which to coordinate with electric utility procurement and minimize impacts utility procurement:

> "No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost-recovery that must be paid by the customers of that proposed community choice aggregation program, as provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission" (Public Utilities Code Section 366.2(c)(8)).

h. In the event that procurement-related costs are incurred, the legislature intended that the ability of utilities to recover procurement-related costs attributable to CCA customers be limited to customers receiving service from a CCA over the term of their contracted-for service, not from customers who never received CCA service nor from local government bodies::

> "(f) A retail end-use customer purchasing electricity from a community choice aggregator pursuant to this section shall reimburse the electrical corporation that previously served the customer for all of the following:
> (1) The electrical corporation's unrecovered past undercollections for electricity purchases, including any financing costs, attributable to that customer, that the commission lawfully determines may be recovered in rates.
> (2) Any additional costs of the electrical corporation recoverable in commission-approved rates, equal to the share of the electrical corporation's estimated net unavoidable electricity purchase contract costs attributable to the customer, as determined by the commission, for the period commencing with the customer's purchases of electricity from the community choice aggregator, through the expiration of all then existing electricity purchase contracts entered into by the electrical corporation" (Public Utilities Code Section 366.2(f)).

I. The legislature intended for implementation costs to be paid by a CCA, but only in cases where those costs are attributable to the CCA:

> "An electrical corporation shall recover from the community choice aggregator any costs reasonably attributable to the community choice aggregator, as determined by the commission, of implementing this section, including, but not limited to, all business and information system changes, except for transaction-based costs as described in this paragraph. Any costs not reasonably attributable to a community choice aggregator shall be recovered from ratepayers, as determined by the commission" (Public Utilities Code Section 366.2(c)(17)).

j. The legislature intended for any CCA, whether already formed and participating in this proceeding, or whether formed at a future date, to be able to ask the Commission to order its utility to insert its customer opt-out notifications in monthly electric bills. that a CCA may request the Commission to order the utility to insert the notifications into its monthly bills:

> "The community choice aggregator may request the commission to approve and order the electrical corporation to provide the notification required in subparagraph (A). If the commission orders the electrical corporation to send one or more of the notifications required pursuant to subparagraph (A) in the electrical corporation's normally scheduled monthly billing process, the electrical corporation shall be entitled to recover from the community choice aggregator all reasonable incremental costs it incurs related to the notification or notifications. The electrical corporation shall fully cooperate with the community choice aggregator in determining the feasibility and costs associated with using the electrical corporation's normally scheduled monthly billing process to provide one or more of the notifications required pursuant to subparagraph (A)" (Public Utilities Code Section 366.2(c)(13(B)).

III. Open Season

The stated purpose of the Open Season is to reduce risk for CCAs and utilities alike, but the utilities would propose an Open Season which would disallow a CCA from participating in Open Season unless it has already signed a contract with an ESP.

A. Utility Open Season Proposal Violates AB117

The utilities would require the CCA participating in Open Season to make a binding commitment

to take customers at a future date in order to be exempted from utility procurement costs. Also the utilities would require the CCA to submit a binding five-year load forecast with penalty beyond a 10 percent deadband for the first five years of its operation.(p.13, line, Cross Examination of Dr. Jazayeri, p.1129, 25).

I will make the case, that requiring a CCA to make a binding forecast and a binding commitment to take customers at a future date would in effect preclude participation in Open Season, and would either result in a program that violates state law or limits the Open Season to thirty (days) duration.

(1) Binding Forecast

First, Dr. Jazayeri maintains in both written testimony (Opening Testimony, p. 13, line 0 and p.14, line 3) that the CCA provider, not the utility, should accept forecast risk for deviations beyond the deadband for the reason that,

> "A failure to impose costs incurred by the utility as a result of inaccurate forecasts on the CCA Provider would result in cost-shifting to bundled service customers, contrary to the provisions of AB117 prohibiting such cost-shifting" (Opening Testimony, p.14, line 3)

Dr. Jazayeri answered "Yes" to my question whether a CCA would, "in order to make such a forecast, need to know the terms of its service?

> "That is, would it not need to hold a contract with an ESP or with its provider in order to know the terms of that service, whether there would be an increase in rates or decrease in rates or flat rates or what the terms would be in order for it to forecast the behavior of customers within the CCA?" (p.1130, lines 2-8).

His admission:

> "Yes, I agree with you that that's a factor. And I mentioned in response to Mr. Como that probably CCA knows more about that than the utility does. (P.1130, lines 9-11).

Though he justifies charging the cost to be charged to CCA customers based on the *presumed*

ability of the CCA to have foreknowledge about activities or other changes that would impact its ability to make the forecast, Dr. Jazayeri admits a signed contract would be necessary to make the forecast. He then admits frankly that in order for a CCA to make a five-year forecast, that the CCA would need to have a contract with an ESP commitment five years ahead before being able to make such a commitment, and thus to be able to participate in Open Season:

> "Would -- if a CCA needs a contract in order to make such a forecast, wouldn't it also require -- in order to make a forecast that far in advance, wouldn't it need a commitment from an ESP that far in advance in order to make it?
> A Yes. And the CCA then, if it is relying on the ESP contracts, maybe it should enter the open season after it has signed its contract with the ESP rather than prior to it" (P.1130, lines 16-24).

As Local Power witness Representative Matthew Patrick testified, it is not reasonable to make a CCA solely responsible for the accuracy of such a forecast, considering the fact utility activity precludes it from controlling the opt-out rate of its prospective customers.

> "Q: Are the utilities correct in asserting that AB117 holds a CCA responsible to "serve a certain amount of load" (p. 12) and thus for load forecasting errors (p.13) associated with customers that choose to opt-out of the CCA during the 120 day opt-out period?
> A: No, the utilities are wrong in this assertion. First, under AB117, the opt-out process is a method of ratepayer participation. Costs associated with customers who choose not to participate in a CCA program may not be charged to other customers who elect to participate. As customers who opt-out of a CCA program are not participating in the CCA program but remain bundled service customers, their decision not to participate is not the responsibility of the CCA, so that costs associated with their decision not to participate are not attributable to the CCA, and must therefore be born by all ratepayers. Second, as the utilities will be in a position to influence the opt-out rate of ratepayers from CCA programs in their service territories - from making public statements about a CCA program to seeking rate reductions for certain customer classes, as PG&E is now seeking for commercial customers - the CCA cannot be held responsible for potentially adverse activities it simply cannot control" (Patrick Reply Testimony, p.7, lines 11-25).

Finally, as Mr. Patrick points out, the 10% deadband does not adequately cover forecasting errors caused by parties other than the CCA:

> "Q: Does the 10% deadband proposed by the utilities solve this problem?
> A: No, it merely dilutes the problem, but does not address the fundamental legal issue, as they have not demonstrated that CCAs are in control of 90% of forecasting accuracy and 90% of the opt-out rate, when in fact the utilities have more control than
> this, both in the form of providing all the forecasting data, influencing ratepayers, and changing their rates in a manner that influences load changes" (Reply Testimony, p.8, lines 10-15).

(2) Binding Commitment

While admitting that a CCA would need a signed contract in order to reasonably make a binding commitment, the utilities have proposed an Open Season process that would require CCAs to chose between *making a blind Open Season forecast and commitment or else being exposed to all utility procurement costs incurred up to the day customers are transferred.* Representative Patrick's Reply Testimony clearly presented the fact that it is unreasonable to require a CCA to make a binding commitment before it has a contract in hand:

> The utilities' insistence on a single binding commitment in order to limit CCA CRS liability places the entire burden and responsibility for coordination between CCA and utility procurement on CCA's, when the Commission has already decided that utilities must bear responsibility for unreasonable or avoidable over-procurement" (Rep. Matthew Patrick Reply Testimony, p. 5, lines 6-9).

Rep. Patrick adds that the utilities' proposed Open Season would specifically violate the Commission's statutory obligation to facilitate negotiation between CCAs and ESPs:

> "It is draconian, and would either cause dangerous procurement errors or prevent CCAs from negotiating with ESPs, in violation of 366(a) of the Public Utilities Code. A single binding commitment as proposed by the utilities would interfere with the normal manner of negotiations with ESPs, and could make it impossible for CCAs to commence service ever. A CCA must complete negotiation with ESPs and sign a contract with an ESP before it can make a fully binding commitment that has any penalty attached"(Rep. Matthew Patrick Reply Testimony, p. 5, lines 9-15)..

Rep. Patrick adds that the utilities' Open Season unlawfully places unreasonable risks on the CCA, which is a local government, not a market participant, and that the effect would be to make Open Season a non-option:

> "Again, the utilities confuse the CCA role - aggregating customers and deciding matters of public

policy - with the ESP role, which is providing service and managing risk. If a CCA is required to make a binding commitment to receive customers before signing a contract with an ESP, its negotiations would be undertaken under severe duress and extreme prejudice; its ability to negotiate with ESPs, and to protect ratepayers, would be fundamentally threatened by the prospect of penalties if its negotiations are unsuccessful. A CCA is a non-profit venture to provide citizens and businesses a service. Flexibility and reasonable amount of time are essential to negotiating a power supply contract. Municipalities will also be making a considerable investment in time and funds for paid consultants" (Rep. Matthew Patrick Reply Testimony, p. 5, lines 15-25).

The utility witness on Open Season, Dr. Jaziyeri of Southern California Edison ("Edison") indicates that in his view, a CCA would also need a signed contract with an ESP in order to make the binding commitment:

"Given -- you have, have you not, indicated or
agreed that -- that a CCA would require a contract in
hand in order to make a binding commitment?
A I think that's up to the CCA, if it wants to
take that risk.
But I indicated that if I were a CCA, I would
like to know what my energy prices are going to be or
whether I am even going to be able to serve my customers
before I commit to serving customers.
Q Agreed" (p.1147, lines 6-15).

In his reply testimony, Dr. Jaziyeri says that the utilities do not support requiring the CCA to make a binding commitment before it has a signed ESP contract:

"If the CCA Provider does not
have a contract for energy
procurement or other services with
an ESP until after its
implementation plan has been
adopted and the Commission has
determined its CRS obligation, how
could it be certain that it would
make economic sense for it or its
potential customers to form a CCA
at the [same] time it files its
implementation plan with the
Commission? (Utilities Reply Testimony, p. 3-11)

Under cross examination, Dr. Jaziyeri claims, on the same basis, the right of utilities not to alter their procurement to accommodate a CCA short of a it binding commitment (and thus, contract):

> "Thus, it is illogical to ask
> the utility to modify its
> procurement plan at the time a CCA
> Provider passes an ordinance or
> files an implementation plan.
> My question is would it be no less logical
> or -- sorry -- would it be no less illogical to ask a
> CCA to make a binding commitment before it is certain
> that it can meet that commitment? (P. 1149, lines 17-25)

Dr Jaziyeri said that the utilities do not wish to require a CCA to make a binding commitment without a contract in hand:

> "A And as I have stated several times, nobody is
> really requiring for a CCA to make a binding commitment
> until it has the contract in hand, under your
> terminology, and is sure or relatively certain that it
> is going to start serving customers" (p.1149, lines 26-28).

Yet AB117 would preclude a CCA with a signed contract from making a binding commitment in excess of thirty days ahead. R*equiring and enforcing a CCA forecast in advance of an Open Season period in excess of 30 days is either direct violation of state law, or (as stated by Representative Patrick and fully admitted by Dr. Jazayeri) provides CCAs with no basis on which to make such a commitment - a Catch-22 for CCAs.* AB117 requires unequivocally that a CCA program commence within 30 days of a CCA signing its contract. The full wording of PUC Section 366.2(c)(15) is as follows:

> "Once the community choice aggregator's contract is signed, the
> community choice aggregator shall notify the applicable electrical corporation that community choice *service will commence within 30 days*" (Emphasis Added, Public Utilities Code Section 366.2(c)(15).

The section that follows AB117 also requires that the electrical corporation transfer customers within thirty days of being notified by the CCA:

> "Once notified of a community choice aggregator program, the
> electrical corporation shall transfer all applicable accounts to the new supplier within a 30-day

period from the date of the close of their normally scheduled monthly metering and billing process" (Public Utilities Code Section 366.2(c)(16).

Because, as Dr. Jazayeri admits, the utilities' proposed Open Season process requires that a CCA sign an ESP contract before making the binding commitment, this *approach would statutorily limit the CCA commitment to take customers ("accounts") to thirty-days (30 days) into the future.* Beyond this period of commitment to take customers, the utilities' Open Season proposal would either directly require themselves and CCAs to violate state law, as the 30 day limit is a freestanding statutory requirement, or would (as Dr. Jazayeri testifies) require CCAs to make a binding forecast without any basis whatsoever. Such a "voluntary" program would present local governments with a non-option - a program that does not reduce risk for the CCA relative to electric utility procurement and related activities, because the proposed program would make the CCA responsibility for all impacts of such (utility and market) activities on the accuracy of their forecast and their ability to meet a binding commitment.

The utilities have also argued that AB117 requires an Implementation Plan to specify entities chosen to provide the CCA customers with service, meaning the Implementation Plan would have to be completed *after a CCA signs a contract with an ESP* - by claiming that the Implementation Plan must include a disclosure of the ESP chosen to provide service (Utilities Reply Testimony, 4-1).

Yet Dr. Jaziyeri demurs on my question whether a CCA would need to adopt an Implementation Plan before or after signing its contract with an ESP:

"A Again, I am not sure what the CCA would do
with its implementation plan.
It could file an implementation plan after it
has a contract in hand or it could do it earlier. I
mean, that's up to the CCA. I can't really say, that
whether an ESP contract will always come after the
filing of the implementation plan or prior to it.
Q But you would agree that that would be the
CCAs' decision --
A Yes.

Q -- as to how much risk it wants to manage?
A Yes.
Q So that the CCA would have the option of filing an implementation plan prior to negotiating the power-purchase agreement.
A Yes" (p. 1147, line 20-28, 1148, lines1-7).

There's only one problem: you cannot put 90 days into 30 days. *AB117's implementation plan, contract signing and customer transfer process does not allow for a CCA to sign a contract before it adopts and files an Implementation Plan.* Whereas, as shown above, customers must be transferred 30 days after a contract is signed, AB117 requires the CCA to wait up to ninety (90) days after it files the plan with the Commission before the Commission must certify receipt of the plan:

"Within 90 days after the community choice aggregator establishing load aggregation files its implementation plan, the commission shall certify that it has received the implementation plan, including any additional information necessary to determine a cost-recovery mechanism. After certification of receipt of the implementation plan and any additional information requested, the commission shall then provide the community choice aggregator with its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in subdivisions (d), (e), and (f).
(8) No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost-recovery that must be paid by the customers of that proposed community choice aggregation program, as provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission" (PUC Section 366.2(c)(8).

As AB117 also requires further delays for the two initial opt-out notifications, which would clearly occur after a CCA had signed a contract with an ESP, the utilities' Open Season proposal is irreconcilable with the statute. As these sections of statute present clear guidelines for the timing of CCA load departures, the Commission cannot ignore such a basic contradiction inherent in the utilities' proposed one-way, non-interactive, even *uncoordinated* approach to CCA load departures and their own procurement practices, in violation of D.04-12-046.

The same limitation on a CCA's ability to make a binding forecast applies to a CCA's ability to make a binding commitment. The 30 day limit imposed by AB117 reflects real-world limitations of competitive energy markets that would make the utilities' Open Season proposal unworkable even without a statutory limit. The consequences of missing such a basic requirement for CCA to work runs deep in the utility Open Season proposal, engineering a Catch-22 that would predictably make Open Season self-abort. Specifically, the proposed CCA binding commitment requirement is subject to the same limitations under AB117 to which the binding forecast is subject. If a CCA needs a contract to make a binding forecast, it needs a contract to make a binding commitment too.

Dr. Jazayeri maintains that without a binding commitment by the CCA Provider to serve a certain amount of load and payment by the CCA Provider of costs resulting from not meeting that commitment, that costs will be shifted to bundled service customers in violation of AB 117's strict prohibition against cost-shifting. Dr. Jazayeri says:

> "Because these costs are clearly attributable to a particular CCA Provider not meeting its commitment, they should be directly borne by the CCA Provider and not charged to the general body of ratepayers." (Opening testimony, Page 7, line 12).

Mr. Jazayeri agrees that AB117 does not allow implementation charges to be imposed for costs not attributable to a CCA. In response to my questions whether AB 117 prohibits costs not attributable to a CCA to be charged to CCA customers, Mr. Jazayeri replied that

> *"as far as the implementation costs are concerned, I think that's true.* But in terms of the costs like open season costs that are resulting from a CCA not meeting its obligation, I don't believe so." (Emphasis added, p.1128, lines 26-28, p. 1129, line 1).

If we accept such costs as implementation costs, the operative question is whether failure of a CCA to meet its Open Season commitments *is attributable to the CCA or not.* While certainly there would be instances or potential instances in which a CCA's negligence would cause a failure to meet its commitment, other influences, such as utility activities and market changes could also be the sole cause of the failure. In response to my question whether it is not conceivable that causes other than the CCA's own negligence, could cause a CCA to fail to meet its binding

commitment in an Open Season process, Mr. Jazayeri admitted, "(i)t is possible. And in that case -- I mean, if a CCA is not certain that it is going to be formed at a certain time with a certain amount of load, there is no reason for the CCA to voluntarily enter into an open season and give a binding commitment" (p.1129, 11-15).

So Dr. Jazayeri admits that a CCA's ability to meet its binding commitment could be jeopardized by other causes other than the CCA's own negligence. Yet he asserts that a CCA would have foreknowledge at the moment of deciding whether to make a binding commitment what changes might occur during the waiting period: changes such as whether a utility was going to undertake a marketing campaign against a CCA's activities, or whether the Commission will vote to approve a utility's request for changes in its electricity rates, or special negotiated rates with large customers in the CCA.

Clearly CCAs would not, indeed, be in a position to have such knowledge, over which the utility, not the CCA, would have more knowledge and control. But Dr. Jazayeri maintains that the CCA may be *forced to pay for costs it could neither anticipate nor avoid - even those attributable to the utility's activities or to a market which will be increasingly re-defined by utility procurement under AB57 and R.04-04-003.*

Again, AB117 requires that customers be transferred to the CCA within 30 days of the signing of its contract (see above, and Public Utilities Code Section 366.2(c)(15) and (16). Thus, a binding commitment could not be lawfully made in excess of 30 days in advance of transfer of customers.

Secondly, AB117 prohibits the Commission from collecting any charges related to costs associated with a CCA's failure to meet its binding commitment, except for costs that are deemed "attributable" to the CCA's negligence. Mr. Jazayeri's response maintains that even though costs associated with a CCA's failure to meet its binding commitment might not be attributable to a CCA, still he testifies that a CCA should be wholly responsible for all utility and other market activities that impact its ability to meet its binding commitment. Specifically, Mr. Jazayeri asserts

that because it is the CCA's choice to participate in Open Season, then it should be made liable for any such external factors:

> "So what we are talking about here are the costs that we are talking about with respect to open season that are entirely under the control of the CCA. The CCA, *if it doesn't enter open season, we wouldn't be talking about any of the costs in here. And if a CCA wants to enter the open season to mitigate its CRS, then it should have some obligations in exchange.* (Emphasis added, p.1129, 19-22).

Unless Open Season mitigates risk for both the utility and the CCA, it does not meet the guidelines set by Judge Malcolm and the Commission, which called for balance, interaction, and coordination. Unless the utilities have the correct incentives to coordinate with CCAs, there are clear conflicts of interest that could exert unlawful pressure on their officers to block CCAs. The first step toward introducing consumer protection against predatory corporate behavior is to put in place the kind of two way, interactive, coordinated process Local Power has proposed with the Integrated Resources Calendar.

B. No Statutory Basis for Enforcement of Binding Forecast and Binding Commitment

Dr. Jazayeri admits that CCA binding forecast error or failure to meet its binding commitment are potentially caused by activities beyond the CCA's control. In his testimony, he attempts to exempt the utilities' proposed Open Season requirement from AB117's prohibition of charging CCA customers for implementation costs not attributable to the CCA.

One clear example is utility data errors that cause a CCA forecasting error. In response to my question "would a CCA not depend on the utility for data relative to its forecasts? Dr. Jazayeri admits that "Yes, all of the billing data and load data that probably would have to go into a forecast are provided by the utility" (p.1132, lines 3-5). When asked whether forecasting errors that were attributable to errors in the utility's data should be regarded as attributable to the CCA, his answer was to say "there may be a customer here or there that we have like misread the meter and a year later we find out, but I wouldn't say that theat comes to anything within 10 percent of a city's usage or anything close to that" (p.1132, lines 20-24). While admitting the error would not

be attributable to the CCA but the utility, he believes it would not exceed the 10% deadband; however, by doing so he has redefined the deadband as including Open Season forecasting error costs that he admits were caused by the utility.

Another example would be a Commission vote changing a utility's rates during the Open Season waiting period. Dr. Jazayeri claims that any impacts of a utility rate changes to the binding CCA forecast would be absorbed by the proposed 10% deadband. In response to my question whether a utility rate change following provision of data to CCA for its forecast might impact the opt-out rate and thus the accuracy of the forecast, Dr. Jazayeri claims that the impact *would be less than* the proposed 10% deadband.:

> "Were a utility to secure a change in its rates
> for a certain class of ratepayers, say, a commercial
> class, large customers, after the provision of data to
> a -- a CCA, used in order to calculate its forecasts,
> would the inaccuracy resulting from a higher --
> say hypothetically a higher rate of opt out resulting
> from that change in the rates be attributable to the CCA
> or to the utility?
> A I think if the utility goes ahead and changes
> its rates after the CCA has submitted a forecast and
> that impacts the effect of the -- I mean, that impacts
> the forecast -- the accuracy of the CCA forecast, then
> I think that's why we have provided a 10-percent range,
> to account for that" (p. 1134, lines 8-21).

Again, the deadband is being used not to shield the CCA against its own errors, but to absorb errors attributable to utility activities such as anti-CCA marketing, utility rate changes or other market changes that could cause customers to opt-out at a higher rate than was reasonably forecasted by the CCA:

> "You may believe that it should be wider or it should not exist, but it is our opinion, the utilities' opinion, that the 10 percent is sufficient to account for all of those factors you have talked about." (P.1134, line 28, p. 1134, lines 1-3).

So the proposed utility Open Season requires 90% accuracy from the CCA irrespective of utility activities, utility data errors, or other market changes. Dr. Jazayeri takes the same approach to the level of risk posed by the utilities' proposed binding commitment, which imposes blinders and inevitably higher costs on the CCA/Procurement Process, rather than reducing costs as promised by Judge Malcolm in the OIR and R.03-10-003 rulings. Clearly, a higher opt-out rate resulting from a Commission vote on a utility proposed rate change (such as PG&E's ongoing proposal to lower rates for large customers and increase rates for residents) after provision of utility data to a CCA for its contract (as well as its forecast) could efficiently compromise the ability of a CCA such as San Francisco to honor any Open Season binding commitment.

There is a palpable need for a two-way, rather than one-way, process. There is need for greater flexibility in the Commission/electric procurement process, not an inflexible and abortive preferential treatment of publicly traded corporations against democratically elected local city councils and boards of supervisors. A closer look at what CCAs and CCA customers may be charged under AB117 makes it clear that a one-way process is unlawful.

While Mr. Jazayeri admits that these costs might not be attributable to the CCA, he maintains CCA customers should be required to pay them. Specifically at issue is whether such costs are "implementation costs" as defined under AB117, which would limit costs imposed on CCA customers to those costs that are "attributable to" a CCA:

> "An electrical corporation shall recover from the community choice aggregator any costs reasonably attributable to the community choice aggregator, as determined by the commission, of implementing this section, including, but not limited to, all business and information system changes, except for transaction-based costs as described in this paragraph. *Any costs not reasonably attributable to a community choice aggregator shall be recovered from ratepayers, as determined by the commission.* All reasonable transaction-based costs of notices, billing, metering, collections, and customer communications or other services provided to an aggregator or its customers shall be recovered from the aggregator or its customers on terms and at rates to be approved by the commission" (Emphasis added, PUC 366.2(c)(17)).

While admitting, in his quotation above ("*as far as the implementation costs are concerned, I think that's true*") that AB117 forbids implementation costs not attributable to a CCA from being

charged to the CCA's customers, Dr. Jazayeri denies responsibility for the impacts of electric procurement under the new R.04-04-003 procedures pursuant to R.04-04-003 and Assembly Bill 57 (Wright, 2002):

> "The Commission always, when they look at the (electric) procurement planning by the utility -- you basically provide the forecast of the load under various scenarios, and then *the Commission looks at that, adopts a plan, we comply with it*" (p.1137, lines 22-25).

Ultimately Dr. Jazayeri claims that costs associated with CCA forecasting errors and CCA binding commitment failures should be paid by the CCA's customers even if these failures are caused directly by a Commission approval of an electrical corporation's proposed rate change if it is made following the date the binding commitment is made. The utility proposal would ignore impacts on the opt-out process from Commission approvals of rate increases on the forecast and binding commitment of the CCA, a Catch-22 for CCAs. Moreover, the utilities' proposed would ignore the impacts of utility political campaigns against a CCA program on the rate of customer opt-out, particularly programs emphasizing solar photovoltaics like San Francisco, against which the electrical corporations have a conflict of interest, as they receive return on investment for their wires revenues along with their revenue requirements. As the Commission may soon reintroduce "shareholder incentives" for utility electric procurement, it must protect CCAs against abuses by the utilities, particularly if they are caused in conjunction with the Commission, as would be the case with the granting of a utility's proposed rate increase during a CCA's Open Season binding commitment waiting period. With shareholder incentives, the utility shareholder will be the natural enemy not only of solar and energy efficiency, but any load departures including CCA itself. The Commission must take every measure to prevent this occurrence, notwithstanding which California municipalities have the right to implement starting January 1, 2006. In contrast, Dr. Jaziyeri makes the Commission responsible for procurement, and the CCA responsible for its program. The utility holds no responsibility, only the right to be paid:

> "You know, if it -- there are information that CCAs are being formed, the Commission may decide to take

> the low -- the low- -- the l-o-w -- load forecast for
> the utility. But the benefit of that, then, that the
> utility is not procuring, if there is such a benefit,
> would accrue to all customers -- bundled service, it
> will go through the CRS for the CCA."

The effect is that there is no Open Season at all, only an assurance that the utility shareholder will be paid for anything and everything:

> "I think the question here we are talking about
> in that are the CRS -- is the CRS going to be vintaged
> for a particular CCA?
> And that is what I am talking about here. You
> need a binding commitment for that.
> If there are general information that CCAs are
> going to be formed and the Commission, in its wisdom,
> decides that the utility's load forecast that goes into
> its procurement planning should be lower than it
> normally has been, that is not what I am talking about.
> There shouldn't be a binding commitment from the CCA for
> that. That will always be reflected in the procurement
> plan" (p.1138, lines 5-19).

In other words, under the utility Open Season, the electrical corporation is not responsible for any aspect of coordination between its own procurement and the activities of CCAs, but merely "complies" with a plan. The electrical corporations will have no responsibility for their procurement decisions. Even when a hostile utility campaign or sudden utility rate increase give error to their forecasts or complicate meeting the binding commitment. It is truly a blind system with all burden of error on the local democratic non-profit local government - that is what is being proposed by the electrical corporations for a CCA Open Season. The six years of continuous activity including a CCA ordinance by the City and County of San Francisco, and the 2004 adopted CCA ordinance of the city of Chula Vista, referenced in my Testimony, could be ignored with impunity, and resulting over-procurement would automatically be paid by the CCA's customers. Adoption of complex ordinances following expenditure of hundreds of thousands of public dollars by local governments could go contemptuously unacknowledged by electrical corporations, which would be allowed to act adversely to prevent CCA load from departing.

As a *coup de grace*; and even the Implementation Plan duly adopted at public hearings of a City Council, County Board of Supervisors, or groups of them, could be dismissed by the electrical corporations as a non-binding document. Accordingly, electrical corporations could over-procure free of consequences, despite the detailed requirements outlined in AB117 (PUC Section 366.2(c)(3) and (4)). Under the utility Open Season proposal, CCAs could choose between a voluntary Open Season that requires it to make predictions and commitments without an ESP contract, or paying whatever is locked down on the date customers are transferred, in flagrant violation of AB117.

In response to my Opening Testimony proposal that when notifying the affected utility that a CCA Provider has filed an implementation plan, the Commission should order the utility to limit any procurement activity for load involved to a one-year basis, Dr. Jazayeri replied that because an IP is not a binding commitment, it does not warrant any limitation on utility procurement:

> "The Decision in Decision 04-12-048 already found that these activities are not sufficient for the Utilities to exclude the CCA Providers' load from their planning process, and a binding notice of intent is required of the CCA Providers"(Utilities' Reply Testimony, p. 3-11).

However, nowhere has Local Power we argued that utilities should "exclude the CCA Providers' load from their planning process." Rather, we have proposed an "Integrated Resources Calendar" (IRC) process to limit CCA CRS liability in conformance with the Commission's Decision 04-12-046 (December 16, 2004) which limited the utilities' ability to collect CRS payments from CCA customers to unavoidable costs and contracts reasonably entered into:

> "AB 117 provides that the CRS should include all costs that the utilities *reasonably incurred* on behalf of ratepayers, which may include costs incurred after the passage of AB 117 but *should not include any costs that were "avoidable" or those that are not attributable to the CCA's customers*"(Emphasis added, Finding of Fact #20, D.04-12-046, p.60).

Our main point is that, pursuant to AB117, the adoption and filing of an Implementation Plan by a CCA makes any subsequent utility overprocurement "avoidable" and renders subsequent utility contracts in excess of a certain period of time "unreasonable." Indeed, the Commission decided that an "interactive" process was needed in order to provide balance and flexibility, so as to

coordinate electric utility procurement with CCA load departures:

> "Utility resource plans will need to balance supply security with enough flexibility to accommodate many market contingencies in addition to those associated with the CCA program, as we have recognized. Because it would ideally recognize and anticipate changing markets and supply sources, resource planning will necessarily be an ongoing, interactive exercise" (04-12-046, p. 29)."

Local Power's proposal, as outlined in my testimony, is a two-way interactive process in which an incremental step-by-step commitment made by the CCA is matched by increasing limitations on the CCA CRS liability related to utility procurement in the following manner and according to the following statutory and regulatory guidelines:

> 1. CCA Adoption of ordinance pursuant to PUC Section 366.2(c)(10) (A) and (B) - utility procurement plan must reflect possibility of load departure according to information contained in ordinance;
> 2. CCA Adoption and filing of Implementation Plan pursuant to PUC Section 366.2 (c)(3) - CCA CRS limited to contracts within the Open Season period;
> 3. CCA Binding commitment pursuant to PUC Section 366.2(c)(3) and CPUC D.04-12-048 - utility "excludes" CCA load and CCA CRS liability terminates.

This approach is consistent with AB117 because it would allow a CCA to make commitments that are commensurate with its negotiation process - informed commitments. Unlike the utilities' Open Season proposal, Local Power's approach would not require the CCA to have a signed contract in order to coordinate a year ahead with the utility. With greater balance of responsibility between utility and CCA, a more interactive process would result, as required by the Commission. CCAs would only be forced to pay for costs that they cause by non-conformance with its adopted Implementation Plan, but not for any cost, no matter its cause.

Indeed, the utilities make the same argument regarding their own liability for costs they impose on CCAs. Dr. Burns of PG&E, a member of the utilities' panel on tariffs and fees made a similar argument in defense of its proposed Open Season tariff, which exempted a utility for responsibility for nonperformance related to a CCA's Service Agreement:

"Q You said that the utility would not be liable to the customer or the CCA for damages caused by the utility's conduct in compliance with the service agreement. Would that not cause potential incentive for the utility not to comply?
WITNESS NAVARRETE: A I don't believe that utilities ever have an incentive not to comply. I don't understand what you're referring to.
Q Well, why should a utility not be liable for its failure to comply with the CCA provider service agreement?
A I believe what this statement's referring to is that the utility must comply with its regulations.
Q But it states it shall not be liable. Am I incorrect?
A *If we comply with our tariffs and somehow that causes an impact to the CCA provider, that we're not liable because we're following our tariffs. We're in compliance" (p. 1276, lines 22-28, p. 1277, lines 1-12).*

In other words, witness Burns argues that if the utility is in compliance with its CPUC approved tariff, it is in compliance with the tariff and should not be liable for costs that non-performance imposes on the CCA. The Commission, similarly, has the opportunity to charge CCAs for costs that they cause through specific improper actions, but not for any cost, even those caused by the utility, that happens to occur from the time it makes a commitment and the date set for meeting that commitment.

Similarly, the utilities require, in their proposed Open Season Tariff that "the CCA Provider and utility will agree to an implementation schedule,"meaning that the utility would not be bound to implement anything on any date unless it agrees to do so. Indeed, the utilities propose that the utility "shall implement the CCA Provider's CCA Service in accordance with a mutually agreed upon date . . . ." (Appendix D, Rule 23/27 Community Choice Aggregation, Utilities' Opening Testimony, (E)(1)(h), p.10). Under cross examination, in response to my pointing out that the utilities "have provisions here for six-month notice. Anything they do to help implement a CCA would be done by mutual agreement between the CCA and the utility:

"Thereafter, any CCA requesting service, we would -- the intent is to just be able to have a mutually agreed upon date no sooner than the earliest date the Commission allows CCA to implement where we both agree that we would implement the service"
(Sandra Burns, utilities' proposed Open Season tariff, p. 1179, lines 11-15)

Ms. Burns admits that its proposed process would permanently make CCA's exposed to utility delays, and the costs associated with these delays not the electrical corporations' liability.

> "Q Understood. But we have at least six months,
> but there's no cap. It's just other than at least six
> months. It depends upon the mutual agreement, correct?
> A That's true, it does depend on the -- both the
> utility and the CCA cooperating together to successfully
> implement this program" (p.1279, lines 2-7).

In other words, the utility would not be liable for utility actions or inaction, even if this impacted the accuracy of the CCA's Open Season forecast or its ability to meet a binding commitment, such as opt-out rate impacts.

A truly voluntary Open Season will use the Integrated Resources Calendar approach to minimize and differentiate between costs caused by a CCA and costs caused by the utility. As I outlined in my testimony, limiting utility procurement to short-term contracts in response to a CCA's filing of an implementation plan at the Commission could potentially incur costs associated with potentially higher cost short-term contracts or a delayed resumption of potentially higher cost long-term contracts in the event a CCA's negotiation with ESPs is unsuccessful and is unable to take customers. This would conform to AB117's process requirements (such as a CCA adopting an Implementation Plan and filing it with the Commission with up to 90 days waiting period before it signs a contract with an ESP and transfers customers in 30 days) while also making the coordination truly interactive and balanced. The utilities did not object to this idea, but insisted that any costs must be automatically paid by the CCA:

> "The Utilities do not have any
> problem with following Local
> Power's recommendation, if desired
> by the Commission, as long as the
> associated incremental costs
> resulting from the CCA Provider
> not eventually implementing its
> program are directly imposed on
> that CCA Provider" (Utilities' Reply
> Testimony-Jazayeri, p.3-10, starting
> on line 10).

In his reply testimony, Dr. Jazayeri refers to the section of AB117 that defines implementation costs:

> "Local Power's argument is inconsistent with AB117. Pursuant to PUC Section 366.2(c)(17) "[a]ny costs not reasonably attributable to a community choice aggregator shall be recovered from ratepayers, as determined by the Commission. There is no ambiguity here that when a CCA Provider passes an ordinance, files an implementation plan and then decides not to form, any resulting costs are attributable to the CCA Provider and should be paid by that CCA Provider" (Utilities' Reply Testimony, Jazayeri, p.3-11, lines 22-28).

As shown above, however, Dr. Jazayeri admits that a CCA's forecast accuracy and ability to meet its binding commitment to take customers at a future date *could be attributable to utility activities and market changes rather than to the CCA.* Thus, a higher than expected opt-out rate resulting from a Commission-approved utility rate change, utility disagreements over an implementation schedule, a utility's anti-CCA marketing campaign, or special deals offered to large commercial and industrial customers, could drive up the opt-out rate or otherwise negatively impact he ability of a CCA from taking customers under contract with an ESP (and distorting its forecast). As any costs caused by this eventuality would be attributable to the utility or other market participant, not to the CCA. *PUC Section 366.2(c)(17) would not allow such costs to be paid by the CCA, but requires them to be paid by all ratepayers.* Indeed, making an Open Season "voluntary" does not artificially exempt the treatment of these implementation costs from the statute *if they are attributable to a party other than the CCA - such as the utility. While the utility Open Season proposal would ignore such a fundamental statutory, distinction, Local Power's Integrated Resources Calendar approach would allocate costs in strict accordance with AB117.*

Under my cross examination, Dr. Jazayeri appears to change his position on the definition of costs associated with CCA's potential inability to meet its binding commitment, disputing the categorization of these costs as "implementation costs" and defining them as "procurement costs":

> "Do you regard them as -- not as implementation costs as defined by the statute or as -- would you define them as CRS costs?
> A I would basically define them as additional procurement costs or incremental-procurement costs

> incurred by the utility which should be imposed on the particular CCA that filed an implementation plan and then did not form a CCA" (p. 1140, lines 6-13).

The significance of defining such costs as a "procurement cost" is that AB117 applies a stricter standard for utilities recovering implementation costs than the law applies for procurement costs. Indeed, AB117 says that "(a) *retail end-use customer* purchasing electricity from a community choice aggregator pursuant to this section shall reimburse the electrical corporation that previously served the customer for:

> "Any additional costs of the electrical corporation recoverable in commission-approved rates, equal to the share of the electrical corporation's estimated net unavoidable electricity purchase contract costs attributable to the customer, as determined by the commission, for the period commencing with the customer's purchases of electricity from the community choice aggregator, through the expiration of all then existing electricity purchase contracts entered into by the electrical corporation" (Public Utilities Code Section 366.2(f)(2)).

Dr. Jazayeri states that indeed these costs would be recovered as a CRS cost under vintaging:

> "Because in the case of vintaging an open season, you are basically assigning the costs to the particular CCA who meet -- meets a commitment and it does not meet it. If the commitment is not provided and there is no open season, then all of these costs go under the Section 3666.2F2 which says that the CCAs are responsible for the costs of the utility procurement basically up to the point that the -- the CCA starts commencing service to its customers" (p.1140, lines 20-28 and p.1141, line 1).

In other words, Dr. Jazayeri concludes that if these costs are defined as procurement costs, then whatever procurement costs a utility has incurred may be recovered from the CCA's customers. Unfortunately, this approach suffers from a fatal flaw, which is that if a CCA has not formed, then there is *no "retail end-use customer* purchasing electricity from a community choice aggregator," and thus there is no one to charge for these costs. Dr. Jazayeri himself admits this:

> "Now, under AB 117 and/or Decision 04-12-046,
> do you believe that CRS costs are applicable to a CCA or
> to its customers directly?
> A *They are applicable to its customers.*

Q But in this case they wouldn't have any customers; correct?
A So in -- in this case, *if they don't have a customer, that's why we have -- we have basically stated in our tariffs that the CCA Provider would be responsible for those costs*" (Emphasis added, p.1143, lines 8-17).

Dr. Jazayeri and the utilities' proposed Open Season cannot define the cost as both an Implementation Cost and a CRS cost. If, as he says, the utilities have "proposed in our tariffs that the CCA Provider would be responsible for those costs, then they must be defined not as procurement costs but implementation costs. Any other treatment, whether under the rubric of an Open Season system or an Integrated Resources Calendar, is either unlawful or unreasonably requires information and promises from CCAs that are unreasonable to make without a signed contract. If the costs associated with a CCA's inability to meet a binding commitment are defined as procurement costs, whether under the utilities' Open Season proposal or Local Power's proposal, the utilities have no statutory recourse to collect these funds from a CCA, and the utilities never provided a statutory basis in their testimony for collecting procurement costs from CCAs. Public Utilities Code Section 366.2(c)(17) only obligates *customers receiving CCA service* to pay procurement-related (CRS) charges, as quoted above. If the utility customers never receive service from the CCA, the utility has no basis on which to charge them either.

Upon questioning on the statute, Dr. Jaziyeri equivocated:

"Q You feel that's consistent with the cited decision and the statute to -- to attribute a cost -- to apply a cost to a CCA because it doesn't have customers to apply the cost to?
A It is being applied to the CCA because it's an action that the CCA took.
It basically said that it is going to form, it is going to start serving the customers, and then it did not.
Q But what -- on what basis would you apply a CRS- related to CCA and not to customers without a CCA?
A Again, if you want a -- what I indicated, it is not an implementation cost; it's a CRS-type cost.

> It's a cost that's basically resulting from the procurement activities.
> And if the CCA doesn't have any customers for it to be charged to through the CRS, then it has to be paid by the -- by the CCA itself because that's -- if -- if it is -- it doesn't happen, it is going to be impacting the procurement cost of the bundled service customer which is prohibited by the legislation itself.
> MR. FENN: Thank you, Doctor" (p.1143, lines 18-28 and p.1144, lines 1-11).

Because a procurement cost cannot be charged to the CCA or the customers, the only way to collect is as an implementation cost, and this can only be done for costs attributable to the CCA, which would not include utility activities or other market activities.

The utilities must accept a role of responsibility in this process. It will not serve the Commission or the ratepayers to permit the electrical corporations to equivocate between a characterization of their role as merely "complying" with the Commission's adopted plan, and a role that acknowledges the utilities *responsibility* of "doing reasonable planning" (Jazayeri, p.1146, line 21). Responsibility is not merely a moral but regulatory term - *specifically, the utility's charging of costs to a CCA must be deemed attributable to that CCA by the Commission.*

The last argument against Local Power's proposed IRC three (3) step gating process raised by the utilities was, that the utilities are required to follow a least-cost approach to procurement:

> "As the entities with the obligation to serve all customers and responsible for least-cost procurement for their bundled service customers, the Utilities cannot stop procurement or resort to potentially more expensive short-term contracts as ordinances are adopted or implementation plans filed by potential CCA Providers" (Utilities' Reply Testimony, 3-12, line 6)

However, this does not hold up, because sometimes (such as right now), markets offer lower commodity prices for short-term contracts than for long-term contracts. In response to the question whether costs related to overprocurement based upon a CCA not electing to participate in the open season might exceed costs related to a one-year limitation based on implementation plan (as proposed by Local Power), thus making the proposed limitation the least-cost option for the utility, Dr. Jazyieri replied:

> "I mean we're now hypothesizing what if after the year we find out that the short-term contracts were actually cheaper than the long-term contract. I mean that -- that's always possible, but you do least-cost planning, least-cost procurement based on your forecast of resources and load, and things like that. But it's always possible things could go a different way, as I indicated" (p.1152, lines 1-8).

When asked whether the utilities under some occasions incur costs that are not least-cost costs in their procurement, he said, "Now are we always hitting the absolute minimum cost that would have been -- we would have been able to hit with perfect information? Probably not" (p.1150, line 12). In other words, Dr. Jaziyeri admitted the obvious fact that utility procurement is an imperfect process, and that incremental portfolio costs from more short-term contracts as Local Power has proposed are sometimes (as they are now in California's power market) lower than costs from long-term contracts, meaning they sometimes present the least-cost option.

C. Conclusion on Open Season Proposal: Insert IRC Elements into Open Season

The following amendment to the utilities' Open Season proposal would make it conform to the cost recovery limits imposed by AB117 and ensure a more balanced, interactive, coordinated approach to utility procurement and CCA load departures

The utilities' Open Season process should be modified to include Local Power's proposed gating process, thus it would be voluntary for CCAs. If a utility's procurement plan and subsequent contracts and agreements failed to include reference to and estimate of the potential load departure impact of a CCA's ordinance pursuant to AB117, then the utility would be deemed to have

entered these contracts unreasonably pursuant to D.04-12-046; accordingly, such agreements would be deemed "avoidable," will not be reflected in the CRS, and may not be collected from the CCA as an implementation charge. Second, upon adoption and filing of an Implementation Plan by a CCA and notification of the utility within 10 days of said filing pursuant to AB117, the Commission shall reallocate the CCA CRS liability to a portfolio of contracts less than or equal to one year in duration. Under this Open Season, the Commission will inform the CCA of its opportunity to depart from utility procurement service under the Open Season during that period. Any incrementally higher costs resulting from this allocation of short-term contract CRS liabilities to the CCA shall be born by all ratepayers, CCA customer and bundled services customer alike, provided that the above-market premium is not attributable to any improper action of the CCA during the one year period, as deemed by the Commission. If at the end of the Open Season opportunity the CCA is unable to take customers, any incremental lost opportunity costs associated with the utility's resumption of longer-term contract procurement after a one year delay shall be born by all ratepayers, CCA customer and bundled service customer alike, except insofar as these costs are attributable to an improper action by the CCA, as deemed by the Commission.

This central statutory fact is the basis of Local Power's consistent position that an Integrated Resources Calendar could actively limit overprocurement, incrementally commit the CCA to a particular policy (the ordinance) and plan (the Implementation Plan), and by doing so rationalize the process sufficiently that failures may be accurately attributed to their cause, and charged according to the clear categorical requirements of AB117. If costs associated with a CCA's inability to meet its binding commitment in an Open Season or Integrated Resources Calendar are treated as procurement costs, then the utilities have no legal means of charging customers or CCAs in order to prevent cost-shifting. Therefore, such costs must be regarded as implementation costs. As implementation costs, recovery of such costs is statutorily limited to costs that are attributable to the CCA, and not to any other party, such as a utility's marketing campaign, Commission approval of utility rate changes, or utility negotiation with large customers in a CCA's jurisdiction prior to a CCA's customer opt-out period. These charges could be charged to a CCA, but only if it were the result of CCA negligence or incompetence, and not some other cause

such as utility activities. Otherwise, pursuant to 366.2(c)(17) this must be charged to all ratepayers. This would both satisfy the requirements of AB117 and create a more balanced, mutually accountable and interactive two-way process for coordinating electric utility procurement and CCA load departures.

IV. Implementation Plan

While a CCA's adoption of an Implementation Plan is not a binding commitment to take customers, it is a legally binding commitment to a particular schedule and kind of service. Indeed, the utilities propose repeatedly that an adopted Implementation Plan is binding, and reflect this in their tariffs:

> "Service of electricity from a CCA Provider may be changed inbvoluntarily under the following circumstances:
> a. (omitted)
> b (omitted)
> c. The CCA Provider ceases or fails to performa any obligations under PUC Code 366.2, *fails to abide by the terms of its Implementation Plan,* or fails to perform in accordance with any other applicable law or Commission decision" (Joint Opening Testimony, Appendix D, "Utilities' Proposed Rule 23/27," (T)(1), p.33).

Utility witness Navarrete confirmed under my cross examination that this tariff reflects the utilities' view that an Implementation Plan legally binds the CCA to its promised service:

> "If a CCA provider fails to abide by the terms of its implementation plan, that would cause service of electricity to be changed involuntarily; is that correct?
> WITNESS NAVARRETE: A It would cause the CCA service to be changed involuntarily, yes.
> Q So you're viewing the implementation plan as a binding document on the nature of a CCA's service; is that correct?
> A Yes, that's correct" (p.1296, lines 20-28, p.1296, line 1).

AB117 defines a CCA Implementation Plan as a binding document which must precede a CCA's

signing of a contract with an ESP. First, as we have demonstrated above, you cannot fit a 90 day maximum waiting period for the Commission to present findings on cost recovery in response to the filing of an Implementation Plan into the 30 day maximum time period between the signing of a CCA contract and a statutorily required transfer of customers to the CCA. The Commission must interpret Public Utilities Code Section 366.2(c)(3)(G) to be consistent with the temporal process established by AB117. Thus, inclusion of "(a) description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities" must not be interpreted to mean that an Implementation Plan must include information on a particular third party *that has already been chosen by the CCA.*

Moreover, the Commission must take the Implementation Plan for what it is - a planning tool for the Commission to bind CCAs to a particular process prior to signing a contract with an ESP or making a binding commitment to the Commission. As Massachusetts Representative Matthew Patrick testified on behalf of Local Power, the Implementation Plan provides the Commission with the jurisdiction to incrementally bind CCAs to a particular schedule with specific consequences for electric utility procurement that do indeed provide a basis for utility planning:

> "The Commission could make its findings regarding cost recovery and earliest date of commencing CCA service depend on a CCA's good faith effort to implement CCA in accordance with its adopted Implementation Plan. Furthermore, the Commission could determine that costs associated with CCA deviations from the implementation plan would be attributable to the CCA and charged to its customers. Towards this purpose, the Commission should employ a three-step incremental process, each step of which increasingly binds the CCA to a particular course - and each step of which requires the utility to modify its procurement assumptions and limit its actual procurement to minimize over-procurement. The implementation plan would form the second of three steps in the process of refining, then making, a commitment to the Commission. I have proposed three steps: (1) adoption of an ordinance by a CCA would require the utility to include this possible load departure by name and load characteristics in its implementation plan filings and advice letter filings; (2) adoption of an Implementation Plan by a CCA would limit utility procurement for the jurisdiction to one-year contracts, and any costs not attributable to the CCA's deviation from its adopted implementation plan would be born by all ratepayers" (Patrick Reply Testimony for Local Power, p.6).

Rep. Patrick clarified that the binding commitment could not occur not prior to preparation of the Implementation Plan, but after:

> **"**Q: Under this system, when would the final commitment binding the CCA to receive customers by a certain date, which the utilities mention, occur?
> A: The final, contractually-based binding commitment that relieves the utility of its responsibility to procure for the CCA's participating customers following a certain date would occur as the third of three steps in the CCA "gating" process I have proposed. After a CCA adopts its Implementation Plan in step 2, it is prepared to negotiate with ESPs, and upon securing a binding commitment from an ESP, the CCA is prepared to make a final
> binding commitment that would reasonably establish a date on which the CCA (under contract with its ESP) will commit to receiving customers" (Patrick Reply Testimony, p. 7).

This is consistent with the statutory requirement that customers must be transferred to the CCA within 30 days after the CCA signs its contract. Thus, Rep. Patrick did not propose, as the utilities have characterized Local Power as saying, that the Implementation Plan provide utilities with the basis to "exclude load" from their procurement plans, referring to D.04-12-048. Rather, he proposed, and Local Power proposes, that the Implementation Plan provides the utilities with the basis to contract to meet the load associated with a Plan using contracts of one year or shorter duration, allows the Commission to attribute any above market costs resulting from this process to its actual cause, and empowers it to charge parties for these costs as implementation (rather than procurement) costs, provided that the cause is determined by the Commission.

V. Load Serving Entity Obligations

Local Power is relieved that the utilities acknowledge the right of a CCA to assign Load Serving Entity obligations to its Electric Service Provider, and agree that the CCA is the counterparty to the utility in the CCA process:

> "Q Do you believe that it's the option of a CCA
> to require its ESP to assume load-serving obli- --
> load-serving-entity obligations or do you think that
> those obligations inherently rest upon the CCA?
> A I think if the utility is the one that's

dealing with the CCA Provider in terms of processing request and things like that, so the counterparty to the utility would be the CCA Provider, not the ESP that the CCA Provider is dealing with behind the scenes.
Q So your term -- your use of the term "CCA Provider," then, does not mean ESP; it means CCA?
A Right"

While we appreciate the clarification of Community Choice Provider meaning, for all intents and purposes, "CCA," it should be clarified that CCAs may require their ESP to assume liability for all Load Serving Entity obligations:

"I think there has been some discussion of whether this (indicating quotes) term that the utilities have used, CCA Provider -- what does it mean. The only thing -- the reason we use a CCA Provider is to basically just distinguish that from CCA as the aggregation.
So when you say CCA Provider it means the city that is aggregating its customers, and it does not mean the ESP.
Q So do you believe that the Commission's resource-adequacy requirements for LSEs does not provide the option for a -- an ESP to assume those obligations?
A I think that would be between the CCA Provider and the ESP that it contracts for.
From our standpoint the entity here that we -- the Commission would need to look at its resource-adequacy requirements and the dealing with the utility to implement its program is the CCA Provider itself and not its ESP, and those obligations should be imposed on the CCA Provider" (p.1136, lines 1-22).

Thus, CCAs should not have the option foreclosed to assign Load Serving Entity obligations to its Chosen ESP. Ms. Burns also confirmed the position that no Open Season requirement or other requirement preclude a CCA from contracting with an ESP to assume resource adequacy requirements and other Load Serving Entity Responsibilities created by the Commission;

"A No, I don't believe so. The CCA's always ultimately responsible for complying with -- excuse me -- with these requirements. But in the service agreement, there is a section that allows a CCA to make certain assignments and to hire independent contractors.

> But just because they hire an ESP to work with the ISO or to meet the resource adequacy requirements doesn't transfer that responsibility to the ESP. The CCA is still ultimately responsible"(p.1276, lines 1-9).

Local Power also believes that the CCA is the accountable public entity participating in an Open Season, and supports the utilities' agreement that the CCA must not be blocked from exercising this right.

VI. Methodology for CCA RPS+ Credit

A. Background

In D.04-12-046, the Commission indicated it was not prepared to quantify the benefits of a CCA program on the state's energy or economic infrastructure, as CalCLERA and others (including Local Power) proposed in Phase I of this proceeding. The Commission decided last December,

> "While there may be such benefits, we do not have before us an adequate record to develop an associated methodology and their estimation would be highly speculative. Parties may raise this issue in the future if they are able to present reasonable methods for estimating these benefits, supported by an adequate record."

During Phase II Local Power has raised the issue and to present reasonable methods for estimating those benefits supported by the ACEEE and European Union. In answer to this invitation, Local Power has presented a reasonable method for estimating benefits associated with a particular CCA Implementation Plan, assigning a gross dollar figure to this benefit to PG&E shareholders and ratepayers, then extrapolating a per kilowatt hour credit based on a reasonable repayment period.

B. Phase II Proposal

In his reply testimony, Mr. Freehling estimated specific benefits associated with an example of an Implementation Plan under the methodology, using the Implementation Plan approved and

referred by the San Francisco Local Agency Formation Commission to the San Francisco Board of Supervisors with Recommendation on May 13, 2005 as its best existing example - the only plan to be approved by any public body in California at this time. While this Implementation Plan has not yet been adopted by the San Francisco Board of Supervisors and Mayor, it is the only such plan yet reviewed and approved by any CCA in California, and therefore presents a reasonable example for purposes of establishing a methodology based on the renewable energy commitment of a CCA.

In his Reply and Rebuttal Testimony, Mr. Freehling demonstrated a methodology of using the specific renewable commitment of a CCA in its Implementation Plan to estimate a gross dollar figure benefit for these components based on an adequate public record (see Local Power Witness Robert Freehling; May 12 2005 Reply Testimony and May 16 Rebuttal Testimony).

In their rebuttal testimony, the utilities' witness on the Renewables Portfolio Standard (RPS), Sandra Burns of PG&E, indicated that Local Power witness Robert Freehling's reply testimony, does not include a specific recommendation for the CPUC to adopt in this proceeding Utilities Rebuttal Testimony, Burns, X-3):

> "he did not present a specific method for
> tran- -- that the Commission could use to translate any
> of his proposed benefits into a CRS calculation, for one
> thing.
> That -- that there's really no specific
> guidance to the Commission as to what the Commission is
> supposed to do with the numbers that are included in
> Freehling's testimony" (p.1197, lines 3-10).

Ms. Burns indicates not only that Mr. Freehling's Reply Testimony failed to translate his benefits into a CRS calculation:

> "And so my question to you is did you have the
> opportunity to review Mr. Freehling's rebuttal
> testimony?
> A Yes, I did.

> Q Do you feel that he presented a reasonable method for estimating these benefits in his rebuttal testimony?
> A No, I don't" (p.1196, lines 21-28).

Cross examination indicates that Ms. Burns did not carefully read Mr. Freehling's testimony, as when she denied that his method was based upon a specific Implementation Plan rather than some other form of RPS commitment:

> "Q Well, you agree that his -- that the method he presented was based upon the implementation plan of a particular CCA?
> A No, I don't" (p.1197, lines 11-14).

After a long series of objections by Counsel to San Diego Gas and Electric, which Judge Malcolm rejected, witness Burns indicated a complete lack of familiarity with Mr. Freehling's proposed methodology:

> "Q You -- you did have recourse to reading Mr. Freehling's reply testimony, and I don't see any mention of the dollar figures in your rebuttal which are gross figures for gross savings resulting from a specific RPS level within a specific implementation plan. Did you have any comments or -- or -- on those specific numbers associated with that specific implementation plan?
> A Again, I don't know what specific implementation plan you are referring to" (p.1200, line 28 and p.1201, lines 1-10).

But she then admits that Mr. Freehling's Reply Testimony contained specific dollar figure savings:

> "A My comments in this testimony were in response to the general assertions in Mr. Freehling's testimony that there could be savings, and Mr. Freehling did include a number of $700 million over the decade" (p. 1201, lines 12-15).

Again, witness Burns does not attempt to refute the dollar figure, nor specifically to question the adequacy of the record on which it is based.

When urged to respond to the specific numbers proposed by Mr. Freehling, witness Burns arbitrarily disputes one of the benefits proposed by him, related to Greenhouse Gas benefits:

> "And did you -- did you -- there's no reference
> to the numbers that he presented based upon a
> methodology using an implementation plan with specific
> RPS commitment. I don't see anywhere in your rebuttal
> testimony any reference to the -- the gross figures that
> you presented. Is that based upon a disagreement with his
> figures?
> A Well, in my response to Question 6, the
> response to Question 6 is a disagreement that these
> benefits should be incorporated in the CRS calculation
> at all given clear Commission policy not to pay for CO2
> reductions until it's actually a true cost in the
> procurement process" (p. 1202, lines22-28 and p. 1203, lines 1-8).

As this is the only dollar figure put forward by Mr. Freehling in his Reply Testimony that the utilities chose to dispute, the others must be accepted as evidence in this proceeding.

When asked whether Mr. Freehling "adds nothing in his rebuttal testimony to the presentation or – of a -- of a methodology?" she replies, "Yes, I would." but then she admits not having reviewed the per kilowatt hour credit numbers proposed in his Rebuttal Testimony:

> "I -- frankly, his testimony was presented only
> a week ago, so I haven't thoroughly reviewed all the
> numbers in his rebuttal testimony. I would have
> expected, actually, an affirmative proposal with numbers
> would have been made in opening testimony which would
> have given the utilities a little more chance to review
> the proposal and seek out information" (p.1203, lines 24-28 and
> p. 1204, lines1-2).

I then responded,

> "Q But you would agree that there are quite a few
> numbers in his reply testimony?
> A Yes. I would agree there are quite a few --
> I would agree that there are a quite a few numbers in

the rebuttal testimony.
Q But not in his reply testimony?
A There are numbers in his testimony, yes" (p.1204, lines 3-9).

Her objection, she says, is that Mr. Freehling's Reply Testimony did not clarify how the Commission should use these numbers, not the numbers themselves:

"Is that your objection, that they were gross figures and not CRS-type figures?
A Well, my general objection was it was not at all clear from the testimony how -- how the -- Mr. Freehling was proposing the Commission use these numbers.
Q I see.
A Or -- or what action they should take in response to these numbers" (p.1204, lines 15-21).

But Mr. Freehling's Rebuttal Testimony did provide per kilowatt hour figures attached to the gross numbers presented in Reply Testimony, providing direction on what should be done, which is to take a CCA's renewables commitment from its Implementation Plan, derive a benefit, and translate it into a per kilowatt hour credit for CCA customers.

On the methodology itself, witness Burns similarly fails to challenge Mr. Freehling's proposed approach in her Rebuttal Testimony, but puts forth an argument after prolonged cross-examination on this point. When asked "would you disagree that a – the methodology should be based upon a specific CCA implementation plan?" she finally registers her objection:

"A No – I think CRS methodology should be treated generally. I think the Commission has ruled that the CRS methodology should be the Total Portfolio Method, and I don't agree that in review of a particular CCA's implementation plan should be the place where we make general changes to CRS methodology" (p. 1201, lines 25-26).

However, Local Power, and Mr. Freehling, never proposed to change the CRS methodology in terms of how costs are measured and allocated, but rather has proposed to create a new methodology to translate a monetary benefit associated with a CCA's specific renewables commitment into a per kilowatt hour *credit* for a specific period of time. Ms. Burns does not

attempt to contradict the figures in Mr. Freehling's Rebuttal Testimony:

> "Q And what did you -- do you object to the CRS-type figures that appear in his rebuttal testimony?
> A You need to be more specific if you're asking me about something specific in his rebuttal testimony.
> MR FENN: All right" (p. 1205, lines 1-5).

I then go on to cite Mr. Freehling's per kilowatt hour figures for the transfer of Renewable Portfolio Standard obligation and other figures: "For each of the system benefits that he's identified he translates into a cents-per-kilowatt-hour
figure. Now, again, this figure, derived from a gross benefit -- benefit figure from his reply testimony, I mean, that is a per-kilowatt-hour figure":

> "What more would you ask for in order for it to qualify -- whether you agree with it or not -- I am not asking whether you agree with it, but as a methodology does that not constitute a methodology that you would -- No. 1, that you would take a specific CCA implementation plan, that you would derive from its RPS commitment a gross system benefit to the utility, and then that you would translate that into a specific per-kilowatt-hour credit to the CRS?
> Is that not a methodology?
> A I don't know what you mean by a "kilowatt-hour credit to the CRS."
> And then all I see here is a 3- to 5-cent savings per kilowatt-hour.
> It's not clearly laid out in this testimony how that would be mapped into a CRS calculation.
> There might be a number of ways to do it"
> (p.1206, lines 11-27).

Thus, Ms. Burns appears unwilling to consider the methodology proposed by Mr. Freehling, instead arguing that Mr. Freehling should have provided a methodology for his methodology, when in fact he has proposed very clearly a method of measuring the benefits caused by a CCA's renewables commitment, as well as a methodology of translating this into a per kilowatt hour credit for a specific period of time. As the utilities have never specifically refuted these figures, or the methodology, they should be accepted as uncontested by the Commission.

Finally, Ms. Burns asserts in her Rebuttal Testimony that Mr. Freehling provides "no known record evidence for quantifiable valuation" (X-5), which would appear to challenge the validity of the sources underlying his valuations. I asked Ms. Burns whether she had read these documents, which include an April 2005 report by the American Council for an Energy Efficient Economy called "The Impacts of Energy Efficiency and Renewable Energy on Natural Gas Markets" and a recent report by the European Union. She said she had "scanned" them (p.1207, line 7). Again, Ms. Burns did not argue that data on the value of renewable energy published the European Union or ACEEE do not constitute a known record evidence for quantifiable valuation, but she and the utilities chose not to comment on them:

> "And it's just referring to Roman 10, Arabic 5, line 6, where you state that he provides no know record evidence for quantifiable valuation.
> Do you believe that these sources are -- do not provide record evidence, reliable evidence, to the Commission on the actual value of -- of a CCA exceeding the average gas requirement on a utility and its customers?
> A I am not prepared to testify on the accuracy or the merits of this attachment" (p.1207, lines 23-28, p.1208, lines 1-4).

C. Conclusion on CCA Benefits Valuation and Credit Methodology

As the utilities chose not to challenge the reliability of the ACEEE or the European Union, which are clearly well-known, the burden of proof on an allegation that these are not credible institutions whose record evidence is not reliable, would rest upon the accuser - the utilities and Ms. Burns in particular. As the utilities[1] have not made the case that this specific record evidence is unreliable, but have instead merely stated they are not prepared to testify on their accuracy, the Commission

[1]No party to R.03-10-003 has challenged Local Power's record evidence, methodology, or specific numbers for a CCA RPS Credit except the utility claim that a greenhouse gas credit component should not be implemented until greenhouse gas costs are reflected in the procurement process, which the Commission has indicated it will soon implement in R.04-04-003.

should accept Local Power's known record evidence for quantifiable valuation.

As the utilities also chose not to challenge the methodology of a per kilowatt hour credit for a specific period of time based on a CCA's renewables commitment, the Commission should adopt Local Power's methodology. As the utilities chose not to challenge the per kilowatt hour figures derived through this methodology based on the example of such a commitment, the Draft Implementation Plan approved and referred to the San Francisco Board of Supervisors With Recommendation by the San Francisco Local Agency Formation Commission on May 13, the Commission should accept this derivation, and establish a CCA RPS Credit based this record of evidence and methodology.

VII. Excluding Certain Utility Customers From Opt-Out

The Utilities have argued that certain classes of customers should be excluded from the opt-out rights provided in AB117. In particular they have proposed that Net Energy Metering customers be excluding nem from the opt-out requirement (p.1280).

VIII. Customer Notification

AB117 states very clearly that a CCA may request the Commission to order an electrical corporation to insert the CCA's required customer opt-out notifications into its monthly electric bill envelope at the CCA's cost. The utilities have defied this requirement by simply omitting it from its proposed Rule 23/27 and claiming the Commission may now decide that it will never make such an order in the future should a future CCA so request it.

A. Utilities' Proposed Rule 23/27

In its proposed Rule 23/27, the utilities offer a tariff under which "CCA customer Notifications will not be included in [utility] customer bills" (Utilities Joint Opening Testimony, Rule 23/27

Community Choice Aggregation, Appendix D, Section (G)(3)(c), p.16).

> "So I'm asking just is -- do you recognize the provisions of AB 117 that provide CCAs with the opportunity to request the Commission to order utilities to insert these notifications into -- into customer bills?
> WITNESS NAVARRETE: A Yes –
> MR. SZYMANSKI: I object, only to point out that the answer calls for the witness or witnesses to form a legal opinion for what's in the statute" (p. 1282, lines 14-22).

Judge Malcolm then allowed the question:

> ALJ MALCOLM: I'm going to allow the question. I understand your concern.
> I don't expect the witnesses to provide, you know, legal interpretation but they can refer to their understanding of the statute under which they drafted this proposed tariff.
> MR. SZYMANSKI: That's fine.

I then presented the statutory requirement and restated the question:

> So I'll stop there and ask: Does your tariff provide for the opportunity of a CCA to request the Commission to order the utility to insert one or more of its notifications into its monthly electric bills?
> WITNESS NAVARRETE: A *The tariff the way it's written doesn't allow for that because our proposal is, even though the Commission always has the right to order us to do whatever they believe is necessary, our position is that it would not be a good thing for the Commission to order us to do that"* (p.1284, lines 9-27).

However, the absence of a provision for an electric bill insert of the notification may not be justified. AB117 requires that a CCA may request the Commission to order the utility to insert the

notifications into its monthly bills:

> "The community choice aggregator may request the commission to
>
> approve and order the electrical corporation to provide the notification required in subparagraph (A). If the commission orders the electrical corporation to send one or more of the notifications required pursuant to subparagraph (A) in the electrical corporation's normally scheduled monthly billing process, the electrical corporation shall be entitled to recover from the community choice aggregator all reasonable incremental costs it incurs related to the notification or notifications. The electrical corporation shall fully cooperate with the community choice aggregator in determining the feasibility and costs associated with using the electrical corporation's normally scheduled monthly billing process to provide one or more of the notifications required pursuant to subparagraph (A)" (Public Utilities Code Section 366.2(c)(13(B)).

Ms. Burns raises the Phase I argument that the CCA may use its sewer bills (p.1285, line 2) or other means of contacting customers. She claims that the utilities' don't have enough room in the envelope (line 10), that inserting a new notification could make the mailing exceed its one ounce limit (line 16), and finally that inserting the notification would confuse customer with more legal notices (line 24).

But these are primarily cost issues that cannot be used to ignore a statutory right given to any CCA, whether formed or unformed as of 2005, to request the Commission to order the utility to insert its notifications into the utility's electric bill. When asked whether it is "true that your tariff would preclude CCAs willing to pay for the costs associated with this insert from requesting the Commission to order the utility to provide the service?

> "A Well, my understanding of process is that parties would request that in this proceeding. And if, at the end of this proceeding, the Commission orders us to insert -- to insert CCA notifications in our bills, our tariff would be updated to reflect that order"(p.1286, line 2).

But AB117 allows a CCA to request the Commission to order the utility to insert the notifications, as cited above - not merely give the Commission the authority to decide never to consider such a request in the future; "The community choice aggregator may request the commission to approve and order the electrical corporation to provide the notification" (see above quote). In contrast, the utilities' approach would limit this opportunity to CCAs who are already parties to R.03-10-003, and

prevent CCAs not participating in the proceeding, or not yet formed, to make this statutorily authorized request:

> "ALJ MALCOLM: He's asking you whether if your tariff were adopted the way it is, are there CCAs or potential CCAs who might not have an opportunity to request a bill insert.
> WITNESS NAVARRETE: Yes, that could happen; but, again, it would be by Commission order.
> MR. FENN: Q It could happen, or it would happen?
> WITNESS NAVARRETE: A Well, you are making an assumption that there are CCAs out there that do want this and that will request it in the future and not be aware of it.
> I don't know if that's true or not, so I would say "could" happen.
> Q Okay. Thank you" (p.1287, line 14-26).

B. Conclusion on Notification Component of Rule 23/27

The Commission should preserve the right of any CCA, whether already existing or formed at a future date, to request the Commission to order an electrical corporation to insert its opt-out notifications into its regularly scheduled monthly electric bills.

IX. Conclusion

Local Power will address any outstanding issues in its Reply Briefs on August 1.

Respectfully Submitted,

Paul Fenn, AM
Founder and Executive Director
Local Power
4281 Piedmont Avenue
Oakland, CA 94611
510 451 1727
paulfenn@local.org

CERTIFICATE OF SERVICE

I certify that the following is true and correct:

On July 8, 2005, I caused to be served an electronic copy of the attached:

INITIAL PHASE II BRIEF OF LOCAL POWER

on all known parties to R.03-10-003, or their attorneys of record, for whom a address has been provided.

Executed this 8th day of July, 2005, at Oakland, California.

_____

Local Power
4281 Piedmont Avenue
Oakland, CA 94611
(510) 451-1727

Appearance

RICHARD ESTEVES
SESCO, INC.
77 YACHT CLUB DRIVE, SUITE 1000
LAKE HOPATCONG, NJ 07849-1313

DAVID M. NORRIS
ATTORNEY AT LAW
SIERRA PACIFIC POWER COMPANY
6100 NEIL ROAD
RENO, NV 89520

DAVID L. HUARD
ATTORNEY AT LAW
MANATT, PHELPS & PHILLIPS, LLP
11355 WEST OLYMPIC BOULEVARD
LOS ANGELES, CA 90064

RANDALL W. KEEN
ATTORNEY AT LAW
MANATT PHELPS & PHILLIPS, LLP
11355 WEST OLYMPIC BLVD.
LOS ANGELES, CA 90064

ROGER BERLINER
MANATT, PHELPS & PHILLIPS
11355 W. OLYMPIC BLVD.
LOS ANGELES, CA 90064

SUSAN MUNVES
CITY OF SANTA MONICA
1918 MAIN STREET
SANTA MONICA, CA 90405

MIKE BURKE
ENERGY CHOICE, INC.
8714 LINDANTE DRIVE
WHITTIER, CA 90603

COLIN M. LONG
A PROFESSIONAL CORPORATION
201 SOUTH LAKE AVENUE, SUITE 400
PASADENA, CA 91101

COLIN M. LONG
PACIFIC ECONOMICS GROUP
201 SOUTH LAKE AVENUE, SUITE 400
PASADENA, CA 91101

MATTHEW GORMAN
CITY ATTORNEY'S OFFICE
CITY OF POMONA
500 S. GAREY AVE. BOX 660
POMONA, CA 91769

MATTHEW GORMAN
DEPUTY CITY ATTORNEY
POMONA CITY ATTORNEY'S OFFICE
505 S. GAREY AVE.
POMONA, CA 91769

JENNIFER SHIGEKAWA
ATTORNEY AT LAW
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770

MICHAEL D. MONTOYA
ATTORNEY AT LAW
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770

RONALD MOORE
SOUTHERN CALIFORNIA WATER CO.
630 EAST FOOTHILL BOULEVARD
SAN DIMAS, CA 91773

MATTHEW GORMAN
ALVAREZ-GLASMAN & COLVIN
100 N. BARRANCA AVE., SUITE 1050
WEST COVINA, CA 91791

MICHAEL T. MEACHAM
CITY OF CHULA VISTA
276 FOURTH AVENUE
CHULA VISTA, CA 91910

PAUL SZYMANSKI
ATTORNEY AT LAW
SEMPRA ENERGY

DAVID J. COYLE
ANZA ELECTRIC COOPERATIVE, INC
PO BOX 391090

101 ASH STREET
SAN DIEGO, CA 92101

ANZA, CA 92539-1909

TAMLYN M. HUNT
COMMUNITY ENVIRONMENTAL COUNCIL
930 MIRAMONTE DR.
SANTA BARBARA, CA 93109

DAVID ORTH
GENERAL MANAGER
KINGS RVIER CONSERVATION DISTRICT
4886 EAST JENSEN AVENUE
FRESNO, CA 93725

JOSEPH PETER COMO
CITY AND COUNTY OF SAN FRANCISCO
CITY HALL, ROOM 234
1 DR. CARLTON B. GOODLETT PLACE, RM. 234
SAN FRANCISCO, CA 94102

MATTHEW FREEDMAN
ATTORNEY AT LAW
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102

MIKE FLORIO
THE UTILITY REFORM NETWORK
711 VAN NESS AVENUE, SUITE 350
SAN FRANCISCO, CA 94102

JONATHAN J REIGER
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 5130
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

FRASER D. SMITH
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO PUBLIC UTILITIES COMM
1155 MARKET STREET, 4TH FLOOR
SAN FRANCISCO, CA 94103

SEAN CASEY
SAN FRANCISCO PUBLIC UTILITIES COMMISSIO
1155 MARKET STREET, 4TH FLOOR
SAN FRANCISCO, CA 94103

SHERYL CARTER
NATURAL RESOURCES DEFENSE COUNCIL
111 SUTTER STREET, 20TH FLOOR
SAN FRANCISCO, CA 94104

JAMES TOBIN
MORRISON AND FOERSTER LLP
425 MARKET STREET
SAN FRANCISCO, CA 94105

JUDI K. MOSLEY
PACIFIC GAS AND ELECTRIC CO
77 BEALE STREET, B30A
SAN FRANCISCO, CA 94105

LUCY FUKUI
PACIFIC GAS AND ELECTRIC COMPANY
MAIL CODE B9A
77 BEALE ST.
SAN FRANCISCO, CA 94105

PETER OUBORG
ATTORNEY AT LAW
PACIFIC GAS AND ELECTRIC COMPANY
77 BEALE STREET, ROOM 3163
SAN FRANCISCO, CA 94105

STEVEN MOSS
S. F. COMMUNITY POWER COOPERATIVE
2325 3RD ST STE 344
SAN FRANCISCO, CA 94107-4303

EDWARD G. POOLE
ATTORNEY AT LAW
ANDERSON & POOLE
601 CALIFORNIA STREET, SUITE 1300
SAN FRANCISCO, CA 94108-2818

CRAIG M. BUCHSBAUM
ATTORNEY AT LAW
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO, CA 94120

STACY WALTER
ATTORNEY AT LAW
PACIFIC GAS AND ELECTRIC COMPANY

JENNY GLUZGOLD
PACIFIC GAS AND ELECTRIC COMPANY
MAIL CODE B9A

PO BOX 7442
SAN FRANCISCO, CA 94120-7442

PO BOX 770000
SAN FRANCISCO, CA 94177

JACK PIGOTT
CALPINE CORPORATION
4160 DUBLIN BLVD.
DUBLIN, CA 94568

PETER W. HANSCHEN
MORRISON & FOERSTER, LLP
101 YGNACIO VALLEY ROAD, SUITE 450
WALNUT CREEK, CA 94596-8130

GERALD LAHR
ASSOCIATION OF BAY AREA GOVERNMENTS
PO BOX 2050
OAKLAND, CA 94604-2050

PAUL FENN
LOCAL POWER
4281 PIEDMONT AVE.
OAKLAND, CA 94611

SCOTT WENTWORTH, P.E.
ENERGY ENGINEER
CITY OF OAKLAND
7101 EDGEWATER DRIVE
OAKLAND, CA 94621

CYNTHIA WOOTEN
NAVIGANT CONSULTING, INC.
1126 DELAWARE STREET
BERKELEY, CA 94702

REED V. SCHMIDT
BARTLE WELLS ASSOCIATES
1889 ALCATRAZ AVENUE
BERKELEY, CA 94703

CLYDE MURLEY
CONSULTING ON ENERGY AND ENVIRONMENT
600 SAN CARLOS AVENUE
ALBANY, CA 94706

C. SUSIE BERLIN
ATTORNEY AT LAW
MC CARTHY & BERLIN, LLP
100 PARK CENTER PLAZA, SUITE 501
SAN JOSE, CA 95113

JIM STONE
CITY OF MANTECA DEPARTMENT OF PUBLIC WOR
1001 WEST CENTER STREET
MANTECA, CA 95337

BARBARA R. BARKOVICH
BARKOVICH & YAP, INC.
44810 ROSEWOOD TERRACE
MENDOCINO, CA 95460

RAYMOND LEE
CHIEF EXECUTIVE OFFICER
MOUNTAIN UTILITIES
PO BOX. 205
KIRKWOOD, CA 95646

JOHN DALESSI
NAVIGANT CONSULTING, INC.
3100 ZINFANDEL DRIVE, SUITE 600
RANCHO CORDOVA, CA 95670-6078

ANDREW B. BROWN
ELLISON, SCHNEIDER & HARRIS, LLP
2015 H STREET
SACRAMENTO, CA 95814

G. PATRICK STONER
LOCAL GOVERNMENT COMMISSION
1414 K STREET, SUITE 600
SACRAMENTO, CA 95814

KEVIN SMITH
BRAUN & BLAISING, P.C.
915 L ST STE. 1460
SACRAMENTO, CA 95814

LYNN HAUG
ELLISON, SCHNEIDER & HARRIS, LLP
2015 H STREET

SCOTT BLAISING
ATTORNEY AT LAW
BRAUN & BLAISING, P.C.

SACRAMENTO, CA 95814

915 L. STREET, SUITE 1420
SACRAMENTO, CA 95814

EDWARD J. TIEDEMANN
ATTORNEY AT LAW
KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
400 CAPITOL MALL, 27TH FLOOR
SACRAMENTO, CA 95814-4416

DAVID R. HAMMER
COUTY COUNSEL
COUNTY OF TRINITY
PO BOX 1428
WEAVERVILLE, CA 96093-1426

ROBERT W. MARSHALL
GENERAL MANAGER
PLUMAS-SIERRA RURAL ELECTRIC CO-OP
PO BOX 2000
PORTOLA, CA 96122-2000

DANIEL W. MEEK
ATTORNEY AT LAW
RESCUE
10949 S.W. 4TH AVENUE
PORTLAND, OR 97219

Information Only

BRIAN M. JONES
M.J. BRADLEY & ASSOCIATES, INC.
47 JUNCTION SQUARE DRIVE
CONCORD, MA 01742

STEVE HASTIE
NAVIGANT CONSULTING, INC.
1717 ARCH STREET
PHILADELPHIA, PA 19103

TAFF TSCHAMLER
KEMA, INC.
OFFICE PLAZA ONE
10333 EAST DRY CREEK, SUITE 200
ENGLEWOOD, CO 80112

STACY AGUAYO
MANAGER OF REGUALTORY AFFAIRS
APS ENERGY SERVICES
400 E. VAN BUREN STREET, SUITE 750
PHOENIX, AZ 85004

DAVID SAUL
SOLEL, INC.
439 PELICAN BAY COURT
HENDERSON, NV 89012

JOHN NIELSEN
PROMETHEUS ENERGY SERVICES, INC.
5657 WILSHIRE BLVD., SUITE 330
LOS ANGELES, CA 90036

CURTIS KEBLER
GOLDMAN, SACHS & CO.
2121 AVENUE OF THE STARS
LOS ANGELES, CA 90067

GREGORY S.G. KLATT
ATTORNEY AT LAW
DOUGLASS & LIDDELL
411 E. HUNTINGTON DRIVE, SUITE 107-356
ARCADIA, CA 91006

DANIEL W. DOUGLASS
DOUGLASS & LIDDELL
21700 OXNARD STREET, SUITE 1030
WOODLAND HILLS, CA 91367-8102

CASE ADMINISTRATION
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE, RM 370
ROSEMEAD, CA 91770

AKBAR JAZAYERI
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVENUE
ROSEMEAD, CA 91770

CASE ADMINISTRATION
SOUTHERN CALIFORNIA EDISON COMPANY
2244 WALNUT GROVE AVE., RM 370
ROSEMEAD, CA 91770

ELIZABETH HULL

WILLIE M. GATERS

DEPUTY CITY ATTORNEY
CITY OF CHULA VISTA
276 FOURTH AVENUE
CHULA VISTA, CA 91910

ENVIRONMENTAL RESOURCE MANAGER
CITY OF CHULA VISTA
CITY MANAGER'S OFFICE
276 FOURTH AVENUE
CHULA VISTA, CA 91910

DON WOOD
PACIFIC ENERGY POLICY CENTER
4539 LEE AVENUE
LA MESA, CA 91941

LAURA HUNTER
CLEAN BAY CAMPAIGN DIRECTOR
ENVIRONMENTAL HEALTH COALITION
401 MILE OF CARS WAY, SUITE 310
NATIONAL CITY, CA 91950

MELANIE MCCUTCHAN
RESEARCH ASSOCIATE
ENVIRONMENTAL HEALTH COALITION
401 MILE OF CARS WAY, SUITE 310
NATIONAL CITY, CA 91950

DONALD C. LIDDELL P. C.
DOUGLASS & LIDDELL
2928 2ND AVENUE
SAN DIEGO, CA 92103

MICHAEL SHAMES
ATTORNEY AT LAW
UTILITY CONSUMERS' ACTION NETWORK
3100 FIFTH AVENUE, SUITE B
SAN DIEGO, CA 92103

SCOTT J. ANDERS
DIRECTOR OF POLICY AND PLANNING
SAN DIEGO REGIONAL ENERGY OFFICE
8520 TECH WAY - SUITE 110
SAN DIEGO, CA 92123

WENDY KEILANI
SAN DIEGO GAS & ELECTRIC
8330 CENTURY PARK COURT, CP32D
SAN DIEGO, CA 92123

CENTRAL FILES
SAN DIEGO GAS & ELECTRIC
CP31-E
8330 CENTURY PARK COURT
SAN DIEGO, CA 92123-1530

JOHN W. LESLIE
ATTORNEY AT LAW
LUCE, FORWARD, HAMILTON & SCRIPPS, LLP
11988 EL CAMINO REAL, SUITE 200
SAN DIEGO, CA 92130

KURT J. KAMMERER
K.J. KAMMERER & ASSOCIATES
PO BOX 60738
SAN DIEGO, CA 92166-8738

MICHAEL NELSON
4031 RIVOLI
NEWPORT BEACH, CA 92660

JUNE M. SKILLMAN
CONSULTANT
2010 GREENLEAF STREET
SANTA ANA, CA 92706

SCOTT REDELFS
KINGS RIVER CONSERVATION DISTRICT
4886 E. JENSEN AVE.
FRESNO, CA 93725

NORMAN J. FURUTA
ATTORNEY AT LAW
DEPARTMENT OF THE NAVY
2001 JUNIPERO SERRA BLVD., SUITE 600
DALY CITY, CA 94014-3890

CHRIS KING
EMETER CORPORATION
CALIFORNIA CONSUMER EMPOWERMENT ALLIANCE
ONE TWIN DOLPHIN DRIVE
REDWOOD CITY, CA 94065

DIANE I. FELLMAN
ATTORNEY AT LAW
LAW OFFICES OF DIANE I. FELLMAN
234 VAN NESS AVENUE
SAN FRANCISCO, CA 94102

JOHN P. HUGHES

MICHAEL HYAMS

MANAGER, REGULATORY AFFAIRS
SOUTHERN CALIFORNIA EDISON COMPANY
601 VAN NESS AVENUE, STE. 2040
SAN FRANCISCO, CA 94102

SAN FRANCISCO PUBLIC UTILITIES COMM
1155 MARKET ST., 4/F
SAN FRANCISCO, CA 94103

DEVRA BACHRACH
NATURAL RESOURCES DEFENSE COUNCIL
111 SUTTER STREET, 20TH FLOOR
SAN FRANCISCO, CA 94104

JEANNE MCKINNEY
ATTORNEY AT LAW
THELEN REID & PRIEST
101 SECOND STREET, 1800
SAN FRANCISCO, CA 94105

CHRIS RAPHAEL
CALIFORNIA ENERGY MARKETS
517-B POTRERO AVENUE
SAN FRANCISCO, CA 94110

CALIFORNIA ENERGY MARKETS
517-B POTRERO AVE.
SAN FRANCISCO, CA 94110-1431

CHRISTOPHER A. HILEN
DAVIS WRIGHT TERMAINE, LLP
ONE EMBARCADERO CENTER, SUITE 600
SAN FRANCISCO, CA 94111

JEANNE ARMSTRONG
ATTORNEY AT LAW
GOODIN MACBRIDE SQUERI RITCHIE & DAY
505 SANSOME STREET, SUITE 900
SAN FRANCISCO, CA 94111

MATT SULLIVAN
PROGRAM MANAGER
NEWCOMB ANDERSON ASSOCIATES/EMCOR ENERGY
505 SANSOME ST., 16/F
SAN FRANCISCO, CA 94111

IRENE K. MOOSEN
ATTORNEY AT LAW
53 SANTA YNEZ AVENUE
SAN FRANCISCO, CA 94112

MARVIN FELDMAN
ECONOMIST
RESOURCE DECISIONS
934 DIAMOND STREET
SAN FRANCISCO, CA 94114

MEG MEAL
120 JERSEY STREET
SAN FRANCISCO, CA 94114

LAW DEPARTMENT FILE ROOM
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 7442
SAN FRANCISCO, CA 94120-7442

JIM BURKE
BURKE TECH SERVICES
125 WAWONA STREET
SAN FRANCISCO, CA 94127

ROGER RUSSELL
PACIFIC GAS AND ELECTRIC COMPANY
RM. 902, MAIL CODE B9A
PO BOX 770000
SAN FRANCISCO, CA 94177

PAUL V. HOLTON
PACIFIC GAS AND ELECTRIC COMPANY
PO BOX 770000, MAIL CODE B9A
SAN FRANCISCO, CA 94177-0001

BARBARA GEORGE
WOMEN'S ENERGY MATTERS
PO BOX 883723
SAN FRANCISCO, CA 94188-3723

ED CHANG
FLYNN RESOURCE CONSULTANTS INC.
5440 EDGEVIEW DRIVE
DISCOVERY BAY, CA 94514

PETER DRAGOVICH

MICHAEL ROCHMAN

ASSISTANT TO THE CITY MANAGER
CITY OF CONCORD
1950 PARKSIDE DRIVE, MS 01/A
CONCORD, CA 94519

SCHOOL PROJECT UTILITY RATE REDUCTION
1430 WILLOW PASS ROAD, SUITE 240
CONCORD, CA 94520

MICHAEL ROUSH
CITY ATTORNEY
CITY OF PLEASANTON
123 MAIN STREET
PLEASANTON, CA 94566

MANAGER, MARKET & REGULATORY AFFAIRS
MIRANT CORPORATION
1350 TREAT BLVD., SUITE 500
WALNUT CREEK, CA 94597

RAMONA GONZALEZ
EAST BAY MUNICIPAL UTILITY DISTRICT
375 ELEVENTH STREET, M/S NO. 205
OAKLAND, CA 94607

SAJI THOMAS PIERCE
EAST BAY MUNICIPAL UTILITY DISTRICT
375 11TH STREET
OAKLAND, CA 94607-4240

JODY S. LONDON
JODY LONDON CONSULTING
PO BOX 3629
OAKLAND, CA 94609

MRW & ASSOCIATES, INC.
1999 HARRISON ST. SUITE 1440
OAKLAND, CA 94612

CAROL MISSELDINE
MAYOR'S OFFICE
CITY OF OAKLAND
1 FRANK OGAWA PLAZA, 3/F
OAKLAND, CA 94612

JOHN GALLOWAY
UNION OF CONCERNED SCIENTISTS
2397 SHATTUCK AVENUE, SUITE 203
BERKELEY, CA 94704

NEAL DE SNOO
CITY OF BERKELEY
ENERGY OFFICER
2180 MILVIA STREET
BERKELEY, CA 94704

SAM RUARK
COUNTY OF MARIN CDA
3501 CIVIC CENTER DRIVE, ROOM 308
SAN RAFAEL, CA 94903

TIM ROSENFELD
HMW INTERNATIONAL, INC.
359 MOLINO AVENUE
MILL VALLEY, CA 94941

RITA NORTON
RITA NORTON AND ASSOCIATES, LLC
18700 BLYTHSWOOD DRIVE,
LOS GATOS, CA 95030

MAHLON ALDRIDGE
ECOLOGY ACTION, INC.
PO BOX 1188
SANTA CRUZ, CA 95061

JIAB TONGSOPIT
ENVIRONMENTAL STUDIES DEPARTMENT
UNIVERSITY OF CALIFORNIA, SANTA CRUZ
1156 HIGH STREET
SANTA CRUZ, CA 95064

BARRY F. MCCARTHY
ATTORNEY AT LAW
MCCARTHY & BERLIN, LLP
100 PARK CENTER PLAZA, SUITE 501
SAN JOSE, CA 95113

CHRISTOPHER J. MAYER
MODESTO IRRIGATION DISTRICT
PO BOX 4060
MODESTO, CA 95352-4060

CHRIS L. KIRIAKOU

MICHAEL R. WOODS

CORNERSTONE CONSULTING, INC.
1565 E. TUOLUMNE RD.
TURLOCK, CA 95382

A PROFESSIONAL CORPORATION
18880 CARRIGER ROAD
SONOMA, CA 95476-6246

RICHARD MCCANN
M.CUBED
2655 PORTAGE BAY ROAD, SUITE 3
DAVIS, CA 95616

CAROLYN M. KEHREIN
ENERGY MANAGEMENT SERVICES
1505 DUNLAP COURT
DIXON, CA 95620-4208

JAMES MCMAHON
SENIOR ENGAGEMENT MANAGER
NAVIGANT CONSULTING, INC.
3100 ZINFANDEL DRIVE, SUITE 600
RANCHO CORDOVA, CA 95670-6078

KRYSTY EMERY
NAVIGANT CONSULTING, INC.
3100 ZINFANDEL DRIVE, SUITE 600
RANCHO CORDOVA, CA 95670-6078

STEVE PINKERTON
NAVIGANT CONSULTING, INC.
3100 ZANFANDEL DRIVE, SUITE 600
RANCHO CORDOVA, CA 95670-6078

VICTORIA P. FLEMING
NAVIGANT CONSULTING, INC.
3100 ZINFANDEL DRIVE, SUITE 600
RANCHO CORDOVA, CA 95670-6078

STEVEN A GREENBERG
REALENERGY
4100 ORCHARD CANYON LANE
VACAVILLE, CA 95688

JIM DOOLITTLE
ORADO MANAGEMENT GROUP
2600 FRUITRIDGE ROAD
CAMINO, CA 95798

BRUCE MCLAUGHLIN
BRAUN & BLAISING, P.C.
915 L STREET, SUITE 1460
SACRAMENTO, CA 95814

DAN GEIS
AGRICULTURAL ENERGY CONSUMERS ASSO.
925 L STREET, SUITE 800
SACRAMENTO, CA 95814

KELLY SHEA
THE DOLPHIN GROUP
925 L STREET, SUITE 800
SACRAMENTO, CA 95814

KEVIN WOODRUFF
WOODRUFF EXPERT SERVICES
1100 K STREET, SUITE 204
SACRAMENTO, CA 95814

KAREN LINDH
LINDH & ASSOCIATES
7909 WALERGA ROAD, NO. 112
ANTELOPE, CA 95843

ANNE FALCON
EES CONSULTING, INC.
570 KIRKLAND AVE
KIRLAND, WA 98033

State Service

CALIFORNIA PUBLIC UTILITIES COMMISSION
LOS ANGELES DOCKET OFFICE
320 W. 4TH STREET, SUITE 500
LOS ANGELES, CA 90013

CHERYL COX
CALIF PUBLIC UTILITIES COMMISSION
ELECTRICITY RESOURCES & PRICING BRANCH
ROOM 4209
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

CHRISTOPHER DANFORTH
CALIF PUBLIC UTILITIES COMMISSION
ELECTRICITY RESOURCES & PRICING BRANCH
ROOM 4209
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

DAN ADLER
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF STRATEGIC PLANNING
ROOM 5119
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

DIANA L. LEE
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 4300
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

JOEL TOLBERT
CALIF PUBLIC UTILITIES COMMISSION
ENERGY COST OF SERVICE & NATURAL GAS BRA
ROOM 4102
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

JULIE A FITCH
CALIF PUBLIC UTILITIES COMMISSION
EXECUTIVE DIVISION
ROOM 5203
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

KIM MALCOLM
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF ADMINISTRATIVE LAW JUDGES
ROOM 5005
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

LAINIE MOTAMEDI
CALIF PUBLIC UTILITIES COMMISSION
DIVISION OF STRATEGIC PLANNING
ROOM 5119
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

LOUIS M IRWIN
CALIF PUBLIC UTILITIES COMMISSION
ELECTRICITY RESOURCES & PRICING BRANCH
ROOM 4209
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

PHILIPPE AUCLAIR
CALIF PUBLIC UTILITIES COMMISSION
EXECUTIVE DIVISION
ROOM 5218
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

REGINA DEANGELIS
CALIF PUBLIC UTILITIES COMMISSION
LEGAL DIVISION
ROOM 4107
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

STEVE ROSCOW
CALIF PUBLIC UTILITIES COMMISSION
ELECTRIC INDUSTRY & FINANCE
AREA 4-A
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

STEVEN C ROSS
CALIF PUBLIC UTILITIES COMMISSION
ELECTRICITY RESOURCES & PRICING BRANCH
ROOM 4209
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

TRUMAN L. BURNS
CALIF PUBLIC UTILITIES COMMISSION
ENERGY COST OF SERVICE & NATURAL GAS BRA
ROOM 4102
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3214

MARGARET L. TOBIAS
ATTORNEY AT LAW
TOBIAS LAW OFFICE
460 PENNSYLVANIA AVENUE
SAN FRANCISCO, CA 94107

ANDREW ULMER
ATTORNEY AT LAW
SIMPSON PARTNERS, LLP
900 FRONT STREET, SUITE 300
SAN FRANCISCO, CA 94111

CRAIG MCDONALD
NAVIGANT CONSULTING
3100 ZINFANDEL DR., SUITE 600
RANCHO CORDOVA, CA 95670-6078

HASSAN MOHAMMED
CALIFORNIA ENERGY COMMISSION
1516 9TH STREET, MS43
SACRAMENTO, CA 95814

JENNIFER TACHERA
ATTORNEY AT LAW
CALIFORNIA ENERGY COMMISSION
1516 - 9TH STREET MS-14
SACRAMENTO, CA 95814

JANEE MARLAN
CALIFORNIA DEPARTMENT OF WATER RESOURCES
3310 EL CAMINO AVENUE, SUITE 120
SACRAMENTO, CA 95821

JOHN PACHECO
CALIFORNIA ENERGY RESOURCES SCHEDULING
CALIFORNIA DEPARTMENT OF WATER RESOURCES
3310 EL CAMINO AVENUE
SACRAMENTO, CA 95821