

DEC 8 1995

Decision 95-12-021 December 6, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
Rulemaking on the Commission's Own Motion into Universal Service (and to) of DR. 95-014020
Motion into Universal Service (and to) of DR. 95-014020
Comply with the Mandates of Assembly Bill 3643. (Filed January 24, 1995)
Bill 3643.

Investigation on the Commission's own motion into Universal Service (and to) of DR. 95-014020
and to Comply with the Mandates of Assembly Bill 3643. (Filed January 24, 1995)

ORIGINAL

This is the **SECOND INTERIM OPINION** on the investigation into Universal Service (and to) of DR. 95-014020. This decision follows the **Summary** issued on November 10, 1995, and the **Order of Today**, which establishes the schedule for formulating and completing a proxy cost study in the universal service proceeding. The proxy cost study, together with the gathering of information regarding (1) what revenues should offset any potential subsidies, and (2) the calculation of a reference or benchmark price for basic service, will be used to implement our universal service policies of ensuring that customers in high cost areas, and low income customers, have access to basic telephone service at reasonable rates. This decision also contains a brief summary of the **Background** of the issue and the purpose of this proceeding.

This second interim decision allows the Commission to go forward with building the necessary framework for developing a proxy cost study in this proceeding. The proxy cost study will be used to determine the cost of basic service throughout the state so that we can determine the level of subsidy support necessary for the high cost areas. As we noted in DR 95-07-050 at pages 77 and 78, it may be necessary for the Commission to issue one or more interim decisions regarding the issues surrounding universal service before a final set of universal service rules.

CITE 8-330

Decision 95-13-021 December 6, 1995

are adopted. This is necessitated by the interrelationship of issues which has cost studies with other Commission proceedings, the overall scheduling of other proceedings, and our intent to open all markets to competition by January 1, 1997.

(see R.95-01-020, I.95-01-021, ALJ/JSW/tcg)

(* * *

B7D B7E B7F

After receipt of the opening comments, the Commission may issue an interim decision not later than November 1, 1995, regarding where cost studies for the purpose of determining high cost GSA will be addressed, and the format of those studies.

Such a decision is needed so that we can timely implement a program of universal service in an era of local exchange competition.

Interested parties had the opportunity to state in their opening comments whether evidentiary hearings are needed to resolve any of the issues associated with the proposed rules, and whether other issues pertaining to universal service need to be addressed. Seven of the parties who filed opening comments stated that no initial evidentiary hearings may be required for three different categories of issues. The first category includes issues pertaining to the cost of basic service, and how large the subsidies should be. The second category of issues involves rate deaveraging and pricing of basic service. The third category pertains to the issue of recover recovery of stranded investment as a result of the introduction of competition.

Although we used the term "cost studies", what we are trying to formulate are the approximate costs of the basic service components. As we recognized in D.95-07-050 at page 49, these studies may vary somewhat from actual costs. A more accurate term that reflects what we are trying to ascertain is a proxy cost study, and not a company by company cost analysis. To do specific cost studies of each local exchange carrier (LEC) would simply take too much time.

The services leaving the telephone system to be used by others

xx01q 6 The issue of stranded investments is the subject of several applications for rehearing of D.95-07-050 issued at Quebec Jacq

on. With regard to the issues of rate deaveraging and the fair pricing of basic services, current regulatory programs have already required telephone companies to charge a single "averaged" rate within their service territory. This has resulted in different rate structures among the various LECs and the territories that they serve. A review of the issues involved in the context of the proposed framework recognizes that rate deaveraging will impact the size of the fund that is necessary to provide basic service in high cost areas. However, the issues surrounding rate deaveraging, the fair pricing of basic services, and revenue rebalancing should be more addressed in the context of the overall incentive-based regulatory framework instead of in this proceeding. Accordingly, those issues should be examined in connection with Phase 2 of the second triennial investigation into the incentive-based regulatory framework proceeding, I.95-95-047.

If rates are allowed to be deaveraged in the future, this proceeding may have to readjust the subsidy for high cost areas in recognition of the rate realignments. Coordination between the two proceedings will be needed. As far as issues related to the cost studies, this decision sets forth the format and parameters of the proxy cost study, and a schedule of workshops to address the details of the proxy cost model, and to allow us to determine whether contested issues exist, and whether evidentiary hearings dates are needed.

Preliminary Issues John Stoen et Jean Stoen et Robert Herle
There are several preliminary issues that need to be soon addressed so that the respondents to this proceeding have an idea as to how the proxy cost study will affect them. The first issue is where the proxy cost study issues will be addressed. The second issue is how John Stoen et Jean Stoen et Robert Herle can be compensated for the preparation of the proxy cost study and not just as part of a general fee.

issue is whether this decision to require development of a proxy cost study is tantamount to a determination that the voucher mechanism has been chosen over the auction mechanism as the preferred funding mechanism for the high cost areas of the state. The third issue is how the requirement of a proxy cost study will affect the small and mid-sized local exchange carriers.

In D195-07-050, we proposed that universal service cost study issues be handled in the Open Access and Network Architecture Development (OANAD) proceeding, R193-04-003 and R193-04-002, and solicited comments on this subject. During the same time period, no workshops were being held in the OANAD proceeding. It was determined in the OANAD workshops that the total service long run incremental cost (TSLRIC) study being undertaken in OANAD could not be used for the purpose of determining universal service subsidies without significant modifications. (See D195-12-016 at page 128.) Therefore, the development of the proxy cost model will remain in the universal service proceeding. However, this does not preclude in this proceeding the use of cost items that may be developed in OANAD. In fact, it is our intention to develop our own guidelines and rules as the next issue that we address is whether by requiring a proxy cost study, we are indicating a predisposition to using a voucher mechanism instead of an auction mechanism. In D195-07-050, we proposed that a voucher mechanism be used to provide subsidies in high cost areas of the state; and that an auction mechanism be used when there are no carriers willing to undertake the carrier of last resort (COLR) obligation. We recognized, however, that before either method is adopted, there must be some understanding of how much it costs to provide services. (D195-07-050 at page 49.)

We reserve making any judgment in this decision as to whether the voucher or auction mechanism should be chosen as the preferred method of administering subsidies for high cost areas, or if some combination of the two mechanisms should be used, such as conducting an auction but allowing customers to choose a provider.

with a voucher; regardless of the mechanism that we eventually will adopt, the proxy cost study will provide us with the cost information that is necessary to start up an administrative procedure for providing subsidies to high cost areas. ~~before~~ before
With regard to how the proxy cost study will affect the small and mid-sized LECs, we concluded in D.95-07-050 that the intent behind Public Utilities Code § 709.5(a) was to open all local telecommunications markets to competition no later than January 1, 1997. This determination was made by the Legislature when it passed AB 3606 (Statutes 1994, Chapter 1260).

The small LECs commented that the voucher mechanism and the proxy cost study should only be implemented for the large and possibly the mid-sized LECs, and that any specific proposal for the small LECs should await the resolution of the small LECs' general rate cases or not be implemented at all until such time.

(E.) It is our belief that a proxy cost study should be carried developed for all of California, and not just for the territories of GTE California Incorporated (GTE) and Pacific Bell (Pacific). If the proxy cost model can accommodate different geographic and cost factors that are representative of the entire state, then proxy costs for the entire state can be developed all at the same time. To include the service territories of the small and mid-sized LECs in this proxy cost study should not result in an undue burden considering the number of access lines that the small and mid-sized LECs serve statewide. If the small and mid-sized LECs do not believe that the proxy cost model will adequately reflect their costs, we will allow them the option of proposing an alternative proxy cost model. (See D.95-07-050, App A, Proposed Rule 6 [also] The Methodology for the Proxy Cost Study.) In order to initiate the creation and development of a proxy cost study, it is necessary to establish a framework from which interested parties can build. Such a framework will enable us to structure the development of the proxy cost model and to send

hopefully, speed up the design and modeling of the proxy cost model.

As discussed earlier, the proxy cost model should closely reflect actual costs without having to develop all of the cost data necessary for cost studies of each individual LEC. The proxy cost model should be representative of the cost factors that all the LECs encounter on a daily basis. These cost factors include, but are not limited to, the following: terrain, population density, local climate characteristics, loop length, and technology. In addition, the proxy model should be able to account for the differing kinds of service areas encountered throughout the state.

In D.95-07-050, we discussed the possibility of using the cost studies being developed in OANAD for identifying the cost of providing basic service for universal service purposes; and that the TSLRIC should serve as the measure of costs for providing basic service to residential customers. (See proposed Rule 6.A.3.)

Initially, the costs being developed in OANAD turned out to have several problems for estimating the cost of basic service for this proceeding. First, in OANAD, costs are not as geographically specific as those being contemplated in this proceeding. Second, OANAD base costs are company specific and not applicable to all areas in the state. Third, OANAD costs are based on TSLRIC which does not count account for common and overhead costs. While the OANAD cost base studies are well suited for identifying the costs of basic network functions, they are less suited for identifying the costs of providing basic service for universal service purposes over the long term.

Obviously, in the comments that led up to D.95-07-050, and during the full panel hearing into universal service on September 29, 1995, the possibility of using a proxy cost model for estimating the cost of providing basic service for universal service purposes was raised. (See D.95-07-050 at pp. 49, 54 R.T. 575-578.) A proxy cost model estimates the cost of providing basic service to an area based on the characteristics of that area, such as population or an

density, distance to the nearest wire center and terrain). A proxy cost model has the advantage of allowing a great deal of geographic specificity, being independent of a particular company's costs and incorporating all costs including common and overhead costs.

The benchmark cost model (BCM) sponsored by US West, SPRINT, NYNEX, Sprint, and MCI for use at the Federal Communications Commission may serve as an example of what a proxy cost model for this proceeding should look like. However, it is our understanding that the BCM may not be considered by some as a "true" TSLRIC model because the BCM includes accounts for all expenses, including overhead. Whether or not the proxy cost model developed for use in this proceeding should include some factor to account for overhead costs, and whether TSLRIC is the appropriate label to place on the proxy cost model, are issues that need to be addressed in the workshops.

The BCM may also serve as a useful starting point in the workshops for developing the proxy cost model for California. The advantages of using the BCM to facilitate the development of the proxy cost model are as follows: some of the parties are already familiar with the BCM; it is in the public domain; it produces cost estimates at the census block group (CBG) level; it can generate costs estimates for the entire state, not just the territory of a single LEC; it recognizes the topography of the existing public switched telephone network; and it develops costs based on today's placement of technology.

At the same time, the BCM has some problems that need to be worked out. The workshops can explore the weaknesses and strengths of the BCM, and, if appropriate, develop a proxy cost model patterned after the BCM. Prior to the workshops, interested parties may file a position paper on the BCM outlining any concerns that parties may have over developing a proxy cost model based upon the BCM, and the advantages and disadvantages of using a similar type of model.

QUESTION A What types of costs do we want the proxy model to reflect? We want a proxy that shows the approximate costs of providing basic service to residential customers in all parts of the state. In our D.95-07-050, we proposed that the basic service definition include the following elements:

- o Access to single party local exchange service;
- o Access to interexchange carriers;
- o Ability to place and receive calls;
- o Touch tone dialing;
- o Free access to emergency services (911/E911);
- o Lifeline rate for eligible customers;
- o Customer choice of flat or measured rate service;
- o Access to directory assistance;
- o Access to a directory listing;
- o Access to operator services;
- o Voice grade connection to public switched telephone network;
- o Access to information services and 800 services;
- o One-time free blocking for information services and one-time billing adjustment for charges incurred inadvertently, i.e., mistakenly, or that were unauthorized;
- o Access to telephone relay service as provided for in PU Code § 2881;
- o Access to public policy pay telephones;

9/15 09:01 Free access to customer service for local service information about ULTS, service activation, service termination, service repair, and account bill inquiries. In addition, local telephone companies can accept bill inquiries via mail or fax.

Almost all of the parties who filed opening comments agreed with the basic service definition that was proposed in D.95-07-050.¹² The only major area of disagreement was the proposed requirement that the customer have the choice of flat or measured rate service.¹³ McCaw Cellular Communications, Inc. (McCaw) commented that the proposed rule to provide a flat rated unlimited local calling option would disadvantage certain carriers who provide basic service other than flat rate charge.¹⁴ CP National et al. commented that many of the small LECs offer only flat rate service, and that it would cost them more to offer measured rate service.¹⁵ Pacific believed that the Commission should allow the market to determine the type of pricing and usage that should be offered since new pricing structures may emerge in a competitive market later on as some (LECs) begin to offer local calling. At this juncture, we do not have to resolve this disagreement with the basic service definition. Instead, we believe that the proxy cost model can be structured in such a way that includes and excludes these elements in the model. That is, one model could include the cost associated with offering both flat and measured rate service. An alternative model could include flat rate service, but exclude the modeling of measured rate service. The Commission should then decide at a later date whether those service elements in question should be included or not in deriving the subsidy for high cost areas.

12 SCP National et al. refers to the following entities: CP National, Evans Telephone Company, GTE West Coast Incorporated, the Kerman Telephone Company, Pinnacles Telephone Company, the Siskiyou Telephone Company, Tuolumne Telephone Company, and The Volcano Telephone Company. The descriptions of the services provided by each company are as follows:

Some of the commenting parties also stated that the subsidies in high cost areas should also include business customers. They argue that without subsidies to businesses in these areas, a large disparity in the cost of basic telephone service will exist between rural and small metropolitan areas, and businesses located in urban areas. The disparity in rates could drive businesses out of rural areas according to their arguments.

As with the flat and measured rate issue, the subsidy of businesses in high cost areas is something that should be examined as well in the workshops on the proxy cost model. Although we want to encourage economic growth throughout California, the cost impact of subsidizing basic services for businesses in high cost areas can must also be analyzed.

Another issue in structuring the proxy cost model is to determine the geographic size of the areas that the proxy cost model is supposed to emulate. In D.95-071050, we proposed that the geographic study areas (GSAs) serve as the reference points from which cost data could be derived, and that the designated carrier of last resort be required to serve based on GSAs. That decisions also proposed that CBGs serve as the GSAs. CBGs were proposed; ied because they cover areas that are relatively small in size, and the cost to serve residential customers within the CBGs should be more relatively homogeneous. In addition, CBGs were preferred because they were viewed as a way of avoiding cost averaging between the more densely populated areas, and the less dense areas.

The opening comments recognized that wire centers instead of CBGs, are the traditional and typical geographic areas in which accounting of the LEC's costs are performed. The small and mid-sized LECs prefer that wire centers or the actual exchange areas be used as the GSA. Pacific and GTEC commented in favor of the CBGs. The Division of Ratepayer Advocates (DRA) favors the use of wire centers as the GSA unless the LECs can demonstrate that GSAs based on CBGs are feasible, that the average costs for CBGs

within a wire center are comparable to the costs of raw wires center as a whole, and that there are common inputs to both the proxy cost models and the OANAD cost studies. In carrying out gathering of data, it is our belief that a proxy cost model based on CBGs will result in more accurate approximations of cost for the smaller the GSA area; otherwise averaging of data will be required. As for DRA's concerns, we believe that some sort of verification of the results of the proxy cost model to actual costs should take place. This is to ensure that the proxy cost model does not overstate or underestimate the amount of subsidy required for high cost areas. The workshops on the proxy cost model should address how this type of verification will occur. Accordingly, the proxy cost model shall use CBGs to derive the cost data. In addition, the following Determining Subsidy Amounts .

In determining what the subsidy amount should be for high cost areas, the Commission also needs to consider the revenues that the LECs receive from basic service. These revenues will help us to determine (1) how much the subsidy should be in high cost areas; and (2) the level at which the benchmark price for basic service should be set. Thus, in addition to the development of a proxy cost model, the Commission will need to gather information from the LECs regarding the revenues generated from the sale of basic services. This should include the tariffed rate for flat or measured rate service, plus the end user common line (EUL) charge. Whether or not additional sources of revenues need to be considered to offset the subsidy amount can be addressed in the workshops as well. The workshops will work out the details of what information shall be supplied and when that information is to be provided by (d) the respondent LECs to this proceeding.

We noted in footnote 17 of D.95-07-050 that in addition to the costs of raw wires center as a whole, and that there are common inputs to both the proxy cost models and the OANAD cost studies. In carrying out gathering of data, it is our belief that a proxy cost model based on CBGs will result in more accurate approximations of cost for the smaller the GSA area; otherwise averaging of data will be required. As for DRA's concerns, we believe that some sort of verification of the results of the proxy cost model to actual costs should take place. This is to ensure that the proxy cost model does not overstate or underestimate the amount of subsidy required for high cost areas. The workshops on the proxy cost model should address how this type of verification will occur. Accordingly, the proxy cost model shall use CBGs to derive the cost data. In addition, the following Determining Subsidy Amounts .

In determining what the subsidy amount should be for high cost areas, the Commission also needs to consider the revenues that the LECs receive from basic service. These revenues will help us to determine (1) how much the subsidy should be in high cost areas; and (2) the level at which the benchmark price for basic service should be set. Thus, in addition to the development of a proxy cost model, the Commission will need to gather information from the LECs regarding the revenues generated from the sale of basic services. This should include the tariffed rate for flat or measured rate service, plus the end user common line (EUL) charge. Whether or not additional sources of revenues need to be considered to offset the subsidy amount can be addressed in the workshops as well. The workshops will work out the details of what information shall be supplied and when that information is to be provided by (d) the respondent LECs to this proceeding.

directory advertising. Pacific commented in its opening comments that yellow page revenues should not be targeted as a source of funding for universal service subsidies. An analysis of § 728.2(a) suggests that such a review is appropriate when it is time to consider establishing the rates for services other than telephone directory advertising.³ We believe that it is premature to add a review of yellow page revenues at this time since we are merely beginning to calculate what, if any, subsidy should be given to high cost areas of the state and to determine the amount of aid needed.

We envision the workshops as a device to facilitate the development of the proxy cost model for use in the OANAD proceedings. The Commission Advisory and Compliance Division (CACD) staff will preside over the workshops, and if necessary, the Administrative Law Judge assigned to this proceeding. The workshops will be fully recorded by a court reporter, as needed. This formal structure is designed to focus the parties on the issues, accomplish the tasks that need resolution, and speed the process along.

We recognize that some of the parties may feel that they do not have sufficient resources to cover all the related telecommunications issues that are before us in this and other proceedings. However, as we have noted in previous decisions, and in statements made by various Commissioners, we are committed to implementing these changes in a timely manner. The following is a schedule that we intend to follow, subject to agreement between the parties and our own resources. It is intended to be a general outline of the process and to allow the parties to develop their own specific needs to address the issues. It is not a detailed plan.

3. Section 728.2 (a) reads: "Except as provided in subdivision (b), the commission shall have no jurisdiction or control over classified telephone directories or commercial advertising included as part of the corporation's alphabetical telephone directories, including the charges for and the form and content of such advertising, except that the commission shall investigate and may consider revenues and expenses with regard to the acceptance and publication of such advertising for purposes of establishing rates for other services offered by telephone corporations." (emphasis added)

December 29, 1995 - Mailing of workshop agenda.

January 5, 1996 - Filing of position paper on benchmark output for voice and cost model, by the parties involved.

January 16-26, 1996 - Workshops for the development and evaluation of proxy cost model.

February 2, 1996 - Ruling regarding proxy cost model framework, identification of contested universal service issues, and scheduling details.

February 20-23, 1996 - Additional workshops if needed.

February 23, 1996 - Status update on modeling progress.

March 25-April 5, 1996 - Evidentiary hearing dates reserved for the proposed universal service issues.

April 5, 1996 - Results of proxy cost model available and information gathering completed.

April 30, 1996 - All briefings completed if evidentiary hearings held.

May 17, 1996 - Proposed Decision issued if evidentiary hearings are held.

June 19, 1996 - Final decision issued.

The workshops will help to determine what issues need to be addressed in hearings. If necessary, the Commission will hold hearings on the issues that parties cannot agree upon in accordance with the schedule listed above. Concurrent with the development of the proxy cost model and its output, and the other information gathering, we plan to resolve the other universal service issues that we proposed in D.95-07-050. We contemplate that a final decision will be issued in June 1996 resolving most, if not all of the universal service issues. Other interim decisions may be needed before June 1996 as well, so that the necessary administrative processes associated with the universal service programs can be put in place.

Due to the time constraints, the assigned Commissioner and/or the assigned Administrative Law Judge may need to issue rulings refining the type of modeling and information gathering that is needed to achieve the above schedule. We voice our support in advance of those future actions as a way in which to achieve our enunciated goal of opening all telecommunications markets to competition by January 1, 1997.

Findings of Fact

1. D.95-07-050 noted that after the receipt of the opening comments to the proposed universal service rules, an interim decision might be issued concerning the format of cost studies for the purpose of determining high cost areas.
2. An interim decision regarding cost studies is needed so that the Commission can timely implement a universal service program in an era of local exchange competition.
3. Interested parties had the opportunity to state in their opening comments whether evidentiary hearings are needed to resolve any of the universal service issues.

4. Three categories of issues were identified in the opening comments that were filed.

5. The stranded investment issue is the subject of several applications for rehearing of D.95-07-050.

6. The issue regarding rate deaveraging and the pricing of basic service is an issue the Commission is examining in the incentive-based regulatory framework proceeding (I.95-05-047).

7. This decision sets forth the format and parameters of the proxy cost study, and workshops to address the details of the model and whether evidentiary hearings are needed.

8. D.95-07-050 proposed that universal service cost studies be developed in the OANAD proceeding.

9. In D.95-12-016 the Commission determined that the development of the proxy cost model for universal service should remain in this proceeding rather than in the OANAD proceeding.

10. D.95-07-050 concluded that the intent behind § 70915(a)(2) was to open all telecommunications markets to competition no later than January 1, 1997.

11. The proxy cost model should closely reflect actual costs without the necessity of having to develop cost studies for each of the individual LECs.

12. The workshops should discuss what cost factors should be used to formulate the proxy cost model.

13. The proxy cost model should reflect the approximate costs of providing basic service to residential customers in all parts of the state.

14. D.95-07-050 proposed including certain service elements within the basic service definition.

15. The only major disagreement with the proposed basic service definition concerned the requirement that the customer have the choice of flat or measured rate services.

16. Some of the commenting parties stated that the subsidies in high cost areas should also include business customers.

17. In determining the subsidy amount for high cost areas, the Commission also needs to gather information concerning the revenues that the LECs receive from basic service.

18. The revenue information will help to ascertain how much a subsidy should be in high cost areas, and how much the benchmark price for basic service should be set at.

19. D.95-07-050 noted that in determining the subsidy for high cost areas, it might be appropriate under § 728.2 for the Commission to consider the revenues and expenses associated with telephone directory advertising.

20. The workshops will be used as a device to facilitate the development of the proxy cost model.

According to the parties involved in this proceeding, the cost of telephone service in high cost areas is relatively low because of the high cost of telephone equipment.

Conclusions of Law (cont'd) subvibit of 020-10-20,0 .01
1. Regardless of the mechanism that we choose, the proxy cost study will provide us with the cost information necessary to implement the Commission's universal service policies. II
2. The proxy cost model should be developed for the entire state. 020-10-20,0 .01

If the small and mid-sized LECs do not believe that the proxy cost model will adequately reflect their costs, we will allow them the option of proposing an alternate proxy cost model. II
In order to initiate the creation and development of a proxy cost study, it is necessary to establish a framework from which interested parties can build. 020-10-20,0 .01

5. The Commission does not need to resolve in this decision disagreements concerning the proposed definition of basic service. 020-10-20,0 .01
A proxy cost model based on CBGs should result in less averaging of data, and result in more accurate approximations of cost. 020-10-20,0 .01

7. The proxy cost model shall use CBGs to derive the cost of data. 020-10-20,0 .01

To ensure that the proxy cost model does not overstate or understate the amount of the subsidy required for high cost areas, some sort of verification of the results should occur. 020-10-20,0 .01

9. An analysis of § 728(2)(a) suggests that a review of the revenues associated with directory advertising is premature at this time. 020-10-20,0 .01

IT IS ORDERED that a review of the revenues associated with directory advertising be held before 020-10-20,0 .01

IT IS ORDERED that is been ad 020-10-20,0 .01

1. Workshops into the development and creation of a proxy cost model for universal service funding shall be held in accordance with the schedule discussed in this decision.

2. The workshops shall also resolve what information gathering is necessary to determine universal service subsidies, whether other contested issues exist, and whether evidentiary hearings are necessary.

3. The local exchange carriers, and other parties interested in the development and creation of a proxy cost model, shall participate in the workshops and provide any necessary information to the Commission's Advisory and Compliance Division

4. Interested parties may file a position paper commenting on the advantages and disadvantages of the benchmark cost model. The position paper shall not exceed 15 pages in length, and shall be filed with the Docket Office on or before January 5, 1996 and served on the service list to this proceeding.

5. The assigned Commissioner and/or the assigned Administrative Law Judge may issue additional rulings refining the type of modeling and information gathering that is needed to achieve the schedule discussed in this decision.

This order is effective today.

Dated December 6, 1995, at San Francisco, California.

DANIEL Wm. FESSLER
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners