

ATTACHMENT B

Page 2

9. Schedule 2-T, Sheet No. 8, Rule 7, Deposits & Advance Payments (4). Timely payment of the company's charges is not a requirement for refund of deposits. Revise tariff language to comply with Rule 5 of Appendix B, Decision 95-07-054.
10. Schedule 2-T, Sheet No. 14, Rule 8, Notices (4). Delete reference to "Caller ID." This service can only be provided after the company complies with requirements detailed in Decision 96-04-049 regarding Caller ID's customer notification and education plan materials.
11. Schedule 2-T, Sheet No. 20, Rule 12, Information to be Provided to the Public (A). The address shown in Section (A) is not the same as the address on the top heading of the tariff sheet.

(END OF ATTACHMENT B)

Decision 99-04-012 April 1, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Francisco Thermal, Limited partnership (U-908-H), Thermal Ventures, Inc. ("TVI"), and NRG Energy, Inc. ("NRG") for authority to transfer control of North American Thermal Systems, Limited Liability Company from TVI to NRG.

Application 99-02-009
(Filed February 4, 1999)

OPINION

Summary

This decision grants the application of San Francisco Thermal, Limited Partnership (SFTLP), Thermal Ventures, Inc. (TVI), NRG Energy, Inc. (NRG) and North American Thermal Systems, Limited Liability Company (NATS) (jointly referred to as "Applicants") to transfer control of SFTLP solely to NRG.

Discussion

This application, filed February 4, 1999, asks the Commission to approve a transaction which would permit NRG, as the owner of NATS, the general partner of SFTLP, to exercise sole control over SFTLP; TVI owns and operates district heating and cooling systems in North America. NRG and TVI own NATS, which owns district heating systems in San Francisco and other locations. TVI and TVLP, through SFTLP, originally acquired ownership of the San Francisco steam heating system from PG&B in 1993. The Commission approved acquisition of the system by SFTLP in Decision (D.) 93-06-038.

In 1995, TVI and NRG agreed that NRG would acquire 50% of TVI's general partner interest in SFTLP. To facilitate this transaction, TVI transferred its general partner interest in SFTLP to NATS, a newly created limited liability

company. NATS was own equally by TVI and NRG, although TVI retained day-to-day management of NATS and SFTLP. In D.95-11-045, the Commission approved the transfer of SFTLP from TVI to NATS and TVI's indirect control over SFTLP.

NRG now has elected to become sole owner of NATS. Control over SFTLP will be transferred to NRG, including day-to-day management of NATS and the operation of SFTLP. TVI and TVLP's purchase agreement provides that TVI will sell to NRG, among other things, TVI's 50% member interest in NATS.

Applicants submit that the transfer is in the public interest. They state NRG possesses sufficient financial resources and technical expertise to continue to provide safe and adequate steam heating service to customers of SFTLP without interruption or deterioration in service. Applicants' request for authority to affect the subject transfer is reasonable. They provide requisite documentation of the transaction and convince us that NRG has the wherewithal required to assure continued safe and reliable service to SFTLP's customers.

This matter is uncontested and we grant the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), we waive the otherwise applicable 30-day period for public review and comment.

In Resolution ALJ 176-3010 dated February 18, 1999, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. Given this status public hearing is not necessary and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3010.

Findings of Fact

1. Applicants seek approval of a proposed transfer of utility property pursuant to §§ 851 and 854 and propose certain conditions of the transfer on behalf of shipper interests. No party has protested this application.

2. Approval of this application would not compromise the interests of the public or the customers of SFTLP.

Conclusions of Law

1. The Commission should approve the application with the terms and conditions proposed by applicants.

2. The Commission should grant Applicants' motion for limited protective order on the basis that the material for which it seeks confidentiality may reasonably be considered to be sensitive from a business standpoint.

O R D E R

IT IS ORDERED that:

1. The application of San Francisco Thermal, Limited Partnership, Thermal Ventures, Inc. and NRG Energy, Inc. for authority to transfer control of North American Thermal Systems, Limited Liability Company, from TVI to NRG is approved as requested.

2. Applicants' motion for a limited protective order dated February 4, 1999 is granted.

3. Application 99-02-009 is closed.

This order is effective today.

Dated April 1, 1999, at San Francisco, California.

RICHARD A. BILAS

President

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners