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Decision 99-04-022 April 1, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY, a California corporation and ROSEBURG RESOURCES COMPANY, an Oregon corporation for an Order Authorizing the Former to Sell and Convey to the Latter Certain Parcels of Land in Shasta County Pursuant to Public Utilities Code Section 851 (Electric (U 39 E)).

ORIGINAL

Application 98-06-018
(Filed June 9, 1998)

OPINION

Pacific Gas and Electric Company (PG&E or Seller) and Roseburg Resources Company (Buyer), an Oregon corporation, jointly apply for authority to transfer certain parcels of land located in Shasta County (the Property) pursuant to a Standard Purchase and Sale Agreement dated January 19, 1998 (the Agreement) and for approval of the ratemaking treatment proposed for the transfer.

The application was filed on June 9, 1998 and was noticed in the Daily Calendar on June 11, 1998. The Office of Ratepayer Advocates (ORA) filed a response stating that the application should be approved on the express condition that Seller's shareholders will bear any costs associated with the expansion of easements that are not recoverable from new customers pursuant to applicable tariffs. ORA recommends approval of the application and states that the Commission should require PG&E to provide, within 10 days of the actual transfer of the Property, written notification of the date on which the transfer was consummated, including a copy of the instrument effecting the transfer. This

notification should be provided both to the Commission and to ORA. No other protests or responses have been received.

In Resolution ALJ 176-2995, dated June 18, 1998, the Commission preliminarily categorized this proceeding 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 176-2995.

Applicants

Since October 10, 1905, PG&E has been an operating public utility corporation, organized under the laws of the State of California, engaged principally in the business of furnishing gas and electric service in California.

Buyer is an Oregon corporation which owns all lands surrounding the property. It intends to manage the Property for timber production.

The Property

The Property consists of approximately 785 acres of land in Shasta County which are portions of the parcels of land designated as Shasta County Assessor's Parcel Numbers 98-53-040, 98-36-002, 98-36-015, 98-36-006, and 98-36-012. PG&E acquired a major portion of the Property from a predecessor company, Northern California Power Company, Consolidated, by general transfer dated January 23, 1936. PG&E acquired the remainder of the Property from Walter W. Walker Trust and others by deed dated January 17, 1968.

Since its acquisition, the Property has been used by PG&E as watershed for its Kilarc-Cow Creek Hydroelectric Project (FERC Project No. 606) and managed for timber production. PG&E will retain ownership in fee of the diversion dam, canal, forebay, penstock, and powerhouse, which comprise a portion of the Kilarc-Cow Creek Hydroelectric Project. In addition, PG&E will be reserving

easements across the Property for the existing spillways and electric transmission and distribution pole lines. A vicinity map, along with a map of the Property showing the location of the easements being reserved, is attached to the application. PG&E will also be reserving rights for its domestic water system which is used to provide water service to the residence located near the powerhouse.

PG&E has retained the Property in fee in order to protect downstream hydroelectric facilities from excessive siltation that might result from unregulated logging of the Property's timbered watershed lands. Today, however, it is no longer necessary to retain full fee ownership rights to protect downstream hydroelectric facilities from siltation resulting from logging practices and road construction.

Pursuant to the Z'berg-Nejedly Forest Practices Act, Cal. Pub. Res. Code §§ 4511 et seq., anyone intending to harvest trees must first submit a Timber Harvesting Plan (THP) for approval by the California Department of Forestry (CDF). (Id. § 4581.) The proposed THP must describe the methods to be used in cutting and removing trees and to avoid excessive erosion from timber operations. (Id. §§ 4582(d) and (e).) By law, PG&E and others have an opportunity to examine the THP and provide comments on it. (Id. §§ 4582, 4582.6.) As part of its approval process, CDF is required to consider public comments and make recommendations for mitigation necessary to protect the environment. (Id. § 4582.7.)

Thus, the THP process provides PG&E with full opportunity to review and comment on proposals for logging on watershed lands. Furthermore, the process ensures that downstream beneficial uses – such as hydroelectric generation, fish habitat, and recreation – will be protected by orders enforced by

CDF. Consequently, PG&E no longer needs to retain full fee ownership in order to protect the watershed surrounding the Kilarc-Cow Creek Hydroelectric Project.

Based on the analysis described above, and as part of PG&E's ongoing efforts to identify properties for sale and disposition, the Property was identified as a candidate for disposition. Aside from the easements reserved for the spillways, electric lines and domestic water system, it is not foreseeable that the Property will ever again be useful for public utility purposes. PG&E, therefore, determined that it did not need to maintain ownership of the Property in fee, and, as a matter of law, the fee interest in the Property could be declared surplus if PG&E entered into an agreement whereby public utility easements were created retaining all rights necessary for maintenance and operation of the existing and future electric lines, the spillways and the domestic water system. PG&E also believes that by exchanging unused fee interests for easements and by removing the book value of the fee interests from rate base, PG&E would be able to maintain customer service at a reduced cost.

Subsequently, PG&E entered into an agreement with Buyer to convey the fee interest in the Property subject to the easements for the spillways, electric lines and domestic water system. Pursuant to Public Utilities (PU) Code Section 851, Commission authority for the sale is necessary for property that is "used and necessary" (a term assumed to be synonymous with "used and useful"). Hence, PG&E and Buyer are jointly filing this application.

Easements

Pursuant to Section 4.2 of the Agreement, PG&E will be reserving easements for any facilities required for the operation and maintenance of PG&E's Kilarc-Cow Creek Project.

The rights being reserved as well as descriptions of the easement strips are set forth in the Grant Deed whereby PG&E proposes to sell the Property to Buyer. However, in addition to the rights specifically reserved in the Grant Deed, PG&E relies on the common law of servitudes to the maximum extent possible. Under the common law of servitudes, PG&E has the right to do such things as are necessary for the full enjoyment of the easements themselves, and such rights do not need to be expressly stated in the document which creates the easements.

Thus, the easements reserve to PG&E sufficient express rights for operation and maintenance of all existing and future facilities, along with all the secondary (common law) rights which may be necessary for the full enjoyment of the primary grant. The easements expressly reserve to PG&E the right to repair, maintain, reconstruct and use the existing spillways, the right to use its existing line of poles and to erect and construct additional lines of poles and towers, along with the right to reconstruct, replace, remove, maintain and use all the aforementioned facilities which PG&E deems necessary for the transmission and distribution of electric energy and for communication purposes. In addition, the easement for the domestic water system allows PG&E the right to reconstruct, replace, relocate, remove, maintain and use its existing domestic water system.

The secondary rights which are being reserved include the right of ingress to and egress from the easement areas and the parcels in which PG&E is retaining fee ownership, the right to control trees and brush lying within the easement areas or adjacent to the easement areas, or adjacent to the parcels in which PG&E is retaining fee ownership, the right to prohibit the construction of any building or other activity in and around the easement areas which might interfere with PG&E's operations, and a provision that all successors and assigns of the parties are bound by the terms of the easements and that all covenants

shall apply to and run with the Property. In addition, PG&E relies on any other common law rights that it may possess as the holder of an easement and that may be reasonably necessary to fully preserve the ratepayer interest in reliable electric facilities and service.

Easements created by reservation, as here, are permanent covenants on the servient tenement (the Property) and cannot be extinguished by any act of Buyer or their successors in interest. Generally, public utility easements, such as those at issue here, are said to "run with the land" for the life of the public utility facilities, including however long that life may be extended with ordinary maintenance and replacement programs of the utility. Since, with normal routine maintenance, the public utility facilities will be expected to last forever, the easements too are considered permanent and would last forever.

The rights retained by PG&E in the proposed easements are sufficient for all present and future public utility needs. Specifically, the easements for the spillways and domestic water system give PG&E the right to maintain and reconstruct these facilities, and the easements for the electric lines reserve to PG&E the rights for its existing facilities as well as for additional facilities in the future. Because PG&E believes that the easements are sufficient for all foreseeable future needs, any cost due to any expansion to the easements which is not funded by new customers pursuant to the tariffs will be borne by the Company and will not be reflected in rates.

In addition to the primary and secondary easement rights reserved, PG&E will also retain certain water rights associated with the Property. The Property is traversed by Old Cow Creek, and PG&E will retain all water rights associated with the Property, including both riparian and appropriative rights. This

covenant will prevent Buyer or successors in interest from interfering with the beneficial use of water needed for power generation at PG&E's powerhouse.

Buyer or any successors in interest would acquire all rights incident to fee ownership subject to the express and implied covenants in the deed.

Purchase and Sale Agreement

The terms and conditions of the proposed sale are contained in the Agreement between PG&E and Buyer. Under the terms of the Agreement, PG&E will sell and convey to Buyer the Property together with all easements, rights and privileges appurtenant thereto, and all warranties and other agreements related thereto.

Under the Agreement, approval by this Commission and by the Federal Energy Regulatory Commission (FERC) of the proposed sale are conditions precedent to the closing of the sale. FERC approval is needed because two access roads and the spillways which traverse the Property are included in the Kilarc-Cow Creek Hydroelectric Project, FERC Project No. 606. FERC approval was received on March 13, 1997.

In paragraph 15 of the Agreement, Buyer acknowledges and agrees that the portion of the Property included in FERC Project No. 606 shall be subject to the covenants, conditions, and restrictions contained in Article 42 of the FERC Project No. 606 License. Generally, the FERC license requires that the use of the Property included in the Project not endanger health, create a nuisance or otherwise be incompatible with the recreational use of the Project, and that reasonable precautions be taken to ensure that the construction, operation and maintenance of structures or facilities on such property will occur in a manner that will protect the scenic, recreational and environmental values of the Project.

Buyer also agrees and acknowledges that the FERC license imposes on PG&E a continuing responsibility to supervise and control the uses and occupancies of the portion of the Property included in the Project and to monitor the use of the Property to ensure compliance with the requirements of the FERC license.

According to the Agreement, the close of escrow for this transaction shall occur no later than March 31, 1998, subject to such extensions as may be agreed upon between Seller and Buyer. The parties have agreed to extend this deadline.

Original Cost, Book Value and Purchase Price

The total original cost of the Property was $22,810. The purchase price is $785,000 payable to PG&E at the close of the sale.

The Property was exposed to a broad market through a written invitation to bid. This was accomplished with the assistance of a real estate broker. The brokerage fee was $15,700. The invitation to bid package was mailed to approximately 150 prospective purchasers. Three offers were received for the Property. Buyer submitted the best offer. Therefore, the purchase price directly reflects the fair market value of the Property.

Environmental Matters

A. Compliance With The California Environmental Quality Act (CEQA)

In this application, PG&E seeks authority under PU Code § 851 to transfer approximately 785 acres of land in Shasta County to Buyer. PG&E believes that the proposed sale is categorically exempt from the requirements of CEQA because (1) it can be seen with certainty that there is no possibility that the proposed sale may have a significant effect on the environment; and (2) it involves no change in use beyond previously existing uses. (14 Cal. Code of Regulations §§ 15061 (b)(3) and 15301 (b).) According to PG&E, the proposed

sale will not have a significant effect on the environment, and, consequently, no further evaluation by the Commission is required. (Myers v. Board of Supervisors of Santa Clara County, 58 Cal. App. 3d 413, 421-22 (1976), citing No Oil Inc. v. City of Los Angeles, 13 Cal. 3d 68, 74 (19974); see also Southern California Edison Co., D. 94-06-017, 55 CPUC 2d 126, 129 (1994).)

While the proposed sale may possibly result in an indirect change to the environment, there is no evidence of such a change in the record before the Commission. As noted above, the Property has been used by PG&E for watershed and timber production. Neither PG&E nor Buyer presently seek authority from the Commission to change the existing uses of the Property. To the extent that Buyers could propose a change in use of the Property, PG&E believes it would be both premature and inappropriate for the Commission to conduct CEQA review at this time. Instead, PG&E urges the Commission to defer to the state and local authorities having jurisdiction over Buyer's proposed changes in use to conduct such environmental review as they may deem appropriate at the time Buyers submit an application for change in use.

CEQA guidelines expressly recognize that the timing of CEQA review "involves a balancing of competing factors," and that such review should occur "as early as feasible in the planning process to enable environmental considerations to influence project program and design and yet late enough to provide meaningful information for environmental assessment." (14 Cal. Code of Regs. § 15004.)

As noted above, Buyer plans to use the Property for timber production, but Buyer's plans are contingent upon numerous factors. In light of these contingencies, PG&E believes that it would be premature for the Commission to conduct CEQA review at this time. Instead, PG&E urges the

Commission to defer to the appropriate state and local authorities having jurisdiction over Buyer's proposed changes in use of the Property. These authorities are generally in a superior position to evaluate local environmental impacts and develop appropriate mitigation strategies.

Based upon the record here, such deference is appropriate, and will not result in any regulatory gap. CEQA specifically applies to discretionary projects such as issuance of conditional use permits and approval of tentative subdivision maps. (See Pub. Res. Code § 21080; see also Myers, supra, 58 Cal.App.3d at 424.) Accordingly, if and when Buyer proposes any change in use of the Property, the appropriate state and local authorities having authority over such proposed uses must conduct environmental review under CEQA. The Commission conditions its approval of the proposed sale on Buyer's compliance with all applicable environmental regulations.

Consistent with this treatment, PG&E notes that any environmental considerations related to Buyer's proposed use of the Property for timber production should properly be addressed pursuant to the procedure set forth in the Forest Practices Act. Under Pub. Res. Code Section 21080.5, the Secretary of the California Resources Agency may certify a regulatory program of a state agency as exempt from the requirement of environmental impact report (EIR) preparation, if the program requires that a project be preceded by the preparation of a written project plan containing sufficient environmental impact information. (See Environmental Protection Information Center, Inc. v. Johnson, 170 Cal.App.3d 604, 610 (1985).) Pursuant to this section, the Secretary has certified the regulation of the timber industry as exempt from EIR preparation. In other words, the Secretary has determined that the THP preparation and approval process, as governed by the FPA and its implementing regulations, is a "functional equivalent" to EIR preparation, thereby obviating the need for

separate EIR preparation. (Id. at 611, citing Natural Resources Defense Council, Inc. v. Arcata Nat. Corp., 59 Cal.App.3d 959, 976-77 (1976).)

B. Environmental Claims

As part of the Purchase and Sale Agreement, PG&E disclosed that, at some time during its ownership of the Property, PG&E may have handled, treated, stored or disposed of hazardous substances on or adjacent to the Property. Pursuant to the Agreement, Buyer acknowledges that no report regarding hazardous materials was provided by PG&E, that it has the right to investigate the Property, and that PG&E will not be responsible to Buyer for the presence of hazardous materials either on or affecting the Property.

In Section 5.5(c) of the Agreement, Buyer has waived and relinquished any and all benefits and protections it may have under Section 1542 of the California Civil Code, which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Based on the Agreement and the general release waiver contained therein, the parties do not expect any claim for environmental damage which may affect PG&E or its ratepayers after the close of escrow.

Ratemaking Treatment

The application shows the 1998 revenue requirement associated with the Property. Based on property taxes of $1,079, annual timber management costs of approximately $1,600, and PG&E's 1998 authorized cost of capital for generation-related facilities (6.77 percent on equity; 7.13 percent on rate base, based on the reduced rate of return adopted in the Competition Transition Charge (CTC) Phase 2 decision, D.97-11-074), the 1998 revenue requirement,

including taxes, franchise fees and an allowance for uncollectibles, is $5,438. The costs related to the Property are recovered in the Transition Cost Balancing Account (TCBA) through the Hydroelectric/Geothermal Revenue Requirement as established in the Generation Performance-Based Ratemaking (Gen-PBR) proceeding in D.97-12-096.

Because the revenue requirement determined in the Gen-PBR is authorized at an aggregate level, it is impossible to specifically identify these costs in the Gen-PBR decision. Nevertheless, these costs are presently included in rates since they are imbedded in PG&E's adopted rate base and M&O expense estimates. Therefore, in this case, the Property's $5,438 revenue requirement is included in the revenues ordered by D.97-12-026.

As described above, PG&E is reserving easements for any existing or proposed utility facilities. These easements, retaining all rights necessary for maintenance and operation of the existing and any future electric facilities, and for the spillways and domestic water system, will have no effect on PG&E's rate base. Additionally, by selling the Property with the appropriate easements, PG&E avoids maintenance costs on fee ownership property that was being underutilized for utility purposes.

Pursuant to Assembly Bill 1890 and the Commission's Preferred Policy Decision (D.95-01-063, as modified by D.96-01-009), electric utilities such as PG&E were strongly encouraged to divest voluntarily at least 50 percent of the fossil-fueled power plants within their service territories. In the Preferred Policy Decision, the Commission stated that transition costs associated with divestiture would be collected through a nonbypassable competition transition charge applicable to all retail customers. In the CTC Phase I Decision (D.97-06-060), the Commission ordered each electric utility to establish a TCBA, with separate

sections for costs and revenues. In the CTC Phase 2 Decision (D.97-11-074), the Commission directed that the gain or loss resulting from sales of divested generation assets, including land, should flow through the CTC Revenue Section of each utility's TCBA.

The Property has historically been used for generation-related purposes. Consistent with the Commission directives discussed above, the gain on sale for the Property should flow through PG&E's TCBA. In addition, upon close of the sale PG&E will remove the Property from rate base and adjust the entries in the TCBA to reflect the reduction of the revenue requirement associated with the Property. In summary, PG&E should:

- Retire the asset from rate base.
- Adjust the Hydroelectric/Geothermal Revenue Requirements in the TCBA.
- Book the proceeds to the CTC Revenue Section of the TCBA.

The tax liability that was proposed by PG&E should be denied because PG&E will not have to pay any additional taxes from this sale. All taxable proceeds from this sale will be offset against tax, deductible expenses in the TCBA and therefore no additional tax liability will be owed.

The initial journal entry required to achieve the ratemaking treatment outlined above would be as follows:

Debit - Cash	$769,300
Credit - Land	$ 22,810
Credit - Balancing Account	$746,490

The ratemaking treatment is consistent with the Commission's decisions on electric industry restructuring, and applying the proceeds to the TCBA

provides benefits to ratepayers and an incentive to PG&E to maximize the potential gain on the sale of the land.

The sale of the Property will result in a reduction of the CTC responsibility for ratepayers of PG&E. The ratemaking mechanism in this Decision is consistent with the ratemaking directives issued by the Commission in D.97-11-074 and D.97-06-060, and embraces the Commission's goal of having a rapid and smooth transition to retail electric competition.

The Proposed Sale Is In The Public Interest

The relevant inquiry in an application for transfer is whether the transfer will be adverse to the public interest. (See re Universal Marine Corporation, 14 CPUC 2d 644, 646 (1984).) The parties here believe that the proposed sale of the Property to the Buyer, under the terms and conditions in the Agreement, is in the public interest because, subject to the easements described above, the Property to be sold is no longer necessary or useful for public utility purposes. PG&E's need for the existing and any future facilities will be adequately protected by the proposed easements.

Moreover, the easements will actually be more advantageous to PG&E and its ratepayers than continuing to own the Property. In particular, with an easement, PG&E would retain all rights necessary for current maintenance and future operation of the existing facilities, including the right to enter on any part of the Property for maintenance purposes, with none of the obligations attendant to ownership of the Property. Specifically, PG&E would no longer be responsible for payment of property taxes associated with the Property, nor would PG&E be liable for injury to trespassers or others who may enter the Property.

Comments on Draft Decision

The draft decision of the ALJ in this matter was mailed to the parties in accordance with PU Code Section 311(g) and Rule 77.1 of the Rules of Practice and Procedure. On February 9, 1999, the Commission circulated a revised draft decision to the parties in A.98-05-014 and A.98-05-022, and invited informal comments on the regulatory policy being effectuated in the revised draft decision. Comments were received from the Environmental Defense Fund (EDF), the Coalition of California Utility Employees (CUE), ORA, and the Association of California Water Agencies (ACWA).

The letter from EDF is brief, and primarily expresses concern that this sale could act as a precedent for other, more significant, sales.

CUE offers a detailed critique of the Commission's application of CEQA in a letter that contains significant legal analysis, supported by extensive case citations. Unfortunately, CUE failed to address the broader issue of regulatory policy that was the basis for the Commission's invitation.

ORA (a party to this proceeding, unlike the other respondents) similarly devotes virtually all of its letter to CEQA analysis, also ignoring the larger question presented.

ACWA's letter, while brief, raises two significant and related issues. First, given the context of the now foreseeable disposition of PG&E's hydroelectric assets, notice to potentially interested parties has been rendered less than optimum. Furthermore, ACWA notes that while the safeguards imposed in the decision may be adequate to protect the interests of the owner of the hydrofacility, they may not be adequate to protect the interests of other users of the watershed. Both of these problems can best be addressed by notification of all interested parties. Accordingly, the Commission will add to this decision a

modified version of ACWA's proposed Ordering Paragraph 7, requiring notice to be given to local jurisdictions of future sales.

In general, the responses express concern about the Commission's application of CEQA, and the possibility that the decision could act as precedent on CEQA issues. The Commission has considered the comments it has received, and has, to a limited extent, incorporated their recommendations. Given the very fact-specific nature of the decision (and CEQA analysis in general), this decision has no precedential value, and is limited to the record of this proceeding. In light of the above considerations, CUE's Motion for Limited Intervention is denied.

Findings of Fact

1. PG&E provides public utility electric service in many areas of California, and in meeting its service obligations over the years has acquired numerous parcels of land which have been used and useful in its provision of service.

2. With the passage of time, PG&E's requirement of full use of some of these parcels has diminished, and PG&E is determining that its present and future requirements on some of these parcels can now and for the future be met by retention of easement rights, while disposing of the basic fee interests in these parcels.

3. By selling unused fee interests in such properties and retaining easements or reservations, the book value of these fee interests can be removed from rate base, enabling PG&E to maintain customer service at reduced costs.

4. The Property consisting of 785 acres of land located in Shasta County is land where PG&E has determined that its present and future public utility requirements are capable of being met through use of easements without the necessity of continued retention of the fee interest in the Property or its retention in rate base.

5. PG&E has agreed to sell its fee in the Property to Roseburg Resources Company, with seller retaining agreements sufficient for its present and future utility requirements.

6. The adopted ratemaking treatment is as follows:

a) PG&E's rate base would be reduced by the $22,810 cost of the Property;

b) PG&E's electric base revenues would be reduced by an annualized amount of $5,438; and

c) Proceeds would be booked to the CTC Revenue Section of the TCBA.

7. The application states PG&E's intention to have shareholders bear any costs associated with the expansion of easements which are not funded by new customers pursuant to applicable tariffs.

8. By allocating all proceeds to the CTC Revenue Section of the TCBA, the total amount of the electric industry restructuring transition costs will be recovered sooner, and the CTC charge will be eliminated more quickly, thereby reducing the overall CTC burden on ratepayers.

9. Retained easements will adequately protect PG&E's existing and future electric facilities requirements, and removal of fee ownership costs will result in lower costs to both PG&E and its ratepayers; accordingly, the proposed sale and transfer as well as the proposed ratemaking treatment of the after-tax gain on sale is in the public interest.

Conclusions of Law

1. A public hearing is not necessary.

2. The proposed sale and transfer as set forth in the application, and the ratemaking treatment of the gain on sale as set forth in this decision should be approved.

3. CEQA review is properly deferred to the appropriate state and local authorities having jurisdiction over any proposed changes in use of the Property.

4. This decision is based upon the record before the Commission, and has no precedential value.

ORDER

IT IS ORDERED that:

1. Within six months of the effective date of this order, Pacific Gas and Electric Company (PG&E) may sell and transfer to Roseburg Resources Company, an Oregon corporation (Buyer), the Property as set forth in Application (A.) 98-06-018, subject to the reservations therein described.

2. Within 10 days of the actual transfer, PG&E shall notify the Commission and the Office of Ratepayer Advocates in writing of the date of which the transfer was consummated. A true copy of the instrument effecting the sale and transfer shall be attached to the written notification.

3. Upon completion of the sale and transfer authorized by this Commission order, PG&E shall stand relieved of public utility responsibilities for the property except as to the reserved easements.

4. The ratemaking treatment set forth in this decision shall be followed by PG&E.

5. Completion of the sale and transfer authorized by this order shall obligate PG&E's shareholders to bear any costs associated with the expansion of reserved easements which are not funded by new customers pursuant to applicable tariffs.

6. Approval of this sale and transfer is conditional upon Buyer's compliance with all applicable environmental regulations.

7. PG&E is directed to serve any future Public Utilities Code Section 851 applications regarding land and/or hydroelectric facilities on local jurisdictions, such as cities, counties, special use districts, and federal and state resource agencies.

8. A.98-06-018 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