# Public Utilities Commission of the State of California

Public Agenda 2978 Wednesday, October 22, 1997, 10 a.m. San Francisco, California

Commissioners
P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas

For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.

Website: http://www.cpuc.ca.gov

# Scheduled Commission Meetings AUDITORIUM

505 Van Ness Avenue, San Francisco

Wednesday, November 5 Wednesday, November 19

Wednesday, December 3 Tuesday, December 16

Matters of Public Interest

For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.

### PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
- CA-8, H-4, H-11

## CONSENT AGENDA

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

- CA-1 A97-08-016 OCOM Corporaton, dba Cellular Network. For exemption from tariffing requirements of Sections 454, 489, 491, and 495 of the Public Utilities Code. Granted. This proceeding is closed. (Com Knight ALJ O'Donnell)
- CA-2 A97-07-025 Cox Communications PCS, L.P. For exemption from the tariffing requirements for its non-dominant interexchange carrier services. Granted. This proceeding is closed.

  (Com Neeper ALJ Weishmehl)
- CA-3

  A97-03-037 City of Fremont (City). For authority to construct Washington Boulevard and Paseo Padre Parkway at separated grades over the branch line of the Union Pacific Railroad Company in Fremont, Alameda County. Granted. The City is also authorized to construct temporary detour crossings. Upon completion of the overheads, the temporary grade crossings and the Washington Boulevard grade crossing (Crossing 4G-3.2) and the Paseo Padre Parkway grade crossing (Crossing 4G-2.6) shall be closed and physically removed. This proceeding is closed. (Exam Koss)
- CA-4

  A97-04-057 Santa Clara Valley Transportation Authority, formerly the Santa Clara County Transit District. For authority to construct one pedestrian at-grade crossing of its eastbound LRT tracks at the Bayshore/NASA Station in the City of Mountain View, County of Santa Clara. Granted. This proceeding is closed.

  (Exam Koss)

- CA-5 I89-03-004 Order instituting investigation on the Commission's own motion into the responsibilities of railroad corporations to improve walkway conditions along tracks in existence before the adoption of General Order 118. This decision closes the Commission's investigation into railroad walkway safety. This proceeding is closed.

  (Com Conlon ALJ Malcolm)
- CA-6 Res G-3223 Pacific Gas and Electric Company (PG&E). Requests approval of its proposed standardized cost structure for recovery of start-up costs associated with the construction of interconnection plants requested by producers to accept California production gas into PG& E's gas plant. (Advice Letter 2030-G, filed August 1, 1997)
- CA-7

  A97-08-010 Pacific Bell (Pacific). For approval, pursuant to Public Utilities Code § 851, of space use arrangements with six affiliated companies. The arrangements involve affiliate use of existing, unused space in Pacific property that is deemed no longer necessary for utility operations. Pacific states that all of the arrangements comply with affiliate transaction rules of this Commission and of the federal government. Granted. This proceeding is closed.

  (Com Duque ALJ Walker)
- CA-8 (ECP)C96-12-023 Dale E Fletcher vs. Southern California Water Company. Complaint for \$119 for overcharge for water. (CTS) of D97-05-089, which suspended CTS' California operating authority, imposed a fine on the company, and ordered restitution of consumers unlawfully slammed by CTS Held: Complainant's water meter did not register accurately. Judgment for complainant for \$119. This proceeding is closed. (Com Neeper ALJ Barnett)
- CA-9 R95-04-043 Order instituting rulemaking on the commission's own motion into competition for local exchange service. I95-04-044 Related matter. The Utility Reform Network is awarded \$76,788, plus interest, of the \$79,098 it requested for its contribution to our franchise impacts decision, D96-09-089.

  (Com Conlon ALJ Hale)

- CA-10 Res W-4075 Mount Charlie Water Works, Inc. (Mt. Charlie) Order recognizing Christopher Asworth as the court-appointed receiver of Mt. Charlie.
- CA-11 A97-06-001 Sullivan Land Company, Inc. dba Sierra King Water Company. For authority to sell its water system to Sierra King Homeowners Association Inc.and to be relieved of its public utility responsibility. Granted. This proceeding is closed. (Com Bilas ALJ Garde)
- CA-12 A97-09-003 GTE California Incorporated. For authority to issue, sell, and deliver debentures in an aggregate principal amount not to exceed \$200,000,000 up to and including December 31, 2000, for the purpose of retiring or refunding securities previously issued. Granted. This proceeding is closed.

  (Exam Evans)
- CA-13 A97-08-008 The Washington Water Power Company. For authority to sell debt securities up to \$250,000,000; sell and/or guarantee conservation Bonds up to \$60,000,000; refund tax-exempt securities up to \$85,000,000; and sell up to \$45,000,000 of outstanding short-term debt in excess of the amount provided in Public Utilities Code Section 823. Granted. This proceeding is closed. (Exam Evans)

## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

### ORDERS HELD OVER

H-1 A96-12-047 - GTE Card Services Incorporated. For authority to expand its certificate of public convenience and necessity to operate as a facilities-based provider of local exchange services with the territories of GTE California and Pacific Bell. Granted. This proceeding is closed. (Com Neeper - ALJ Watson)

(Agenda 2976, Item CA-5, 9/24/97; Req - Commission)

H-2 A94-03-029 - Citizens Telecommunications Company. For a certificate of public convenience and necessity authorizing resale of interLATA intrastate telecommunications service. This decision grants petition to modify D94-11-070 by adopting the Stipulation and Addendum to Settlement Agreement adopted in D94-11-070 as to joint marketing efforts with local exchange carrier affiliate.

(Com Knight - ALJ Watson) (Agenda 2975, Item CA-65, 9/3/97; Agenda 2976, Item H-1, 9/24/97; Req - Commission) H-3

I94-10-014 - Order Instituting Investigation and Order to Show Cause into whether the passenger stage corporation certificate and charter-party carrier permit of Universal Transit System, Inc. (Universal), dba as Airway Shuttle, and its corporate officers: Mohammad (Mike) A. Kohsari, Mohamad (Robert) Bagher Pakzadian, and Fariborz (Fred) Alishahi, respondents, should be revoked. A95-11-014 - Related matter. This decision fines the two present principals of Universal \$1,000 each for prior involvement in unauthorized transfers of ownership and control of the shuttle operation to Los Angeles International Airport, and fines Universal \$3,500 for operations during suspensions and failure to consistently participate in the Department of Motor Vehicle Pull Notice Program. This decision further concludes that these and past other transgressions did not reflect the pattern or deliberate refusal to comply or conform as would be required pursuant to Leonard A. Kinzel (1967)66 CPUC 816, for revocation or suspension of operating authorities, and authorize the transfer of Universal's passenger stage certificate and charter-party permit to applicants Kohsari and Pakzadian upon payment of Public Utilities Code § 1036(b) transfer fees. This proceeding is closed.

(Com Conlon - ALJ Weiss)

(Section 311)

(Agenda 2972, Item 8, 6/25/97; Agenda 2973, Item H-13, 7/16/97; Agenda 2974, Item H-13, 8/1/97; Agenda 2975, Item H-11, 9/3/97; Agenda 2976, Item H-8, 9/24/97; Req - Commission)

H-4 (ECP)C97-07-055 - Oliver Svenson vs. Pacific Bell. Complaint to have a telephone bill of \$1,202.47 canceled because service was not ordered by complainant. Held: bill canceled. Complaint did not order the service. Defendant was defrauded, but not by complainant. This proceeding is closed.

(Com Bilas - ALJ Barnett) (Agenda 2977, Item CA-24, 10/9/97; Req - Commission)

H-5 A97-04-062 - Malbour L. Watson, M.D. vs. Pacific Bell (Pacific). This decision dismisses complaint against Pacific because complainant is satisfied that no cause of action remains. The decision also addresses a potential problem regarding competitive directory assistance services. This proceeding is closed.

(Com Duque - ALJ Malcolm)

(Agenda 2977, Item CA-29, 10/9/97; Req - Commission)

H-6

A96-11-047 - Southern California Edison Company (Edison). For Section 376 treatment of transmission facility upgrades. The application of Edison for an order from this Commission finding that the costs of certain transmission facility upgrades fall within the scope of Public Utilities Code § 376 because construction of those upgrades would reduce the need for must-run generation, further the unbundling of generation from transmission, promote competition over regulation in the generation market, and facilitate rapid generation divestiture is denied. This proceeding is closed. (Com Conlon - ALJ Careaga)

(Agenda 2971, Item 3, 6/11/97; Agenda 2972, Item H-10, 6/25/97; Agenda 2973, Item H-10, 7/16/97; Agenda 2974, Item H-11, 8/1/97; Agenda 2975, Item H-9, 9/3/97; Agenda 2977, Item H-1, 10/9/97; Req - Commission)

H-6a ALTERNATE PAGES TO ITEM H-6.

(Com Conlon)

(Agenda 2974, Item H-11a, 8/1/97; Agenda 2975, Item H-9a, 9/3/97; Agenda 2977, Item H-1a, 10/9/97; Req - Commission)

H-6b ALTERNATE ORDER TO ITEM H-6 and H-6a. This decision makes a preliminary finding that PU Code Section 376 does not apply to the proposed transmission facility upgrades of Southern California Edison Company. The generic issue of which costs are eligible for Section 376 treatment is the subject of Phase 3 of the transition cost proceeding or its successor proceeding.

(Com Duque)

(Agenda 2977, Item H-1b, 10/9/97; Req - Commission)

H-7

A96-03-007 - Pacific Bell Communications (PB Com). For a certificate of public convenience and necessity to provide interLATA and intraLATA and local exchange telecommunications services. This decision grants a certificate of public convenience and necessity to PB Com, an affiliate of Pacific Bell (Pacific), to provide long distance service in California upon attaining approval to do so from the Federal Communications Commission (FCC). We grant PB Com's request to withdraw that part of its application seeking authority to operate as a local exchange authority carrier in competition with Pacific. PB Com also is granted authority to provide toll service, but we limit the company's request to be authorized to construct facilities for local toll service. While the FCC permits Bell companies to joint market the services of their long distance affiliates, our order today requires that joint marketing by Pacific be done through a separate group of customer service representatives. The Commission also impose an audit requirement to assist PB Com in its compliance with the Commission's affiliate transaction rules. This proceeding is closed.

(Com Neeper - ALJ Walker)

(Section 311)

(Agenda 2971, Item 1, 6/11/97; Agenda 2972, Item H-9, 6/25/97; Agenda 2973, Item H-9, 7/16/97; Agenda 2974, Item H-10, 8/1/97; Agenda 2975, Item H-8, 9/3/97; Agenda 2976, Item H-7, 9/24/97; Agenda 2977, Item H-6, 10/9/97; Req - Commission)

Commission discussion of Motion of PB Com (dated August 29, 1997) for Order Withdrawing Proposed and Alternate Decisions from the Public Agenda.

H-7a

ALTERNATE ORDER TO ITEM H-7. This alternate order sets a sequence of mandatory disclosures that Pacific Bell must follow in marketing Pacific Bell Communication's (PB Com) services, but does <u>not</u> require that this be done through a separate group of service representatives. This proceeding is closed.

(Com Duque)

(Agenda 2973, Item H-9a, 7/16/97; Agenda 2974, Item H-10a, 8/1/97; Agenda 2975, Item H-8a, 9/3/97; Agenda 2976, Item H-7a, 9/24/97; Agenda 2977, Item H-6a, 10/9/97; Req - Commission) Commission discussion of Motion of PB Com (dated August 29, 1997) for Order Withdrawing Proposed and Alternate Decisions from the Public Agenda.

H-8 A96-02-030 - Catalina Explorer Co., Inc. For a certificate of public convenience and necessity to operate as a vessel common carrier between Dana Point and Avalon. A96-04-013 - Related matter. This decision addresses two consolidated applications for authority to operate vessel common carrier services between Santa Catalina Island and the California mainland. These two applications are granted in part and denied in part. These proceedings are closed.

(Com Neeper - ALJ Ryerson)

(Section 311)

(Agenda 2976, Item 1, 9/24/97; Agenda 2977, Item H-8, 10/9/97, Req - Commission)

H-9 I94-06-012 - Investigation on the Commission's own motion and order to show cause to determine if San Diego Gas & Electric Company should be held in violation of the Commission's General Order 95 for failure to have exercised reasonable tree trimming practices and procedures. This is the final decision in the investigation of the tree trimming practices of California's investor-owned electric utilities. The findings and recommendations of the workshop report are considered. Pacific Gas & Electric Company's petition to modify interim D97-01-044 is granted in part. This proceeding is closed. (Com Conlon - ALJ Ryerson)

(Section 311)

(Agenda 2976, Item 2, 9/24/97; Agenda 2977, Item H-9, 10/9/97, Req - Commission)

H-10 C95-08-039 - Bayside Village, The Fillmore Center and North Point Apartments vs. Pacific Bell (Pacific). This decision finds that Pacific has violated Public Utilities Code Section 532 and D92-01-023 by charging customers and property owners for work on certain telephone facilities referred to as cross-connects. The Commission has defined cross-connects as utility property and not, as Pacific asserts, inside wire which is unregulated. Pursuant to D92-01-023, Pacific is responsible for all work on cross-connects. Pacific's tariffs do not permit Pacific to charge customers for such work. The decision orders Pacific to cease immediately from charging all customers and property owners for work on cross-connects, to proceed to refund past overcharges to complainants and their tenants, and to propose a process for identifying and notifying property owners and customers who may have been charged in error for work on cross-connects. (Com Knight - ALJ Wong)

(Agenda 2977, Item 1, 10/9/97, Req - Commission)

H-11 C95-11-021 - Ted E. Dietenhofer vs. Pacific Bell (Pacific). This decision grants the complaint alleging Pacific erroneously required complainant to incur the cost of reattaching cross-connects to his tenants' apartment. This proceeding is closed.

(Com Neeper - ALJ Wong) (Agenda 2977, Item 2, 10/9/97, Req - Commission)

H-12 C96-01-016 - Vista Montana Apartments, et al., (Vista Montana) vs. Pacific Bell (Pacific). This decision grants the complaint of Vista Montana which alleges that Pacific had improperly stated that Pacific's work on utility facilities was unregulated work on inside wire. Consistent with our order in C95-08-039, issued today, we find that cross- connects which attach the utility's network access terminal to a building owner's building entrance terminal are not inside wire but utility facilities. In this case, we direct Pacific to refund \$100 to complainant and refund to complainant and its tenants any charges it may have imposed upon them for work on cross-connects. This proceeding is closed

(Com Knight - ALJ Wong) (Agenda 2977, Item 3, 10/9/97, Req - Commission)

H-13 R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's Electric Services Industry and Reforming Regulation. I94-04-032 - Related matter. This decision addresses the proposals contained in the June 16, 1997 workshop report on load profiling, and the two supplemental load profiling reports dated July 25, 1997 and August 1, 1997.

(Coms Knight/Neeper - ALJ Wong) (Agenda 2977, Item 7, 10/9/97, Req - Commission)

H-14 A97-04-039 - San Diego Gas & Electric Company (SDG&E). For an order under Section 701 of the Public Utilities Code granting SDG&E permission to use Financial Energy Commodity Derivative Transactions. Denied. This proceeding is closed.

(Exam Clanon)

(Agenda 2977, Item 9, 10/9/97, Req - Commission)

H-14a ALTERNATE ORDER TO ITEM H-14. In this decision, we grant conditional authority to San Diego Gas & Electric Company (SDG&E) to use energy-related derivative financial instruments (derivatives), including but not limited to futures contracts, forward contracts, options, and swaps, to manage gas and electric price risk volatility.

(Com Neeper)

#### **ORDERS**

1 R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter. This decision addresses the viability of regulatory accounts, including Energy Cost Adjustment Clause and Electric Revenue Adjustment Mechanism, in light of the changes imposed by AB1890. (Coms Duque/Conlon - ALJ Malcolm)

(Section 311)

- 2 A97-02-005 - Pacific Gas and Electric Company (PG&E). PG&E may establish a new rate schedule, Schedule G-CP—"Gas Procurement to Core End-Use Customers," to show the gas procurement cost included in PG&E's core rates. The Schedule G-CP rate shall consist of the following components, updated monthly, as appropriate: (a) a monthly forecast of PG&E's WACOG, including storage withdrawals, when applicable; (b) a monthly amortization component for PG&E's core purchased gas account; (c) Canadian capacity charges; (d) shrinkage; (e) the core brokerage fee; (f) interstate capacity charges (upon approval of Application 96-09-029); and (g) an amount for franchise fees and uncollectible amounts. PG&E's Preliminary Statement, Part B—"Default Tariff Rate Components," and the following core rate schedules shall be updated monthly by advise letter filing to reflect the updated Schedule G-CP rate: (a) G-1; (b) GM; (c) GS; (d) GT; (e) GL-1; (f) GML; (g) GSL; (h) GTL; (i) G-NR1; (j) G-NR2; (k) G-CT; (l) G-NGV1; and (m) G-NGV2. PG&E shall make a one-time revision to Schedule G-SUR – "Consumer-Procured Gas Franchise Fee Surcharge" so that franchise fees for core customers who procure gas from a core aggregator will be based on the Schedule G-CP commodity charge, rather than the Schedule G-CSP commodity charge for noncore customers. This order is effective immediately. (Com Bilas - ALJ Careaga)
- 3 R\_\_\_\_\_\_ - Order instituting rulemaking on the Commission's own motion to set rules and to provide guidelines for the acquisition and mergers of water companies.
- 4 R\_\_\_\_\_\_ - Order instituting rulemaking on the Commission's own motion to set rules and to provide guidelines for the privatization and excess capacity as it relates to investor owned water companies.

A96-11-020 - Pacific Gas and Electric Company (PG&E). Pursuant to the requirements of the California Environmental Quality Act, the Commission certifies the mitigated negative declaration dated October 20, 1997 related to the application of PG&E for authority to sell certain generating plants and related assets pursuant to Public Utilities Section 851. The mitigated negative declaration is certified for use by responsible agencies in considering subsequent approvals with respect to the project related to the application in this proceeding. The mitigated negative declaration shall be filed as part of the record in this proceeding. (Com Conlon/Bilas - ALJ Careaga)

A96-11-046 - Southern California Edison Company (Edison). Pursuant to the requirements of the California Environmental Quality Act, the Commission certifies the mitigated negative declaration dated October 20, 1997 related to the application of Edison for authority to sell gas-fired electrical generating plants pursuant to Public Utilities Section 851. The mitigated negative declaration is certified for use by responsible agencies in considering subsequent approvals with respect to the project related to the application in this proceeding. The mitigated negative declaration shall be filed as part of the record in this proceeding. (Com Conlon/Bilas - ALJ Careaga)

R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter. This decision modifies D97-03-069 with respect to the composition and number of members who serve on the administrative committee of the electric education trust. (Com Knight/Neeper - ALJ Wong)

R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter. This decision addresses the direct access implementation plans and the pro-forma tariffs of the investor-owned electrical corporations that were submitted in response to D97-05-040.

(Com Knight/Neeper - ALJ Wong)

- Investigation on the Commission's own motion into the operations, practices, and conduct of CTS and Edward S. Soren, President of CTS to determine whether they have complied with the laws, rules, regulations and applicable tariff provisions governing the manner in which California consumers are switched from one long distance company to another, and other requirements for long distance carriers. This decision denies Greenlining's motion to require CTS to post a bond but orders CTS to prepare timely payment plan and have it reviewed by an independent certified public accountant.

  (Com Neeper ALJ Bushey)
- A96-11-020 Pacific Gas and Electric Company (PG&E). For authority to sell certain generating plants and related assets pursuant to Public Utilities Code Section 851. PG&E shall require as a condition of sale of the Moss Landing Power Plant and Oakland Power Plant, that the successful bidder enter into an agreement with the Independent System Operator (ISO) substantially in the form filed by the ISO with the Federal Energy Regulatory Commission on March 31, 1997 or provide a certificate of the ISO to the effect that it has determined that the related plant is not required for the ISO's purposes. PG&E shall require the successful bidder to disclose to the Commission all other generation assets in California under common ownership or control with the bidder. PG&E shall require the successful bidder to enter into an Operation and Maintenance Agreement substantially in the form attached to its application.

  (Com Bilas/Conlon ALJ Careaga)

### **UTILITIES RESOLUTIONS**

#### **ENERGY MATTERS**

- E-1 Res E-3506 Southern California Edison Company. For approval of recovery of costs of acquiring risk management tools under California Public Utilities Code Section 368© and D96-12-077. Denied without prejudice. (Advice letter 1247-E, filed August 22, 1997)
- E-2 Res E-3502 Pacific Gas and Electric Company (PG&E). Request approval to tariff an electric and gas meter pulse agreement form that would allow PG&E to install special pulse-metering and recording devices on customers' standard metering equipment enabling the customers access to real-time data regarding their energy usage. Denied without prejudice.

  (Advice Letter 1662-E/2014-G, filed April 8, 1997)

  (Agenda 2977, Item E-1, 10/9/97, Req Commission)
- E-3 Res E-3441 San Diego Gas & Electric Company (SDG&E). Requests changes to its tariff rules 1, 3, and 11 including service establishment schedules for gas and electric in order to establish a safe working environment for its employees that must perform their duties on customers' premises.

(Advice Letters (AL) 963-E/993-G and supplemental AL 963-E-A/993-G-A filed November 5, 1995 and October 15, 1996, respectively) (Agenda 2977, Item E-4, 10/9/97, Req - Commission)

### RAIL SAFETY AND CARRIERS RESOLUTIONS

- T-1 Res TL-18817 Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374 of the Public Utilities Code and approving issuance and transfer of highway carrier authority pursuant to the Commission's contract with the Department of Motor Vehicles as permitted by Vehicle Code Section 34605(b).
- T-2 Res TL- 18818 Resolution denying issuance of charter-party carrier authority and highway carrier authority and household goods carrier authority for failure to satisfy statutory provisions of the Public Utilities Code and Commission General Orders.

#### **COMMISSIONER'S REPORTS**

- Status/Coordination: Telecommunications Infrastructure Proceedings (D94-12-053).
- Status/Coordination: Electric Restructuring Proceedings (R94-04-031 and I94-04-032).

## **EXECUTIVE DIRECTOR'S REPORT**

Wesley M. Franklin, Executive Director

Business Plan: Report and Discussion of Agency Key Performance Indicators. (September 1997)

#### GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

# Legal Division Memorandums

- L-1 Res L-263 Resolution recommending release of documents requested pursuant to subpoena by F. Steve Ryneal in connection with Schwab v. Southern California Gas Company, C 293791, Riverside Superior Court. Request is for investigative records prepared pursuant to Public Utilities Code Section 315, concerning a gas explosion in San Jacinto on October 2, 1996, which injured plaintiff.
- L-2 Res L-258A Amendment to include under Ordering Paragraph 2A the U.S. Department of Treasury, Internal Revenue Service as one of the agencies to which the provisions of the Resolution will apply. (Agenda 2977, Item L-1, 10/9/97, Req Commission)

## MANAGEMENT REPORTS

Lynn T. Carew, Chief Administrative Law Judge Division

Paul Clanon, Director Energy Division Jack Leutza, Director Telecommunications Division

Dean J. Evans, Director Water Division

Kenneth L. Koss, Director Rail Safety and Carriers Division

William Meyer, Director Strategic Planning Division

Elena Schmid, Director Office of Ratepayer Advocates

William Schulte, Director Consumer Services Division

Michael A. Doyle, Representative Southern California

Robert T. Feraru Public Advisor

### **CLOSED SESSION**

This notice is furnished under Government Code Section 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider institution of proceedings and pending litigation as provided under Government code Section 11126(p) and (q), and personnel matters as provided under Government Code Section 11126(a). Items to be considered under Government Code Section 11126(p), 11126(q)(2) and (3) and 11126(a) are not required to be made public. The list of items on the following pages, to be considered under Government Code Section 11126(q) (1), are required by the Government Code to be made public.

### APPELLATE SECTION ITEMS

#### ORDERS HELD OVER

HEX-1 R94-04-031, I94-04-032 - Disposition of application for rehearing of D96-12-075 filed by San Luis Obispo County and San Luis Coastal Unified School District. The application alleges that the California Environmental Quality Act requires the Commission to continue preparing the Environmental Impact Report that D96-12-075 ordered Energy Division to suspend.

(Agenda 2974, Item EX-7, 8/1/97, Agenda 2975, Item HEX-2, 9/3/97;

(Agenda 2974, Item EX-7, 8/1/97, Agenda 2975, Item HEX-2, 9/3/97; Agenda 2976, Item HEX-1, 9/24/97; Req - Commission)

HEX-2 A96-04-038 - Disposition of application for rehearing of D97-03-067 (concerning the merger of SBC Communications, Inc. and Pacific Telesis Group) filed by The Utility Reform Network (TURN), and of the petition for modification of that decision filed by the Office of Ratepayer Advocates (ORA). Both TURN and the ORA raised similar issues concerning the challenged decision's allocation of a portion of the total forecasted economic savings allocated to ratepayers under Section 854(b)(2) to fund the Community Partnership Commitment, an agreement for charitable funding entered into between Telesis, Pacific and certain state-wide community groups.

(Agenda 2976, Item EX-3, 9/24/97; Agenda 2977, Item HEX-1, 10/9/97, Req - Commission)

HEX-3

A96-08-058 - Disposition of application for rehearing of D97-06-091, filed by Roseville Land Development Association, requesting that the Commission set aside submission of, and renotice and reopen the proceeding for the admission of additional evidence and for the consideration of issues addressed in applicant's proposed protest. Applicant alleges the following errors: (1) The negative declaration is legally insufficient; (2) the Commission has unlawfully delegated the public convenience and necessity determination to Wild Goose; (3) the decision lacks sufficient findings on material issues; (4) the decision lacks evidence concerning a cost estimate, and a design and construction management and cost control plan; (5) in leaving open the question of whether an independent storage facility might qualify as a public utility, the decision allows Wild Goose to act inconsistently with the statutory requirements imposed on public utilities; (6) Finding of Facts No. 10 and 11, relating to shareholder risks and crosssubsidization, are not supported by the evidence, and (7) the applicants were denied proper notice and opportunity to be heard on Wild Goose's application.

(Agenda 2977, Item EX-2, 10/9/97, Req - Commission)

HEX-4

A96-08-058 - Disposition of application for rehearing of D97-06-091, filed by Roseville Land Development Association, requesting that the Commission set aside submission of, and renotice and reopen the proceeding for the admission of additional evidence and for the consideration of issues addressed in applicant's proposed protest. Applicant alleges the following errors: (1) The negative declaration is legally insufficient; (2) the Commission has unlawfully delegated the public convenience and necessity determination to Wild Goose; (3) the decision lacks sufficient findings on material issues; (4) the decision lacks evidence concerning a cost estimate, and a design and construction management and cost control plan; (5) in leaving open the question of whether an independent storage facility might qualify as a public utility, the decision allows Wild Goose to act inconsistently with the statutory requirements imposed on public utilities; (6) Finding of Facts No. 10 and 11, relating to shareholder risks and crosssubsidization, are not supported by the evidence, and (7) the applicants were denied proper notice and opportunity to be heard on Wild Goose's application.

(Agenda 2977, HEX-4, 10/9/77, Req - Commission)

#### **ORDERS**

- EX-1 Compilation of Applications for Rehearing filed with the Commission and Petitions filed with the California Supreme court since the last Commission Conference.
- EX-2 A93-10-034, R88-08-018, R92-12-016, I92-12-017, A90-06-030, A91-06-030, A92-06-015, A93-09-006, A92-11-017, A93-02-021, A93-01-018, A93-03-069, I93-02-026 Disposition of application for rehearing of D94-03-076 in which concerns an experimental gas cost incentive mechanism for Southern California Gas Company. The application was filed by California Independent Petroleum Association and makes various allegations of error including a claim based on Public Utilities Code section 785.
- EX-3 I94-05-040 Order amending OII94-05-040 and broadening the scope of alleged violations to include the findings of staff's investigation after the issuance of I94-05-040. Staff alleges that the respondent operated last summer while his certificate was suspended for lack of liability insurance and that his drivers are still not enrolled in the Department or Motor Vehicles' Pull-Notice program.
- EX-4 C93-07-024 Order disposes of application for rehearing by Donna Matthews of D97-08-052, which involves a water rate dispute between Ms. Matthews and Meadows Management Company (Meadows), the owner and operator of the mobile home park (Park) in which Ms. Matthews resides. D97-08-052 denied Ms. Matthews' requests to refund excessive water rates and for eligibility to receive compensation, granted Ms. Matthews' request to refund her \$100 water meter fee and further ordered Meadows to refund the \$100 water meter fee with interest to other Park residents who have paid that fee.
- EX-5 C96-03-056 Disposes of application for rehearing of D97-07-050 filed by Damashi Enterprises, Inc..

- EX-6 I96-02-043 Order disposes of settlement offer submitted to counsel by Communications Telesystems International..
- EX-7 I96-02-043 Order disposes of application for rehearing by Communications Telesystems International (CTS) of D.97-05-089, which suspended CTS' California operating authority, imposed a fine on the company, and ordered restitution of consumers unlawfully slammed by CTS.
- EX-8 A97-05-006, A97-05-018, A97-05-022 Disposition of applications for rehearing of D97-09-054, D97-09-055, D97-09-056 and D97-09-057, which involve the rate reduction bonds approved for Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company.
- EX-9 R94-04-031 & I94-04-032 Disposition of applications for rehearing of D96-04-054, filed by Energy Producers and Users Coalition, University of California and California State University, Texas-Ohio West, Inc., Merced Irrigation District and Foster Poultry Farms, Agricultural Energy Consumers Association, City and County of San Francisco, Praxair, Inc. and Destec Power Services, Inc., California Manufacturers Association, and California Independent Petroleum Association. Applicants challenged the legal sufficiency of D96-04-054, in which the Commission granted, subject to conditions, the motion of Pacific Gas and Electric Company (PG&E) for authorization to assess an interim competitive transition charge (ICTC). Pursuant to D96-04-054, customers who leave the PG&E system after December 20, 1995 (the date of the Electric Restructuring Policy Decision) and before January 1, 1998 (the anticipated commencement of direct access) are to pay an ICTC.

# FEDERAL SECTION ITEMS

FEX-1 A monthly summary of recent developments in Federal Agency and Federal court Cases in which the California Public Utilities Commission is a party or has intervened.

# **CLOSED SESSION - INTERNAL AGENDA**

# **IMPORTANT NOTICE**

The Closed Session - Internal Agenda is <u>NOT</u> mailed or available to the public. It is only distributed internally within the Commission. The contents of the Internal Agenda, the memoranda or discussion relating to these matters shall not be disclosed to anyone outside the Commission.