
Public Utilities Commission of the State of California

***Public Agenda 2981
Wednesday, December 3, 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

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.



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PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.

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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 Res TL-18824 - 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).
- CA-2 Res TL-18825 - Resolution denying issuance of charter-party carrier authority, highway carrier authority, and household goods carrier authority for failure to satisfy statutory provisions of the Public Utilities Code and Commission General Orders.
- CA-3 Res SU-45 - Southern California Edison Company. Order authorizing deviation from General Order No. 95, Rule 54.7-A(3) and Rule 84.7-E, allowing electric and communication companies to install fiberglass or steel pole wraps in climbing space, provided that detachable pole steps are installed on pole wraps that are jointly used.
- CA-4 A96-12-029 - California Water Service Company. This decision approves settlement agreement authorizing company to reorganize into a holding company structure with conditions. This proceeding is closed.
(Com Duque - ALJ Bushey)

- CA-5 A95-12-043 - Pacific Bell. For authority to increase and restructure certain rates of its Integrated Services Digital Network Services. The Utility Consumers' Action Network is awarded \$57,912.06 in compensation for its substantial contribution to D97-03-021. Granted. This proceeding is closed. (Com Duque - ALJ Hale)
- CA-6 A97-07-029 - Cross Communications, Inc. For a certificate of public convenience and necessity to resell local, interLATA, and intraLATA telecommunications services within the State of California. This application is denied on the basis that applicant has not demonstrated that it has a minimum in \$25,000 in unencumbered cash. This proceeding is closed. (Com Knight - ALJ Kenney)
- CA-7 (ECP)C97-08-068 - Howard Golden vs Southern California Edison Company. This case is dismissed for lack of jurisdiction. Complainant seeks damages to electrical equipment allegedly caused by defendant. This Commission has no authority to award damages; our authority is limited to awarding reparations. This proceeding is closed. (Com Bilas - ALJ Barnett)
- CA-8 (ECP)C97-07-059 - Judy Lam vs Southern California Edison Company. Complaint dismissed for failure to prosecute. This proceeding is closed. (Com Duque - ALJ Barnett)
- CA-9 A97-08-062 - Sanjit S. Taunk dba California Airport Shuttle. For authority to operate an on-call passenger stage between the Counties of Santa Clara and a portion of San Mateo, on the one hand, and San Jose International Airport, on the other. Granted. This proceeding is closed. (Exam Koss)
- CA-10 Res T-16098 - All local exchange companies, interexchange carriers, cellular carriers and other certified companies who are subject to assessing the Universal Lifeline Telephone Service (ULTS) surcharge. For an order setting the surcharge rate to 2.7% on services subject to the ULTS surcharge to support the ULTS program pursuant to the Moore Universal Telephone Service Act.

- CA-11 A97-06-006 - Farman Textile, Inc. (Farman) and Apollo Soyuz Airport Passenger Service, Inc. (Apollo). For authority to Farman to acquire, and Apollo to transfer a passenger stage certificate of public convenience and necessity and certain other assets, pursuant to Section 851, et seq., of the California Public Utilities Code. A97-07-026 - Related matter. Despite unusual financial situation of Farman, the purchaser, this decision finds the sales and transfer of shuttle operations in the Los Angeles general area to be in the public interest and authorizes them. This proceeding is closed.
(Coms Duque/Bilas - ALJ Weiss)
- CA-12 A97-04-051 - California-American Water Company. For an order authorizing a rate increase of the following amount for its Los Angeles Division, 1998 - 0.00%; 1999 - 1.61%; 2000 - 2.47%. This increase is based upon a rate of return on the applicant's rate base of 9.05% for the test years 1998 and 1999 and attrition year 2000, with a corresponding return on common equity of 10.30% for each of the three years. Granted. This proceeding is closed.
(Com Neeper - ALJ Ryerson)
(Section 311)
- CA-13 C95-08-063 - Bruce Kennedy, et al. vs GTE California, Inc. and Pacific Bell. This decision dismisses Bruce Kennedy, et al. complaint for the establishment of one-way Extended Area Service (EAS) from the Felton exchange to Los Gatos because the subscribers' calling patterns do not justify the need for the requested EAS route. This proceeding is closed.
(Com Knight - ALJ Galvin)
- CA-14 A97-09-027 - Pacific Bell (Pacific). For authority pursuant to Public Utilities Code Section 851, to lease space to affiliate corporations which will perform administrative support functions for Pacific. Pacific states that the lease arrangements comply with affiliate transaction rules of this Commission and of the federal government. The Office of Ratepayer Advocates has examined the application and has no objection to Pacific's request. Granted. This proceeding is closed.
(Com Duque - ALJ Walker)

- CA-15 A97-08-052 - City of Coachella (City). For an authorization to construct 50th Avenue/1st Street Overhead at separated grades over the tracks of the Union Pacific Railroad Company's Los Angeles - Yuma Main Line in Coachella, Riverside County. The 50th Avenue/1st Street grade separation overhead will improve public access and traffic circulation in an area of growing residential and industrial development. Granted. Upon completion of construction of 50th Avenue/1st Street overhead and its opening to vehicular traffic, the existing at grade crossings at 50th Avenue and 5th Street will be closed and physically removed. This proceeding is closed.
(Exam Koss)
- CA-16 A97-09-017 - City of San Buenaventura (City). For authority to construct the Johnson Drive Underpass at separated grades under the tracks of the Union Pacific Railroad Company's Coast Main Line in the City, Ventura County. Granted. Upon completion of the Johnson Drive Underpass, the existing Auto Center Drive at-grade crossing will be closed and physically removed. This proceeding is closed.
(Exam Koss)
- CA-17 A92-05-002 - GTE California, Inc. and Pacific Bell. For review of the operations of the incentive-based regulatory framework adopted in D89-10-031. A92-05-004 - Related matter. This decision closes A92-05-002 and A92-05-004. This proceeding is closed.
(Com Conlon - ALJ Reed)
- CA-18 Res T-16091 - Sierra Telephone Company. For authority to make permanent a Promotional Pricing Tariff. Granted. Sierra is required to submit reports to the Commission on the results of promotions approved by Commission staff. Once permanent promotional pricing authority is authorized, promotions will not require resolution approval and may be approved via the advice letter process, effective on no less than five-days notice.
(Advice Letter 223, filed October 23, 1997)
- CA-19 Res SR-92 - Union Pacific Railroad Company. Request for exemption from the requirements of Sections 2.1 and 3.2 of General Order 26-D relating to minimum overhead and side clearances at the tandem rotary dumper at the Los Angeles Export Terminal at Pier 300 on Terminal Island. Granted.

- CA-20 Res T-16094 - Pacific Bell (Pacific). Request for approval of an interconnection agreement between Pacific and Federal Communications Corporation pursuant to Rule 4.3 of ALJ-174 and Section 252 of the 1996 Telecommunications Act. Granted.
(Advice Letter (AL) 19004 as supplemented by AL 19004A, filed September 16, 1997)
- CA-21 Res T-16096 - GTE California, Inc. (GTEC). Request for approval of an interconnection agreement between GTEC and GTE Mobilnet Incorporated, Contel Cellular Inc., and GTE Wireless of the Pacific Incorporated pursuant to Rule 4.3 of ALJ-174 and Section 252 of the 1996 Telecommunications Act. Granted.
(Advice Letter 8558, filed September 18, 1997)
- CA-22 Res T-16095 - GTE California, Inc. (GTEC). Request for approval of an interconnection agreement between GTEC and GTE Communications Corporation pursuant to Rule 4.3 of ALJ-174 and Section 252 of the Telecommunications Act of 1996. Granted. This agreement adopts a previously approved interconnection agreement between GTEC and MCI Metro Access Transmission Services, Inc. The approval of this agreement has no bearing on our consideration of GTE Communication Corporation's request to provide facilities-based local exchange service in A96-12-047.
(Advice Letter 8553, filed September 5, 1997)
- CA-23 A96-03-045 - Mather Field Utilities, Inc. For a certificate of public convenience and necessity for its gas utility distribution system at Mather Field, California. This decision closes this docket upon representation by the parties that a single remaining issue has been amicably resolved. This proceeding is closed.
(Com Neeper - ALJ Walker)
- CA-24 A91-03-058 - Harbor Bay Maritime, Inc. For modification of its certificate of public convenience and necessity to extend its service to and from Pier 39 in San Francisco. Granted. This proceeding is closed.
(Com Duque - ALJ Ryerson)

- CA-25 A97-03-045 - Southern California Gas Company (SoCalGas) and Southern California Edison Company (Edison). For approval of demand-side management (DSM) pilot bidding contract. The Commission approves a contract negotiated jointly by SoCalGas and Edison with SESCO, Inc. (SESCO), subject to one condition. This contract has been negotiated as part of the DSM pilot bidding programs required by Public Utilities Code § 747 and our adopted rules governing DSM. Because this contract will be cost effective only under a limited set of performance scenarios, we require that SESCO provide cost-effectiveness security in the amount of \$200,000 consistent with other contracts we have approved under residential DSM pilot bidding programs.
(Com Neeper - ALJ Patrick)
- CA-26 A91-09-055 - Stan and Svetlana Stukov dba The Best Airport Shuttle. For authority to operate as a passenger stage company between points in San Francisco, San Mateo, Santa Clara, Napa, Santa Cruz, Alameda, Sonoma, Marin, and Solano Counties on one hand, and San Francisco, San Jose and Oakland International Airports on the other hand. The petition to modify D92-05-015 to allow applicants additional time to commence service at SFO is dismissed as moot. Applicants failed to obtain San Francisco International Airport's authority to operate. This proceeding is closed.
(Com Conlon - ALJ Stalder)
- CA-27 A94-04-009 - Royya's Transportation, Inc. dba Express Airport Shuttle. For authority to transfer control from Kamran, Hadi and Kambiz Chitgar to David M. Haydari. This application to transfer control of passenger stage authority is denied, since D94-11-021 in I93-12-009 revoked applicant's authority and prohibits him from transferring the operations to another. This proceeding is closed.
(Com Conlon - ALJ Stalder)

- CA-28 I91-01-012 - Order instituting investigation on the Commission's own motion to develop policies and procedures for addressing the potential health effects of electric and magnetic fields of utility facilities. Decision 93-11-013, which implemented and funded a Electric and Magnetic Fields coordinated education and research program, is modified to expand nonexperimental (formalized) research activities, to authorize the use of program interest for the expanded formalized research activities, to set a March 1, 1999 completion date for the program's educational, formalized research and administrative activities, and to set a deadline of March 1, 2000 for the issuance of a final report. This proceeding is closed.
(Com Conlon - ALJ Galvin)
- CA-29 A97-04-028 - Call and Save, Inc. For a certificate of public convenience and necessity to resell long distance intrastate and intraLATA interexchange telecommunications services within California. Granted. This proceeding is closed.
(Com Conlon - ALJ Walwyn)
- CA-30 A97-06-051 - Roseville Telephone Company. For authority to continue using its currently authorized depreciation rates for the 1998 calendar year. Granted. This proceeding is closed.
(Com Conlon - ALJ Galvin)
- CA-31 A97-06-048 - Pacific Bell (Pacific). For authority to increase its 1998 depreciation accrual by \$34.453 million with no change in the rates Pacific charges its customers for telephone services. Granted. This proceeding is closed.
(Com Conlon - ALJ Galvin)
- CA-32 A97-05-013 - Pacific Gas and Electric Company (PG&E) and TYEE Development Company., LLC (TYEE). For an order authorizing PG&E to sell and transfer a certain parcel of land in Alameda County to TYEE, pursuant to Public Utilities Code Section 851. Granted. This proceeding is closed.
(Com Conlon - ALJ Wright)

- CA-33 A96-09-028 - Pacific Gas and Electric Company (PG&E). In D 97-05-093, the Commission approved the uncontested application of PG&E for authority to unbundle, or separately identify, the interstate portion of the charges to core customers for the transportation of natural gas during 1997. In this decision, the Commission approves a continuation of this program for January 1, 1998 and beyond. This proceeding is closed.
(Com Bilas - ALJ Weissman)
- CA-34 A97-08-006 - Pacific Gas and Electric Company (PG&E) and Bailey Farms Company (Bailey). For an order authorizing the agreement for PG&E to sell a 3.4-acre parcel of land to Bailey, while retaining public utility easements for access to gas and electric lines. Granted. The net gain on sale will be credited to the Competition Transition Charge balancing account. This proceeding is closed.
(Com Conlon - ALJ Stalder)
- CA-35 A97-06-050 - GTE California Incorporated (GTE). For authority to change its depreciation rates for the 1998 calendar year, resulting in a \$55 million increase in depreciation expense based on year-end 1996 recorded plant investments. Granted. This proceeding is closed.
(Com Conlon - ALJ Galvin)
- CA-36 A96-04-001 - Pacific Gas and Electric Company (PG&E). For authority to adjust its electric rates effective January 1, 1997, and for Commission order finding that electric and gas operations during the reasonableness review period from January 1, 1995 to December 31, 1995 were prudent. This order denies the petition to modify D97-07-052.
(Com Conlon - ALJ Garde)
- CA-37 A97-06-052 - Citizens Telecommunications Company of California Inc. For authority to maintain its currently authorized depreciation rates for the 1998 calendar year. Granted. This proceeding is closed.
(Com Conlon - ALJ Galvin)

- CA-38 A97-05-023 - SFPP, L.P. (SFPP). For authorization to issue Facility B Notes in an aggregate principal amount not to exceed \$25 million and enter into the Facility B loans contemplated by the Amended and Restated Credit Agreement; the Facility B Notes and related loans being upon terms and conditions substantially consistent with those set forth in or contemplated by SFPP's Petition to Modify D97-07-048. Granted. This proceeding is closed. (Exam Evans)
- CA-39 A93-02-065 - Pacific Gas and Electric Company (PG&E). For authority to use the effective date of this order as the "base date" for calculating the average life of its long-term debt pursuant to its evergreening authority granted in D94-04-084; to extend the evergreening term for a period of five years from the effective date of this order. Granted. This proceeding is closed. (Exam Evans)
- CA-40 Moved to Item 10 on the regular agenda.
This revision was not listed on the agenda distributed to the public.

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

- H-1 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; Agenda 2978, Item H-14, 10/22/97; Agenda 2979, Item H-5, 11/5/97; Req - Commission)
- H-1a ALTERNATE ORDER TO ITEM H-1. 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)
(Agenda 2978, Item H-14a, 10/22/97; Agenda 2979, Item H-5a, 11/5/97; Req - Commission)
- H-2 A95-05-030 - Roseville Telephone Company. For authority to restructure intrastate rates and charges and to implement a new regulatory framework for telephone services furnished within the State of California. I95-09-001 - Related matter. This decision grants Roseville Telephone Company's petition for modification. Roseville's CHCF-B surcredit shall be eliminated and surcharge of 2.775% shall be applied. This proceeding remains open for consideration of service quality and Roseville's application for rehearing.
(Com Conlon - ALJ Mattson)
(Section 311)
(Agenda 2979, Item 1, 11/5/97; Req - Commission)

- H-3 I97-04-045 - Investigation on the Commission's own motion into the operations, practices, and conduct of Brittan Communications International Corp. (BCI) to determine whether it has violated the laws, rules and regulations governing the manner in which California consumers are switched from one long distance carrier to another This interim order concludes that it is in the public interest to continue to restrain respondent from submitting changes to a customer's presubscribed interexchange carrier or selling its customer base until this proceeding is completed. We conclude that there is insufficient evidence showing a need to modify or cancel the preliminary injunction. We do not find that respondent should post a bond to ensure compliance with any final Commission orders in this proceeding because respondent currently refunds all charges to most customers who allege their service was switched.
(Com Duque - ALJ Bennett)
(Section 311)
(Agenda 2979, Item 2, 11/5/97; Req - Commission)
- H-4 A97-09-045 - Pacific Gas and Electric Company (PG&E). For confirmation of Ms. Gail P. Seneca to serve on the Committee of PG&E Nuclear Decommissioning Trust Funds. Granted. This proceeding is closed.
(Exam Clanon)
(Agenda 2980, Item CA-18, 11/19/97; Req - Commission)
- H-5 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 July 25, 1997 workshop report on meter and data communications standards.
(Rev.) (Coms Knight/Neeper - ALJ Wong)
(Agenda 2979, Item 11, 11/5/97; Agenda 2980, Item H-7, 11/19/97; Req - Commission)

ORDERS

- 1 A96-08-001 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), and San Diego Gas & Electric Company (SDG&E). For approval of valuation and categorization of non-nuclear generation-related sunk costs eligible for recovery in the competition transition charge. A96-08-006, A96-08-007, A96-08-070, A96-08-071, A96-08-072 - Related matters. This decision addresses specific issues raised in workshops addressing transition cost balancing accounts and terms and conditions tariffs. This decision will allow PG&E, Edison and SDG&E to finalize their tariffs by December 12, 1997 to be effective on January 1, 1998. This proceeding is closed.
(Coms Conlon/Bilas - ALJ Minkin)
Section 311

- 2 A93-05-044 - Southern California Edison Company (Edison). For a Commission order finding that gas operations during the reasonableness review period from April 1, 1992 to March 31, 1993 were prudent. A94-05-044, A95-05-049, A96-05-045, A97-05-050 - Related matters. This decision settles the disputed Canadian gas issues arising between April 1992 and March 1997. The basic elements of the settlement include: (1) a \$39 million disallowance for Canadian gas costs incurred through December 31, 1996; (2) a disallowance of \$257,000/month per contract for each of Edison's four supply contracts for Canadian gas costs beginning after January 1, 1997 and continuing until each of the commodity contracts is terminated; (3) a cost sharing mechanism in lieu of reasonableness review, whereby shareholders would absorb at least 20% of the termination of restructuring costs associated with the El Paso Natural Gas Company Transportation Contract which the Commission has already found reasonable. The disallowance will flow through to ratepayers through the Energy Deferred Refund Account. Although three of the five dockets are included in the SB 960 experiment to the extent they address reasonableness issues, this decision does not address QF issues, and is not subject to the SB 960 experiment.
(Com Knight - ALJ Barnett)
(Section 311)

- 3 R97-04-011 - Order instituting rulemaking to establish standards of conduct governing relationships between energy utilities and their affiliates. I97-04-012 - Related matter. This order adopts rules governing the relationship between California's natural gas local distribution companies and electric utilities and certain of their affiliates. For purposes of a combined gas and electric utility, these rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, unless otherwise exempted by these rules. For purposes of an electric utility, these rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or the provision of services that relate to the use of electricity, unless otherwise exempted by the rules. For purposes of a gas utility, these rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or the provision of services that relate to the use of gas, again unless otherwise exempted by these rules. Our adopted rules are quite detailed and are attached to this order as Attachment A. The rules address nondiscrimination, disclosure and information, and separation standards. They also address to what extent a utility should be required to have its nonregulated or potentially competitive activities conducted by its affiliate. This proceeding is closed.
(Coms Bilas/Knight - ALJ Econome)
- 3a ALTERNATE PAGES TO ITEM 3. These alternate pages concern 1) a provisional ban on transactions between an electric utility and an affiliate offering direct access in the utility's service territory and 2) a prohibition on the affiliates' use of the utilities' name and logo.
(Coms Knight/Bilas)
- 3b ALTERNATE PAGES TO ITEM 3
(Com Conlon)
This item was not listed on the agenda distributed to the public.

- 4 A97-05-016 - Pacific Gas and Electric Company (PG&E). For authority to establish its authorized rate of return on common equity, establish its authorized capital structure, and establish its overall rate of return for Calendar Year 1998. This decision establishes costs of capital for calendar year 1998 for PG&E as follows:

<u>Description</u>	<u>Capital Ratios</u>	<u>Cost</u>	<u>Weighted</u>
<u>Cost</u>			
Long-Term Debt	46.20%	7.37%	3.40%
Preferred Stock	5.80%	6.65%	0.39%
Common Equity	48.00%	11.40%	5.47%
Total	100.00%		9.26%

The estimated revenue requirement impact of adopting a rate of return of 9.26% for PG&E is a decrease of \$30.5 million for the electric department and a decrease of \$9.4 million for the gas department, for a total decrease of \$39.9 million. Rate of Return workshops are ordered to commence prior to February 1998 on the topic of unbundled utility services.

(Com Bilas - ALJ Wright)

(Section 311)

- 5 A92-10-017 - San Diego Gas & Electric Company (SDG&E). For authority to establish an experimental performance-based ratemaking mechanism. The requirement that SDG&E file a general rate case (GRC) for a 1999 test year is vacated, and the requirement for a GRC filing in future years is suspended. In lieu of a GRC, SDG&E is directed to include a 1999 cost-of-service showing in the distribution performance-based ratemaking (PBR) application that D97-04-067 directed SDG&E to file by December 31, 1997. The midterm evaluation of SDG&E's experimental base rate PBR mechanism which was ordered in D94-08-023 is concluded, and the requirement for a final evaluation of the experiment is suspended. The PBR experiment's revenue sharing mechanism is suspended for 1998, and SDG&E is directed to allocate earnings in excess of its authorized rate of return as an offset to uneconomic generation costs. This proceeding is closed.

(Com Knight - ALJ Wetzell)

- 6 A96-07-001 - Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (Edison). For ex parte interim approval of a loan guarantee and trust mechanism to fund the development of an independent system operator (ISO) and a Power Exchange (PX) pursuant to D95-12-063 et al. This decision addresses the request presented in the Petition to Modify D96-08-038 filed by PG&E, SDG&E, and Edison for recovery of the PX's and ISO's implementation costs, under the provisions of Public Utilities Code Section 376.
(Com Conlon - ALJ Cragg)
- 6a ALTERNATE ORDER TO ITEM 6. This alternate decision finds that the Power Exchange's and Independent System Operator's implementation costs are eligible candidates for treatment pursuant to the provisions of Section 376 of the Public Utilities Code.
(Com Conlon)
This item was not listed on the agenda distributed to the public.
- 7 R84-12-028 - Rulemaking on the Commission's own motion for purposes of compiling the Commission's rules of procedure in accordance with Public Utilities Code Section 322 and considering changes in the Commission's Rules of Practice and Procedure. This decision adopts final rules to implement Senate Bill (SB) 960, effective January 1, 1998. This proceeding is closed.
(Com Neeper - ALJ Kotz)
- 8 A94-12-005 - Pacific Gas and Electric Compy (PG&E). For authority to decrease its rates and charges for electric and gas service, and increase rates and charges for pipeline expansion service. This revised decision addresses the revenue allocation and rate design issues remaining in Phase 2 of Pacific Gas and Electric Company's 1996 general rate case. The decision provides guidance to parties if they wish to pursue these issues in other proceedings, particularly in regard to the electric rate freeze required by Assembly Bill 1890. This proceeding is closed.
(Com Conlon - ALJ Patrick)

- 9 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 July 25, 1997 workshop report on retail settlements and information flow and the related supplements.
(Coms Knight/Neeper - ALJ Wong)
- 10 C96-05-015 - Comtech Mobile Telephone Company (Comtech) vs Sprint
(Rev.) Communications Company L.P. (Sprint). This decision grants the motion of Comtech to withdraw its motion against Sprint. The Commission disburses to Comtech amounts Comtech deposited with the Commission pending resolution of its complaint.
(Com Neeper - ALJ Malcolm)
This item was listed as CA-40 on the agenda distributed to the public.
This revision was not listed on the agenda distributed to the public.
- 10a ALTERNATE ORDER TO ITEM 10. This decision grants the motion of Comtech Mobile Telephone Company (Comtech) for dismissal of its complaint against Sprint Communications Company L.P. (Sprint). This order provides Sprint an opportunity to pursue its claims against Comtech in civil court. In the interim, we retain funds deposited with the Commission by Comtech.
(Com Neeper)
This item was not listed on the agenda distributed to the public.

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res E-3503 - Pacific Gas and Electric Company. Request for approval of its plan to begin drawing upon the Humboldt Bay Decommissioning Trust Funds to finance three projects leading to decommissioning of Humboldt Bay Power Plant Unit 3. Request approved as modified.
(Advice Letter 1678-E, filed June 13, 1997)
- E-2 Res G-3229 - Southern California Gas Company (SoCalGas). Request for approval of tariff revisions implementing its base rate performance-based ratemaking mechanism. SoCalGas' advice letter 2617, as revised by advice letter 2617-A, is approved. SoCalGas request for approval of revisions to its revenue requirement and rates effective January 1, 1998. SoCalGas' advice letter 2633-A is approved.
(Advice Letter 2617, filed August 15, 1997, and Advice Letter 2617-A, filed October 1, 1997, and Advice Letter 2633, filed October 1, 1997, and Advice Letter 2633-A, filed October 9, 1997)
- E-3 Res E-3511 - Southern California Edison Company (Edison). Request to modify Resolution 3506-E to permit Edison to enter into gas risk management instruments with Edison's customers and to classify these gas risk management instruments as contracts other than contracts for differences. This advice letter also submits revised tariffs pursuant to Resolution 3506-E.
(Advice Letter 1259-E, filed November 3, 1997)
- E-4 Res E-3509 - San Diego Gas and Electric Company (SDG&E). Request for approval to increase its electric distribution revenue requirement to reflect its 1997 performance-based ratemaking authorized revenue requirement increment. SDG&E's advice letter 1041-E is conditionally approved with modifications. SDG&E requests approval of its 1998 electric distribution and gas department performance-based ratemaking authorized revenue requirement increments. SDG&E's advice letter 1050-E/1070-G is conditionally approved with modifications.
(Advice Letter 1041-E, filed August 14, 1997, and Advice Letter 1050-E/1070-G, filed October 10, 1997)

- E-5 Res E-3507 - Pacific Gas and Electric Company. Request for approval of an agreement for the installation of a 115kV transmission line serving Meyer Cookware's Vallejo facility, including a deviation from tariff Rules 2, 15 and 16 to use a contribution to margin calculation when determining customer payment for construction. Approved.
(Advice Letter 1626-E, filed November 27, 1996)
(Agenda 2980, Item E-1, 11/19/97; Req - Commission)

TELECOMMUNICATIONS MATTERS

- C-1 Res T-16092 - Interim Administrative Committee and Pacific Bell (Pacific). Request for approval to transfer control of the California High Cost Fund A (CHCF-A) from Pacific to the Commission. This resolution approves the transfer of the administrative responsibilities for the CHCF-A from Pacific to the Commission effective January 1, 1998. This resolution discharges Pacific of its responsibilities as the administrative agent for the CHCF-A as of midnight December 31, 1997.

RAIL SAFETY AND CARRIERS RESOLUTIONS

- T-1 Res ST-30 - San Francisco Bay Area Rapid Transit District (BARTD). For approval of the BARTD's security portion of the System Safety Program Plan. Granted.
- T-2 Res ST-31 - Los Angeles County Transportation Authority Metropolitan Transit Agency (LACMTA). For approval of an extension of time for LACMTA to submit the security portion of its System Safety Program Plan. This time extension will constitute a deviation from the requirements in General Order No. 164-A. Granted.
- T-3 Res ST-32 - San Diego Trolley, Inc. (SDTI). For approval of the SDTI's security portion of the System Safety Program Plan. Granted.
- T-4 Res ST-33 - Santa Clara Valley Transportation Authority (VAT). For approval of the security portion of VAT's System Safety Program Plan. Granted.
- T-5 Res ST-34 - Sacramento Regional Transit District (SRTD). For approval of the security portion of SRTD's System Safety Program Plan. Granted.
- T-6 Res ST-35 - San Francisco Municipal Railway's (MUNI). For approval of the security portion of MUNI's System Safety Program Plan. Granted.

COMMISSIONERS' 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. (October 1997)
(Agenda 2980, 11/19/97; Req - Commission)
This item was not listed on the agenda distributed to the public.

GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

Legislative Matters

LEG-1 Consideration of legislation to be sponsored by the Commission in 1998.

MANAGEMENT REPORTS

Lynn T. Carew, Chief
Administrative Law Judge Division

ALJ-1 Res ALJ 175 - To establish a protocol for implementing the new authority for closed session discussion SB 960 provides in certain ratesetting and adjudicatory matters.

ALJ-1a ALTERNATE RESOLUTION TO RES ALJ-1. When a proposed decision in a ratesetting proceeding is released for comments pursuant to Article 19 of the Commission's Rules, the matter will be placed on the business meeting agenda which occurs 30 days or more from the day of issuance (as opposed to 45 days or more in Resolution ALJ-1).
(Com Duque)
This item was not listed on the agenda distributed to the public.

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 2976, Item HEX-1, 9/24/97; Agenda 2978, Item HEX-1, 10/22/97; Agenda 2980, Item HEX-1, 11/19/97; Req - Commission)
- HEX-2 Annual Performance Evaluation for Managers Reporting Directly to the Commission.

 Wesley M. Franklin, Executive Director
 Peter Arth, Jr., General Counsel
 Lynn T. Carew, Chief Administrative Law Judge
 William Meyer, Director of Strategic Planning Division
 Rob Feraru, Public Advisor
 (Agenda 2979, Item EX-4, 11/5/97; Agenda 2980, Item HEX-2, 11/19/97; Req - Commission)
- HEX-3 I_____ - Order instituting investigation of abusive marketing and sales practices of GTE California's Foreign Language Assistance Center.
(Agenda 2980, Item EX-10, 11/19/97 - Req - Commission)
- HEX-4 R93-10-002 - Disposition of application for rehearing of D.97-09-045 and

motion to stay decision filed by Southern Pacific Transportation Company, Union Pacific Railroad Company, and The Burlington Northern and Santa Fe Railway Company (the Railroads). The Railroads allege legal error in decision which adopts rules relating to local safety hazard sites on railroad lines in California.

(Agenda 2980, Item EX-2, 11/19/97, Req - Commission)

This item was listed on the November 19, 1997 Agenda as EX-2 and was "held" by the Commission to the December 3, 1997 Meeting. However, it was inadvertently omitted from the list of held items shown on the December 3, 1997 Agenda mailed on November 21, 1997, due to clerical error.

HEX-5

C95-09-030 - Disposition of application for rehearing of D 97-01-043 in C95-09-030. The application for rehearing was filed by Pacific Gas and Electric Company and Pacific Gas Transmission (PG&E). PG&E alleges principles of res judicata should be applied in C.95-09-030 and that D.97-01-043 mistakenly found PG&E contravened Commission orders. PG&E further alleges other errors in D.97-01-043 should be corrected.

Complainants, Selwyn and Loretta Vos oppose the application for rehearing.

(Agenda 2980, Item EX-6, 11/19/97, Req - Commission)

This item was listed on the November 19, 1997 Agenda as EX-6 and was "held" by the Commission to the December 3, 1997 Meeting. However, it was inadvertently omitted from the list of held items shown on the December 3, 1997 Agenda mailed on November 21, 1997, due to clerical error.

HEX-6 A96-01-017 - Disposition of application for rehearing of Resolution G-3173, filed by Pacific Gas and Electric Company (PG&E), alleging the Commission improperly created a new procedure by accepting the letter request from a customer for a gas main extension, and thus, has changed General Order 96-A and the Commission's Rules of Practice and Procedure without giving interested parties notice and an opportunity to be heard, as required by Public Utilities Code Section 1708. PG&E also argues that the resolution constitutes an arbitrary and unreasonable abuse of discretion, and that the Commission erred by not providing for reimbursement to PG&E in the event it responds to emergencies involving the line.
(Agenda 2980, Item EX-7, 11/19/97, Req - Commission)
This item was listed on the November 19, 1997 Agenda as EX-7 and was "held" by the Commission to the December 3, 1997 Meeting. However, it was inadvertently omitted from the list of held items shown on the December 3, 1997 Agenda mailed on November 21, 1997, due to clerical error.

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 A96-03-031, A96-04-030 - Disposition of applications for rehearing of D.97-04-082, filed by the City of Long Beach (Long Beach) and The Utility Reform Network (TURN). Long Beach claims legal error on the ground that D97-04-042 retroactively eliminates the core cap for Long Beach and changes the allocation of the Interstate Transition Cost Surcharge (ITCS). TURN argues that D97-04-082: (1) results in the allocation of most surcharges to the core and all benefits to noncore, and thus, the decision is arbitrary, unduly discriminatory, and unsupported by either the record or past Commission decisions; (2) is arbitrary and violates Public Utilities Code Section 451 because it fails to require tracking of excess core procurement costs; and (3) adopts a core storage withdrawal reservation which is inconsistent with the record and within the decision itself.
- EX-3 C94-08-025 - Disposition of application for rehearing of D95-02-086 in which applicant Pacific Gas and Electric Company (PG&E) challenges the Commission's requirement that PG&E file an advice letter amending PG&E's Rule 12 tariff so as to require PG&E to notify new agricultural customers of, and place new agricultural customers on, the lowest-cost available rate schedule.
- EX-4 C97-01-014 - Disposition of application filed by complainants Robert E and Patricia J. Lee for rehearing of D97-06-089. The decision denied the complaint against Pacific Gas and Electric Company for the cost of trenching required for electric service.
- EX-5 C96-06-046 - Order on an application for rehearing by Thomas Horsley (Horsley) of D96-10-010. That decision had denied Horsley's complaint on the grounds that Horsley had received the relief he requested in a previous proceeding so that the issues here were thereby moot.

- EX-6 C96-06-042 - Disposition of application for rehearing of D 97-02-040 filed by San Martin County Water District (San Martin County). D.97-02-040 requires: (1) San Martin County to return possession, control and operation of certain facilities and customers to West San Martin Water Works; (2) to cease and desist from further unauthorized interference with West San Martin Water Works; and (3) to provide an accounting of all revenues charged and collected improperly as a result of unauthorized operations. San Martin County claims that the order in D97-02-040 is legal error as it is beyond the Commission's jurisdiction and that it illegally grants public property to a private water company. San Martin County further claims that compliance with the Decision will force the dissolution of the water district.
- EX-7 C93-08-031, C92-09-009 - Disposes of Application for Rehearing of D.97-09-060 filed by Phillip Ortega and Centro Legal de la Raza, alleging that the Decision on Rehearing was in error regarding jurisdiction of the Commission over pay telephone rates.
- EX-8 C96-10-003 - Disposition of application filed by complainant Harold Curry for rehearing of D97-06-011 regarding costs of attic insulation in connection with the weatherization program of Southern California Gas Company.

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.

FEX-2 Recommendation regarding order of the Federal Energy Regulatory Commission issued October 31, 1997, for the recovery of take-or-pay costs by El Paso Natural Gas Company.

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