
Public Utilities Commission of the State of California

*Public Agenda 2989
Thursday, March 26, 1998, 10 a.m.
San Francisco, California*

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

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

<i>Ratesetting Deliberative Meeting*</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, April 6	Thursday, April 9
Monday, April 20	Thursday, April 23**
Monday, May 4	Thursday, May 7
Monday, May 18	Thursday, May 21
Monday, June 1	Thursday, June 4
Monday, June 15	Thursday, June 18

**Ratesetting Deliberative Meeting dates are reserved as noted but will only be held if there are ratesetting matters to be considered.*

***Will be held at the State Board of Equalization, 450 N Street, Sacramento, CA 95814*

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.



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance 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-12

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-18840** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374 (b) of the Public Utilities Code.
- CA-2** **Res TL-18841** - Resolution denying issuance of charter-party authority or household goods carrier authority for failure to satisfy statutory provisions of the Public Utilities Code and Commission general orders.
- CA-3** **R95-01-020 - Rulemaking on the Commission's own motion into Universal Service and to comply with the mandates of Assembly Bill 3643. I95-01-021 - Related matter.**
This decision denies intervenor compensation to Public Advocates for failure to follow Commission directives, misrepresentation, and an inadequate filing after two augmentations.
(Com Knight - ALJ O'Donnell)
- CA-4** **A96-12-009 - Pacific Gas and Electric Company (PG&E).**
For authority to identify and separate components of electric rates, effective January 1, 1998. A96-12-011, A96-12-019 - Related matters.
This decision responds to petitions to modify D97-08-056 filed by Western Mobilehome Parkowners Association and PG&E. This decision grants the petitions with minor modifications.
(Coms Duque/Conlon - ALJ Malcolm)
- CA-5** **A97-12-008 - State of California, Department of Transportation**

(Caltrans).

For authority to widen the existing Clark Avenue Overhead across the tracks of Union Pacific Railroad Company in Alameda County. Granted. This proceeding is closed.

(Exam Koss)

CA-6 A97-09-004 - County of Kern.

For authority to convert the existing private at-grade crossings to public at-grade crossings of Easterly Access Road of Frito-Lay across Union Pacific Railroad Company's Buttonwillow Branch Line track and spur tracks, formerly owned by Southern Pacific Transportation Company, in Kern County. Granted. San Joaquin Valley Railroad Company operates trains and leases the tracks. This proceeding is closed.

(Exam Koss)

CA-7 A97-11-021 - Mammoth Cellular, Inc. (Mammoth Cellular) and Eclipse Communications Corporation (Eclipse).

For authority to transfer Mammoth Cellular's certificate of public convenience and necessity to its subsidiary, Eclipse. Because the authority sought to be transferred has expired, the application is denied. This proceeding is closed.

(Com Neeper - ALJ Walker)

CA-8 A97-12-018 - Atlas Equity, Inc. dba Performance Telecom.

For exemption from the tariffing requirements for its non-dominant interexchange carrier service. Granted. This proceeding is closed.

(Com Neeper - ALJ O'Donnell)

CA-9 A97-11-001 - Cox California Telecom, Inc. (Cox INC).

For authority to transfer assets and liabilities, including certificate of public convenience and necessity and identification number from Cox-INC to Cox California Telcom II, L.L.C., both subsidiaries of Cox Communications, Inc. Granted. This proceeding is closed.

(Com Knight - ALJ Ramsey)

- CA-10 Res G-3236 - Kirkwood Gas & Electric Company.**
Request for approval to establish an environmental compliance memorandum account. Approved.
(Advice Letter 4, filed February 9, 1998)
- CA-11 Res T-16137 - MGC Communications, Inc. (MGC).**
This resolution grants eligible telecommunications carrier status to MGC, pursuant to the Federal Communications Commission's Report and Order (FCC 97-157) in the matter of Federal-State Joint Board on Universal Service (CC Docket No. 96-45).
- CA-12 C94-09-038 - John P. Duffy, dba Vintners Inn vs. Larkfield Water Company (Larkfield).**
Under Memorandum of Understanding between the Commission and Department of Health Services (DHS), DHS ordered Larkfield to install backflow devices in Larkfield's lines servicing complainant. Larkfield seeks to assess installation charges against complainant under Larkfield's tariff Rule 16. Because of circumstances here involved, Larkfield ordered to deviate from its tariff and pay for installation and not pass costs onto Duffy or other ratepayers. This proceeding is closed.
(Com Knight - ALJ Ramsey)
- CA-13 A97-10-073 - Hamidreza Tamjidi dba Sea Top Shuttle.**
For authority to extend passenger stage authority between points in San Diego County and San Diego Airport, AMTRAK San Diego Station, and Greyhound San Diego Bus Station. Granted. This proceeding is closed.
(Exam Koss)
- CA-14 A97-10-008 - Eissa Hassan Mohammad, Ahmed Mohamed Zarroug, Kmel Sadek Bashir and Mowafi Mohamed Ginawi dba International Shuttle.**
For authority to establish a Zone of Rate Freedom of 100% above and 10% below its present fares. Granted. This proceeding is closed.
(Exam Koss)

- CA-15 Res T-16138 - Roseville Telephone Company (Roseville).**
This resolution approves Roseville's request to provide a point-to-point 100 MB/s Fiber Data Distribution Interface link by special contract to Sutter/CHS.
(Advice Letter 364, filed June 11, 1996)
- CA-16 Res T-16135 - Citizens Telecommunications Company of California (Citizens).**
This resolution approves a local interconnection agreement between Citizens and AT&T Wireless Services of California, Inc. pursuant to Rule 4.3 of ALJ-174 and Section 252 of the 1996 Telecommunications Act.
(Advice Letter 622, filed January 13, 1998)
- CA-17 Res T-16133 - GTE California, Inc. (GTEC).**
This resolution approves a local interconnection agreement between GTEC and US West Interprise America, Inc. pursuant to Rule 4.3 of ALJ-174 and Section 252 of the 1996 Telecommunications Act. This agreement adopts a previously approved interconnection agreement between GTEC and MCI Metro Access Transmission Incorporated.
(Advice Letter 8639, filed January 23, 1998)
- CA-18 Res T-16134 - GTE California, Inc. (GTEC).**
This resolution approves a local interconnection agreement between GTEC and Bakersfield Cellular Telephone Company pursuant to Rule 4.3 of ALJ-174 and Section 252 of the 1996 Telecommunications Act.
(Advice Letter 8648, filed January 30, 1998)
- CA-19 R88-08-018 - Order instituting rulemaking into natural gas procurement and system reliability issues. R90-02-008 - Related matters.**
This decision denies the petition to modify D97-11-070 filed by Southern California Edison Company on December 19, 1997, seeking changes to the gas balancing rules of Southern California Gas Company. These proceedings are closed.
(Com Conlon - ALJ Malcolm)

- CA-20** **A96-12-009 - Pacific Gas and Electric Company (PG&E).**
For authority identify and separate components of electric rates, effective January 1, 1998. A96-12-011, A96-12-019 - Related matters. This decision denies the petition to modify D97-08-056 filed by New Energy Ventures seeking changes to the method adopted by the Commission for calculating the Power Exchange credit on utility bills. This order also grants the petition to modify D97-08-056 filed by The Utility Reform Network and Utility Consumers Action Network regarding the allocation of costs related to the California Alternative Rates for Energy program.
(Coms Duque/Conlon - ALJ Malcolm)
- CA-21** **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 petition to modify D97-10-057 filed by Pacific Gas and Electric Company (PG&E) on November 25, 1997. This decision denies that portion of PG&E's petition which seeks an exception to the rule that the Commission may not carry over costs incurred during the transition period. This decision grants that portion of the petition seeking clarification regarding the disposition of balances in certain regulatory accounts.
(Com Conlon - ALJ Malcolm)
- CA-22** **A97-11-039 - NucomNet, LLC (NucomNet) and NSC Communications Corporation (NSC).**
For authority for NSC to acquire control of NucomNet. NucomNet to continue to do business authorized by its certificate of public convenience and necessity under its present name and corporate identification number, as a wholly-owned subsidiary of NSC. Granted. This proceeding is closed.
(Com Knight - ALJ Ramsey)
- CA-23** **A97-08-014 - Xpress Management Systems, LLC dba Xpress Shuttle.**
For authority to operate as a passenger state corporation. Dismissed. This proceeding is closed.
(Exam Koss)

- CA-24 A97-09-028 - Sierra Pacific Power Company (Sierra).**
For authority to issue unsecured promissory notes in an aggregate amount not to exceed \$200,000,000 payable to banks and purchasers of commercial paper during 1998-2000. This decision grants Sierra the authority requested in its Petition for Modification of D97-12-111. Sierra may have outstanding through December 31, 2000 the full amount of the short-term debt authorized by D97-12-111 without a requirement to reduce short-term indebtedness to 5% of the par value of other securities at least once every twelve months, but subject to the condition that on or before July 1, 1999 Sierra shall file a petition for modification in which it will propose changes in its short-term debt authorization for the year 2000 and beyond. This proceeding is closed.
(Exam Clanon)
- CA-25 A95-09-016 - Southern California Water Company.**
For authority to increase rates for electric service in its Bear Valley Electric District. D96-05-033 is modified to reduce the amount of refunds to be paid to customers of record for the periods covered by Federal Energy Regulatory Commission Dockets 82-42 and 79-150 from \$1,627,212 to \$845,400; and the difference of \$781,812 shall be flowed through to existing customers in reduced energy charges. This proceeding is closed.
(Com Duque - ALJ Patrick)
- CA-26 A97-05-002 - San Diego Gas & Electric (SDG&E).**
For authority to increase its gas and electric revenue requirements to reflect its accomplishments for demand-side management program years 1994, 1995, and 1996 in the 1997 Annual Earnings Assessment Proceeding. A97-05-004, A97-05-005, A97-05-026 - Related matters. This decision addresses the earnings claims of Pacific Gas and Electric Company, Southern California Edison Company, SDG&E, and Southern California Gas Company, for their demand-side management (DSM) activities. Specifically, this decision awards first-year earnings for 1996 DSM programs and second-year earnings for 1995 and selected 1994 programs. The level of these earnings is undisputed in this proceeding. This decision also adopts specific modifications to our measurement and evaluation protocols. These proceedings are closed.
(Com Neeper - ALJ Gottstein)
(Section 311)

- CA-27** **I92-08-010 - Investigation on the Commission's own motion into the operations and practices of Andrew Richard Wagner, dba The Ultimate Limousine.**
Since there has been no activity in this docket since 1993, there is no need for this docket to remain open. This proceeding is closed.
(Com Conlon - ALJ Patrick)
- CA-28** **A96-03-054 - Pacific Gas and Electric Company (PG&E).**
For authority to modify Diablo Canyon Pricing and adopt a customer electric rate freeze in compliance with D95-12-063. This decision awards compensation to The Utility Reform Network and to San Luis Obispo Mothers for Peace, Rochelle Becker, and Life on Planet Earth (collectively) for their contributions to D97-05-088.
(Com Duque - ALJ Hale)
- CA-29** **R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044, A97-07-028 - Related matters.**
This decision grants approval for a certificate of public convenience and necessity to the 11 competitive local carriers (CLCs) identified in Appendix B of the decision to provide local exchange service on a facilities-basis and as resellers within the service territories of Pacific Bell, GTE California Incorporated, and where requested, within the territories of Roseville Telephone Company and Citizens Telephone Company. The decision also grants the CLCs' requests for interLATA and intraLATA authority. A97-07-028 is closed.
(Com Conlon - ALJ Pulsifer)
- CA-30** **I97-01-011 - Investigation on the Commission's own motion into the operations, practices, and conduct of Inter Continental Telephone Corporation, to determine whether the company has complied with the laws, rules, regulations, and applicable tariff provisions governing the manner in which California consumers are switched from one long-distance carrier to another, and other requirements for long distance carriers.**
This decision approves the settlement agreement which orders full restitution, withdraws certificate of public convenience and necessity, and provides \$100,000 for public interest advertising. This proceeding is closed.
(Com Neeper - ALJ Bushey)

- CA-31 A97-12-004 - Pacific Gas and Electric Company (PG&E).**
This decision grants conditional approval to PG&E to use natural gas-based financial instruments to manage gas costs associated with its utility electric generation portfolio. This proceeding is closed.
(Com Conlon - ALJ Minkin)
- CA-32 R94-02-003 - Rulemaking on the Commission's own motion to establish a simplified registration process for nondominant telecommunications firms. I94-02-004 - Related matter.**
This Decision authorizes interexchange carriers to offer service on a detariffed basis so long as customer signs written contract which complies with consumer protection limitations. This proceeding is closed.
(Com Knight - ALJ Bushey)
- CA-33 A98-01-019 - Searles Domestic Water Company (Searles), Harris Chemical Group, Inc. (Harris), and IMC Global, Inc. (IMC).**
Harris, which presently through intermediate corporate subsidiaries wholly owns Searles, is to be merged March 31, 1998 with and into a wholly-owned subsidiary of IMC, and under a new name will become the wholly-owned subsidiary of IMC Global. Transfer of ultimate control thus will go to IMC Global. This decision necessary pursuant to PU Code §854 authorizes transfer of control, but conditions the transfer upon the IMC Global family of corporations' continuing adherence to an agreement adopted in D94-01-042 which agreement provides for caps on the purchase price Searles pays for water purchased from its intermediate corporate parent under Harris, North American Chemical Company (The latter becoming an intermediate corporate parent under IMC Global after the merger.) There will be no impact upon rates or services provided by Searles to its 1100 customers. This proceeding is closed.
(Com Duque - ALJ Weiss)

CA-34 R94-04-032 - 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 D97-09-048 in recognition of the fact that the operation of the Independent System Operator (ISO) and Power Exchange (PX) is delayed past January 1, 1998. Accordingly, we clarify that commencement of the market control approach for review of utility capital additions should be keyed to the date that the ISO and PX begin operations, instead of to the January 1, 1998 expected date.

(Coms Bilas/Conlon - ALJ Gottstein)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

- H-1 C96-10-023 - Sonia L. Gill, et al. vs. Pacific Bell (Pacific).**
Complainants, 39 residents of the northern California town of Yorkville in the hills of Anderson Valley, complain that they are required to pay toll rates on calls to Boonville, the central town of Anderson Valley. They seek to have their local calling area extended to Boonville, where complainants say that they conduct most of their shopping, school and employment business. The complaint is dismissed for failure to show that Pacific's rates are unjust or unreasonable. This proceeding is closed.
(Com Duque - ALJ Walker)
(Agenda 2986, Item CA-32, 2/4/98; Agenda 2988, Item H-1, 3/12/98; Req - Commission)
- H-2 A95-04-025 - Long Distance Direct, Inc. (LDDI).**
For a certificate of public convenience and necessity to operate as a reseller of interexchange telecommunications services. This decision approves an amended settlement agreement between LDDI and the Consumer Services Division. Under the settlement, LDDI agrees, among other things, to pay a \$45,000 fee to an established trust fund devoted to investigation and enforcement of consumer protection actions in California. This proceeding is closed.
(Com Conlon - ALJ Walker)
(Agenda 2986, Item CA-6, 2/4/98; Agenda 2987, Item H-3, 2/19/98; Agenda 2988, Item H-2, 3/12/98; Req - Commission)
- H-3 C97-03-019 - California Cable Television Association (CCTA) vs. Southern California Edison Company (Edison).**
Upon complaint of CCTA, an annual fee of \$4.31 for pole attachments covered under Edison's standard pole attachment agreement is established on the effective date of this decision. This proceeding is closed.
(Com Duque - ALJ Wright)
(Section 311)
(Agenda 2988, Item 1, 3/12/98; Req - Commission)

H-4

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 and adopts rules for electric service providers (ESPs) that are based on the consumer protection statutes and other provisions that are contained in Senate Bill 477. In accordance with Public Utilities Code Section 394(a), the decision proposes for public comment a set of standards for financial viability and technical and operational ability for ESPs offering electrical service to residential and small commercial customers. In order to sufficiently protect these end-use customers, the Commission also adopts interim standards regarding an ESP's financial viability, and technical and operational ability.

(Coms Knight/Neeper - ALJ Wong)

(Agenda 2988, Item 2, 3/12/98; Req - Commission)

ORDERS**1 A96-10-038 - Pacific Enterprises, Enova Corporation, Mineral Energy Company, B Mineral Energy Sub (Newco Pacific Sub) and G Mineral Energy Sub (Newco Enova Sub).**

For approval of a plan of merger of Pacific Enterprises and Enova Corporation with and into Newco Pacific Sub and Newco Enova Sub, the wholly owned subsidiaries of a newly created holding company, Mineral Energy Company. This decision approves the merger of Pacific Enterprises (SoCalGas) and Enova Corporation (SDG&E). It finds that savings from the merger are \$288 million to be computed over five years and distributed to ratepayers and shareholders, 50-50, over five years. (Because of adjustments ratepayers will receive \$175 million.). It finds that to mitigate the effects of SDG&E's loss as a potential competitor and SoCalGas's market power, SDG&E should sell its gas-fired generation and SoCalGas should sell its options to acquire the California portions of the Kern River pipeline and the Mojave pipeline. The decision approves various conditions to prevent improper use of information and to prevent cross-subsidies of affiliates by regulated utilities, but it does not require costly utility-utility transaction rules. It finds that there are no environmental problems resulting from the merger and it approves the ALJ rulings regarding discovery and sanctions. This proceeding is closed.

(Coms Duque/Neeper - ALJ Barnett)

(Section 311)

1a ALTERNATE ORDER TO ITEM 1. This alternate order recognizes a 10-year period for merger benefits. Net benefits would be split 50/50 between ratepayers and shareholders, with adjustments. A General Rate Case or similar true-up mechanism would occur after five years. Total ratepayer benefits are projected to be \$557 million, with total shareholder benefits of \$531 million.

(Com Neeper)

- 2** **A91-05-050 - Southern California Edison Company (Edison).**
For authority to revise its energy cost adjustment billing factors, its major additions adjustment billing factor, its electric revenue adjustment billing factor, its low income surcharge, and its base rate levels effective January 1, 1991; authority to revise the incremental energy rate, the energy reliability index and avoided capacity cost pricing; and review of the reasonableness of Edison's operations during the period from April 1, 1990 through March 31, 1991. This decision resolves the reasonableness review of Edison execution of an amended qualifying facilities Contract. We find that the amended contract was unreasonable and caused Edison increased costs over the Original Contract of at least \$1.3 million during the review period. The Original Contract provided for electricity sales to Edison based on 40 MW of QF capacity. The QF claimed it could base sales on 56 MW of capacity. Edison agreed with the QF and signed the Amended Contract raising the capacity to 56 MW. The amended contract increased costs to Edison with no commensurate benefit. Edison should have insisted on the Original Contract. A 40 MW contract is not a 56 MW contract. This proceeding is closed.
(Com Neeper - ALJ Barnett)
(Section 311)
(SB 960 Experiment: Ratesetting Category)
- 2a** **ALTERNATE ORDER TO ITEM 2.** This alternate finds Edison's decision to negotiate with the QF to be reasonable. However, the Restated Contract is found to be unreasonable and orders a \$16 million (1997 net present value) disallowance.
(Com Neeper)
- 2b** **ALTERNATE PAGES TO ITEM 2.** These pages address the applicability of the Merced case in calculating an appropriate disallowance.
(Com Conlon)
- 3** **R_____** - Order instituting rulemaking on the Commission's own motion into the third triennial review of the New Regulatory Framework applicable to Pacific Bell and GTE-California.

- 4** **A97-02-003 - Cook Telecom, Inc. (Cook).**
For arbitration pursuant to Section 252 of the Federal Telecommunications Act of 1996 to establish an interconnection agreement with Pacific Bell (Pacific). This decision approves Amendment I to the paging interconnection agreement between Cook and Pacific. As amended, the interim agreement is the final agreement. Parties shall file the final agreement by March 31, 1998, which shall include a cover page, signed Amendment I and a copy of the interim agreement. The final agreement will become effective on filing. This proceeding is closed.
(Com Knight - ALJ Mattson)
- 5** **C96-10-004 - Roger Collin, Georgia Collin and Charlie Acker, et al., vs. Pacific Bell (Pacific).**
Complainants, 114 residents of the northern coastal town of Elk in Mendocino County, complain that they must pay toll rates for calls to Mendocino and Fort Bragg, where virtually all of their essential services are located. They seek to have their local calling area extended to include Mendocino and Fort Bragg. Pacific opposes the request, arguing that competition in the telecommunications industry is beginning to give consumers a choice of toll service providers and rates. The complaint is sustained and the relief requested - Extended Area Service to the target exchanges - is granted. This proceeding is closed.
(Com Duque - ALJ Walker)

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1** **Res G-3234** - Pursuant to the stipulation agreement in the modified global settlement (D94-07-064), Southern California Gas Company requests approval to refund \$1.430 million to core aggregation transportation customers. Approved.
- E-2** **Res O-0021 - Unocal California Pipeline Company.**
For approval to abandon its common carrier obligation to provide intrastate crude oil transportation service on its Los Angeles Basin Trunk Line #700B in Los Angeles County. Denied without prejudice.
(Advice Letter 15, filed January 26, 1998)
- E-3** **Res E-3526 - Southern California Edison Company.**
For Commission approval of a deviation for divested generation plants from Schedule S - Standby and Rule 9, Section B.
(Advice Letter 1291-E, filed February 25, 1998)
- E-4** **Res G-3235 - Southern California Gas Company.**
For approval of its clarification to tariff Schedules No. G-TBS, transaction base storage service and to extend its experimental tariffs Schedule No. G-TBS, transaction base storage service. Approved.
(Advice Letter (AL) 2634, filed October 3, 1997; AL 2634-A, filed January 15, 1998; AL 263-B, filed January 16, 1998; and AL 2674, filed February 10, 1998)

TELECOMMUNICATION MATTERS

C-1 Res T-16116 - Pacific Bell (Pacific).

Request to run 90 day promotion to waive the nonrecurring service charge to customers who choose to convert their existing residence local service back to Pacific. Approved.

(Advice Letter 18942, filed July 25, 1997)

(Agenda 2986, Item C-2, 2/4/98; Agenda 2987, Item C-3, 2/19/98; Agenda 2988, Item C-1, 3/12/98; Req - Commission)

C-2 Res T-16119 - Pacific Bell (Pacific).

This resolution authorizes Pacific's request in Advice Letter (AL) 19150 and Supplement AL 19150-A to assess a termination charge to customers who have obtained free footage allowance because of a group project or by ordering a business line in their Schedule A-4 tariff. The termination charge would apply if service is not kept for a minimum of three years. Pacific included changes to existing tariffs in AL 19150 and Supplement 19150-A. (AL 19150, filed December 8, 1997, and supplemented by AL 19150-A, dated January 20, 1998)

(Agenda 2987, Item CA-11, 2/19/98; Agenda 2988, Item C-2, 3/12/98; Req - Commission)

C-3 Res T-16139 - Pacific Bell (Pacific) and Genesis Communications International, Inc. (Genesis).

This resolution orders Pacific to continue local exchange service to Genesis' end-users at Pacific's rates for 30 days if Pacific terminates Resale Service to Genesis, and for Genesis to notice its end-users in a prescribed manner if its Resale Service is terminated by Pacific. During the 30 day period after termination of Genesis' Resale Service, any Genesis end-user must affirmatively switch to Pacific or an alternate local exchange service provider or have his/her local exchange service terminated if no choice is made.

WATER MATTERS

W-1

Res W-4094 - All Water Utilities.

This resolution authorizes the establishment of a memorandum account for water contamination litigation expenses.

ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS

- ALJ-1** **Res ALJ-176-2989** - Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure. (See also Rule 63.2(c) regarding notice of assignment.)

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

- LEG-1** AB 1912 (Haynes) as introduced on February 17, 1998. Would permit a court to award attorneys' fees to successful party that is a public agency.
- LEG-2** AB 2032 (Cardoza) as introduced on February 18, 1998. Would approve an agreement, pending before the CPUC, to purchase electric transmission and distribution facilities in Stanislaus and San Joaquin Counties.
- LEG-3** AB 2112 (Kuykendall), as introduced on February 18, 1998. Would impose a nonbypassable surcharge on specified natural gas ratepayers to fund identified public purpose programs.
- LEG-4** AB 2662 (Martinez), as introduced on February 17, 1998. Would require incumbent local exchange carriers to file with the Commission the interface protocols for order processing needed to access the incumbent local exchange's operation support system.
- LEG-5** AB 2728 (Martinez), as introduced on February 23, 1998. Would prohibit recovery from ratepayers of costs of consumer information programs about electric, gas or telephone deregulation for any entity that has a pecuniary interest in that market.
- LEG-6** SB 1714 (Hayden), as introduced on February 17, 1998. Would prohibit recovery from residential and small commercial ratepayers of any costs incurred on or after January 1, 1998, because of a delay in the start up of the ISO or PX.
- LEG-7** SB 1838 (Kopp), as introduced on February on February 19, 1998. Would exempt the delivery of federal preference power to BART from direct access tariffs.

- LEG-8** SB 1986 (Haynes), as introduced on February 19, 1998. Would limit, in state agency proceedings, intervenor compensation for attorneys' fees and expert witness fees to the rate of compensation paid to members of the State Bar under the Supreme Court's Guidelines for Appointed Counsel Representing Indigent Criminal Appellants, as specified.
- LEG-9** SB 2204 (Calderon), as introduced on February 20, 1998. Would amend the Public Resources Code and the Public Utilities Code regarding electric line clearances and vegetation suitable for planting near electric lines.
- LEG-10** SB 1086 (Schiff), as amended September 3, 1997. Would amend the California Self-Service Storage Facility Act in the Business and Professions Code.

COMMISSIONERS' REPORTS

Commissioner Conlon

- Electric Matters
- Transportation Matters

Commissioner Knight

- Telecommunications Matters

Commissioner Duque

- Water Matters

Commissioner Neeper

- Consumer Protection Matters

President Bilas

- Natural Gas Matters

EXECUTIVE DIRECTOR'S REPORT

Wesley M. Franklin, Executive Director

Approval of the 1998 Commission Business Plan
(Agenda 2988, 3/12/98; Req - Commission)

GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

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. If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Section 11125.2 and 11126.3(f).

APPELLATE SECTION ITEMS**ORDERS HELD OVER**

HEX-1 **R94-04-031, I94-04-032** - Disposes of application for rehearing and petition for modification by the Low Income Governing Board of D97-09-117, which established certain start-up procedures for the Low Income Governing Board and the California Board for Energy Efficiency, both advisory boards.
(Agenda 2982, Item EX-10, 12/16/97; Agenda 2984, Item HEX-6, 1/7/98; Agenda 2985, Item HEX-2, 1/21/98; Agenda 2986, Item HEX-1, 2/4/98; Agenda 2987, Item HEX-2, 2/19/98; Agenda 2988, Item HEX-1, 3/12/98; Req - Commission)

HEX-2 **A96-03-031, A96-04-030** - Disposition of applications for rehearing of D97-04-082, filed by the City of Long Beach (Long Beach) and The Utility Reform Network (TURN). Long Beach claims legal error on the ground that D97-04-082 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.
(Agenda 2981, Item EX-2, 12/3/97; Agenda 2982, Item HEX-2, 12/16/97; Agenda 2984, Item HEX-2, 1/7/98; Agenda 2985, Item HEX-5, 1/21/98; Agenda 2986, Item HEX-3, 2/4/98; Agenda 2987, Item HEX-4, 2/19/98; Agenda 2988, Item HEX-3, 3/12/98; Req - Commission)

HEX-2a **ALTERNATE ORDER TO ITEM HEX-2.**
(Agenda 2987, Item HEX-4a, 2/19/98; Agenda 2988, Item HEX-3a, 3/12/98; Req - Commission)

HEX-2b **ALTERNATE ORDER TO ITEM HEX-2.**
(Agenda 2987, Item HEX-4b, 2/19/98; Agenda 2988, Item HEX-3b, 3/12/98; Req - Commission)

HEX-3 **I _____** - Order Instituting Investigation into the operations, practices, and conduct of America's Tele-Network Corp. (ATN), John W. Little, President of ATN, and Geri Clary, Controller of ATN to determine whether the corporation or its principals have violated Rule 1 of the Commission's Rules of Practice and Procedure, whether ATN has unlawfully switched subscribers' primary interexchange carrier without the subscriber's authorization in violation of Public Utilities Code § 2889.5, and whether ATN has charged subscribers for services the subscriber never ordered.
(Com Neeper - ALJ Bushey)
(Agenda 2988, Item EX-4, 3/12/98; 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** **C96-02-014** - Disposition of Application for Rehearing of D97-10-025 filed by MFS Intelenet of California, Inc. (MFS) related to implementation of an agreement between Pacific Bell and MFS.
- EX-3** **C96-06-042** - Disposition of application for rehearing of D97-02-040 filed by San Martin County Water District (Water District or District). D97-02-040 requires: (1) the District 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. The application for rehearing further claims that compliance with the Decision will force the dissolution of the Water District.
- EX-4** **A97-05-016** - Disposes of the Application for Rehearing of D97-12-089 filed by The Utility Reform Network, which set the return on equity for Pacific Gas & Electric Company for 1998.
- EX-5** Discussion of legal issues related to State Personnel Board determination in CSEA et al. vs. SPB et al., Sacramento Superior Court, No. 978CS03024.
- EX-6** Discussion of the legal issues, including possible intervention, in Adler, et al. vs. Southern California Water Company (Los Angeles County Superior Court No. BC 169892) and related cases.

EX-7 **C95-08-039, C95-11-021, C96-01-016** - Disposes of applications for rehearing of D97-11-029, D97-11-069, and D97-11-068 filed by Pacific Bell, which resolved the complaints of Bayside Village et al., Vista Montana Apartments, and Ted Dietenhofer, respectively. Pacific Bell argues that the conclusion that the cross-connects at issue are not inside wire is based on insufficient evidence and is otherwise legally in error.

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 FERC Docket No. ER98-211-00, Application of the Independent System Operator for authorization of a grid management charge, FERC Docket No. ER98-210-000, Application of the California Power Exchange for authorization of an Administrative Charge, and FERC Docket No. ER98-462-000, FERC Docket No. ER98-556-000 and FERC Docket No. ER98-557-000, Applications of Southern California Edison Company and Pacific Gas and Electric Company for passthrough of ISO and PX charges to existing contracts customers.

**SUBSCRIPTION NOTICE FOR AGENDA
AND
DRAFT AGENDA ITEMS**

If you wish to subscribe to the *agenda*, please send your request with a check payable to the Public Utilities Commission; Attention: Poly Arca, Room 1003; 505 Van Ness Avenue; San Francisco, CA 94102; or by calling (415) 703-1798. The cost for a one-year subscription to the agenda is \$75.

If you wish to receive *draft agenda items*, please send your request with a check payable to the Public Utilities Commission; Attention: Poly Arca, Room 1003; 505 Van Ness Avenue; San Francisco, CA 94102; or by calling (415) 703-1798. The cost for a one-year subscription to the entire public agenda package (which excludes Executive session materials) is \$1000. The cost for energy agenda items only or telecommunication agenda items only is \$500 per year. The package you receive via mail will include only those agenda items available at the time of the agenda distribution date, which is usually 10 to 12 days prior to the Commission meeting. If agenda items (including revisions) are not ready on the distribution date, they will be made available at no charge in the lobby outside the Commission Auditorium at 9:00 a.m. on the morning of the Commission meeting, but not earlier. In addition, the Commission will make draft agenda items available for viewing and photocopying (at 20 cents per page) at the Commission's Central Files Office (Room 2002), 505 Van Ness Avenue, San Francisco, and in the Commission offices in Los Angeles, San Diego, and the following field offices: El Centro, Eureka, Sacramento, and San Bernardino. Since the agenda package will be mailed to these locations, it will be available at these locations a day or two after the distribution date. These locations will not receive agenda items that are not ready on the distribution date.

Those intervenors who have financial hardship determination pending or granted shall be eligible to receive draft agenda item packets at no charge.