
Public Utilities Commission of the State of California

Public Agenda 2995
Thursday, June 18, 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, June 15	Thursday, June 18
Monday, June 29 - no meeting	Thursday, July 2
Monday, July 20	Thursday, July 23
Monday, August 3	Thursday, August 6
Monday, August 31	Thursday, September 3

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered. A " " next to the date indicates that the meeting will be held. A " " next the item number on the Agenda indicates that the matter will be considered during the Ratesetting Deliberative Meeting.*

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.

For further information contact the Public Advisor
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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-6, CA-10, CA-12, CA-18, CA-22, CA-23

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.

ORDERS AND RESOLUTIONS

- CA-1** **Res TL-18851** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2** **Res TL-18852** - 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** **A96-03-031 - Southern California Gas Company.**
For authority to review its rates effective January 1, 1997, in its Biennial Cost Allocation Proceeding. A96-04-030 - Related matter. This decision grants San Diego Gas & Electric Company's (SDG&E) November 5, 1997 petition to modify D97-04-082. SDG&E requests the Commission consider two studies filed on November 5, 1997 pursuant to D97-04-082, Core Customer Value of Service Study and Noncore Reliability Report, in its next Biennial Cost Allocation Proceeding rather than as an isolated proceeding in this docket.
(Com Conlon - ALJ Walwyn)

- CA-4 A97-08-008 - The Washington Water Power Company (WWPC).**
This decision grants WWPC's petition to modify D97-10-054 to issue short-term debt amounting to \$225,000,000 in excess of the amount provided in the Public Utilities Code Section 823. This proceeding is closed.
(Exam Evans)
- CA-5 A91-11-024 - San Diego Gas & Electric (SDG&E).**
For authority to increase its rates and charges for electric, gas and steam service, effective January 1, 1993. This decision addresses SDG&E's 1997 Rate Design Window proposals for: (1) seasonal residential rate differentials, (2) revisions to Timed Auxiliary Power Adapters Special Conditions in Schedules LS-1 and LS-2, (3) revisions to SDG&E's Standard Form Contract for illuminated transit shelters, (4) clarifications and corrections to various tariff provisions, and (5) residential basic service charge. None of the proposals involve change to the current revenue allocation or unit charges. Following review of comments filed, this decision adopts SDG&E's proposals with some modifications. This proceeding is closed.
(Com Neeper - ALJ Patrick)
(SB 960 Experiment: Ratesetting Category)
- CA-6 (ECP) C98-03-016 - A.R. Rashad vs. Pacific Gas and Electric Company.**
This decision denies complaint of harassment and high bills due to lack of evidence. This proceeding is closed.
(Com Conlon - ALJ Bennett)
- CA-7 I90-10-042 - Order instituting investigation (OII) on the Commission's own motion to consider policies and procedures applicable to the "extra space" in billing envelopes of utilities.**
This order terminates a 1990 investigation of the use of extra space in utilities' billing envelopes. Because of the extensive changes in the electric industry and the proposed changes in the gas industry since the OII was begun, the record is inadequate and stale. This proceeding is closed.
(Com Conlon - ALJ Barnett)

- CA-8** **A97-08-032 - Mohamed A. Awara dba Best Way Shuttle.**
This decision authorizes applicant to operate as a passenger stage corporation between points in the Counties of San Francisco, Contra Costa, and Alameda, on the one hand, and San Francisco and Oakland International Airports, on the other. Applicant is also authorized to establish a Zone of Rate Freedom of \$8 above and below its proposed fares. This proceeding is closed.
(Exam Koss)
- CA-9** **A97-08-026 - Mohamad M. Dennawi dba Apollo Shuttle Service.**
This decision authorizes applicant to operate as a passenger stage corporation between points in the Counties of San Francisco, Contra Costa, and Alameda, on the one hand and the International Airports of San Francisco, Oakland, and San Jose, on the other. Applicant is also authorized to establish a Zone of Rate Freedom of \$8 above and below its proposed fares. This proceeding is closed.
(Exam Koss)
- CA-10** **(ECP) C97-08-042 - Patrick J. Byington vs. Pacific Gas and Electric Company (PG&E).**
This decision orders PG&E to bill complainant for a reasonable period of energy diversion. This proceeding is closed.
(Com Duque - ALJ Stalder)
- CA-11** **A98-02-023 - Residential Energy Service Companies' United Effort (RESCUE).**
For rehearing of Res E-3515. A98-03-003 - Related matter. This decision makes certain modifications to Res E-3515 in response to a petition for modification of Res E-3515 filed by Pacific Gas and Electric Company and an application for rehearing of Res. E-3515 filed by RESCUE. This proceeding is closed.
(Com Neeper - ALJ Gottstein)
- CA-12** **(ECP) C97-12-053 - Richard Beagle vs. Southern California Edison Company (Edison).**
Complaint that Edison billed complainant for power used by others is dismissed for failure of proof. This proceeding is closed.
(Com Neeper - ALJ Wright)

- CA-13 A98-02-013 - Southern California Water Company dba Bear Valley Electric Service.**
For approval of proposals to implement billing options and separate costs for revenue cycle services. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.
(Com Duque - ALJ Careaga)
(Rule 6.5(b))
- CA-14 A98-02-009 - PacifiCorp.**
For approval of PacifiCorp's revenue cycle services credits pursuant to D97-12-093. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.
(Com Duque - ALJ Careaga)
(Rule 6.5(b))
- CA-15 A98-02-006 - Sierra Pacific Power Company.**
For approval of its proposals to implement direct access billing options and separate costs for revenue cycle services. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.
(Com Duque - ALJ Careaga)
(Rule 6.5(b))
- CA-16 C87-07-033 - Alexander Gee vs. Pacific Bell.**
This complaint alleges defendant has formed improper calling area boundaries in Southern California and has confused customers by certain dialing procedures. Held: This complaint is dismissed for failure to state a cause of action. No facts are alleged to show any violation of law by defendant. This proceeding is closed.
(Com Bilas - ALJ Barnett)

- CA-17** **I90-01-033 - Investigation on the Commission's own motion into the matter of competitive access to customer list information. A89-07-030, C86-06-004 - Related matters.**
This decision closes this proceeding, which is known as the List OII. The decision concludes that it is appropriate to close the proceeding because the record reflected in the comments is stale, there has been no activity in this docket since 1991, there have been many changes in the telecommunications industry since then, issues previously handled in this docket have been transferred to other dockets, and no party has expressed opposition to closing this proceeding. This proceeding is closed.
(Com Duque - ALJ McKenzie)
- CA-18** **(ECP) C98-01-031 - C. David Stephan vs. Pacific Bell.**
Complaint to have residential telephone number referral service extended indefinitely. Held: relief denied. Telephone numbers are a limited resource and may not be hoarded. (See D96-06-062.) This proceeding is closed.
(Com Knight - ALJ Barnett)
This revision was not listed on the agenda distributed to the public.
- CA-19** **A98-03-003 - Pacific Gas and Electric Company (PG&E).**
For modification of Resolution E-3515. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.
(Com Neeper - ALJ Gottstein)
(Rule 6.5(b))
- CA-20** **Res SR-96 - This resolution grants an exemption from radio requirements of Commission General Order 161 for switching and interchange operations of West Isle Line in Alpaugh, California.**
- CA-21** **Res W-4101 - Southern California Water Company, Metropolitan District.**
This resolution authorizes an offset rate increase of \$786,400 or 1.43%.
(Advice Letter 1029, filed March 4, 1998)
- CA-22** **Inadvertently omitted**

CA-23 **C94-03-035 - Teresa LeGault vs. Pacific Gas and Electric Company.**
This complaint is dismissed by reason of failure of proof. This proceeding is closed.
(Com Knight - ALJ Wright)

CA-24 **I95-05-047 - Investigation on the Commission's own motion into the second triennial review of the operations and safeguards of the incentive-based regulatory framework for local exchange carriers.**
This decision authorizes the August 1996 audit plan that the Office of Ratepayer Advocates proposed for Pacific Bell and GTE California Incorporated. This proceeding is closed.
(Com Conlon - ALJ Reed)

CA-25 **A98-03-043 - Blue & Gold Fleet, L.P.**
For authority to increase fare levels for the transportation of passengers in vessel common carrier service between the Alameda Gateway Area and the Port of Oakland, on the one hand, and authorized points in San Francisco, on the other hand. This decision approves the Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.
(Com Conlon - ALJ McVicar)
(Rule 6.5(b))

CA-26 **R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.**
This decision grants approval for a certificate of public convenience and necessity to the two 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 and Citizens Telephone Company. This decision also grants the CLCs' requests for interLATA and intraLATA authority.
(Com Conlon - ALJ Pulsifer)

CA-27 **Inadvertently omitted**

- CA-28** **A98-03-022 - City of Truckee (City).**
This decision authorizes the City to construct the Western Underpass (A-207.55-B) at separated grades beneath the tracks of the Union Pacific Railroad Company in Truckee, Nevada County. This proceeding is closed.
(Exam Koss)
- CA-29** **A97-12-016 - Southern California Water Company (SoCalWater).**
This decision approves an uncontested settlement agreement between the Ratepayer Representation Branch of the Commission's Water Division, and SoCalWater. SoCalWater is authorized to reorganize into a holding company structure as set forth in the application and in the settlement. This proceeding is closed.
(Com Neeper - ALJ McVicar)
- CA-30** **A96-06-049 - Southern California Gas Company (SoCalGas).**
This decision adopts SoCalGas' proposals to modify the requirements that contractors must meet to install customer-owned automatic earthquake gas shut-off valves on SoCalGas' side of the meter. The valve installation requirements adopted in D96-09-044 are modified to: (1) designate the type of contractor's license required; (2) specify insurance requirements; (3) increase training requirements; (4) implement a quality assurance and recordkeeping system; (5) address compliance with Department of Transportation rulings; and (6) prescribe operating parameters for contractors working on SoCalGas' side of the meter. This proceeding is closed.
(Com Conlon - ALJ Patrick)
- CA-31** **C93-07-046 - Utility Audit Company, Inc. (UA) vs. Southern California Gas Company (SoCalGas). C94-02-009 - Related matter.**
UA represents the owners of seven apartment complexes, alleges that SoCalGas deprived the owners of the opportunity to make full use of available baseline allowances. Essentially, UA requests that the Commission order SoCalGas to backbill these customers for three years prior to the date the Commission issued Resolution G-3063. This decision concludes that since SoCalGas billed these customers in accordance with its then applicable tariffs, there is no billing error and UA's request for backbillings should be denied. These proceedings are closed.
(Com Conlon - ALJ Patrick)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

H-1 A95-12-043 - Pacific Bell (Pacific).

For authority to increase and restructure certain rates of its Integrated Services Digital Network (ISDN) services. C96-02-002 - Related matter. This order finds that Pacific failed to comply with Ordering Paragraph 4 of D97-03-021 and continued to provide inadequate ISDN service during most of 1997. We fine Pacific \$515,000 pursuant to Public Utilities Code Section 2107 for its failure to comply with D97-03-021. We also find that Pacific shall, in certain cases, waive installation fees for ISDN service if during any three consecutive months its customer service falls below certain minimum levels. These proceedings are closed.

(Com Duque - ALJ Malcolm)

(Section 311)

(Agenda 2993, Item 1, 5/21/98; Req - Commission)

H-2 R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.

This decision adopts rules governing the nondiscriminatory access to the poles, ducts, conduits, and right-of-way of public utilities among all telecommunications carriers competing in the local exchange market within California.

(Com Conlon - ALJ Pulsifer)

(Agenda 2991, Item 1, 4/23/98; Agenda 2994, Item H-1, 6/4/98; Req - Commission)

- H-3** **A96-08-058 - Wild Goose Storage, Inc. (Wild Goose).**
For a certificate of public convenience and necessity (CPCN) to construct facilities for gas storage operations. In D97-06-091, the Commission granted Wild Goose a CPCN to construct a gas storage facility. This decision closes the proceeding by resolving the last two pending issues. A proposed policy statement that would set broad parameters for the allocation of costs related to future upgrades to Pacific Gas & Electric Company's system needed to serve the Wild Goose facilities is rejected. However, D97-06-091 is modified to relieve the company of its responsibility to file a cost justification for the lower end of its tariffed rates. This proceeding is closed.
(Com Conlon - ALJ Weissman)
(Agenda 2993, Item CA-10, 5/21/98; Agenda 2994, Item H-2, 6/4/98; Req - Commission)
- H-3a** **ALTERNATE ORDER TO ITEM H-3.** This alternate further clarifies that Wild Goose Storage, Inc. is not required to cost justify its rates.
(Com Knight)
(Agenda 2994, Item H-2a, 6/4/98; Req - Commission)
- H-4** **A97-09-009 - California Water Service Company (CWS).**
For an order authorizing it to increase rates charged for water service in the South San Francisco district. A97-09-010, A97-09-011, A97-09-014 - Related matters. This decision authorizes general rate increases for CWS's Marysville, Oroville, Selma, and South San Francisco Districts. These proceedings are closed.
(Com Bilas - ALJ Garde)
(Section 311)
(Agenda 2992, Item 3, 5/7/98; Agenda 2993, Item H-6, 5/21/98; Agenda 2994, Item H-7, 6/4/98; Req - Commission)
- H-5** **A97-12-005 - Pacific Gas and Electric Company (PG&E).**
This decision grants conditional authority to PG&E to use natural gas-based financial instruments to manage the impact of natural gas prices on the cost of electricity purchased pursuant to existing power purchase contracts. This authority ends no later than December 31, 1999. This proceeding is closed.
(Com Conlon - ALJ Minkin)
(Agenda 2993, Item 4, 5/21/98; Agenda 2994, Item H-9, 6/4/98; Req - Commission)

- H-5a** **ALTERNATE ORDER TO ITEM H-5.** This order would amend the decision to allow Pacific Gas and Electric Company to enter into derivative transactions that expire no later than December 31, 2001.
(Com Neeper)
(Agenda 2994, Item H-9a, 6/4/98; Req - Commission)
- H-6** **A96-11-046 - Southern California Edison Company (Edison).**
This decision approves application of Edison for authority, pursuant to Public Utilities Code Section 851, to sell the Ormond Beach plant to Houston Industries Power Generation, Inc. (HIPG), and the terms and conditions of the sale, including a condition that Edison sell an additional 50 acres of real property adjacent to the Cool Water generating station previously sold by Edison to HIPG. This proceeding is closed.
(Coms Bilas/Conlon - ALJ Careaga)
(Agenda 2994, Item 1, 6/4/98; Req - Commission)
- H-7** **A97-07-015 - Southwest Gas Corporation (Southwest).**
This decision dismisses the application of Southwest to modify D95-04-075 and applicant is ordered to proceed with all deliberate speed to fulfill its obligations set forth in D95-04-075 and D94-12-022. This proceeding is closed.
(Com Duque - ALJ Wright)
(Agenda 2992, Item 6, 5/7/98; Agenda 2993, Item H-7, 5/21/98; Agenda 2994, Item H-8, 6/4/98; Req - Commission)
This item was listed on the June 4, 1998 Agenda as H-8 and was "held" by the Commission to the June 18, 1998 Meeting. However, it was inadvertently omitted from the list of held items shown on the June 18, 1998 Agenda mailed on June 8, 1998, due to clerical error.
- H-7a** **ALTERNATE ORDER TO ITEM H-7.** This alternate order rejects the proposed settlement by applicant and the Office of Ratepayer Advocates on the ground that the proposed settlement is not in the public interest. The application is set for hearing to give applicant the opportunity to show that the application to modify D95-04-075 is in the public interest.
(Com Conlon)
This item was not listed on the agenda distributed to the public.

ORDERS

- 1** **I97-07-014 - Investigation for the purpose of establishing a list for the fiscal years 1998-99 and 1999-2000 of existing and proposed crossings at grade of city streets, county roads, or state highways in need of separation, or projects effecting the elimination of grade crossings by removal or relocation of streets or railroad tracks, or existing separations in need of alterations or reconstruction in accordance with Section 2452 of the Streets and Highways Code.**

The decision establishes a list for fiscal year 1998-99 of existing and proposed at grade crossings of railroad tracks by city streets, county roads, or state highways which are in need of grade separation or other alterations.
(Com Bilas - ALJ Garde)
(Section 311)

- 2** **A97-11-004 - Pacific Gas and Electric Company (PG&E).**

For authority to identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances for implementation no later than January 1, 1999. A97-11-011, A97-12-012 - Related matters. This decision resolves outstanding matters in Phase I of the applications of PG&E, Southern California Edison Company, and San Diego Gas & Electric Company, to unbundle portions of metering, billing and related services which we have referred to as "revenue cycle services." In this decision, we determine appropriate specific categories of revenue cycle services and address bill formatting issues. We also authorize PG&E to defer the offering of revenue cycle services credits on customer bill and instead to offer checks to customers subscribing to revenue cycle services of competitors.
(Com Duque - ALJ Malcolm)
(Section 311)

- 3** **A97-03-002 - Pacific Gas and Electric Company (PG&E).**
For authority to adjust its gas rates and tariffs to be effective January 1, 1998, pursuant to Decision Nos. 89-01-040, 90-09-089, 91-05-029, 93-12-058, 94-07-024, and 95-12-053. This decision addresses PG&E's Biennial Cost Allocation Proceeding application. In this decision, we adopt an annual \$96.3 million decrease compared to revenues from Gas Accord rates in effect on March 1, 1998, reflecting an annual decrease of \$4.14 million in procurement revenues and an annual decrease of \$92.14 million in transportation revenues. Appendix B attached to this decision shows the proposed revenue requirement, balancing account summary, and the rate impact of changes from this decision. All rate changes will be effective September 1, 1998. This proceeding is closed.
(Com Bilas - ALJ Econome)
(Section 311)
(SB 960 Experiment: Ratesetting Category)
- 4** **A96-08-041 - AT&T Communications of California, Inc. (AT&T).**
For arbitration pursuant to Section 252 of the Federal Telecommunications Act of 1996 to establish an interconnection agreement with GTE California, Incorporated (GTEC). This decision denies GTEC's petition to modify D97-01-022, which approved an interconnection agreement between GTEC and AT&T. The modification would remove a provision in the contract that requires GTEC to provide unbundled elements to AT&T on a pre-combined basis. This issue was not raised in the arbitration that led to D97-01-022. However, GTEC can pursue this issue in R93-04-003. This proceeding is closed.
(Com Duque - ALJ Weissman)
- 5** **R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.**
This decision adopts a policy prospectively terminating the establishment of new extended area service (EAS) routes within the territories of the large and mid-sized local exchange companies. Existing EAS routes shall be grandfathered for the present time.
(Com Conlon - ALJ Pulsifer)

- 6 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.**
The decision adopts charters for the California High Cost Fund (CHCF)-A Administrative Committee, the CHCF-B Administrative Committee, and the CTF Administrative Committee ("the Committees"). This decision also identifies rules the Committees must adhere to in their role as advisory bodies to the Commission. Further, this decision provides guidance to the Committees regarding the preparation and submittal of proposed budgets and annual reports to the Commission. Finally, this decision appoints the current members Interim Administrative Committee to serve as the members of the Committees until further notice.
(Com Knight - ALJ Kenney)
- 7 A96-08-039 - Southern California Edison Company (Edison).**
For orders: (1) approving a proposed settlement and power purchase agreement restructuring between Edison and Pacific Energy; (2) authorizing Edison's recovery in rates of payments made pursuant to the power purchase agreements included in the proposed settlement and restructuring. This decision determines the disposition of a \$15 million payment made by Pacific Energy, a Qualifying Facility, to Edison pursuant to a settlement governing the renegotiation of two power purchase agreements. We approved the settlement in D97-07-039 (July 16, 1997). In this decision, we order the payment to be recorded as a credit to Edison's Transition Cost Balancing Account. This proceeding is closed.
(Com Knight - ALJ Ryerson)
- 8 R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.**
This decision grants the Petition for Modification of D96-03-020, Conclusion of Law 49, to exclude the portion of the California High Cost Fund-B subsidy payment due to shared or common costs in determining whether the price of a bundled package offered by the incumbent local exchange carrier (i.e., Pacific Bell or GTE California, Inc.) is above the price floor.
(Com Conlon - ALJ Pulsifer)
- 9 R_____ - Order Instituting Rulemaking on the Commission's own motion into the service quality standards for all telecommunications carriers and revisions to General Order 133-B.**
(Com Conlon)

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res E-3536 - Southern California Edison Company (Edison).**
This resolution approves with modifications Edison's request for approval of its 1998 hydroelectric generation revenue requirement.
(Advice Letter 1277-E, filed December 23, 1997)
(Agenda 2993, Item E-1, 5/21/98; Agenda 2994, Item E-1, 6/4/98; Req - Commission)
- E-2 Res E-3538 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), and San Diego Gas & Electric (SDG&E).**
This resolution approves with modifications PG&E, Edison, and SDG&E's request for approval of transition cost balancing account tariffs and several memorandum accounts in compliance with D97-06-060, D97-11-074, D97-12-039. In addition, pursuant to D97-12-096, PG&E's request for approval of must run hydroelectric/goothermal memorandum account.
(Advice Letters (AL) 1720-E (PG&E), 1275-E (Edison), 1061-E (SDG&E), filed December 15, 1997. In addition by AL 1723-E (PG&E), filed December 22, 1997 and supplemented by ALs 1723-E-A and 1723-E-B on December 31, 1997 and January 30, 1998, respectively)
(Agenda 2993, Item E-3, 5/21/98; Agenda 2994, Item E-3, 6/4/98; Req - Commission)
- E-2a ALTERNATE RESOLUTION TO RES E-2.** This resolution grants Southern California Edison Company a memorandum account to calculate the net effect that the use of jurisdictional allocation factors may have upon their revenue requirement.
(Com Conlon)
(Agenda 2994, Item E-3a, 6/4/98; Req - Commission)
- E-3 Res E-3531 - Pacific Gas and Electric Company (PG&E).**
This resolution denies PG&E's request to add a special condition to Schedule E-Exempt that would allow electric customers who select certain irrigation districts as their energy service provider and who take direct access service from PG&E, to be exempt from paying the competition transition charge.
(Advice Letter 1738-E, filed January 29, 1998)
(Agenda 2993, Item E-4, 5/21/98; Agenda 2994, Item E-4, 6/4/98; Req - Commission)

TELECOMMUNICATIONS MATTERS

C-1 Res T-16148 - Pacific Bell (Pacific).

This resolution approves provisionally with conditions Pacific's request to offer anonymous call rejection service.

(Advice Letter (AL) 19265, filed February 11, 1998, as supplemented by AL 19265A, filed February 26, 1998, as supplemented by AL 19265B, filed March 10, 1998)

(Agenda 2993, Item C-1, 5/21/98; Agenda 2994, Item C-1, 6/4/98; Req - Commission)

RAIL SAFETY AND CARRIERS RESOLUTIONS

- T-1** **Res ST-37** - This resolution adopts an agreement between the Rail Safety and Carriers Division and the San Francisco Municipal Railway to prepare a joint report establishing requirements for safety related improvements to be made to light rail train operations.

ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS

ALJ-1 **Res ALJ-176-2995** - 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.)

MANAGEMENT RESOLUTIONS

- M-1** **Res M-4789** - Resolution adopting level of Public Utilities Commission Utilities Reimbursement Account Fees to be imposed for Fiscal Year 1998-99.

- M-2** **Res M-4790** - Resolution adopting level of Public Utilities Commission Transportation Reimbursement Account Fees to be imposed for fiscal year 1998-99.

- M-3** **Res M-4791** - Resolution adopting level of Transportation Rate Fund Fee to be imposed for fiscal year 1998-99.

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

- HLEG-1** H.R. 1401 (Thomas) as introduced on April 17, 1997. Would amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for producing electricity for wind. S.1459 (Grassley) as introduced November 8, 1997. Would amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for producing electricity from wind and closed-loop biomass.
(Agenda 2990, Item LEG-10, 4/9/98; Agenda 2992, Item HLEG-1, 5/7/98; Agenda 2993, Item HLEG-1, 5/21/98; Agenda 2994, Item HLEG-1, 6/4/98; Req - Commission)
- HLEG-2** SB 2006 (Kelley), as introduced on February 20, 1998. Would repeal Public Resources Code Section 25542, regarding Energy Commission siting authority.
(Agenda 2990, Item LEG-8, 4/9/98; Agenda 2991, Item HLEG-7, 4/23/98; Agenda 2992, Item HLEG-6, 5/7/98; Agenda 2993, Item HLEG-3, 5/21/98; Agenda 2994, Item HLEG-3, 6/4/98; Req - Commission)
- HLEG-3** AB 554 (Papan) as amended on March 30, 1998. Would amend the Government Code to require the CPUC, upon the request of the Metropolitan Transportation Commission whenever an area code split within the San Francisco bay area is proposed, to order the permanent assignment of identified public transit and traffic information telephone numbers.
(Agenda 2991, Item LEG-1, 4/23/98; Agenda 2992, Item HLEG-8, 5/7/98; Agenda 2993, Item HLEG-4, 5/21/98; Agenda 2994, Item HLEG-4, 6/4/98; Req - Commission)
- HLEG-4** SB 2038 Technological Infrastructure (Polanco) amended on April 23, 1998. Would create an Interagency Commission on Technological Infrastructure for the 21st Century.
(Agenda 2991, Item LEG-2, 4/23/98; Agenda 2992, Item HLEG-9, 5/7/98; Agenda 2993, Item HLEG-5, 5/21/98; Agenda 2994, Item HLEG-5, 6/4/98; Req - Commission)

- HLEG-5** AB 2728 (Martinez), as amended. Would amend Public Utilities Code Section 453 to require the Commission to administer and develop consumer education or information programs.
(Agenda 2992, Item LEG-2, 5/7/98; Agenda 2993, Item HLEG-6, 5/21/98; Agenda 2994, Item HLEG-6, 6/4/98; Req - Commission)
- HLEG-6** SB 2103 (Haynes), as amended May 19, 1998. Would add Section 13557 to the Water Code regarding establishment of rates for recycled water and resolution of disputes.
(Agenda 2994, Item LEG-1, 6/4/98; Req - Commission)
- LEG-1** SB 1765 (Costa), as amended May 26, 1998. Would amend the Health and Safety Code regarding the Safe Drinking Water State Revolving Fund.
- LEG-2** AB 2112 (Wright), as amended June 4, 1998. Would impose a nonbypassable surcharge on specified natural gas ratepayers to fund identified public purpose programs; would require that a study and recommendations for an appropriate, stable, future funding source be submitted to the Legislature by January 1, 2000.

RESOLUTIONS AND MEMORANDUMS

- L-1** **Res L-271** - This resolution would authorize the release of information, including data which is not subject to public inspection pursuant to Section 583 of the Public Utilities Code and General Order No. 66-C, in response to a Public Records Act Request served on the Commission by the City Attorney for the City of Pinole. The request seeks the Staff Incident Report investigating an explosion that occurred on February 17, 1998 in Pinole

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

GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

DIRECTORS' 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** **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.
(Agenda 2989, Item EX-3, 3/26/98; Agenda 2990, Item HEX-2, 4/9/98; Agenda 2991, Item HEX-2, 4/23/98; Agenda 2992, Item HEX-1, 5/7/98; Agenda 2994, Item HEX-1, 6/4/98; Req - Commission)

- HEX-2** **A97-05-011, A97-06-046, A97-07-005, A97-08-064** - Disposition of applications for rehearing of D97-12-093 filed by Sierra Pacific Power Corporation and PacifiCorp. D97-12-093 addresses the application of AB 1890 to smaller and multi-jurisdictional utilities including such matters as direct access, bill unbundling, transition cost recovery, the operation of transmission and public purpose programs. The applications allege a number of errors including claims that rates are unreasonable and that AB 1890 and/or D97-12-093 do not meet constitutional requirements relating to confiscation and equal protection.
(Agenda 2992, Item EX-7, 5/7/98; Agenda 2993, Item HEX-1, 5/21/98; Agenda 2994, Item HEX-3, 6/4/98; Req - Commission)
- HEX-3** **I92-03-052** - Disposes of applications for rehearing of D95-06-053 filed by Pacific Bell and GTE California, Inc. (State Board of Equalization property tax settlement and Z factor treatment). Also disposes of Petition to Set Aside Submission by GTEC.
(Agenda 2993, Item EX-4, 5/21/98; Agenda 2994, Item HEX-8, 6/4/98; Req - Commission)
- HEX-4** **I93-12-007** - Disposes of applications for rehearing of D95-10-032 filed by Cellular Carriers Association of California, and AirTouch Cellular and its affiliates (Commercial Mobile Radio Service: certificates of public convenience & necessity and transfer of control).
(Agenda 2994, Item EX-5, 6/4/98; Req - Commission)
- HEX-5** **R96-11-004** - Disposition of the application for rehearing of D98-03-036 filed by the California Municipal Utilities Association, with response in support filed by the City and County of San Francisco. The California Municipal Utilities Association challenges the Commission's jurisdiction to impose on publicly-owned utilities distribution facility maintenance and inspection standards initially proposed for investor-owned utilities in D97-03-070.
(Agenda 2994, Item EX-6, 6/4/98; Req - Commission)

HEX-6 **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 D97-04-042 retroactively eliminates the core cap for Long Beach and changes the allocation of the Interstate Transition Cost Surcharge. 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 2994, Item EX-7, 6/4/98; 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** Discussion of legal issues related to State Personnel Board determination in CSEA et al. vs. SPB et al., Sacramento Superior Court, No. 978CS03024.
- EX-3** 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-4** **C97-10-060** - Disposition of application for rehearing of D98-04-010 filed by complainant Saddiq Kahn. Applicant alleges that the Commission erred in not granting his request that Pacific Gas & Electric Company (1) install a flat rate meter on his premises and remove the existing time-of-use meter, and (2) either remove a pole supporting a high-voltage line over his property or share the cost of installing an underground line. The applicant also claims that the Commission erred in instructing him to make a deposit of \$500.00 for a new 110-220 volt meter.
- EX-5** **A94-03-019** - Disposition of application for rehearing of Resolution G-3095 filed by Enron Access Corporation (EAC). In the Resolution, the Commission denied the Advice Letter request of Southern California Gas Company to extend the deadline for trading transportation imbalances for EAC and Lockheed Corporation.
- EX-6** **R90-02-008** - Disposition of application for rehearing of D95-07-048 filed by Enron Capital & Trade Resources (Enron). The Commission's decision adopted a multi-party settlement regarding modifications to the pilot core aggregation transportation program established in D91-02-040. Enron's application concerns billing practices for intrastate charges.
- EX-7** **A94-12-005** - Disposition of applications for rehearing of D97-12-044 by Pacific Gas and Electric Company, San Diego Gas & Electric and by The Utility Reform Network.

- EX-8** **A94-10-029** - Disposition of application for rehearing of Resolution G-3124 filed by the cities of Burbank, Glendale, and Pasadena requesting that the CPUC clarify whether the Uniform Terms of Service provision in their contract with Pacific Gas & Electric Company reaches agreements for service that utilize unsubscribed (“as-available”) firm capacity.
- EX-9** **C94-09-038** - Disposition of application for rehearing of D98-03-078 filed by the Larkfield Water Company challenging the imposition of installation costs for backflow prevention devices on it and not the ratepayers or the complainant herein.
- EX-10** **R94-04-031, I94-04-032** - Disposition of application for rehearing of D97-12-048 filed by Pacific Gas and Electric Company (PG&E). D97-12-048, among other things, establishes interim standards and procedures for meter and data services. The application alleges D97-12-048 erroneously places too much responsibility on PG&E for ensuring compliance with D97-12-048’s interim standards. The application is opposed by the Office of Ratepayer Advocates and Enron.
- EX-11** **R88-08-018, R90-02-008** - Disposition of application for rehearing of D98-03-057 filed by Southern California Edison Company. The Commission’s decision denied Edison’s request that a prior related decision, D97-11-070, be modified to allow noncore shipping customers of Southern California Gas Company to decrease as well as increase their delivery of gas volumes into the pipeline in order to avoid imbalance penalties.
- EX-12** Case No. 982919 (San Francisco Superior Court) - The Commission will be asked to approve a settlement resolving a lawsuit filed by a former Commission employee.

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.

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