Public Utilities Commission of the State of California

Public Agenda 2997 Thursday, July 23, 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.

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Scheduled Commission Meetings AUDITORIUM 505 Van Ness Avenue, San Francisco

Ratesetting Deliberative Meeting* (1:30 p.m.)	Commission Meeting (10 a.m.)
Closed to the Public	Open to the Public
Monday, July 20	Thursday, July 23
Monday, August 3	Thursday, August 6
Monday, August 31	Thursday, September 3
Monday, September 14	Thursday, September 17
Monday, October 5	Thursday, October 8**

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

**Will be held at the Leisure World, Club House 3, 23833 Avenida Savilla, Laguna Hills, CA 92653

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 (415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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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.
- CA-13, CA-54

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-18854 - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code. **CA-2 Res TL-18855** - 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** C97-02-027 - Pacific Bell (Pacific) vs. MCI Telecommunications **Corporation (MCI).** This decision grants the complaint of Pacific against MCI regarding MCI's alleged failure to remit the Pay Station Service Charge (PSSC) as required by Pacific's tariff and Resolution T-15782. MCI is ordered to pay the PSSC to Pacific in the amount of \$2,097,432 for the period of April 12, 1996, through June 9, 1997. MCI is also ordered to pay the PSSC to the Intervenors in the amount of \$24.63 for each payphone the Intervenors had in service for the period of April 12, 1996 through November 6, 1996. In addition, this decision orders MCI to pay a late payment charge to Pacific and the Intervenors assessed in accordance with Pacific's tariffs. Finally, MCI is ordered to file a new PSSC tariff within 30 days. This proceeding is closed. (Com Bilas - ALJ Kenney) (Section 311)

CA-4	Res T-16157 - All competitive local exchange carriers (CLCs).
(Rev.)	This resolution authorizes Media One Telecommunication Inc.'s request and
	allows CLCs who are members of the Centralized Credit Check System
	(CCCS) to deviate from the CLCs Deposit Rule 5 in Appendix B of D95-
	07-054 to include the CCCS deposit rule.
	This revision was not listed on the agenda distributed to the public.
CA-5	(ECP) C94-08-025 - B.E. Giovanetti & Sons vs. Pacific Gas and Electric Company (PG&E).
	Petition by PG&E for modification of D97-12-049 is denied as unnecessary.
	This proceeding is closed.
	(Com Bilas - ALJ Wetzell)

CA-6 A95-06-002 - Southern California Gas Company.

For authority to adopt performance based regulation for base rates to be effective January 1, 1997. R87-11-012 - Related matter. Interim decision granting petition of the Office of Ratepayer Advocates for modification of D97-07-054. The funding level for Direct Assistance Programs in that decision was erroneously adopted in contradiction to Commission policy. (Coms Duque/Neeper - ALJ Ryerson)

CA-7 Res G-3239 - Southwest Gas Corporation (Southwest).

This resolution approves two service agreements between Southwest and Luz Solar Partners LTD VIII and IX, colloquially referred to as the Solar Electric Generating Stations (SEGS) dated April 21, 1998. In a concurrent filing, Southwest proposes to revise its Southern California rates to reflect removal of the cogeneration parity surcharge contingent upon Commission acceptance of the SEGS service agreements.

(Advice Letter (AL) 570 and AL 571, filed April 27, 1998)

CA-8 A95-06-002 - Southern California Gas Company (SCG).

For authority to adopt performance based regulation for base rates to be effective January 1, 1997. This decision awards The Utility Reform Network (TURN) \$247,476 and the Natural Resources Defense Council \$8,040 in compensation for their substantial contributions to D97-07-054. Awards TURN \$6,769 in compensation for its substantial contribution to D98-01-040. Directs SCG to pay the awards, with interest. (Com Duque - ALJ Hale)

CA-9 A98-04-044 - Communications Brokers.

This decision grants applicant authority to provide competitive local exchange service on a resale basis in California. The company currently is certificated to provide intrastate interexchange service in the state. This proceeding is closed. (Com Knight - ALJ Walker)

CA-10 Res SU-48 - This resolution authorizes deviation from Rule 34, Rule 54.7-A(3), B(2), and Rule 84.7-E of General Order No. 95, allowing Mr. Rick E. Thurber, a citizen of California to install 4"x6" vinyl plastic decals on utility poles within the City and County of San Francisco.

CA-11 Res W-4103 - Southern California Water Company, Metropolitan District.

This resolution authorizes a rate base offset revenue increase of \$304,355 or 0.5% additional annual revenue for 1998. (Advice Letter 1031-W, filed March 20, 1998)

CA-12 A98-04-060 - City of Roseville (City).

This decision authorizes the City to remove the Berry Street crossing of the Union Pacific Railroad Company tracks, and to construct a new crossing of same tracks at a location 300 feet to the east, to be identified as Tahoe Avenue, in said City, Placer County. This proceeding is closed. (Exam Koss)

CA-13 C97-05-028 - Clark and Gudrun Beck vs. Bishop Water Company and California-American Water Company.

Defendant is ordered to install additional metal hoop around a water tank. Complaint otherwise denied. This proceeding is closed. (Com Duque - ALJ Henderson)

CA-14 A98-04-032 - Wholesale Airtime, Inc.

This decision grants applicant a certificate of public convenience and necessity to operate as a reseller of local exchange telecommunications service. This proceeding is closed. (Com Knight - ALJ O'Donnell) CA-15 A98-04-025 - MTA Communications, Inc. This decision grants applicant a certificate of public convenience and necessity to resell local exchange telecommunications services. This proceeding is closed. (Com Knight - ALJ O'Donnell)

CA-16 Res SX-16 - Harmon Industries (Harmon) and Modesto and Empire Traction Company (M&ET).

This resolution authorizes M&ET and Harmon to proceed with a safety demonstration project (the trial installation of an interactive network which provides real-time problem detection, recording and reporting) at 19 grade crossings in the City of Modesto, Stanislaus County.

CA-17 A98-03-047 - Sierra Telephone Company, Inc.

This decision grants applicant authority to enter into a Telephone Loan Contract Amendment with the Rural Utilities Service and the Rural Telephone Bank in an amount not exceeding \$35,500,000. This proceeding is closed.

(Exam Evans)

CA-18 A98-04-007 - Pacific Gas and Electric Company (PG&E) and The Regents of the University of California.

This decision approves the sale by PG&E of certain electrical distribution facilities on the campus of the University of California, Santa Cruz, as described in the application, to The Regents of the University of California, and the ratemaking treatment requested for this transfer. This proceeding is closed.

(Com Conlon - ALJ Careaga)

CA-19 A98-03-001 - Pacific Gas and Electric Company (PG&E) and the City of Campbell (City).

This decision authorizes PG&E to sell its Streetlight System in the City of Campbell to the City. This proceeding is closed. (Com Conlon - ALJ Wright)

CA-20 A98-03-025 - Southern California Gas Company (SoCalGas). This decision approves SoCalGas' application to revise the calculation of the Core Subscription Procurement Charge (CSPC) and the Core Procurement Charge (CPC), make conforming changes in its tariffs, establish a Core Purchased Gas Account imbalance band, and change the effective date of the monthly price for CSPC and CPC to the first calendar day of the month. This proceeding is closed. (Com Bilas - ALJ Careaga)

CA-21 A97-08-041 - Pacific Gas and Electric Company.

This decision approves the sale and conveyance by applicant of its streelight system (Streetlight System) described in the application located within the City of Santa Rosa (City); relieves applicant (concurrently upon the transfer and conveyance of the Streetlight System) of the public duties and responsibilities of owning, operating, and maintaining the Streetlight System; authorizes the disposition of the gain on the sale to applicant's shareholders, subject to the requirement that applicant file with the Commission the final cost figures for the Streetlight System within 30 days following the purchase date of the transaction; and authorizes the use of the pole attachment agreement in the form attached to the application for the attachment of City's streetlights to applicant's poles. This proceeding is closed. (Coms Conlon/Bilas - ALJ Careaga)

CA-22 A98-04-017 - Sierra LifeStar, Inc. dba Protocol Chauffeured Transportation.

This decision authorizes applicant to operate as a scheduled and on-call passenger stage corporation between points in the Counties of Tulare, Kings, and Fresno. This proceeding is closed. (Exam Koss)

CA-23 Res T-16170 - Calaveras Telephone Company (Calaveras).

This resolution grants Calaveras approval of customer notification and education plan in compliance with Public Utilities Code Section 2893 and Federal Communications Commission Reconsideration Order 98-187 which must be implemented and must thereafter be shown to be effective to the Commission's satisfaction before Calaveras can pass calling party numbers to interconnection carriers.

(Advice Letter (AL) 195, filed April 6, 1998 and supplemented by AL 195A, filed April 27, 1998)

CA-24	Res O-0024 - SFPP, L.P. This resolution approves SFPP's request to cancel its tariff schedule Cal. PUC 85 (Local Tariff 17) from Fresno, California to Lemoore Naval Air Station, California. (Advice Letter 9, filed May 19, 1998)
CA-25	 A97-12-047 - Southern California Edison Company (Edison). Application to adopt incentive based ratemaking mechanisms specified in D96-09-045 and D96-11-021. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no. (Com Duque - ALJ Minkin) (Rule 6.5(b)).
CA-26	C91-03-037 - Digital Communications Network, Inc. vs. Cellular Reseller Association. This decision closes this proceeding for mootness. (Com Conlon - ALJ Reed)
CA-27	Res T-16158 - American Express Telecom, Inc. (AET). This resolution grants the request of AET to revoke its certificate of public convenience and necessity. (Advice Letter 5, filed January 21, 1998)
CA-28	Res T-16159 - Voyager Networks, Inc. (Voyager). This resolution grants the request of Voyager to revoke its certificate of public convenience and necessity. (Advice Letter 2, filed February 27, 1998)
CA-29	Res T-16161 - Microwave Services, Inc. (MS). This resolution grants the request of MS to revoke its certificate of public convenience and necessity. (Advice Letter 9, filed May 15, 1998)
CA-30	Res T-16162 - Apollo Communications Services, LLC (Apollo). This resolution grants the request of Apollo to revoke its certificate of public convenience and necessity.

CA-31	Res T-16163 - Optex, Inc. dba Optex Communications (Optex). This resolution grants the request of Optex to revoke its certificate of public convenience and necessity.
CA-32	Res T-16166 - International Gateway Communications (IGC). This resolution grants the request of IGC to revoke its certificate of public convenience and necessity.
CA-33	Res T-16168 - International Exchange Networks, Ltd. (IEN). This resolution grants the request of IEN to revoke its certificate of public convenience and necessity. (Advice Letter 2, filed April 10, 1998)
CA-34	Res T-16169 - United Wats, Inc. (UW). This resolution grants the request of UW to revoke its certificate of public convenience and necessity. (Advice Letter 3, filed January 27, 1998)
CA-35	Res T-16160 - Pacific Access Communications and Key Emerging Technology Services (PACKETS). This resolution grants the request of PACKETS to revoke its certificate of public convenience and necessity.
CA-36	Res T-16167 - VoComm Telecommunications, Inc. (VoComm). This resolution grants the request of VoComm to revoke its certificate of public convenience and necessity.
CA-37	Res E-3557 - Southern California Edison Company (Edison). For approval to simplify its past due notice and collection process currently in effect for domestic customers; and modify Form (No. 14574) O, Energy Statement, Format A ("Past Due" Notice). Approved subject to modification, otherwise rejected in 30 days. (Advice Letter 1180-E, filed August 27, 1996)

CA-42

CA-38 Res E-3556 - Southern California Water Company (SCWC) dba Bear Valley Electric Service (BVE).

This resolution approves BVE's request for authorization to increase rates by \$112,000 to fund public purpose programs related to research and development, and renewable resource technologies, and submits unbundled electric rates consistent with D97-12-093. (SCWC Advice Letter 175-E, filed February 4, 1998)

CA-39 A97-01-038 - California Water Service. This decision denies applicant's request for approval of proposed language in its standard contract for water main extensions. This proceeding is closed. (Com Duque - ALJ Rosenthal) (Section 311)

CA-40 A98-05-029 - Ponderosa Water Company, Inc. dba Ponderosa Water Company (Ponderosa) and Tuolumne Utilities District (District). For authority to sell and transfer Ponderosa's water system and property to the District in Sonora, California. District would take over service to 542 Ponderosa customers, who would receive a reduction averaging about \$22 in their bimonthly water bills as a result of the transfer. No protests to the application have been filed. The Commission's Division has reviewed the application and has no objection. The application is granted. This proceeding is closed. (Com Duque - ALJ Walker)

CA-41 Res E-3553 - Pacific Gas and Electric Company (PG&E). This resolution grants PG&E's request to deviate from the provisions of Public Utilities Code Section 320 and to install a recloser in the Monte Rio Area of Sonoma County.

A98-04-059 - OmniCall, Inc. This decision grants applicant a certificate of public convenience and necessity to operate as a competitive local carrier reseller. This proceeding is closed.

(Com Knight - ALJ O'Donnell)

CA-43 A98-04-039 - National Communications Association (NCA) and Universal Communications Group, Inc. (UCG).

For authority to transfer NCA's certificate of public convenience and necessity to UCG. The two companies are commonly owned and managed. Granted. This proceeding is closed. (Com Knight - ALJ Walker)

CA-44 A98-05-027 - San Gabriel Valley Water Company.

This decision grants applicant authority to issue Debt Securities in an aggregate principal amount not to exceed \$30,000,000 and is exempted from the Commission's Competitive Bidding Rule for the issuance of the Debt Securities. This proceeding is closed. (Exam Evans)

CA-45 A98-06-021 - San Jose Water Company.

This decision grants applicant authority to issue and sell Debt Securities not exceeding the aggregate amount of \$60,000,000 and to execute and deliver Loan Agreement(s). This proceeding is closed. (Exam Evans)

CA-46 I88-11-040 - Investigation of the Commission's own motion into the regulation of Cellular Radiotelephone Utilities. A87-02-017, C86-12-023 - Related matters.

This decision grants, in part, the Request for Compensation of The Utility Reform Network (TURN) for its substantial contribution to D97-06-109, which addressed AirTouch Cellular's Petition for Modification. AirTouch is directed to pay TURN \$10,630, plus interest. These proceedings are closed. (Com Conlon - ALJ Hale)

CA-47 A98-04-066 - Mini-Bus Systems, Inc. (Mini-Bus) Carl Melvin is authorized to transfer controlling interest in Mini-Bus to Fazi Bostajani. (Com Conlon - ALJ Rosenthal)

CA-48 A97-12-047 - Southern California Edison Company (Edison). For authority to adopt incentive based ratemaking mechanisms specified in D96-09-045 and D96-11-021. This decision finds that Edison's existing performance-based ratemaking mechanism complies with the requirements of D96-09-045 in terms of systemwide reliability, and, on an interim basis, in terms of customer satisfaction. If Edison wishes to close any remaining business offices, Edison must submit an advice letter 60 days prior to such closure, according to the procedures outlined herein. Specific, objective measures of customer satisfaction, including telephone response time, shall be considered in the midterm review, to be initiated by Edison's application to be filed on March 1, 1999. (Com Duque - ALJ Minkin)

CA-49 R______- - Order instituting rulemaking on the Commission's proposed policies and programs governing energy efficiency, low-income assistance, renewable energy and research development and demonstration.

(Com Neeper - ALJ Gottstein)

CA-50 A96-03-045 - West Coast Gas Company.

For a certificate of public convenience and necessity for its gas utility distribution system at Mather Field, California. This decision grants applicant's petition for modification of D97-04-084 to change the requirement that applicant file for general rate case review this year, and instead requires that applicant file for general rate case review in the year 2000. The utility is directed within 60 days to submit a report on its correction of safety deficiencies to the Utilities Safety Branch of the Consumer Services Division. This proceeding is closed. (Com Neeper - ALJ Walker)

CA-51 A98-04-005 - Plains All American Inc. This decision authorizes applicant to acquire control of All American Pipeline Company, a Texas corporation. This proceeding is closed. (Com Conlon - ALJ Wright)

CA-52 A98-04-012 - IntraTel Group, Ltd. (IntraTel) and North American Telephone Network, L.L.C. (NATN). This decision grants the application of IntraTel and NATN, a nondominant interexchange carrier, for IntraTel to acquire 100% of NATN membership shares. NATN will change its name to North American Telephone Network, Inc. and file new tariffs in the new name. NATN, Inc. will continue to provide all services authorized by D96-08-008. This proceeding is closed. (Com Knight - ALJ Ramsey)

- CA-53 A98-02-012 San Diego Gas & Electric (SDG&E) and City of Poway. This decision grants authority to SDG&E to sell and convey streetlight system in City of Poway to the City. Gain on sale to accrue to shareholders. This proceeding is closed. (Com Conlon - ALJ Wright)
- CA-54 Moved to Item 9 on the agenda.(Rev.) This revision was not listed on the agenda distributed to the public.

CA-55 I97-04-014 - Order instituting investigation on the Commission's own motion and order to show cause whether Guy W. Martens, dba Western Cellular, Inc., (Western) has violated consumer protection laws and should be subject to sanctions or the imposition of operating requirements to advance consumer protection.

This decision adopts three settlement stipulations entered into by the Commission's Consumer Services Division with respondent Western and a present and former officer thereof. The stipulations provide, among other things, that respondents (1) will voluntarily surrender their Wireless Identification Number (WIN), (2) will not apply for another WIN within five years, (3) will not attempt to resell cellular service in California for five years, (4) will make restitution to California customers of Western, and (5) will pay \$5,000 to help defray the costs of investigation. This proceeding is closed.

(Com Neeper - ALJ McKenzie)

CA-56 A98-03-043 - Blue & Gold Fleet, L.P.

This decision grants authority for applicant to increase its fares for transporting passengers in vessel common carrier service between the Alameda Gateway area in Alameda and the Port of Oakland, on the one hand, and authorized points in San Francisco, on the other hand. The new rates may be made effective on less than 30 days' notice. This proceeding is closed.

(Com Conlon - ALJ McVicar)

CA-57 A95-12-056 - Voice Telephone Company.

For a certificate of public convenience and necessity to operate as a reseller of telephone services within the State of California. This decision is dismissed due to the applicant's failure to proceed. This proceeding is closed.

(Com Neeper - ALJ Kotz)

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; Agenda 2995, Item H-1, 6/18/98; Req - Commission)

H-2 C96-11-029 - Nancy M. Horner and Vertec International, Inc., dba Vitosha, Ltd. Vs. GTE of California, Incorporated (GTE).

This decision dismisses complaint due to lack of evidence that GTE's system is defective. This proceeding is closed. (Com Neeper - ALJ Bushey) (Section 311) (Agenda 2996, Item CA-3, 7/2/98; Req - Commission)

H-3 A97-07-058 - Ambler Park Water Utility (Ambler) and California American Water Company (CalAm).

For an order authorizing Ambler to sell and transfer and CalAm to purchase and receive the water utility assets of Ambler, including the properties used in its water utility business, and (B) Ambler to withdraw from the water utility business, and (C) CalAm, Monterey Division, to engage in and carry on the water utility business of Ambler, and (D) the commencement of service in the Ambler service area by CalAm, and (E) CalAm, Monterey Division, to amortize the acquisition adjustment by reason of this transaction adjustment pursuant to the methodology authorized previously by the Commission for CalAm. This decision authorizes Ambler to sell its water system to CalAm and to be relieved of its public utility responsibility. This proceeding is closed.

(Com Conlon - ALJ Garde) (Section 311) (Agenda 2996, Item CA-4, 7/2/98; Req - Commission)

H-4 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. These proceedings are closed. (Com Knight - ALJ Bushey)

(Agenda 2989, Item CA-32, 3/26/98; Agenda 2990, Item H-2, 4/9/98; Agenda 2991, Item H-3, 4/23/98; Agenda 2992, Item H-3, 5/7/98; Agenda 2993, Item H-4, 5/21/98; Agenda 2994, Item H-5, 6/4/98; Agenda 2996, Item H-1, 7/2/98; Req - Commission)

H-5 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)
(Agenda 2995, Item CA-24, 6/18/98; Agenda 2996, Item H-2, 7/2/98; Req - Commission)

H-6 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) (Agenda 2995, Item CA-30, 6/18/98; Agenda 2996, Item H-3, 7/2/98; Req -Commission)

H-7 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; Agenda 2995, Item H-4, 6/18/98; Agenda 2996, Item H-6, 7/2/98; Req - Commission)

H-7a ALTERNATE ORDER TO ITEM H-7. This order would approve the Settlement between California Water Service Company and the Ratepayer Representative Branch. (Com Bilas) (Agenda 2996, Item H-6a, 7/2/98; Req - Commission)

H-8	R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.
(Rev.)	This decision denies the Petition for Modification of D96-03-020, Conclusion of Law 49, filed by the California Television Association. Instead, the decision clarifies Conclusion of law 49 to state that, until the Commission concludes the pricing phase of the Open Access and Network Architecture Development proceeding, the LECs should impute into the price floor of a bundled service which includes basic service the total long- run incremental cost of basic service, and well as the contribution of basic service toward shared and common costs. This decision also adds Ordering Paragraph 16a to D96-03-020 to effectuate this requirement. (Com Conlon - ALJ Pulsifer) (Agenda 2995, Item 8, 6/18/98; Agenda 2996, Item H-10, 7/2/98; Req - Commission)
Н-9	A98-01-008 - Pacific Gas & Electric Company (PG&E). This decision grants PG&E authority to commence an auction of the Potrero Power Plant, Pittsburg Power Plant, Contra Costa Power Plant, Sonoma County Geysers units, and Lake County Geysers units, subject to the terms and conditions set forth in this decision. (Coms Bilas/Conlon - ALJ Careaga)
(Rev.)	(Agenda 2996, Item 2, 7/2/98; Req - Commission) This revision was not listed on the agenda distributed to the public.
H-9a	ALTERNATE ORDER TO ITEM H-9. This alternate order, in addition to granting Pacific Gas and Electric Company (PG&E) authority to commence the auction of the power plants it has requested, approves PG&E's proposal for a "break-up" fee applicable to the sale of its geothermal power plants.
(Rev.)	(Coms Bilas/Conlon) <u>This revision was not listed on the agenda distributed to the public.</u>
H-10	 R Order instituting rulemaking on proposed revisions to General Order 96-A, which governs filing of informal matters such as advice letters. (Com Duque - ALJ Kotz) (Agenda 2996, Item 3, 7/2/98; Req - Commission)

ORDERS

C97-04-025 - ARCO Products Company, Mobil Oil Corporation, and Texaco Refining and Marketing, Inc. vs. SFPP, L.P.

Defendant is ordered to file a tariff for its gathering enhancement system at Watson station. In all other respects the complaint is dismissed. This proceeding is closed.

(Com Duque - ALJ Careaga) (Section 311)

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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 provisionally approves a proposed education plan to educate the public concerning the effects of the 310 area code overlay, including mandatory 1+10 - digit dialing within the overlay region. Further development of the plan is ordered. (Com Conlon - ALJ Pulsifer)

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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 extends the advice letter process adopted in D94-05-051 currently used by nondominant interexchange carriers to competitive local carriers (CLC) (except CLCs owned by or affiliated with incumbent local exchange carriers) for approval of transactions involving transfer of control or of assets subject to PU Code §§ 851-854. (Com Conlon - ALJ Pulsifer)

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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 denies the motion of MediaOne Telecommunications of California, Inc. for immediate allocation of NXX codes within designated area codes in the greater Los Angeles region. The decision acknowledges, however, the high priority for the adoption of improved measures for NXX code assignment and conservation on a generic basis. (Com Conlon - ALJ Pulsifer)

R96-11-004 - Order instituting rulemaking for electric distribution facility standard setting.

This decision adopts final rules to govern the electric utilities' planning for and responses to emergencies and major power outages. The rules are adopted pursuant to Public Utilities Code Section 364(b) and as part of the Commission's ongoing efforts to develop and refine standards to promote the safety and reliability of the state's electric utility distribution system. This decision also adopts minor modifications to accident reporting requirements by electric utilities.

(Coms Conlon/Neeper - ALJ Malcolm)

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C98-04-046 - Pac-West Telecomm, Inc. (Pac-West) vs. Evans Telephone Company (Evans) and The Volcano Telephone Company (Volcano).

(Rev.) This decision grants Pac-West a preliminary injunctive relief enjoining Evans and Volcano (collectively referred to herein as "defendants") from charging toll rates for allegedly local calls placed by their customers to Pac-West's customers. A subsequent decision will be issued addressing the substantive merits of the underlying complaint.

(Com Neeper - ALJ Pulsifer)

This revision was not listed on the agenda distributed to the public.

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R98-01-011 - Rulemaking on the Commission's own motion to assess and revise the regulatory structure governing California's natural gas industry.

This is an interim order in the Gas Strategy Rulemaking procedure directing the utilities to modify existing core aggregation programs and file cost and rate unbundling applications. The Commission expresses its intention to issue a proposed market structure policy decision and to analyze the applicability of the California Environmental Quality Act to that decision before considering the adoption of a final policy. Prior to issuing the proposed order the Commission will review the market conditions reports and working group reports that are due to be submitted this summer as well as considering a record that would be developed in any limited evidentiary hearings, as needed. The Commission also directs the Energy Division to develop a proposed program in which a gas service provider could volunteer to register on a providers list. Appearance on that list would provide assurance that the provider complies with certain consumer protection requirements.

(Coms Bilas/Knight - ALJ Weissman)

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8	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.
	The decision addresses the Proposed Work Plan and Budget of the Electric
	Education Trust Administrative Committee (EETAC). The EETAC is
(Rev.)	directed to submit no later than September 30, 1998, its educational effort
	plan utilizing the \$3 million that was authorized for such purposes, and its
	plan for an educational effort by community-based organizations. The
	Consumer Services Division is directed to file within 30 days its plan to
	implement continuing educational efforts utilizing the unspent monies that
	were previously authorized as part of the Customer Education Program
	(Coms Knight/Neeper - ALJ Wong)
	This revision was not listed on the agenda distributed to the public.

I95-02-004 - Investigation on the Commission's own motion into the operations, practices and conduct of Sonic Communications (Sonic) dba SCI Communications, to determine whether it has complied with laws, rules, regulations and its' tariff rules governing the manner in which California consumers are changed from one long-distance carrier to another. All local exchange carriers in California are also named as respondents for the limited purpose of having them hold, until further order, funds in their possession from billing customers for Sonic (or which would be paid to Sonic in advance of billing) under agreements or contracts with Sonic.

This decision revokes the operating authority of Sonic, currently a defunct entity, for unlawfully switching the presubscribed long distance service of California residential customers of other carriers to Sonic in violation of Public Utilities Code § 2889.5. Hereafter, any applications for operating authority submitted by a firm which includes among its principals, officers or employees, former Sonic officers, shareholders or employees shall clearly state such involvement. This proceeding is closed.

(Com Neeper - ALJ Reed)

This item appeared as CA-54 on the agenda distributed to the public.

UTILITIES RESOLUTIONS

ENERGY MATTERS

E-1 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; Agenda 2995, Item E-3, 6/18/98; Req - Commission)

E-1a ALTERNATE RESOLUTION TO E-1. Approves, with modifications, 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 Pacific Gas and Electric Company, to be exempt from paying the competition transition charge. This item was not listed on the agenda distributed to the public.

E-2 Res E-3539 - Southern California Edison Company (Edison).

Edison transmits its affiliate transactions compliance plan in accordance with Ordering Paragraph (OP 2) of D97-12-088. Edison's compliance plans were effective upon filing. This resolution rejects portions of Edison's filings and approves other portions. Edison is ordered to file a new Advice Letter to comply with OP 2 of the Decision.

(Advice Letter (AL) 1278-E, filed December 31, 1997 and AL 1278-E-A, filed January 30, 1998)

(Agenda 2993, Item E-2, 5/21/98; Agenda 2994, Item E-2, 6/4/98; Agenda 2996, Item E-1, 7/2/98; Req - Commission)

E-3

Res E-3544 - Southern California Edison Company (Edison), and San Diego Gas & Eelctric Company (SDG&E).

This resolution rejects without prejudice Edison's and SDG&E's request to establish a transmission revenue requirement reclassification memorandum account.

(Edison Advice Letter 1298-E, filed March 20, 1998 and SDG&E Advice Letter 1088-E, filed March 31, 1998)

(Agenda 2996, Item E-3, 7/2/98; Req - Commission)

E-3a ALTERNATE RESOLUTION TO E-3. Approves with modifications establishment of a transmission revenue requirement reclassification memorandum account for Southern California Edison Company, and San Diego Gas & Electric Company. Approved with modifications.

E-4	Res E-3548 - San Diego Gas & Electric Company (SDG&E). SDG&E transmits its affiliate transactions compliance plan in accordance with Ordering Paragraph (OP) 2 of D97-12-088. SDG&E's compliance plans were effective upon filing. This resolution rejects portions of SDG&E's filings and approves other portions. SDG&E is ordered to file a new Advice Letter to comply with OP 2 of the Decision. (Advice Letter (AL) 1068-E/1078-G, filed December 31, 1997 and AL 1068-E-A/1078-G-A, filed January 30, 1998) (Agenda 2996, Item E-6, 7/2/98; Req - Commission)
E-5	Res E-3540 - Pacific Gas and Electric Company (PG&E). PG&E transmits its affiliate transactions compliance plan in accordance with Ordering Paragraph (OP) 2 of D97-12-088. PG&E's compliance plans were effective upon filing. This resolution rejects portions of PG&E's filings and approves other portions. PG&E is ordered to file a new Advice Letter to comply with OP 2 of the Decision. (Advice Letter (AL) 2058-G/1725-E, filed December 31, 1997 and AL 2068-G-A/1725-E-A, filed January 30, 1998) (Agenda 2996, Item E-7, 7/2/98; Req - Commission)
E-6	Res G-3238 - Southern California Gas Company (SoCalGas). SoCalGas transmits its affiliate transactions compliance plan in accordance with Ordering Paragraph (OP) 2 of D97-12-088. SoCalGas' compliance plans were effective upon filing. This resolution rejects portions of SoCalGas' filings and approves other portions. SoCalGas is ordered to file a new Advice Letter to comply with OP 2 of the Decision. (Advice Letter (AL) 2661, filed December 31, 1997 and AL 2661-A, filed January 30, 1998) (Agenda 2996, Item E-8, 7/2/98; Req - Commission)
E-7	Res E-3555 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), Southern California Gas company (SoCalGas) and San Diego Gas & Electric (SDG&E). This resolution approves as modified PG&E, Edison, SoCalGas, and SDG&E's submission for Commission approval proposals for the extension of 1998 energy efficiency programs through December 31, 1998 in accordance with ordering paragraph 3 of D98-05-018 and interim policy rules adopted in D97-12-103. (PG&E Advice Letters (AL) 2086-G, 1776-E, Edison AL 1321-E, SoCalGas AL 2719-G, SDG&E AL 1100-G, and 1104-E. All filed June 5, 1998)

TELECOMMUNICATIONS MATTERS

C-1 Res T-16172 - Public Advocates (PA), on behalf of the Pacific Telesis (Telesis)/SBC Merger Signatory Coalitions. This resolution acknowledges the proposed Organizational Charter (Charter) filed by PA on December 26, 1997. The proposed Charter creates an organization to implement the Commission's policy as set forth in D97-03-067 and D97-11-035 approving the merger of Telesis and SBC Communications, Inc.

ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS

ALJ-1 Res ALJ-176-2997 - 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

- 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; Agenda 2995, HLEG-1, 6/18/98; Agenda 2996, Item HLEG-1, 7/2/98; Req Commission)
- HLEG-2 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; Agenda 2995, Item HLEG-5, 6/18/98; Agenda 2996, Item HLEG-3, 7/2/98; Req Commission)
- HLEG-3 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; Agenda 2995, Item HLEG-6, 6/18/98; Agenda 2996, Item HLEG-4, 7/2/98; Req Commission)
- LEG-1 AB 284 (Baca), as amended June 22, 1998. Would amend existing law to require notification to the subscriber by mail of a change in the subscriber's residential telephone service provider and to require, if verification procedures are violated, a credit on the subscriber's bill for any excess charges.
- LEG-2 SB 378 (Peace), as amended June 22, 1998. Would establish provisions in the Public Utilities Code prohibiting the inclusion in the subscriber's telephone bill of unauthorized charges for products and services ("cramming") and governing the resolution of disputes over such charges.

COMMISSIONERS' REPORTS

Commissioner Conlon

- Electric Matters
- Transportation Matters

Commissioner Knight

• Telecommunications Matters

Commissioner Duque

- Water Matters
- Administrative 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(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 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; Agenda 2995, Item HEX-2, 6/18/98; Agenda 2996, Item HEX-1, 7/2/98; Req Commission)
- HEX-2 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; Agenda 2995, Item HEX-5, 6/18/98;

Agenda 2996, Item HEX-3, 7/2/98; Req - Commission)

- HEX-3 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; Agenda 2995, Item HEX-6, 6/18/98; Agenda 2996, Item HEX-4, 7/2/98; Req Commission)
- HEX-4 A94-12-005 Disposition of applications for rehearing of D97-12-044, the Phase 2 decision in Pacific Gas and Electric Company's (PG&E) 1996 test year general rate case, by PG&E, San Diego Gas & Electric Company, and The Utility Reform Network. The primary issue raised is whether the Commission can prohibit PG&E from closing its tariff schedules E-7 and E-8 to new customers during the electric restructuring transition period, pursuant to AB 1890. (Agenda 2995, Item EX-7, 6/18/98; Agenda 2996, Item HEX-5, 7/2/98; 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 <u>CSEA et al. vs. SPB et al.</u> , 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	I Order instituting investigation into the operations and practices of Mark L. Sneed and Jose L. Ayala-Aroche, operators of passenger stage and charter-party carrier service under the dba El Corre Caminos, for allegedly using improperly licensed drivers, not enrolling in the DMV Pull Notice Program, operating unsafe vehicles and failing to fully list equipment.
EX-5	A98-05-023 - Disposition of application for rehearing of Resolution G-3233 filed by Enserch Energy Services, Inc. May 11, 1998. The resolution in question approved Southern California Gas Company's Advice Letter proposal to reimburse three core transportation aggregators for interstate transportation demand charges the aggregators had paid for natural gas volumes acquired before October 1, 1995, but delivered to core customers after October 1,1995, the date when the process by which the aggregators could recover demand charges was modified. Enserch, a core transportation aggregator, argues in its application for rehearing that it is similarly situated to the other three core aggregators, and was unlawfully discriminated against when the Commission did not order that it too receive a reimbursement for certain demand charges.
EX-6	A96-04-020 - Disposition of application for rehearing of Resolution E-3447, filed by The Utility Reform Network (formerly, Toward Utility Rate

filed by The Utility Reform Network (formerly, Toward Utility Rate Normalization), alleging that the resolution unlawfully allows rate recovery of an Economic Development Program-related rate discount where there is no ratepayer benefit from the discount, and thus violates Public Utilities Code Section 740.4.

- EX-7 A95-05-016, A95-05-017, A95-05-021, A95-05-022, A95-05-023 -Disposition of application for rehearing of D96-10-072, filed by Economic & Technical Analysis Group (ETAG). D96-10-072 denied ETAG's request for compensation for its participation in D95-11-062, which established the costs of capital for calendar year 1996 for five energy utilities. ETAG disputes the Commission's finding that it did not make a substantial contribution to the proceeding, claims the Commission erroneously refused to acknowledge the evidence ETAG presented on rates of return on equity, and asserts that D96-10-072 contains other factual errors which are prejudicial to ETAG on the issue of compensation.
- **EX-8 A96-10-038** Disposes of application for rehearing by the City of Vernon of D98-03-073, which approved a merger between Pacific Enterprise and Enova Corporation in A96-10-038. Applicant alleges the decision is in error for failure to adequately address the anti-competitive issues of the merger.
- EX-9 I97-01-028; A97-04-002 Order extending suspension of effective date of D98-05-019, pending order of the Commission on the Application for Rehearing of D98-05-019 filed by North Shuttle Service, Inc. The current suspension of the effective date of D98-05-019 lapses on July 26, 1998. The suspension is extended for ninety (90) days to October 24, 1998.

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 Nos. EC96-19-028, EC96-19-029, ER96-1663-030, ER98-1955-001 and ER98-2095-001 - Compliance filings of the Independent System Operator and the California Power Exchange filed June 1, 1998.

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