

Public Utilities Commission of the State of California

*Public Agenda 3005
Thursday, December 3, 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 505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
✓ Monday, November 30	Thursday, December 3
Tuesday, December 15 (10-11am)	Thursday, December 17
Monday, January 4, 1999	Thursday, January 7, 1999
Tuesday, January 19	Wednesday, January 20
Monday, February 1	Thursday, February 4

**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 to the item number on the Agenda indicates that the matter will be considered during the Ratesetting Deliberative Meeting.*

A "◆" next to the item number on the Agenda indicates that the matter may be considered during Closed Session pursuant to Public Utilities Code Section 1701.2(c); thereafter the Commissioners will reconvene in Public Session to vote on the item.

Matters of Public Interest

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

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PUBLIC COMMENT

The following items are not subject to public comment:

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

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

ORDERS AND RESOLUTIONS

- CA-1** **Res TL-18872** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2** **Res TL-18873** - 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** **A95-05-030 - Roseville Telephone Company.**
To restructure intrastate rates and charges and to implement a new regulatory framework for telephone services furnished within the State of California. I95-09-001 - Related matter. This decision clarifies calculations in D96-12-074, and modifies and supplements the findings of fact and rate orders as necessary. These proceedings are closed.
(Com Conlon - ALJ Mattson)
(Section 311)

- CA-4** **A96-10-022 - San Diego Gas & Electric Company (SDG&E).**
This decision adopts the settlement offered by SDG&E and Office of Ratepayer Advocates to settle all issues in this proceeding. This proceeding is closed.
(Com Neeper - ALJ Henderson)
(Section 311)
- CA-5** **Res W-4123 - Peerless Water Company.**
This resolution authorizes an interim increase in rates producing an additional \$35,396 or 5% in annual revenue.
(Advice Letter 80, filed October 13, 1998)
- CA-6** **C97-08-061 - Malbour L. Watson vs. MCI Telecommunications Corporation.**
This decision dismisses this complaint for lack of prosecution. This proceeding is closed.
(Com Neeper - ALJ Malcolm)
- CA-7** **R96-11-004 - Order instituting rulemaking for electric distribution facility standard setting.**
This decision grants Toward Utility Rate Normalization an award of \$27,060.91 in compensation for its contribution to D98-03-036 and D98-07-097 which adopted standards for electric utility planning for and responses to emergency situations.
(Com Conlon - ALJ Malcolm)
- CA-8** Moved to item 11 on the agenda.
This revision was not listed on the agenda distributed to the public.

A92-07-047 - Southern California Gas Company.

For an expedited procedure for the approval of long-term negotiated

awards Toward Utility Rate Normalization \$12,942 for its substantial contribution to D94-09-070. Pacific Gas and Electric

proceedings are closed.
(Com Knight - ALJ Hale)

Res W-4125 - Ponderosa Community Services District (PCSD).

This resolution approves PCSD's, as court-appointed receiver of Water Company, Inc., requests to implement a stand-by fee for fire suppression for owners of unincorporated lots within the existing

(Advice Letter 22, filed October 16, 1998)

CA-11

operations, practices, and conduct of National Telephone & Communications, Inc. (NTC) to determine whether it has violated the

consumers are switched from one long distance carrier to another.

This decision approves modification to settlement agreement to allow NTC

impacts of two provisions of settlement agreement. This proceeding is closed.

Bilas - ALJ Bushey)

A98-08-029 - Timothy James Smith and Terrence Blaine Kirschman,

This decision authorizes applicant to operate as a scheduled passenger stage corporation between Sacramento, Oakland and San Francisco International
Joaquin Valley, on the

other hand. This proceeding is closed.

Koss)

CA-13

This resolution authorizes a general rate increase producing \$6,440 or 31.6% additional annual revenue.

CA-14 **I98-08-004 - Order instituting investigation on the Commission's own motion into the operations, practices, and conduct of Coral Communications, Inc. (Coral) and Michael Tinari, President of Coral; William Gallo, Senior Vice President of Coral; Devon Porcella, Vice President of Sales and Operations of Coral; Neal Deleo, Vice President Finance and MIS of Coral to determine whether the corporation or its principals have operated within California without having a certificate to operate from the Commission and whether they have charged California subscribers for telecommunications services the subscribers never authorized.**

This decision grants motion of Consumer Services Division to add Easy Access International, Inc., Edward Tinari and Celestine Spoden as respondents.

(Com Duque - ALJ Bushey)

CA-15 **A97-05-049 - Airport Cruiser, Inc.(transferor) and Buslink Corporation (transferee).**

This decision approves transferor's request for authority to sell and transfer; and transferee to acquire passenger stage certificate PSC 5877. The authority granted in this decision is subject to the condition that the transferor pays a reinstatement fee of \$125.00 to the Commission to reinstate its operating authority before the transfer may become effective.

(Com Bilas - ALJ Ryerson)

CA-16 **Res T-16243 - This resolution adopts the 1999 budget of \$1,093,298 for the Payphone Service Providers Enforcement Committee.**

CA-17 **A92-11-037 - Southwest Gas Corporation (Southwest).**

This decision grants Southwest's petition for modification of D93-02-008 as modified by D95-08-038 and D96-11-013, to extend the period of authorization to December 31, 1999. This proceeding is closed.

(Exam Evans)

- CA-18** **A98-09-035 - Sierra Pacific Power Company (Sierra Pacific).**
This decision grants Sierra Pacific's application to issue debt securities not exceeding the aggregate principal amount of \$200,000,000; to execute and deliver one or more indentures; to guarantee securities; and to sell, assign, mortgage, or encumber utility property. This proceeding is closed.
(Exam Evans)
- CA-19** **A97-12-039 - San Diego Gas and Electric Company (SDG&E).**
For authority to sell electric generation facilities and power contracts. This decision adopts the Mitigated Negative Declaration (MND) prepared in conformance with California Environmental Quality Act for this divestiture application. The Commission will consider the MND when it decides whether to grant SDG&E the authority it seeks.
(Coms Conlon/Bilas - ALJ Barnett)
- CA-20** **A98-07-006 - San Diego Gas and Electric Company (SDG&E).**
In the matter of the revenue adjustment proceeding (RAP) application of SDG&E for approval of 1) consolidated changes in 1999 authorized revenue and revised rate components; 2) the CTC rate component and associate headroom calculations; 3) RGTCOMA balances; 4) PX credit computations; 5) disposition of various balancing/memorandum accounts; and 6) electric revenue allocation and rate design changes.
A98-07-003, A98-07-026 - Related matters.
This decision grants the request of SDG&E to establish a "Transition Revenue Account" (TRA) similar to those currently authorized for Pacific Gas and Electric Company and Southern California Edison Company. The purpose of the TRA would be to facilitate the calculation of revenues to be transferred to the Transition Cost Balancing Account.
(Com Bilas - ALJ Malcolm)
- CA-21** **A98-07-004 - Balwinder S. Patrola, dba Royal Shuttle.**
This decision authorizes applicant to extend his passenger stage corporation between points in the County of Alameda and Oakland International Airport. This proceeding is closed.
(Exam Koss)

- CA-22 A97-05-011 - PacifiCorp.**
For approval of PacifiCorp's transition plan. A97-06-046, A97-07-005, A97-08-064 - Related matters. This decision rejects Sierra Pacific Power Company's petition to modify D97-12-093. These proceedings are closed.
(Com Duque - ALJ Weissman)
- CA-23 A98-04-051 - Catalina Channel Express, Inc.**
This decision approves applicant's request for authority to establish a zone of rate freedom of 10% above and below its existing fare levels between points on the California mainland, on the one hand, and points on Santa Catalina Island, on the one hand. This proceeding is closed.
(Com Duque - ALJ Ryerson)
- CA-24 A98-09-034 - WAXS, Inc. (WAXS) and Cherry Communications Incorporated (Cherry).**
This decision grants the request by WAXS and Cherry, an interLATA telecommunications service reseller, for WAXS to acquire ownership and control of Cherry. This would result in Cherry becoming a wholly-owned subsidiary of WAXS. This proceeding is closed.
(Com Knight - ALJ O'Donnell)
- CA-25 A93-11-031 - Pacific Bell and Pacific Bell Information Services**
This decision dismisses the application without prejudice since it did not name Pacific Telesis Electronic Publishing Services as the entity that is going to pursue the electronic publishing services. Decision 92-07-072 requires Pacific Bell to inform the Commission of any enhanced services that its subsidiaries or affiliates plan to offer. This proceeding is closed.
(Com Knight - ALJ Wong)
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CA-26 R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.

This decision approves the Electric Education Trust Administrative Committee's (EETAC) proposed education plan and community-based organization (CBO) outreach plan, subject to a further ruling regarding the kinds of non-CBO education efforts the EETAC plans to pursue. This decision also adopts some of the recommended changes to the EETAC's charter. D98-07-098 has been modified to reflect the changes.

(Coms Knight/Neeper - ALJ Wong)

CA-27 Res SU-49 - Resolution authorizing execution of Memorandum of Agreement with the Department of Conservation, Division Oil, Gas and Geothermal Resources.

CA-28 A98-06-054 - City of Los Angeles (City).

This decision grants the request of the City to construct Mason Avenue across the Los Angeles County Metropolitan Transportation Authority/ Amtrak/ Union Pacific Railroad track and right-of-way. In support of the new crossing, City will make safety improvements at five adjacent crossings, and will physically vacate and close the existing public at-grade crossing at Doran Street, in Los Angeles, Los Angeles County. This proceeding is closed.

(Exam Koss)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

- H-1 C98-03-023 - Gina Guillamun DiResta vs. Esprit de Sol Apartments.**
This complaint is dismissed for lack of jurisdiction in situation where defendant apartment complex provides cold water at no charge, but charges for hot water it has heated, stored, and delivered only upon demand through a temperature triggered meter. This obviates tenant's need to pay a gas or electric utility for energy needed to operate an in-apartment hot water heater. PU Code § 2705.5 does not apply; the District supplying the apartment complex does not supply hot water. This proceeding is closed.
(Com Neeper - ALJ Weiss)
(Agenda 3002, Item CA-14, 10/22/98; Req - Commission)
- H-2 R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.**
This decision denies Public Media Center's (PMC) motion for determination of procedure for accepting notice of intent to claim compensation. PMC failed to timely identify the issues that it participated in and failed to timely file its motion requesting what procedure PMC should follow for filing its notice of intent.
(Coms Knight/Neeper - ALJ Wong)
(Agenda 3003, Item CA-23, 11/5/98; Agenda 3004, Item CA-43, 11/19; Req - Commission)
- H-3 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 meter exemption for direct access customers with a demand between 20 and 50 kilowatts is extended until March 31, 2002. Those customers shall be permitted to continue using load profiles until that date. A workshop will be held in the year 2000 to reevaluate these issues.
(Coms Neeper/Knight - ALJ Wong)
(Agenda 3004, Item CA-48, 11/19/98; Req - Commission)

- H-4** **C96-01-019 - City of Vernon (Vernon) vs. The Atchison, Topeka and Santa Fe Railway (Santa Fe).**
Vernon has failed to prove that implementation of Santa Fe's plans of expansion unnecessarily creates avoidable adverse environmental effects so as to make the expansion of the Hobart Yard unreasonable, in light of economically feasible alternatives. The complaint is denied. This proceeding is closed.
(Com Neeper - ALJ Careaga)
(Section 311)
(Agenda 3002, Item CA-3, 10/22/98; Agenda 3004, Item H-1, 11/19/98; Req - Commission)
- H-4a** **ALTERNATE ORDER TO ITEM H-4.** This alternate order affirms this Commission's authority to order mitigation in this case. We conclude that Vernon has failed to prove that implementation of Santa Fe's plans of expansion create adverse environmental effects so as to make the expansion of the Hobart Yard unreasonable. The complaint is denied. This proceeding is closed.
(Com Duque)
- H-5** **A97-10-024 - Southern California Edison Company (Edison).**
This decision adopts revenue requirements for non-nuclear capital additions added to rate base in 1996 by Edison. The amounts adopted in this decision for capital additions will be included in Edison's Transition Cost Balancing Account for recovery pursuant to Public Utilities Code Section 367. This proceeding is closed.
(Coms Bilas/Conlon - ALJ Malcolm)
(Section 311)
(Agenda 3002, Item 2, 10/22/98; Agenda 3003, Item H-9, 11/5/98; Agenda 3004, Item H-3, 11/19/98; Req - Commission)
- H-5a** **ALTERNATE ORDER TO ITEM H-5.** This alternate order adopts a seven-year time horizon in assessing the cost-effectiveness of Edison's fossil capital additions.
(Com Duque)
This item was not listed on the agenda distributed to the public.

H-5b **ALTERNATE PAGES TO ITEM H-5.** These alternate pages conclude that cost-effective conservation measures are necessary to maintain generating facilities and therefore meet the threshold requirement of Section 367 that capital additions be "necessary to maintain (utility) facilities through December 30, 2001."
(Com Conlon)
This item was not listed on the agenda distributed to the public.

H-6 **R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.**
This decision addresses the Qualifying Facility Restructuring Reasonableness Letter (QFRRL) proposal made by six parties to this proceeding. This decision adopts the QFRRL proposal with the minor modifications and clarifications set forth in this decision.
(Com Neeper - ALJ Econome)
(Agenda 3001, Item 4, 10/8/98; Agenda 3003, Item H-2, 11/5/98; Agenda 3004, Item H-5, 11/19/98; Req - Commission)

- H-6a** **ALTERNATE ORDER TO ITEM H-6.** This alternate order would approve a modified version of an Advice Letter process for filing certain Qualifying Facility (QF) contract modifications which are jointly supported by the affected utility and QF, as well as Office of Ratepayer Advocates. (Com Neeper)
(Agenda 3004, Item H-5a, 11/19/98; Req - Commission)
- H-7** **R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.** This decision denies the petition to modify D97-05-039 filed on May 4, 1998 by School Project for Utility Rate Reduction and Regional Energy Management Coalition (jointly, SPURR/REMAC) to permit customers who do not purchase electric service from utility competitors to have the choice of subscribing to metering services of utility competitors. We grant a related proposal filed by San Diego Gas & Electric, SPURR/REMAC, Cellnet, Itron, Southern California Edison Company, Pacific Gas & Electric Company, and Coalition of California Utility Employees. (Com Duque - ALJ Malcolm)
(Agenda 3001, Item CA-32, 10/8/98; Agenda 3002, Item CA-25, 10/22/98; Agenda 3003, Item H-3, 11/5/98; Agenda 3004, Item H-6, 11/19/98; Req - Commission)
- H-7a** **ALTERNATE ORDER TO ITEM H-7.** This decision denies the petition to modify D97-05-039 filed on May 4, 1998 by School Project for Utility Rate Reduction and Regional Energy Management Coalition (jointly, SPURR/REMAC) to permit customers who do not purchase electric service from utility competitors to have the choice of subscribing to metering services of utility competitors. We deny a related proposal filed by San Diego Gas & Electric, SPURR/REMAC, Cellnet, Itron, Southern California Edison Company, Pacific Gas & Electric Company and Coalition of California Utility Employees. (Com Knight)
(Agenda 3003, Item H-3a, 11/5/98; Agenda 3004, Item H-6a, 11/19/98; Req - Commission)

- H-8** **A96-08-001 - Pacific Gas and Electric Company (PG&E).**
For approval of valuation and categorization of non-nuclear generation-related sunk costs eligible for recovery in the competition transition charge. A96-08-006, A96-08-007, A96-08-070, A96-08-071, A96-06-08-072 - Related matters. This decision addresses the issue of how the competition transition charge is applied to new customer load, where that load is served by a direct transaction that does not otherwise require the use of transmission or distribution facilities owned by PG&E, Southern California Edison Company, and San Diego Gas & Electric.
(Coms Conlon/Bilas - ALJ Minkin)
(Section 311)
(Agenda 3001, Item 2, 10/8/98; Agenda 3002, Item H-4, 10/22/98; Agenda 3003, Item H-7, 11/5/98; Agenda 3004, Item H-8, 11/19/98; Req - Commission)
- H-8a** **ALTERNATE ORDER TO ITEM H-8.** This alternate order concludes that new customer load which is connected to the utility's transmission and distribution system for any purpose, including standby service, is not exempt from the competition transition charge collection related to that load.
(Com Conlon)
(Agenda 3001, Item 2a, 10/8/98; Agenda 3002, Item H-4a, 10/22/98; Agenda 3003, Item H-7a, 11/5/98; Agenda 3004, Item H-8a, 11/19/98; Req - Commission)
- H-8b** **ALTERNATE ORDER TO ITEM H-8.** This alternate order finds that new customer load served by a direct transaction that does not require use of the utilities' transmission and distribution systems may be connected for standby service and still be exempt from competition transition charge collection related to the new load served by the direct transaction. This alternate defines a physical test to determine whether a direct transaction requires use of the utilities' transmission and distribution systems.
(Coms Duque/Bilas)
(Agenda 3002, Item H-4b, 10/22/98; Agenda 3003, Item H-7b, 11/5/98; Agenda 3004, Item H-8b, 11/19/98; Req - Commission)

- H-9** **A97-03-015 - Southern California Gas Company (SoCalGas).**
SoCalGas requests Commission approval of its long-term gas transmission service contract with Distribudora de Gas Natural de Mexicali, S. de R.L. de C.V. (DGN). SoCalGas also requests that the Commission not allocate the cost of exclusions, as defined in its Performance-Based Ratemaking (PBR) filing A95-06-002 to the DGN contract in cost allocation proceedings subsequent to the expiration of the Global Settlement term and continuing to the expiration date of the contract. And SoCalGas requests that the Commission exempt the contract from the provision of Section X of General Order (GO) 96-A that otherwise makes the contract subject to modification by the Commission during its term. This decision: grants Commission approval of the DGN transmission service contract; denies SoCalGas' request for special treatment of the cost of exclusions; and, grants SoCalGas' request for exemption of the contract from Section X of GO 96-A. This proceeding is closed.
(Com Bilas - ALJ Patrick)
(Section 311)
(Agenda 3004, Item 1, 11/19/98; Req - Commission)

- H-10** **R94-04-031 - Order instituting rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.**
This decision rejects the June 10, 1998 joint motion of Southern California Edison Company (Edison), Pacific Gas and Electric Company, San Diego Gas & Electric Company, Independent Energy Producers Association, California Cogeneration Council, NRG Energy, Inc., and Enron Capital & Trade Resources (Enron) proposing the adoption of a settlement agreement on qualifying facility (QF) contract restructuring and modification issues. This decision also individually addresses the issues of (1) the standard of reasonableness for the Commission to apply to a QF contract restructuring or modification; (2) whether QF contract restructurings should be voluntary for both the utility and the QF; (3) whether a utility's decisions in QF contract restructuring negotiations should be subject to reasonableness review; (4) whether to retain and how to implement the 10% shareholder incentive to renegotiate QF contracts, as well as other QF-related issues raised by the parties. This decision also denies the Office of Ratepayer Advocates' Petition for Modification of D96-12-077, and dismisses without prejudice Enron's Motion Requesting an Order to Show Cause Against Edison, dated July 22, 1997.
(Com Neeper - ALJ Econome)
(Agenda 3004, Item 2, 11/19/98; Req - Commission)

H-10a **ALTERNATE PAGES TO ITEM H-10.** These alternate pages clarify the commensurate ratepayer benefit standard.
(Com Neeper)

H-11 **R97-10-018 - Order Instituting Rulemaking on the Commission's own motion to design and implement a program that provides for publicly available telecommunications devices capable of servicing the needs of the deaf or hearing impaired (TDD) in existing buildings, structures, facilities, and public accommodations. I97-10-019 - Related matter.**
This decision adopts a 1998 budget and a 1999 budget for the TDD Placement Interim Committee for the administration of a new telecommunications program providing for the placement of telecommunications devices capable of serving the needs of the deaf or hearing impaired in existing buildings and public accommodations. This decision also adopts an incremental Deaf Equipment Acquisition Fund (D.E.A.F.) surcharge rate for billing cycles beginning January 1, 1999 to fund the TDD Placement Interim Committee activities. This incremental surcharge rate shall be added to the Commission adopted D.E.A.F. surcharge rate to be applicable on and after January 1, 1999 for the year 1999.
(Com Duque - ALJ Galvin)
(Agenda 3004, Item 3, 11/19/98; Req - Commission)

H-12 **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 processing of requests for collocation space by competitive local carriers.
(Com Conlon - ALJ Pulsifer)
(Agenda 3004, Item 4, 11/19/98; Req - Commission)

H-13 R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.

I93-04-002, R95-04-043, I95-04-044 - Related matters.

This decision addresses the Pacific Bell Draft 271 Application for authorization to provide in-region interLATA telecommunication services submitted to the California Public Utilities Commission, and sets out what Pacific Bell needs to do to demonstrate compliance with Section 271 of the Federal Telecommunications Act of 1996.

(Com Knight - ALJ Reed)

(Agenda 3004, Item 6, 11/19/98; Req - Commission)

ORDERS

- ✓ 1 **A98-03-029 - Southern California Water Company (SCWC).**
For authority to increase rates by \$661,700 or 34.51% in 1999; by \$249,000 or 9.71% in 2000; and by \$258,000 or 9.19% in 2001 in Desert District. A98-03-030, A98-03-031, A98-03-032, A98-03-033, A98-03-034 - Related matters. Based on a stipulation reached between SCWC and ratepayer advocates on all issues except rate of return, and based upon our conclusions with respect to rate of return, this decision authorizes increases in base rates for water service in six SCWC districts. These proceedings are closed.
(Com Duque - ALJ Walker)
(Section 311)
- ✓ 2 **A97-12-048 - Southern California Gas Company (SoCalGas).**
This decision directs SoCalGas to unbundle interstate transportation services for core customers as part of its core aggregation program. Stranded costs which result from the unbundling are to be assumed equally by all customers on an equal cents per therm basis. This decision also directs SoCalGas to release any interstate capacity which is not required to serve core customers. This proceeding is closed.
(Com Knight - ALJ Malcolm)
(Section 311)
- ✓ 2a **ALTERNATE ORDER TO ITEM 2.** This alternate order directs Southern California Gas Company (SoCalGas) to unbundle interstate transportation services for core customers as part of its core aggregation program. This alternate differs from the ALJ's proposed decision in that stranded costs which result from the unbundling are to be assumed equally by core customers on an equal cents per therm basis rather than by core and non-core customers.
(Com Knight)

3 **198-04-010 - Investigation into the operations and practices of San Diego Gas and Electric Company (SDG&E) in connection with its compliance with requirements to maintain proper clearance between power lines and vegetation.**

This decision grants the joint motion for adoption of a settlement filed on September 15, 1998 which would resolve all outstanding issues in this investigation of the tree trimming practices of SDG&E. Specifically, the settlement requires SDG&E to pay a penalty of \$1 million and to spend \$200,000 in educating the public regarding the safety benefits of tree trimming. The settlement finds that three fires occurred as a result of trees coming into contact with SDG&E equipment and that SDG&E has previously assumed financial liability for these fires. This proceeding is closed.

(Com Duque - ALJ Malcolm)

4 **A97-05-027 - Southern California Edison Company (Edison).**

This decision addresses Edison application requesting that the Commission approve as reasonable the package of settlements it has achieved with certain bidders in the Biennial Resource Plan Update (Update) auction. The cost of the total settlement package is \$92,142,163 (1997 net present value (NPV)). Based on the record, we cannot find that the settlement package, without modification, is reasonable or in the public interest. However, we believe that it is time to conclude issues dealing with Edison's Update, and wish to avoid yet another round of negotiations, based on the directions we set forth in this decision. Therefore, we will conditionally approve this application if Edison and all settling parties agree to reduce the amount of the full settlement package by 60% to \$36,856,865 (1997 NPV), and each individual settlement in turn by 60%.

(Com Conlon - ALJ Econome)

4a **ALTERNATE PAGES TO ITEM 4.** These alternate pages would approve a settlement of all outstanding Biennial Resource Plan Update claims if the winning bidders agree to reduce their settlement package by 40%. Winning bidders, should they choose to accept this modification, would receive 60% of the settlement package, or \$55,285,297 (1997 net present value).

(Com Conlon)

- 5 **I _____ - Order instituting investigation on the Commission's own motion into the activities of apartment owners and billing agents who charge tenants for water or sewer service and seeks to determine whether such activities are in violation of statutes which require that such services be provided by a public utility.**
- 6 **A97-10-081 - San Diego Gas & Electric Company (SDG&E).**
This decision addresses the application of SDG&E requesting that the Commission approve as reasonable the package of settlements it has achieved with three bidders in the Biennial Resource Plan Update (Update) auction. The cost of the total settlement package is \$5.095 million plus interest. This decision finds that the three settlements presented by SDG&E are reasonable and in the public interest and approve them. However, we defer consideration of SDG&E's request to terminate its Update solicitation at this time, and direct SDG&E and certain nonsettling bidders to engage in a further period of negotiation before we address SDG&E's request.
(Com Conlon - ALJ Econome)
- 7 **R98-04-009 - Rulemaking to establish rules for enforcement of the standards of conduct governing relationships between energy utilities and their affiliates adopted by the Commission in D97-12-088.**
In D97-12-088 we adopted rules governing transactions between energy utilities and their affiliates and deferred to this rulemaking an extension of those rules to define specific enforcement mechanisms. Here, we approve enforcement rules governing affiliate transactions. This proceeding is closed.
(Coms Bilas/Knight - ALJ Weissman)
- ◆8 **C98-02-020 - Irvine Apartment Communities, Inc. by and through its agent, CoxCom, Inc., dba Cox Communications Orange County, and Cox California Telcom, Inc. vs. Pacific Bell.**
This decision deals with a complaint that Pacific Bell was required by its tariffs and by Commission decisions to reconfigure network cable at the request of a multi-unit property owner and then to convey the cable to the property owners. An appeal of the Presiding Officer's Decision is considered. This proceeding is closed.
(Com Knight - ALJ Walker)

- ◆8a **ALTERNATE ORDER TO ITEM 8.** This alternate order finds for the complainant and orders Pacific Bell to reconfigure its telecommunication facilities at the request of the property owner.
(Com Knight)
- 9 **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 addresses the motion of the Metropolitan Transportation Commission (MTC) for a Commission order directing that the Code Administrator reserve the 817 telephone number prefix in all new numbering plan areas (area codes) established in the nine-county Bay Area, and assign these numbers to the carrier(s) selected by MTC to provide it with telecommunications services used by MTC to provide its public traveler information service.
(Com Conlon - ALJ Pulsifer)
- ◆10 **C97-11-014 - Joanne Carey vs. Pacific Gas and Electric Company (PG&E).**
This decision revises the Presiding Officer's Decision to adopt some of the revisions suggested in Commissioner Neeper's request for review, to make clarifying revisions in response to Consumer Services Division's Appeal and to dispose of PG&E's Appeal. This proceeding is closed.
(Com Bilas - ALJ Bennett)
- 11 **R94-02-003 - Rulemaking on the Commission's own motion to establish a simplified registration process for non-dominant telecommunications firms. I94-02-004 - Related matter.**
This decision disposes of Consumer Services Division's petition for modification of D97-06-107.
(Com Knight - ALJ Bushey)
This item appeared as CA-8 on the agenda distributed to the public.

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res G-3245 - Southern California Gas Company (SoCalGas).**
This resolution conditionally approves SoCalGas' request for approval to competitively bid the weatherization portion of its 1999 low-income program.
(Advice Letter 2731, filed August 4, 1998)
(Agenda 3002, Item E-4, 10/22/98; Agenda 3003, Item E-3, 11/5/98; Agenda 3004, Item E-2, 11/19/98; Req - Commission)
- E-1a ALTERNATE RESOLUTION TO E-1.** This alternate resolution denies without prejudice Southern California Gas Company's request to competitively bid low income weatherization for 1999.
This item was not listed on the agenda distributed to the public.
- E-2 Res G-3243 - Southern California Gas Company (SoCalGas).**
This resolution denies SoCalGas' request for authorization to adjust its cogeneration default rates due to the sale of a utility generating facility.
(Advice Letter 2701, filed April 20, 1998)
(Agenda 3002, Item E-5, 10/22/98; Agenda 3003, Item E-4, 11/5/98; Agenda 3004, Item E-3, 11/19/98; Req - Commission)
- E-3 Res G-3242 - Southern California Gas Company (SoCalGas).**
This resolution approves authorization to establish a single customer class for all electricity generators in its service territory. This resolution also denies request to eliminate the collateral discount rule and the cogeneration gas allowance.
(Advice Letter 2709, filed May 5, 1998)
(Agenda 3002, Item E-6, 10/22/98; Agenda 3003, Item E-5, 11/5/98; Agenda 3004, Item E-4, 11/19/98; Req - Commission)

TELECOMMUNICATIONS MATTERS

- C-1 Res T-16252 - Deaf and Disabled Telecommunications Program**
This resolution extends the Speech-to-Speech Service of the California Relay Service on a permanent basis, orders MCI Telecommunications Corporation to continue providing Speech-to-Speech Service pursuant to its current contract terms with the Deaf and Disabled Telecommunications Administrative Committee to present its proposal for permanent offering of Speech-to-Speech service to the executive director of the Commission by March 5, 1999.
- C-2 Res T-16253 - GTE California, Incorporated (GTEC)**
This resolution approves GTEC's request for approval to waive certain end user charges and provide additional compensation to customers.
(Advice Letter 8862, filed on October 13, 1998)
- C-3 (Rev.) Res T-16218 - GTE California, Incorporated (GTEC).**
This resolution authorizes GTEC request to provide Synchronous Optical Network Transport to the University of California Los Angeles under a government contract pursuant to D91-07-010. Additionally, this resolution imposes a fine and penalties on GTEC for its failure to comply with General Order 96-A filing requirements.
(Advice Letter 8774, filed July 10, 1998)
This revision was not listed on the agenda distributed to the public.

C-4 Res T-16242 - Seventeen small-size local exchange telephone carriers (LEC) and the California High Cost Fund-A Administrative Committee (CHCF-A).

This resolution approves the CHCF-A draws and rate designs for the 17 small LECs for 1999. Total approved CHCF-A draw is \$4,860,790. the surcharge for the funding of the CHCF-A shall remain at 0%. This resolution also approves an administrative budget in the amount of \$45,000 for the CHCF-A for calendar year 1999.

(Advice Letter (AL) 201, Calaveras Telephone Company, AL 221, California-Oregon Telephone Company, AL 222, Ducor Telephone Company, AL 277, Evans Telephone Company, AL 254, Kerman Telephone Company, AL 137, Pinnacles Telephone Company, AL 235, The Volcano Telephone Company, all filed September 30, 1998; AL 34, Citizens Telecommunications Company of the Golden State, AL 33, Citizens Telecommunications Company of Tuolumne, AL 188, Foresthill Telephone Company, AL 87, Happy Valley Telephone Company, AL 233, Sierra Telephone Company, AL 251, Siskiyou Telephone Company, AL 252, The Ponderosa Telephone Company, AL 91, Winterhaven Telephone Company CHCF-A Administrative Committee, all filed October 1, 1998; AL 161, Hornitos Telephone Company, filed October 2, 1998; AL 461, GTE West Coast Incorporated, filed October 30, 1998)

C-5 Res T-16244 - All Telecommunications Carriers.

This resolution approves the 1999 budget of \$446.15 million and an increase of surcharge from 2.87% to 3.8% for 1999's California High Cost Fund-B program.

C-6 Res T-16245 - Universal Lifeline Telephone Service (ULTS).

This resolution adopts an administrative budget of \$606,308 for ULTS administrative committee and an administrative and program budget of \$7,378,382 for ULTS Marketing Board for the 1999 calendar year. This resolution also adopts a ULTS surcharge rate of 0.0% for the 1999 calendar year. This surcharge rate is a reduction from the current rate of 2.4%.

WATER MATTERS

- W-1** **Res W-4119 - Great Oaks Water Company, Inc. (GOWC).**
This resolution authorizes GOWC to serve the Coyote Valley, southeast of San Jose, California.
(Advice Letter 147, filed June 5, 1998)
(Agenda 3002, Item W-1, 10/22/98; Agenda 3003, Item W-1, 11/5/98; Agenda 3004, Item W-1, 11/19/98; Req - Commission)
- W-1a** **ALTERNATE RESOLUTION TO W-1.** This alternate order denies a service area extension.

ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS

ALJ-1 **Res ALJ-176-3005** - Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure. (See also Rule 63.2(c) regarding notice of assignment.)

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

LEG-1 Proposal for 1999 CPUC-sponsored state legislation.

RESOLUTIONS AND MEMORANDUMS

L-1 **Res L-272** - This resolution responds to Public Records Act request by Rebecca Smith for disclosure of all electric incident reports filed by electric utilities during the past ten years, in an unredacted form which reveals the names and addresses of electric incident victims and witnesses, rather than in the redacted form released pursuant to Resolution L-265. Resolution also responds to Public Record Act request by the Los Angeles Times and Times Staff Writer Michael Wagner for disclosure of unredacted electric incident reports filed by electric utilities, accident investigation reports prepared by the Commission, and correspondence related to such accident reports and investigative reports.
(Agenda 3003, Item L-1, 11/5/98; Agenda 3004, Item L-1, 11/19/98; Req - Commission)

L-1a **ALTERNATE ORDER TO RESOLUTION L-1.** This alternate resolution orders electric utilities to determine whether accident victims and their immediate families consent to public disclosure of their names and addresses. The Utilities Safety Branch is directed to develop new accident reporting procedures that will inform accident victims and their immediate families that personal information will not be disclosed without their consent and to record their choice regarding public disclosure.
(Agenda 3004, Item L-1a, 11/19/98; Req - Commission)

L-1b

ALTERNATE ORDER TO RESOLUTION L-1. This alternate resolution orders electric utilities to determine whether accident victims and their immediate families object to public disclosure of their names and addresses. Utilities are ordered to send letters to past accident victims and their immediate families notifying them that if they do not respond with a written objection to the disclosure of such information within 30 days, such information will be disclosed to those who file Public Records Act requests seeking disclosure of unredacted accident reports. The Utilities Safety Branch is directed to develop new accident reporting procedures that will inform accident victims and their immediate families that personal information will be disclosed unless they object to disclosure within 30 days of the accident.

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

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(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** **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; Agenda 2997, Item HEX-1, 7/23/98; Agenda 2998, Item HEX-1, 8/6/98; Agenda 3001, Item HEX-1, 10/8/98; Agenda 3003, Item HEX-1, 11/5/98; Req - Commission)
- HEX-2** **R97-01-009, I97-01-010** - Disposes of applications for rehearing by the Consumers Alliance for Utility Safety and Education, et al., and the California Association of Competitive Telecommunications Companies/MCI, of D98-04-059, which adopted revisions to the Commission's intervenor compensation program.
(Agenda 3004, Item EX-4, 11/19/98; Req - Commission)

- HEX-3** **A96-07-001** - Disposition of application for rehearing of D97-12-042 in A96-07-001 filed jointly by California Manufacturers Association, California Large Energy Consumers Association, California Industrial Users, California Farm Bureau Federation, Energy Producers and Users Coalition, and Cogeneration Association of California. D97-12-042 addressed issues relating to the application of Public Utilities Code section 376 to certain costs related to the Independent System Operator and the Power Exchange.
(Agenda 3004, Item EX-6, 11/19/98; Req - Commission)

ORDERS

- EX-1** Compilation of Applications for Rehearing filed with the Commission and Petitions filed with the California courts since the last Commission Meeting and a summary of recent developments in state courts and state agencies in cases in which the California Public Utilities Commission is a party or intervenor or intends to intervene.
- EX-2** **R93-04-003, I93-04-002** - Disposition of as joint application for rehearing of D98-02-016 by AT&T Communication of California, Inc. and MCI Communication Corporation alleging that failure to adopt geographic deaveraging of loop prices violated provisions of the Telecommunications Act of 1996 Sections 709 and 709.2 of the Public Utilities Code and regulations of the Federal Communications Commission . It also was alleged that the decisions factual analysis was fatally flawed. Oral argument was requested.
- EX-3** **A98-10-014** - Disposition of application for rehearing of Resolution TL-18864, filed by Santa Rosa Airporter/Airporter Inc. TL-18864 granted Marin Airporter's Route Revision Docket matter, which was protested by Santa Rosa Airporter. Santa Rosa Airporter alleges violation of procedural due process since the Commission did not require Marin Airporter to file a formal application, which Santa Rosa could have then protested, and at which point the matter would have been set for hearing.
- EX-4** **A94-11-015** - Disposition of application for rehearing by Pacific Gas and Electric Company (PG&E) of D96-12-026, which ordered that certain moneys in PG&E's Utility Generating Department should be credited to PG&E's Electric Deferred Refund Account. The application alleges that the decision conflicts with certain elements of the Gas Accord Agreement, in consideration at the time of the decision.

EX-5 **R97-04-011, I97-04-012** - Disposition of applications for rehearing of D97-12-088, which set forth the affiliate transaction rules for energy utilities. Applications were filed by Southern California Gas Company and San Diego Gas and Electric Company (jointly, "SoCalGas/SDG&E") and Edison Electric Institute. Both applications raises First Amendment challenges. SoCalGas/SDG&E's joint application also alleges that the Commission should have held evidentiary hearings; D97-12-088 does not contain legally sufficient findings of fact and conclusions of law; and the decision restricts the ability of the directors and officers of the parent holding companies of SoCalGas and SDG&E from obtaining all material information necessary to fulfill their fiduciary duties and legally mandated responsibilities to shareholders.

EX-6 **R94-04-031, I94-04-032** - Disposition of the application for rehearing of D97-08-064 filed by Public Media Center (PMC). In D97-08-064, the Commission approved a consumer education plan for the restructuring of the electric utility industry. PMC alleges the following legal errors: (1) The Commission failed to develop an adequate factual record on which to base its decision; (2) The Commission's findings are inconsistent with AB 1890 and the general statutory mandate in the Public Utilities Code; (3) The findings are not supported by any factual basis in the record; and (4) The Commission failed to comply with the requirements of the California Environmental Quality Act.

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. ER98-441-000, et al;** - Update on Reliability Must-Run settlement negotiations.