
Public Utilities Commission of the State of California

***Public Agenda 3009
Thursday, February 4, 1999, 10 a.m.
San Francisco, California***

**Commissioners
Richard A. Bilas, President
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* Room 5305 (1:30 p.m.) Closed to the Public</i>	<i>Commission Meeting Auditorium (10 a.m.) Open to the Public</i>
Monday, February 1	Thursday, February 4
Tuesday, February 16	Thursday, February 18
Monday, March 1	Thursday, March 4
Monday, March 15	Thursday, March 18
Monday, March 29	Thursday, April 1

**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 will 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.

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
- CA-28

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-18882** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2** **A97-12-047 - Southern California Edison Company.**
To adopt Incentive Based Ratemaking Mechanisms specified in D96-09-045 and D96-11-021. This decision grants The Utility Reform Network an award of \$21,127.52 in compensation for its contribution to D98-07-077 and D98-08-015. This proceeding is closed.
(Com Duque - ALJ Vieth)
(Section 311(g))
- CA-3** **A97-11-004 - Pacific Gas and Electric Company.**
To identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances for implementation no later than January 1, 1999. A97-11-011, A97-12-012 - Related matters. This decision grants Toward Utility Rate Normalization and Utility Consumers' Action Network an award of \$92,850.91 in compensation for contributions to D98-07-032 and D98-09-070 which directed electric utilities to offer customers meter and billing, or revenue cycle services, separately from other distribution services and adopted prices for each of those services.
(Com Duque - ALJ Malcolm)
(Section 311(g))

CA-4 Res SX-21 - City of Menlo Park.

This resolution grants request for an exemption from the mandatory stop requirements of Sections 22452 and 22452.5 of the California Vehicle Code to a certain railroad highway grade crossing in the County of San Mateo. (Section 311(g))

CA-5 A98-06-039 - Pacific Gas and Electric Company (PG&E).

This decision grants PG&E a permit to construct the Northern Geysers Area Reinforcement Project (Project). The Project involves improvements to existing facilities at the northern and southern ends of the existing Geysers Unit 11-Fulton transmission line. Permit is granted subject to PG&E undertaking certain mitigation measures set forth in Attachment 1 to this decision. This proceeding is closed. (Com Neeper - ALJ Gottstein) (Section 311(g))

CA-6 A98-08-025 - Pacific Gas and Electric Company (PG&E).

This decision grants, subject to conditions, PG&E's request to lease available space on distribution poles and street light poles to Metricom, Inc., which would use the space to install low-power, packet-sized wireless radio equipment for its high-speed digital telecommunications services. The Office of Ratepayer Advocates recommends fiscal and reporting requirements to further safeguard ratepayer interests. This proceeding is closed. (Com Knight - ALJ Walker) (Section 311(g))

CA-7 A98-07-025 - Janet C. Edwards, dba Kids Kaddy.

This decision grants the request for authority to operate an on-call passenger stage corporation service to transport children between points and places in the City of Rialto and neighboring communities. This proceeding is closed. (Exam Koss) (Section 311(g))

- CA-8 A98-08-007 - Angelito N. David, dba BABES Airporter.**
This decision grants the request for authority to (1) operate as a passenger stage corporation between points in the Counties of San Francisco, Alameda, Contra Costa, San Mateo and Santa Clara, on the one hand, and San Francisco, San Jose, and Oakland International Airports, on the other, and between the airports and (2) establish a Zone of Rate Freedom. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-9 A98-07-016 - City of Stockton (City).**
For authority to construct one grade crossing of the Tidewater Southern Railroad Company (TSR) at Aviation Drive, within the Airport Gateway Center in the City, State of California. This decision authorizes the City to construct Aviation Drive at-grade across a spur line track owned by the Union Pacific Railroad, and operated by the TSR in said City, San Joaquin County. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-10 Res W-4132 - Mar Vista Water Company (MVWC).**
This resolution grants MVWC's request for a general rate increase producing \$21,989 or 55.3% additional annual revenue.
- CA-11 A98-09-010 - Milton McDonogh, dba Angel Island Ferry (Angel Island Ferry).**
This decision grants Angel Island Ferry's unprotested request for ferry service fare increase of \$1.00 between Tiburon and Angel Island. This proceeding is closed.
(Com Duque - ALJ Bushey)
(Section 311(g))

- CA-12 (ECP) C98-09-022 - Carroll S. Hayes vs. R. R. Lewis Small Water Company.**
This decision dismisses the complaint without prejudice. The matter is referred to staff for informal resolution (Rule 10, Rules of Practice and Procedure.) This proceeding is closed.
(Com Duque - ALJ Wright)
- CA-13 A98-06-018 - Pacific Gas and Electric Company (PG&E) and Roseburg Resources Company (Roseburg).**
This decision authorizes PG&E to sell and transfer certain lands in Shasta County to Roseburg Resources Company, an Oregon corporation, pursuant to Public Utilities Code Section 851. This proceeding is closed.
(Com Conlon - ALJ Wright)
(Section 311(g))
- CA-14 A98-04-015 - Unocal California Pipeline Company**
For authority to remove its Line 700B oil pipeline in Los Angeles County from common carrier service. Granted The cost of relocating the line is excessive in light of the use of the line. There is only one customer, who can be served by another pipeline. This proceeding is closed.
(Com Bilas - ALJ Barnett)
(Section 311(g))
- CA-15 A98-09-033 - Pacific Gas and Electric Company (PG&E) and San Jose State University (Trustees) acting in behalf of The Trustees of the California State University and the State of California.**
This decision approves the sale by PG&E of certain electrical distribution facilities on the campus of the San Jose State University, to the Trustees. The after-tax gain on sale shall be credited to the depreciation reserve and that reduction to rate base be reflected in PG&E's 1999 general rate case. This proceeding is closed.
(Com Duque - ALJ Patrick)
(Section 311(g))

- CA-16 Res SR-100 - Union Pacific Railroad (UP).**
This resolution grants side clearance exemption to UP in Los Angeles for service to The Cereal Food Processors Company through new track connection to Wilmington Branch.
(Section 311(g))
- CA-17 Res SR-101 - Union Pacific Railroad (UP).**
This resolution grants UP exemption from walkway requirements of General Order 118 for 2,700 feet adjacent to Alameda Street in Carson, California.
(Section 311(g))
- CA-18 I98-03-039 - Investigation on the Commission's own motion into the operations, practices, and conduct of America's Tele-Network Corp. (ATN), John W. Little, President of ATN, and Geri Clary, Controller of ATN to determine whether the corporation or its principals have violated Rule 1 of the Commission's Rules of Practice and Procedure or have violated the laws, rules, and regulations governing the manner in which California consumers are switched from one long distance carrier to another.**
This decision approves settlement agreement which provides for consumer refunds and certificate of public convenience and necessity suspension. This proceeding is closed.
(Com Neeper - ALJ Bushey)
(Section 311(g))
- CA-19 A98-10-018 - Electric Lightwave, Inc. (ELI).**
For arbitration pursuant to Section 252(B) of the Telecommunications Act of 1996 to establish an interconnection agreement with GTE California Incorporated. This decision grants motion of ELI to dismiss without prejudice. This proceeding is closed.
(Com Duque - ALJ Weismehl)
(Section 311(g))
- CA-20 (ECP) C98-03-048 - Harold K. Ostin vs. AT&T Communications of California, Inc.**
This decision dismisses the complaint for lack of jurisdiction over 50% discounted interstate calling card charges tariffed by the Federal Communication Commission. This proceeding is closed.
(Com Duque - ALJ Bennett)

- CA-21 A98-10-037 - Globalcom, Inc., dba GCI Globalcom, Inc.**
This decision grants applicant a certificate of public convenience and necessity to operate as a local exchange reseller. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-22 A98-09-023 - SouthNet Telecomm Services, Inc.**
This decision grants applicant a certificate of public convenience and necessity to operate as a reseller of local exchange and interexchange services. This decision also grants an exemption from filing interexchange tariffs. This proceeding is closed.
(Com Knight - ALJ O'Donnell)
(Section 311(g))
- CA-23 A97-03-004 - Pacific Bell.**
For approval of rate reductions to offset the explicit subsidy support in D96-10-066. This decision grants The Utility Reform Network an award of \$74,400.38 in compensation for its contribution to D98-07-033. This proceeding is closed.
(Coms Duque/Knight - ALJ Maloney)
(Section 311(g))
- CA-24 A98-10-029 - Pacific Pipeline System LLC (PPS LLC), the successor in interest to Pacific Pipeline System, Inc. (PPSI) and ARCO Pipe Line Company (APL).**
For approval of: (1) the assignment of public utility oil pipeline facilities to PPS LLC; (2) the partial transfer of control of PPS LLC; (3) the re-issuance by PPS LLC of rate tariffs applicable to APL's transferred facilities; and (4) the release of APL from its public utility obligations. This decision grants PPSI and APL's request for approval of an agreement between them which will result in a joint venture that combines APL's Line 63 pipeline system with the pipeline facilities currently being constructed by PPSI. The combined system will be owned by PPS LLC. This proceeding is closed.
(Com Duque - ALJ Malcolm)
(Section 311(g))

- CA-25** **I95-06-007 - Order instituting investigation into the operations and practices of Bahram Shahab and Merhdad Hajimoradi, dba L.A.Xpress Airport Shuttle.** I95-06-008 - Related matter.
This decision approves of settlement agreements. These proceedings are closed.
(Com Duque - ALJ Ryerson)
(Section 311(g))
- CA-26** **A98-07-047 - Blue & Gold Fleet, L.P. (Blue & Gold).**
For authority to increase fare levels for the transportation of passengers in vessel common carrier Service between Sausalito, on the one hand, and authorized points in San Francisco, on the other hand. A98-07-049, A98-07-050 - Related matters. This decision grants Blue & Gold's request to increase its fares for transporting passengers in vessel common carrier service between Sausalito, Tiburon and Angel Island, on the one hand, and San Francisco, on the other hand. The new fares may be made effective on less than 30 days' notice. This proceeding is closed.
(Com Duque - ALJ McVicar)
(Section 311(g))
- CA-27** **A98-08-020 - Gerber Water Works, Inc. (Gerber) and Gerber-Las Flores Community Services District (District).**
This decision grants Gerber's request to sell and transfer water system to District. System needs substantial rehabilitation. Owners lack the funds and now reside in Nevada. District has access to grant and loan both federal and state and experience operating sewer district. The Safe Drinking Water Bond Act loan balance outstanding will be repaid as part of the escrow arrangement. This proceeding is closed.
(Com Duque - ALJ Weiss)
(Section 311(g))
- (Rev.)** This revision was not listed on the agenda distributed to the public.
- CA-28** **(ECP) C98-07-060 - C. Muhammad vs. Southern California Edison Company.**
This decision dismisses complaint for reparations for high meter reads. An independent meter service provider tested the meter and found it to be accurate. The bills complainant paid were based on an accurate meter. This proceeding is closed.
(Com Conlon - ALJ Barnett)

- CA-29 Res TL-18881 - Hornblower Yachts, Inc. (Hornblower).**
This resolution grants Hornblower request to pledge a public utility asset as part of the security for a credit facility and loan agreement with the Fleet Capital Corporation.
(Advice Letter No. 1, filed December 17, 1998)
(Section 311(g))
- CA-30 198-03-012 - Order Instituting Investigation on the Commission's own motion into the operations and practices of Mike Amos Galam, an individual doing business as Load, Lock N Roll.**
This decision approves a proposed settlement agreement between the Commission Consumer Services Division and respondent, Mike Amos Galam. This proceeding is closed.
(Com Conlon - ALJ Bennett)
(Section 311(g))
- CA-31 A97-09-049 - San Diego Gas & Electric Company.**
For authority to establish an experimental Performance-Based Ratemaking Mechanism. This decision grants Utility Consumers' Action Network an award of \$8,067.83 in compensation for the substantial contribution to D98-08-038.
(Com Conlon - ALJ Wheatland)
(Section 311(g))
- CA-32 A98-11-030 - Total Media Techonologies, Inc.**
This decision grants the request for a certificate of public convenience and necessity to operate as a reseller of local exchange telecommunications services. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-33 C95-08-061 - City of San Leandro vs. Southern Pacific Lines, Inc., a California Corporation.**
This decision accepts stipulated dismissal of parties concerning the state of repair of certain crossings. This proceeding is closed.
(Com Neeper - ALJ Weismehl)
(Section 311(g))

- CA-34 A98-10-017 - Hillview Water Company, Inc..**
For modification of Resolution F-643. This decision denies petition to modify resolution because basis for petition, excess monthly surcharge revenue, has only occurred due to failure to comply with earlier resolution. This decision orders compliance within 45 days, unless otherwise ordered by the Commission. This proceeding is closed.
(Com Neeper - ALJ Bushey)
- CA-35 A98-11-021 - Melton McDonogh dba Angel Island-Tiburon Ferry and Angel Island-Tiburon Ferry, Inc..**
This decision grants the transfer of the certificate and assets of Angel Island-Tiburon Ferry from an individual to a corporation. This proceeding is closed.
(Com Neeper - ALJ Rosenthal)
(Section 311(g))
- CA-36 A97-06-002 - Pacific Gas & Electric Company (PG&E), Richard L. Wills and Donna M. Wills.**
PG&E and Richard L. Wills and Donna M. Wills jointly apply for authority to transfer two parcels of unimproved land located in Alameda County pursuant to a Standard Purchase and Sale Agreement dated July 30, 1996 and for approval of the ratemaking treatment proposed for the transfer. Granted with modifications of proposed ratemaking treatment.
(Com Bilas - ALJ Wright)
(Section 311(g))
(Agenda 3008, Item CA-19, 1/20/99; Req - Commission)
- CA-37 A97-11-004 - Pacific Gas and Electric Company.**
For authority to identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances for implementation no later than January 1, 1997. A97-11-011 and A97-12-012. Related matters. This decision grants Utility Consumers' Action Network an award of \$12,314.50 in compensation for contributions to D97-08-056. That decision directed electric utilities to identify the costs associated with various utility functions and established a method for calculating the price of energy, among other things.
(Com Conlon - ALJ Malcolm)
(Section 311(g))

- CA-38** **A98-02-042 - Southern California Edison Company (Edison).**
This decision authorizes Edison to lease land on Santiago Estrella 66 kV subtransmission line right of way to SSD, LLC for development of a self-storage facility. This proceeding is closed.
(Com Conlon - ALJ Wright)
(Section 311(g))
- CA-39** **A98-07-018 - Southern California Edison Company (Edison).**
This ex parte decision authorizes Edison to lease to Industry Storage, LLC, a site along its Etiwanda-Walnut-Mesa transmission line for the purpose of operating a self-storage facility. The revenue generated will be shared between ratepayers and shareholders. This proceeding is closed.
(Com Neeper - ALJ Stalder)
(Section 311(g))
- CA-40** **A98-12-004 - Advanced Communications Group, Inc. (ACG) and Telecom Resources, Inc. (TRI)**
This decision grants the application of ACG to acquire 100% of the stock of TRI, a non dominant interexchange carrier. TRI will become a wholly owned subsidiary of ACG. It will continue to operate under its current name and tariffs. This proceeding is closed
(Com Neeper - ALJ O'Donnell)
(Section 311(g))

REGULAR AGENDA**UTILITY AND TRANSPORTATION ORDERS****ORDERS HELD OVER**

- H-1** **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)
(Section 311(g))
(Agenda 3004, Item 2, 11/19/98; Agenda 3005, Item H-10, 12/3/98; Agenda 3006, Item H-9, 12/17/98; Agenda 3008, Item H-1, 1/20/99;
Req - Commission)
- H-1a** **ALTERNATE PAGES TO ITEM H-1.** These alternate pages retain the current Commission policies regarding the standard of reasonableness for ratepayer benefits.
(Com Neeper)
(Agenda 3008, Item H-1a, 1/20/99; Req - Commission)

H-2**A96-03-007 - Pacific Bell Communications (PB Com)**.

This order grants a motion by applicant for an amendment to its application to substitute Southwestern Bell Communication Services (SBCS) as the applicant in this proceeding, subject to the same commitments made by PB Com and the same obligations placed upon PB Com. This decision grants a certificate of public convenience and necessity to SBCS to provide long distance service in California upon attaining approval to do so from the Federal Communications Commission (FCC). This decision also grants applicant's request to withdraw that part of its application seeking authority to operate as a local exchange carrier in competition with Pacific Bell. Applicant also is granted authority to provide local toll service, with some restrictions on its request to be authorized to construct facilities for local toll service. While the FCC permits Bell operating companies to joint market the services of their long distance affiliates, our order today requires that joint marketing by Pacific Bell be done through a separate group of customer service representatives. This proceeding is closed.

(Com Neeper - ALJ Walker)

(Section 311(d))

(Agenda 3007, Item 2, 1/7/99; Agenda 3008, Item H-5, 1/20/99;

Req - Commission)

H-2a

ALTERNATE DECISION TO ITEM H-2. The alternate decision grants a certificate of public convenience and necessity to SBCS to provide long distance service in California upon attaining approval to do so from the FCC. Applicant also is granted authority to provide local toll service, with some restrictions on its request to be authorized to construct facilities for local toll service. Following the Commission's and FCC guidelines, the alternate order permits PB Com to joint market the services of its long distance affiliate, using customer records where appropriate, in order for consumers to take advantage of one-stop shopping for all or most of their local toll, long distance and other telephone services. We adopt appropriate safeguards in this process to deter anticompetitive practices.

(Com Neeper)

(Agenda 3008, Item H-5a, 1/20/99; Req - Commission)

- H-3** **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(d))
(Agenda 3002, Item 2, 10/22/98; Agenda 3003, Item H-9, 11/5/98; Agenda 3004, Item H-3, 11/19/98; Agenda 3005, Item H-5, 12/3/98; Agenda 3006, Item H-6, 12/17/98; Agenda 3007, Item H-2, 1/7/99; Agenda 3008, Item H-6, 1/20/99; Req - Commission)
- H-3a** **ALTERNATE ORDER TO ITEM H-3.** This alternate order adopts a seven-year time horizon in assessing the cost-effectiveness of Edison's fossil capital additions.
(Com Duque)
(Agenda 3005, Item H-5a, 12/3/98; Agenda 3006, Item H-6a, 12/17/98; Agenda 3007, Item H-2a, 1/7/99; Agenda 3008, Item H-6a, 1/20/99; Req - Commission)
- H-3b** **ALTERNATE PAGES TO ITEM H-3.** 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)
(Agenda 3005, Item H-5b, 12/3/98; Agenda 3006, Item H-6b, 12/17/98; Agenda 3007, Item H-2b, 1/7/99; Agenda 3008, Item H-6b, 1/20/99; Req - Commission)
- H-3c** **ALTERNATE ORDER TO ITEM H-3.** This alternate order grants Edison recovery of capital additions costs with respect to spare parts and projects that are under \$100,000.
(Com Bilas)
(Agenda 3007, Item H-2c, 1/7/99; Agenda 3008, Item H-6c, 1/20/99; Req - Commission)

H-3d **ALTERNATE PAGES TO ITEM H-3.** These alternate pages would allow recovery for Edison’s Green Lights program.
(Com Neeper)

H-4 **R98-07-037 - Order Instituting Rulemaking on the Commission’s Proposed Policies and Programs Governing Energy Efficiency, Low-Income Assistance, Renewable Energy and Research Development and Demonstration.**
This decision addresses the issue of how energy efficiency programs and low-income assistance programs should be administered (1) between now and the end of 2001 and (2) after 2001. We determine that energy efficiency and low-income assistance programs should continue to be administered by investor-owned utilities, subject to our oversight, through 2001. Beyond 2001, however, we are opposed to continuing with utility administration of energy efficiency programs and will actively pursue creating an organizational alternative for the administration of these programs. Our current preference is to establish a Legislatively-mandated nonprofit organization, assuming that funding for energy efficiency is authorized beyond 2001. For the administration of low-income assistance programs after 2001, we will explore a variety of organizational options, including continuing with utility administration.
(Com Neeper - ALJ Gottstein)
(Section 311(g))
(Agenda 3008, Item 2, 1/20/99; Req - Commission)

H-5 **R_____ - Rulemaking for Purposes of Implementing Certain Statutory Requirements Regarding Public Review and Comment for Specified Commission Decisions.**
This order opens a new rulemaking to develop rules and procedures to implement certain provisions of SB 779 (effective January 1, 1999). The provisions pertain to public review and comment regarding specified Commission decisions.
(Com Neeper - ALJ Kotz)
(Agenda 3008, Item 3, 1/20/99; Req - Commission)

H-6

A98-06-050 - Pacific Bell (Pacific).

To modify certain affiliate transaction rules as contained D92-07-072 and D86-01-026 to facilitate the post-merger consolidation of support services. This decision grants, with conditions, the authority to permit netting of intellectual property and proprietary assets between Pacific and affiliates and to allow the use of fully distributed costs for pricing service to SBC Communications and centralized support service organizations of Pacific. This proceeding is closed.

(Com Conlon - ALJ Rosenthal)

(Section 311(g))

(Agenda 3006, Item CA-17, 12/17/98; Agenda 3008, Item CA-3, 1/20/99; Req - Commission)

ORDERS

- 1** **A98-11-024 - Pacific Bell.**
Petition for arbitration of an interconnection agreement with Pac-West Telecomm, Inc. (Pac-West) pursuant to Section 256(b) of the Telecommunications Act of 1996. This decision grants Pac-West's motion for dismissal. This proceeding is closed.
(Com Neeper - ALJ Mattson)
(Section 311(g))
- 1a** **ALTERNATE ORDER TO ITEM 1.** This alternate order denies PacWest's motion to dismiss Pacific Bell's application for arbitration under the Telecommunication Act.
(Com Neeper)
- 2** **R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.**
This decision relieves competitive local carriers which are not part of the corporate entity of an incumbent local exchange carrier, from the requirement to keep their books of account in conformance with the Uniform System of Accounts, specified in Title 47, Code of Federal Regulations, Part 32.
(Com Conlon - ALJ Pulsifer)
(Section 311(g))

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res G-3248 - San Diego Gas & Electric (SDG&E).**
This resolution grants as modified SDG&E's requests to eliminate Schedules GTUEG and GITS, revise demand charges and eliminate Condition 11 for Schedule GTUEG-SD, revise rates filed in Advice Letter 1086-G for updates approved for Advice Letter 1094-G.
(Advice Letter 1103-G, filed July 2, 1998)
(Section 311(g))
- E-2 Res E-3550 - Pacific Gas and Electric Company (PG&E).**
This resolution approves PG&E's request of a two-phase reorganization of its research, development and demonstration program.
(Advice Letters 2076-G/1759-E, 2076-G-A/1759-E-A, filed April 1, 1998 and November 16, 1998 respectively)
(Section 311(g))
- E-3 Res G-3243 - Southern California Gas Company.**
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)
(Section 311(g))
(Agenda 3002, Item E-5, 10/22/98; Agenda 3003, Item E-4, 11/5/98; Agenda 3004, Item E-3, 11/19/98; Agenda 3005, Item E-2, 12/3/98; Agenda 3007, Item E-1, 1/7/99; Req - Commission)
- E-4 Res G-3242 - Southern California Gas Company.**
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)
(Section 311(g))
(Agenda 3002, Item E-6, 10/22/98; Agenda 3003, Item E-5, 11/5/98; Agenda 3004, Item E-4, 11/19/98; Agenda 3005, Item E-3, 12/3/98; Agenda 3007, Item E-2, 1/7/99; Req - Commission)

E-5 **Res E-3580 - Pacific Gas and Electric Company (PG&E).**
This resolution denies PG&E's request to establish Reallocated Residual Administrative and General Memorandum Account for the period between July 1, 1998 and December 31, 1998.
(Advice Letter 1784-E, filed June 30, 1998)
(Section 311(g))
(Agenda 3006, Item E-11, 12/17/98; Agenda 3008, Item E-1, 1/20/99;
Req - Commission)

E-5a **ALTERNATE RESOLUTION TO E-5.** This alternate resolution denies PG&E's request to establish Reallocated Residual Administrative and General Memorandum Account for the period between July 1, 1998 and December 31, 1998 because of retroactive ratemaking concerns.

WATER MATTERS

- W-1 Res W-4133 - Fruitridge Vista Water Company (FVWC).**
This resolution grants FVWC's request to establish a memorandum account for Water System Master Plan costs.

ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS

ALJ-1 **Res ALJ-176-3009** - 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

RESOLUTIONS AND MEMORANDUMS

- L-1** **Res L-276** - This resolution authorizes Interagency Memorandum of Understanding concerning responsibilities related to the electricity industry between the California Public Utilities Commission and the California Electricity Oversight Board.
(Section 311(g))
(Agenda 3008, Item L-1, 1/20/99; Req - Commission)

COMMISSIONERS' REPORTS

Commissioner Duque

- Electric Matters
- Water Matters
- Administrative Matters

Commissioner Neeper

- Consumer Protection Matters
- Telecommunications Matters

President Bilas

- Natural Gas Matters
- Transportation Matters

EXECUTIVE DIRECTOR'S REPORT

Wesley M. Franklin, Executive Director

GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

DIRECTORS' REPORTS

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CLOSED SESSION

This notice is furnished under Government Code Sections 11125 and 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 personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). 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 Sections 11125.2 and 11126.3(f).

APPELLATE SECTION ITEMS**ORDERS HELD OVER**

HEX-1 **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; Agenda 3005, Item HEX-2, 12/3/98; Agenda 3006, Item HEX-3, 12/17/98; Agenda 3007, Item HEX-1, 1/7/99; Agenda 3008, Item HEX-1, 1/20/99; 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** **R94-04-031, I94-04-032** - Disposition of the application filed by the Energy Producers and Users Coalition and the Cogeneration Association of California for rehearing of D97-10-087 regarding direct access service fees and charges and the rate freeze established by California Public Utilities Code Section 368(a). Applicants have recently submitted a request to have the application withdrawn without prejudice.
- EX-3** **A93-09-006, A93-09-048** - Dismissal of the application for rehearing of D94-12-052 filed by Toward Utility Rate Normalization (TURN) pursuant to the request of TURN that the application be withdrawn.
- EX-4 (Rev.)** **A93-09-006, A93-09-048** - Disposition of the application for rehearing of D94-12-052 filed by the Indicated Producers regarding a “zone rate credit” on the Southern California Gas Company transmission system for gas volumes delivered by displacement, or exchange, transactions.
This revision was not listed on the agenda distributed to the public.
- EX-5** **R94-02-003, I94-02-004** - Disposition of the application for rehearing of D96-09-098 filed by the California Association of Long Distance Telephone Companies.

- EX-6** **A96-08-001, A96-08-006, A96-08-007, A96-08-070, A96-08-071, A96-08-072** - Disposition of joint application for rehearing of D97-11-074, filed by Pacific Gas and Electric Company, San Diego Gas & Electric and Southern California Edison Company (Applicants), who challenge the adoption of a reduced rate of return for fossil, hydroelectric and geothermal plants which was computed based on 90% of the 1997 cost of debt and made effective July 1997. Applicants alleged numerous issues, including (1) the determination for a reduced rate of return is contrary to AB 1890 and the Preferred Policy Decision; (2) the Commission in reducing the utilities' rate of return in the decision unlawfully modified a previous Commission decision, in violation of Public Utilities Code Section 1708; (3) D97-11-074 erroneously applies the reduced rate of return retroactively to July 1997; (4) the Commission incorrectly permitted Office of Ratepayer Advocates to reopen a past proceeding without conducting evidentiary hearings; and (5) D97-11-074 erred in concluding that the parties in this proceeding did not have notice of D96-04-059, involving Edison's 1995 General Rate Case.
- EX-7** **R98-01-011** - Disposition of applications for rehearing of D98-08-030 filed by Pacific Gas and Electric Company, jointly by Coalition of California Utility Employees and Southern California Gas Workers Council, and jointly by Southern California Gas Company and San Diego Gas & Electric Company. D98-08-030 discussed the Commission's plans to complete its assessment of the current market and regulatory framework for California's natural gas industry, and adopt a long-term strategy. In addition, D98-08-030 took certain steps to improve the functioning of the current market in ways that the Commission felt would be compatible with possible additional changes to be made in the future.
- EX-8** **C98-02-043** - Disposes of application for rehearing of D98-08-008 filed by Morris Hurley, alleging that the Commission erred in finding that a party who leaves a message on a telephone answering machine has no reasonable expectation that the recording will not be heard by anyone with access to the recording machine.

EX-9

C97-02-027 - Disposition of motion for stay of D98-11-063. The motion was filed by MCI Telecommunications Corporation (MCI) in connection with its application for rehearing of D98-11-063. MCI alleges error in the decision and irreparable harm if D98-11-063 is not stayed. The California Payphone Association, Payphone Service Providers Group and San Diego Payphone Service Association, and Pacific Bell responded to MCI's motion asserting that MCI's allegations do not adequately demonstrate that a stay should issue.

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** Discussion of the FERC's Notice of Dates & Locations for Consultation Sessions with State Commissions.

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