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## ***Public Utilities Commission of the State of California***

***Public Agenda 3010  
Thursday, February 18, 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.*

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### **Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b><i>Open to the Public</i></b>
Tuesday, February 16	Thursday, February 18
Monday, March 1	Thursday, March 4
Monday, March 15	Thursday, March 18
Monday, March 29	Thursday, April 1
Monday, April 19	Thursday, April 22

*\*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.***

For further information contact the Public Advisor  
(415) 703-2074 E-mail: [public.advisor@cpuc.ca.gov](mailto: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-35, CA-46

## 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-18883** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.  
(Section 311(g))

**CA-2**      **Res T-16266 - STA Telecommunications Corp. (STA).**  
This resolution revokes the certificate of public convenience and necessity of STA, which has had authority to operate as a non-dominant inter-exchange carrier since September 1997. It apparently has no customers and fails to respond to inquiries from Commission staff.  
(Section 311(g))

**CA-3**      **Res T-16226 - Amtel Communications Services, Inc.**  
This resolution revokes the certificate of public convenience and necessity held by the company.  
(Section 311(g))

**CA-4**      **Res T-16232 - Fiberlink Communications Corporation.**  
This resolution revokes the certificate of public convenience and necessity held by the company.  
(Section 311(g))



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- CA-5            Res T-16267 - Pacific DIGI-TEL Corporation (DIGI-TEL).**  
This resolution revokes the certificate of public convenience and necessity of DIGI-TEL, which has had authority to provide IntraLATA and InterLATA Telecommunications services in California since April 1996. It apparently has no customers and fails to respond to inquiries from Commission staff.  
(Section 311(g))
- CA-6            Res T-16268 - Texcom, Inc. (TEXCOM).**  
This resolution revokes the certificate of public convenience and necessity of TEXCOM, which has had authority to provide IntraLATA and InterLATA Telecommunications services in California since February 1996. It apparently has no customers and fails to respond to inquiries from Commission staff.  
(Section 311(g))
- CA-7            A97-07-042 - Red & White Ferries, Inc. (Red & White).**  
For a certificate of public convenience and necessity to establish and operate unscheduled vessel common carrier service between navigable points on the San Francisco Bay, San Pablo Bay, the Oakland Estuary, Suisun Bay and all navigable tributaries up to the Sacramento and Stockton areas and for interim operating authority. A97-10-020 - Related matter.  
This decision grants in part and denies in part Red & White's petition for modification of D98-02-008. Red & White may operate temporary vessel common carrier service during emergencies upon request of the Golden Gate Bridge, Highway and Transportation District. Red & White must file an application if it wishes to pursue its request for authority to offer non-scheduled service at per-person rates. These proceedings are closed.  
(Com Duque - ALJ McVicar)  
(Section 311(g))
- CA-8            A93-02-010 - Southern California Edison Company (SCE).**  
**(Rev.)** For authority to adjust recovery of nuclear plant investment by an additional capital recovery amount and related substantive and procedural relief. This decision denies Division of Ratepayer Advocates' petition for modification of D94-05-068. This involves nuclear plant rate base and rate of return. The matter was correctly determined in D94-05-068. This proceeding is closed.  
(Com Conlon - ALJ Barnett)  
(Section 311(g))  
This revision was not listed on the agenda distributed to the public.

- CA-9**            **C97-12-045 - San Francisco Bay Area Rapid Transit vs. Pacific Gas and Electric Company.**  
This decision dismisses this complaint for failure to state a cause of action upon which relief may be granted. This proceeding is closed.  
(Com Conlon - ALJ Bennett)  
(Section 311(g))
- CA-10**           **C98-03-005 - Enron Corporation (Enron) vs. Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E).**  
In this complaint, Enron asks the Commission to direct SoCalGas, in conjunction with PG&E and SDG&E, to cease operation of the Energy Marketplace website. This website offers an opportunity for potential core aggregation customers to determine which entities offer core aggregation services in their areas and to begin transactions with certain such providers. Enron argues that it is unlawful for the defendant utilities to operate this website without prior Commission approval and that its operation is an inappropriate activity for a regulated natural gas utility. This decision dismisses this complaint with prejudice. This proceeding is closed.  
(Com Knight - ALJ Weissman)  
(Section 311(g))
- CA-11**           **C98-08-038 - Edwin F. De la Torre vs. Southern California Edison Company (Edison).**  
Complaint seeks reparations because Edison notified the proper city authority that there was a hazardous condition on complainant's property. This decision dismisses complaint for failure to state a cause of action. Edison's conduct was commendable. This proceeding is closed.  
(Com Neeper - ALJ Barnett)  
(Section 311(g))

**CA-12            I96-02-043 - Order Instituting Investigation into the operations, practices, and conduct of Communication Telesystems International (CTS) and Edward S. Soren, President of CTS to determine whether they have complied with the laws, rules, regulations and applicable tariff provisions governing the manner in which California consumers are switched from one long distance company to another, and other requirements for long distance carriers.**

This decision approves the partial settlement agreement between CTS and Greenlining Institute/Latino Issues Forum regarding intervenor compensation and escheat of unclaimed funds. This proceeding is closed.  
(Com Neeper - ALJ Bushey)  
(Section 311(g))

**CA-13            A98-09-006 - Pacific Gas and Electric Company (PG&E).**

This decision approves PG&E's proposed transactions: (1) to sell certain items of executive furniture and office equipment to PG&E Corporation for use by the holding company's officers and employees; and (2) to lease office space at 77 Beale Street and 245 Market Street, as well as associated office furniture and equipment, to PG&E Corporation for holding company employees unable to relocate to One Market Plaza. This proceeding is closed.  
(Com Conlon - ALJ Patrick)  
(Section 311(g))

**CA-14            A98-08-018 - Pacific Gas and Electric Company (PG&E).**

PG&E seeks an exemption from requirements of the Public Utilities (PU) Code covering sales of utility assets with respect to 106 sales agreements with individual customers that PG&E entered into between 1989 and 1996. PG&E states that, because of the nature of the agreements, it was under the mistaken impression that sales provisions of the PU Code did not apply. If an exemption is not granted, PG&E asks that the Commission approve the sales retroactively. The application has been protested by two parties. This decision reviews and approves the agreements at issue, with conditions. This proceeding is closed.  
(Com Knight - ALJ Walker)  
(Section 311(g))

- CA-15      Res T-16274 - Central Office Telephone Company, Inc. (COTC).**  
This resolution revokes the certificate of public convenience and necessity of COTC, which has had authority to operate as a non-dominant inter-exchange carrier since January 1993. It apparently has no customers and fails to respond to inquiries from Commission staff.  
(Section 311(g))
- CA-16      C97-09-056 - Marna An Powell and Donna M. Hufford, et al. vs. GTE aka GTE Northwest, dba GTE West Coast.**  
Complainants, representing some 100 residents of the northern California coastal community of Orick, seek to expand the toll-free calling area of their 488 telephone exchange to include Trinidad, Arcata and Eureka. The evidence shows that the surcharge for such an expansion, added to monthly bills, would be greater than the cost of toll calls to those communities for 70% of Orick subscribers. The evidence shows that 56 telephone toll carriers are certified to serve Orick, and that 90% of Orick subscribers are using toll carriers other than their local exchange carrier. Under these circumstances, expanding the toll-free calling area is not justified.  
The complaint is dismissed. This proceeding is closed.  
(Com Duque - ALJ Walker)  
(Section 311(g))
- CA-17      Res T-16275 - Linq Up America (Los Angeles), Inc. (LUALA).**  
This resolution revokes the certificate of public convenience and necessity of LUALA, which has had authority to operate as a non-dominant inter-exchange carrier since August 1992. It apparently has no customers and fails to respond to inquiries from Commission staff.  
(Section 311(g))
- CA-18      Res T-16258 - The Southland Corporation.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Section 311(g))

- CA-19**      **R94-12-001 - Order Instituting Rulemaking into whether the current income-based criteria for the Low Income Ratepayer Assistance Program and for Universal Lifeline Telephone Service should be changed.**  
This decision makes the following clarifications concerning the eligibility criteria for participation in the California Alternative Rates for Energy (CARE) and Universal Lifeline Telephone Service (ULTS) programs. First, the income used to determine whether a self-employed person is eligible to participate in the CARE and ULTS programs shall be based on IRS Form 1040, Schedule C, Line 29. Second, liquid assets shall not be used as a criterion to screen all applicants for the CARE and ULTS programs. However, if a utility discovers that a customer with more than \$10,000 in liquid assets seeks to or is participating in the CARE or ULTS programs, then the utility shall immediately disqualify that customer from participating in these programs. Liquid assets are defined by this decision as including cash, stocks, and bonds, but excluding tangible assets such as houses and vehicles. Finally, this decision finds that persons should not be allowed to participate in the CARE and ULTS programs merely by showing proof of participation in another social program. This proceeding is closed.  
(Com Knight - ALJ Kenney)  
(Section 311(g))
- CA-20**      **I91-08-029 - Order Instituting Investigation into the causes of recent derailments of Southern Pacific Transportation Company trains, compliance of Southern Pacific with applicable laws, rules and regulations, the existence of any local safety hazards, and recommendations for improvements in state and federal laws or regulations.**  
This decision approves settlement agreement disposing of issue on which partial rehearing was granted by D97-09-063. Remaining issue on which partial rehearing was granted is in abeyance pending decision of U.S. District Court which has identical issue pending before it.  
(Com Conlon - ALJ Weismehl)  
(Section 311(g))
- CA-21**      **Res W-4134 - Mesa Crest Water Company (MCWC).**  
This resolution authorizes an offset rate increase producing \$11,853 or 2.0% additional annual operating revenue.  
(Advice Letter 47, filed December 14, 1998)



**CA-22        Res W-4135 - Southern California Water Company, Los Osos District.**  
This resolution authorizes a rate base offset revenue increase of \$96,145 or 5.86% additional annual revenue for 1999.  
(Advice Letter 1047-W, filed December 22, 1998)

**CA-23        Res T-16269 - GTE California (GTEC).**  
This resolution approves four Interconnection Agreements between GTEC and Nextel of California, Inc.; GTEC and ACI Corp. dba Accelerated Connections, Inc.; GTEC and OpTel "California" Telecom, Incorporated; and GTEC and Topp Comm, Inc., submitted under provisions of Resolution AL-174 and GO 96A.  
(Advice Letters 8915, 8915A, 8926, 8936, 8945, filed December 2, 1998, January 22, 1999, December 14, 1998, December 23, 1998, January 8, 1999, respectively)  
(Section 311(g))

**CA-24        Res SX-22 - Resolution authorizing the railroads in California to update costs of maintaining automatic grade crossing warning devices for calendar year 1998.**  
(Section 311(g))

**CA-25        Res T-16270 - Pacific Bell (Pacific).**  
This resolution approves four Interconnection Agreements between Pacific and Advanced TelCom Group, Inc.; Pacific and RCN Telecom Services of California, Inc.; Pacific and PaeTec Communications, Inc.; and Pacific and Ernest Communications, Inc., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letters 19872, 19906, 19913, 19927, filed December 9, 1998, December 23, 1998, December 30, 1998 and January 4, 1999, respectively)  
(Section 311(g))

**CA-26        Res T-16271 - Pacific Bell (Pacific).**  
This resolution approves a Resale Agreement between Pacific and NOS Communications, Inc., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter 19943, filed January 7, 1999)  
(Section 311(g))

- CA-27      Res T-16272 - Pacific Bell (Pacific).**  
This resolution approves a Conformed Paging Interconnection Agreement between Pacific and Paging Network of Los Angeles, Inc., and Paging Network of San Francisco, Inc., submitted under provisions of resolution ALJ-174 and General Order 96-A.  
(Advice Letter 19954, filed January 8, 1999)  
(Section 311(g))
- CA-28      A98-10-032 - Pacific Gas and Electric Company (PG&E).**  
This decision approves the sale of electric distribution facilities by PG&E to Harris Farms, Inc. Ratepayers will benefit from reduced rate base due to the sale. This proceeding is closed.  
(Com Duque - ALJ Stalder)  
(Section 311(g))
- CA-29      A98-10-033 - Pacific Gas and Electric Company (PG&E).**  
This decision approves the sale of electric distribution facilities by PG&E to Elk Corporation. Ratepayers will benefit from reduced rate base due to the sale. This proceeding is closed.  
(Com Duque - ALJ Stalder)  
(Section 311(g))
- CA-30      A92-10-017 - San Diego Gas & Electric Company (SDG&E).**  
For authority to establish an experimental performance-based ratemaking mechanism. This decision grants the motion by SDG&E to withdraw its petition for modification of D94-08-023. This proceeding is closed.  
(Com Neeper - ALJ Wetzell)  
(Section 311(g))
- CA-31      A98-07-061 - Sonoma County Airport Express, Inc., dba Airport Express (Express).**  
For authority to amend its certificate of public convenience and necessity to obtain citywide authority for City of Santa Rosa. C98-08-044 - Related matter. This decision grants Express citywide authority to serve between Santa Rosa and San Francisco International Airport and to serve the Santa Rosa Airport. The complaint of Santa Rosa Airporter v. Express is dismissed at request of complainant. This proceeding is closed.  
(Com Neeper - ALJ Rosenthal)  
(Section 311(g))

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- CA-32      A96-05-045 - Southern California Edison Company (Edison).**  
For (1) authority to revise its Energy Cost Adjustment Billing Factor, its California alternate rates for energy, and its base rate levels effective January 1, 1997; (2) authority to revise the incremental energy rate, the Energy Reliability Index and Avoided Capacity Cost Pricing; and (3) review of the reasonableness of Edison's Operations during the period from April 1, 1995 through March 31, 1996. A97-05-050 - Related matter. This decision corrects a legal error in D98-10-054 wherein Edison was authorized to recover certain Nuclear Unit Incentive (NUIP) rewards. However, the decision erroneously stated that Edison may seek recovery of these rewards in its revenue allocation proceeding. By this decision, Edison is authorized to book the NUIP rewards adopted in D98-10-054, plus interest, in its Transition Cost Balancing Account (TCBA). The entry in the TCBA is to be verified in Edison's next annual transition cost proceeding. These proceedings are closed.  
(Com Conlon - ALJ Patrick)  
(Section 311(g))
- CA-33      A95-07-023 - Pacific Gas and Electric Company.**  
For authority to sell the Richmond Pipeline and Hercules Pumping Station to Wickland Oil Martinez, L.P.. A96-05-005 - Related matter. At the request of applicant, these consolidated applications are dismissed without prejudice to later refiling. These proceedings are closed.  
(Com Bilas - ALJ Walker)  
(Section 311(g))
- CA-34      A98-05-033 - Southern California Edison Company (Edison).**  
For orders approving contract amendments necessitated by industry restructuring between Edison and AES Placerita, Brea Power Partners, Kern River Cogeneration Company, Midway Sunset Cogeneration Company, Midway Sunset Cogeneration, OLS - Camarillo, OLS - Chino, Ontario Cogeneration, Sycamore Cogeneration and Watson Cogeneration. Assembly Bill (AB) 1890 (PU Code § 390 et seq.) changed the formula for determining cost payments to be made by Edison to qualifying facilities (QF) for electricity. This decision authorizes Edison to modify its QF contracts to conform to AB 1890. The modified contracts result in the economic equivalents of the contracts they replace. The modifications are found to be in the public interest. This proceeding is closed.  
(Com Neeper - ALJ Barnett)  
(Section 311(g))

- CA-35 (ECP) C98-10-040 - Clara Douge vs. Southern California Edison Company.**  
The complaint is dismissed. Complainant has not satisfied her burden of proving that she was overbilled for electric power. This proceeding is closed.  
(Com Neeper - ALJ Ryerson)
- CA-36 A97-12-039 - San Diego Gas & Electric Company (SDG&E).**  
For authority to sell electrical generation facilities and power contracts. This decision authorizes the sale of SDG&E's Encina power plant and 17 combustion turbines to Dynegy Power Corp. and NRG Energy, Inc. The sales price is \$356 million. After costs and taxes are deducted there will be a credit to the Transition Cost Balancing account of approximately \$204.4 million.  
(Com Bilas - ALJ Barnett)  
(Section 311(g))
- CA-37 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 approves a budget augmentation of \$130,000 for the additional activities mandated in D98-12-081 for the Public Education Program for the 310/424 overlay. The augmented funding includes costs for expanded television, radio, and newspaper messages about the overlay and mandatory 1+10-digit dialing.  
(Com Conlon - ALJ Pulsifer)  
(Section 311(g))
- CA-38 A98-04-041 - San Diego Gas & Electric (SDG&E).**  
This decision authorizes SDG&E to sell and transfer its Station B property in downtown San Diego to Monaghan Company LLC. This proceeding is closed.  
(Com Conlon - ALJ Wright)  
(Section 311(g))

- CA-39      Res W-4136 - Mineral City Water Company.**  
This resolution authorizes an offset rate increase producing an additional annual revenue of \$13,625 or 23.85%.
- CA-40      A98-11-018 - The Furst Group, Inc.**  
This decision grants the request for a certificate of public convenience and necessity to operate as local exchange reseller. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))
- CA-41      A99-01-009 - Brian Kerchenko, dba Hacienda Water Company (Hacienda).**  
This decision grants the request for a sale and transfer of the Hacienda system to the Russian River County Water District (District) pursuant to their sale agreement with a closing date of 3/5/99. Serving 165 customers, the system needs rehabilitation and provision of fire service. District has access to funds estimated at \$1.5 million. District with 10 years experience presently serve over 1,000 customers in adjacent area. This proceeding is closed.  
(Com Neeper - ALJ Weiss)
- CA-42      (I & S) C97-08-004 - San Jose Water Company (San Jose).**  
Investigation and Suspension on the Commission's own motion of tariff filed by Advice Letters 287 and 287-A of San Jose in Santa Clara Company. This decision approves settlement agreement which provides for rate of \$434.12 per acre-foot for raw water. This proceeding is closed.  
(Com Duque - ALJ Bushey)
- CA-43      A98-10-030 - Pacific Gas and Electric Company (PG&E) and Mt. Poso Cogeneration Company, L.P..**  
Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.  
(Com Neeper - ALJ Gottstein)  
(Rule 6.5(b)).  
(Section 311(g))

- CA-44**      **A98-10-013 - Dialink Corporation.**  
For authority to expand its current authority to also provide non-facilities based switchless resale competitive local service. This decision grants the request for a certificate of public convenience and necessity to resell local exchange service. This proceeding is closed.  
(Com Knight - ALJ O'Donnell)  
(Section 311(g))
- CA-45**      **A98-02-006 - Sierra Pacific Power Company (Sierra).**  
For authority to implement direct access billing options and separate costs for revenue cycle services. A98-02-009 and A98-02-013. Related matters. This decision adopts customer bill credits for revenue cycle services, as proposed by Sierra, PacifiCorp, and Southern California Water Company, dba Bear Valley Electric Service. These proceedings are closed.  
(Com Duque - ALJ Malcolm)  
(Section 311(g))
- ◆CA-46**      **C98-02-014 - James W. and Tammy M. McKenney vs. Pacific Gas and**  
**(Rev.)**      **Electric Company.**  
Resolves appeals by parties. This decision modifies Presiding Officer's decision to require payment of \$5,000 before connection of service and shortens payment of balance due to 24 months. This proceeding is closed.  
(Com Duque - ALJ Bennett)  
This revision was not listed on the agenda distributed to the public.
- CA-47**      **C98-02-014 - James W. and Tammy M. McKenney vs. Pacific Gas and**  
**Electric Company.**  
This decision extends the 12-month statutory deadline imposed by Public Utilities Code Section 1701.2(d).  
(Com Duque - ALJ Bennett)  
(Section 311(g))

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## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

#### *ORDERS HELD OVER*

- H-1**            **R95-01-020 - Order instituting rulemaking on the Commission's own motion into universal service and to comply with the mandates of Assembly Bill 3643. I95-01-021 - Related matter.**  
This decision denies intervenor compensation to Public Advocates, Inc. (PA) for failure to follow the Commission's intervenor compensation filing requirements. PA has been repeatedly admonished for such filings in the past but continues to make inadequate filings.  
(Com Knight - ALJ O'Donnell)  
(Section 311(g))  
(Agenda 3006, Item 7, 12/17/98; Agenda 3008, Item H-4, 1/20/99; Req - Commission)
- H-2**            **R95-04-043 - Order instituting rulemaking on the Commission's own motion into competition for Local Exchange Service. I95-04-044 - Related matter.**  
This decision denies the Public Advocates' request for compensation for its participation in D96-10-076.  
(Com Conlon - ALJ Hale)  
(Section 311(g))  
(Agenda 3008, Item 1, 1/20/99; Req - Commission)

- H-3**            **A98-08-001 - Airporter, Inc., dba Santa Rosa Airporter.**  
For authority to amend and modify its passenger stage certificate #9023, by removing the “reservation only restrictions” for five listed cities in Marin County, and to expand its authorized service to all points in the cities of Novato, Marinwood, Terra Linda, San Rafael, Corte Madera, and Mill Valley for both routes 1 (SFO) and 2 (OAK), with retention of the current “Half-Mile proximity restriction” within these cities.  
Order approving Assigned Commissioner’s Ruling changing the preliminary determination on need for hearing from yes to no.  
(Com Neeper - ALJ DeUlloa)  
(Rule 6.5(b)).  
(Section 311(g))  
(Agenda 3008, Item CA-6, 1/20/99; Req - Commission)
- H-4**            **A98-08-001 - Airporter, Inc., dba Santa Rosa Airporter (SRA).**  
This decision grants SRA’s request to amend its existing passenger stage certificate by removing the “By Reservation Only” restriction for the six cities of Novato, Marinwood, Terra Linda, San Rafael, Corte Madera, and Mill Valley and replacing the specific location within a City requirement for those six cities with a Full-City description. This proceeding is closed.  
(Com Neeper - ALJ DeUlloa)  
(Section 311(g))  
(Agenda 3008, Item CA-7, 1/20/99; Req - Commission)
- H-5**            **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))  
(Agenda 3009, Item CA-6, 2/4/99; Req - Commission)



- H-6                   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))  
(Agenda 3009, Item CA-14, 2/4/99; 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 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; Agenda 3009, Item H-1, 2/4/99; Req - Commission)

- H-7a**            **ALTERNATE PAGES TO ITEM H-7.** 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; Agenda 3009, Item H-1a, 2/4/99; Req - Commission)
- H-8**            **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; Agenda 3009, Item H-3, 2/4/99; Req - Commission)
- H-8a**            **ALTERNATE ORDER TO ITEM H-8.** 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; Agenda 3009, Item H-3a, 2/4/99; Req - Commission)
- H-8b**            **ALTERNATE PAGES TO ITEM H-8.** 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; Agenda 3009, Item H-3b, 2/4/99; Req - Commission)

- H-8c**            **ALTERNATE ORDER TO ITEM H-8.** 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; Agenda 3009, Item H-3c, 2/4/99; Req - Commission)
- H-8d**            **ALTERNATE PAGES TO ITEM H-8.** These alternate pages would allow recovery for Edison's Green Lights program.  
(Com Neeper)  
(Agenda 3009, Item H-3d, 2/4/99; Req - Commission)
- H-9**            **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; Agenda 3009, Item H-4, 2/4/99; Req - Commission)

**H-10**

**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; Agenda 3009, Item H-6, 2/4/99;Req - Commission)

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**ORDERS**
**1 I87-11-033 - Order Instituting Investigation in the matter of alternative regulatory frameworks for local exchange carriers.**

This decision denies a petition to modify our 1997 decision dealing with the date on which Pacific Bell (Pacific) must provide intrastate dialing parity to its California subscribers. We reserve the right on our own motion or in response to an appropriate filing to consider whether to direct Pacific to provide dialing parity by a date certain if it has not taken substantial steps to comply with the requirements of our recent Section 271 decision.

(Com Neeper - ALJ Walker)

(Section 311(g))

**2 A94-12-005 - Pacific Gas and Electric Company (PG&E).**

For authority among other things, to decrease its rates and charges for electric and gas service, and increase rates and charges for pipe expansion service. I95-02-015 - Related matter. This decision finds PG&E's response to December 1995 storm to be unreasonable in three respects. First, PG&E was negligent regarding proper support and maintenance of its outage information systems and is fined \$20,000. Second, PG&E did not properly staff customer service representatives on December 12, 1995 and is fined \$5,000. Third, PG&E was negligent in processing storm damage claims and is fined \$60,000 and must record the claims of approximately \$500,000 below-the-line to shareholders due to its negligence and the fact the claims arose from negligent operation of its outage information systems. PG&E is ordered to reform claims correspondence for use in major events and to work with the Public Advisor to modify wording on its monthly bill regarding the procedure for filing claims. This decision adopts in part certain agreements as to policy, technical, and procedural improvements made between the Office of Ratepayer Advocates, the Utilities Safety Branch of the Consumer Services Division, and PG&E.

(Rev.)

(Com Neeper - ALJ Watson)

**(SB 960 Experiment: Ratesetting Category, A94-12-005 only)**

(Section 311(d))

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

- 3**            **A98-02-024 - Southwest Gas Corporation (Southwest Gas).**  
This decision grants in part, and denies in part Southwest Gas' request for a limited exemption from the Commission's Affiliate Transaction Rules, adopted in D97-12-088, and modified in D97-08-035. This proceeding is closed.  
(Com Knight - ALJ Econome)  
(Section 311(g))
- 4**            **A98-05-007 - Pacific Gas and Electric Company (PG&E).**  
For authority to adopt a revenue-sharing mechanism and other prerequisites for new non-tariffed products and services. In D97-12-088, the Commission approved affiliate transaction rules, governing the relationships between regulated energy utilities and their affiliates. Those rules were revised in D98-08-035. Rule VII.D. contains certain conditions precedent to a utility offering new nontariffed products and services. The utility must first gain Commission approval of a mechanism to ensure the prevention of cross-subsidies, a mechanism for the treatment of any resulting benefits and revenues, a proposal for periodic reporting, and a proposal for periodic audits. In this application, PG&E seeks approval of its proposed approach for dealing with these issues. Here, we find that PG&E has yet to provide an acceptable proposal and direct the company to pursue certain revisions.  
(Com Bilas - ALJ Weissman)  
(Section 311(g))

## UTILITIES RESOLUTIONS

### *ENERGY MATTERS*

- E-1**            **Res E-3588 - San Diego Gas & Electric Company (SDG&E).**  
This resolution grants with modifications SDG&E's request for tariff changes to establish a Rewards and Penalties Balancing Account. SDG&E should transfer annual year-end balances to its Transition Revenue Account. (Advice Letter 1055-E, filed November 26, 1997)  
(Section 311(g))
- E-2**            **Res E-3589 - Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric (SDG&E), Southern California Gas Company (SoCalGas), and Southern California Edison Company (SCE).**  
This resolution denies without prejudice PG&E, SDG&E, SoCalGas, and SCE's requests for approval of 1999 Energy Efficiency Programs. (PG&E Advice Letter (AL) 1819-E/2117-G, filed November 17, 1998; SDG&E AL 1132-E/1124-G, SoCalGas AL 2760, SCE AL 1348-E, all filed November 16, 1998)  
(Section 311(g))
- E-3**            **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))  
(Agenda 3009, Item E-2, 2/4/99; Req - Commission)
- E-4**            **Res E-3590 - This resolution grants an electrical energy payment deferral plan for citrus producers.**  
(Section 311(g))

**WATER MATTERS**

- W-1            Res W-4131 - California-American Water Company (CAL-AM),  
Monterey Division.**  
This resolution orders CAL-AM to pay to the Public Utilities Commission for the cost of outside consulting services it expects to incur in connection with the long-term contingency plan that CAL-AM would pursue if the new Carmel River Dam and Reservoir Project does not go forward, and to set up a memorandum account to accrue such payment to recover in rates after completion pursuant to Assembly Bill 1182.  
(Section 311(g))
- W-2            Res W-4127 - San Jose Water Company, Inc. (SJWC).**  
This resolution denies SJWC's appeal of staff's rejection of Advice Letters 278 and 278-A and ordering a rate decrease of \$44,000.  
(Agenda 3007, Item CA-9, 1/7/99; Agenda 3008, Item W-1, 1/20/99;  
Req - Commission)



**ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS**

- ALJ-1**      **Res ALJ-176-3010** - 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** California Law Revision Commission study on condemnation by Privately Owned Public Utility. CPUC consideration of issues to be considered at early February meeting of the Law Revision Commission.  
(Agenda 3008, Item LEG-1, 1/20/99; Req - Commission)

***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; Agenda 3009, Item L-1, 2/4/99;  
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**

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

Director  
Office of Ratepayer Advocates

William Schulte, Director  
Consumer Services Division

Michael A. Doyle, Representative  
Southern California

Robert T. Feraru  
Public Advisor

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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

- 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**           **R98-03-040** - Disposition of application for rehearing of D98-10-026 filed by The Utility Reform Network. D98-10-026 resolves the third triennial review of the operations of the incentive-based regulatory framework adopted in D89-10-031 for Pacific Bell and GTE California Incorporated.
- EX-3**           **C96-11-029** - Disposition of application for rehearing of D98-07-089 filed by Nancy M. Horner and Vertec International, Inc. (Complainants). In D98-07-089, the Commission denied Complainant's request for relief.
- EX-4**           **A94-11-015** - Disposition of application for rehearing of D98-11-068 filed by The Utility Reform Network (TURN). The decision challenged by TURN responded to TURN's initial application for rehearing of D95-12-053 regarding the Commission's order allocating a revenue shortfall between core and non-core gas customers of Pacific Gas and Electric Company. The present application of TURN claims D98-11-068 dealt with a different issue and reasserts that a procedural error was committed in the issuance of the allocation order in D95-12-053.

- EX-5**            **R97-04-011, I97-04-012** - Disposition of Pacific Gas and Electric Company's (PG&E) application for rehearing of D98-11-026 which ordered PG&E to pay a penalty of \$1,680,000 for allowing its affiliate, PG&E Energy services, to issue a printed advertisement that did not comply with the Commission's eligibility requirements for disclaimers. PG&E alleged that the Commission erred by failing to categorize the enforcement action against PG&E as adjudicatory and by failing to provide the opportunity to appeal that categorization. PG&E also claims that the Commission lacks authority to directly impose a fine, and even if it has, the record does not support the penalty amount.
- EX-6**            **A95-12-043, C96-02-002** - Disposition of application for rehearing of D97-12-012 filed by the Utility Consumers' Action Network (UCAN). In D97-12-012, the Commission awarded UCAN \$79,068.06 in compensation for its substantial contribution to the proceedings.
- EX-7**            **R95-04-043, I95-04-044** - Disposition of applications for rehearing of D97-08-059 (the local competition Phase III decision) filed by AT&T Communications of California Inc. (AT&T) and MCI Telecommunications Corporation (MCI), MFS Intelenet of California, Inc., and Business Telemangement, Inc. (BTI) and Frontier Telemangement, Inc. (Frontier). Applicants all protest the restriction preventing resellers from aggregating end user calling volumes to obtain volume discounts offered by incumbent local exchange carriers (LEC). In addition, AT&T/MCI argue that 1) the finding that an alternative supply of inside wire services is readily available to competitive local carriers is factual error, and 2) the Commission should expressly order that LEC promotions of less than ninety days' duration should be subject to resale at the promotional rate, rather than the wholesale discount. BTI/Frontier argue that the decision unlawfully prohibits resellers from selling Centrex service in any configuration other than as "a business system to single businesses."
- EX-8**            **A98-12-009** - Disposes of application for rehearing of Res E-3573 filed by the City of El Paso de Robles (City). Res E-3572 denies the City's protest to Pacific Gas & Electric's (PG&E) claim of exemption from General Order 131-D. The resolution holds that PG&E's reconstruction of a portion of the Coalinga-San Luis Obispo 70 kV power line is exempt from the requirement of obtaining a permit to construct from the Commission. The City alleges that the Commission errs in concluding that the project is exempt.

**EX-9**

**C97-12-019** - Disposition of application for rehearing filed by William Firschein, AIA, of D98-09-007, which dismissed Mr. Firschein's complaint against Continental Cablevision/MediaOne for failure to state facts to show that defendant violated applicable law or rules and regulations of the Commission.

**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.
- FEX-3**        **FCC Docket No. 94-129** - Further Notice of Proposed Rulemaking relating to the unauthorized changing of a customer's choice of a telecommunications carrier.
- FEX-4**        **FERC Docket Nos. ER98-1057-000, et al.** - Responsible Participating Transmission Owner Agreements between the California Independent System Operator Corporation, Pacific Gas and Electric Company and Southern California Edison.



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