
Public Utilities Commission of the State of California

*Public Agenda 3012
Thursday, March 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.

Website: <http://www.cpuc.ca.gov>

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

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <i>Closed to the Public</i>	<i>Commission Meeting</i> Auditorium (10 a.m.) <i>Open to the Public</i>
✓ Monday, March 15	Thursday, March 18
Monday, March 29	Thursday, April 1
Monday, April 19	Thursday, April 22
Monday, May 10	Thursday, May 13
Monday, May 24	Thursday, May 27

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

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
- CA-30, 1

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

NOTE: **Ex Parte Communications are prohibited on Item CA-2 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decision is scheduled. (Rule 7(c)(4)).**

CA-1 **Res TL-18885 - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code. (Section 311(g))**

✓CA-2 **A98-03-024 - Apple Valley Ranchos Water Company (AVR).**
For authority to increase rates by \$1,295,453 or 15.1% in 1999; \$279,216 or 2.8% in 2000; and \$280,577 or 2.7% in 2001. This decision, following an extensively litigated hearing, grants AVR's request to increase its rates immediately. The decision provides for a return on equity of 10.15% and authorizes an increase of \$429,033 or 4.87% for 1999; \$392,455 or 4.25% for 2000, and \$397,164 or 4.0% for 2001. This proceeding is closed.
(Com Neeper - ALJ Weiss)
(Section 311(d))

- CA-3 A98-06-023 - Pacific Gas and Electric Company (PG&E) and the City of Bakersfield (City).**
This decision authorizes PG&E to sell and convey a streetlight system within the City of Bakersfield to City. This proceeding is closed.
(Com Conlon - ALJ Wright)
(Section 311(g))
- CA-4 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 in existing buildings, structures, facilities, and public accommodations.** I97-10-019 - Related matter.
This decision adopts a priority location list for the placement of telecommunications services capable of servicing the needs of the deaf or hearing impaired in existing buildings, structures, facilities, and publication accommodations. Location owners are required to certify that their locations meet the location definition set forth in Public Utilities Code § 2881.2(c). Program funds may also be used to provide portable TDD equipment at those locations on the priority list upon satisfying these conditions. These conditions are that the location meets the statutory location definition, does not have an existing payphone on location, and its telephone instrument is available for public use at the location. These proceedings are closed.
(Com Duque - ALJ Galvin)
(Section 311(g))
- CA-5 C98-03-049 - Leo Ferrick, on behalf of the Laguna Shores Vacation Plan Owners Association vs. GTE California Incorporated.**
This decision extends the 12-month statutory deadline.
(Com Neeper - ALJ DeUlloa)
(Section 311(g))

- CA-6 R98-09-005 - Order Instituting Rulemaking on the Commission's own motion to consider modifications to the Universal Lifeline Telephone Service (ULTS) program and General Order 153.**
This decision revises the scope of OIR 98-09-005 to: (1) exclude the issue of whether Pacific Bell is receiving double compensation for ULTS service reps and untimed calls; (2) include the issue of whether low-income deaf and disabled customers should receive the ULTS discount on two residential phone lines if both lines are required to operate specialized equipment or services for the deaf and disabled; and (3) include the issue of whether General Order 153 should be amended to include the previously adopted Commission rule that requires carriers who sell services to residential customers in languages other than English to provide these customers with Commission-mandated ULTS notices in the same languages in which the services were originally sold.
(Com Neeper - ALJ Kenney)
(Section 311(g))
- CA-7 C97-08-036 - Lynda Dabrowski vs. MCI Telecommunications Corp. (MCI).**
This decision dismisses complaint because it fails to state a cause of action since MCI complied with new regulatory framework rate increase procedures and notice procedures for advice letters. This proceeding is closed.
(Com Bilas - ALJ Bennett)
(Section 311(g))
- CA-8 A98-06-053 - Pacific Gas and Electric Company (PG&E) and The Hatch 1987 Revocable Trust, et al.**
For authority to sell and convey to the latter a certain parcel of land in Shasta County. This decision authorizes PG&E to sell and transfer 40 acres of unimproved land in Shasta County to The Hatch 1987 Revocable Trust, et al. This proceeding is closed.
(Com Conlon - ALJ Wright)
(Section 311(g))
- CA-9 Res ALJ-176-3012 - 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.)**

- CA-10 A98-12-020 - Dimitry Litichevsky, Vladimir Shapiro and Naum Vaksman.**
This decision grants the request to transfer ownership of Quake City Shuttle, Inc. to Aleksandr Kogen, Aleksandr Nudelman and Felix Kravetski.
This proceeding is closed.
(Com Neeper - ALJ Rosenthal)
(Section 311(g))
- CA-11 Res W-4140 - The Sea Ranch Water Company, Inc..**
This resolution authorizes an increase in rates producing additional annual revenue of \$61,300 or 15% and monthly fees to fund replacement of plant of \$128,100 per year.
- CA-12 A98-11-022 - State of California, Department of Transportation (Caltrans).**
This decision grants Caltrans authority to construct a crossing at separated grades between Westbound Route 4 and the tracks of the Burlington Northern and Santa Fe Railway Company, identified as Christie Overhead Crossing 2-1176.25-A. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-13 A98-09-026 - State of California, Department of Transportation (Caltrans).**
This decision authorizes Caltrans to widen State Route 180 where it crosses at-grade with a branch line track operated by the San Joaquin Valley Railroad, and owned by the Union Pacific Railroad, in an unincorporated area of Fresno County. Location is identified as PUC Crossing No. 109A-196.80 (formerly 001BA-196.80). This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-14 A98-09-021 - County of Kern (County).**
This decision grants County authority to construct a public crossing at-grade across the tracks of Union Pacific Railroad Company's Sunset Branch Line in Kern County. The San Joaquin Valley Railroad Company operates trains on the tracks. This proceeding is closed.
(Exam Koss)
(Section 311(g))

- CA-15** **A96-12-009 – Pacific Gas and Electric Company (PG&E).**
To identify and separate components of electric rates, effective January 1, 1998. A96-12-011, A96-12-019 – Related matters. This decision grants the petition to modify D97-08-056 filed by PG&E on December 30, 1998. The petition to modify asks the Commission to allocate \$14.214 million to the TRA to reflect the Commission’s authorized level of funding for low-income energy efficiency programs.
(Com Duque – ALJ Malcolm)
(Section 311(g))
- CA-16** **Res SX-23 –** This resolution apportions railroad crossing protection maintenance costs between the railroads and the cities and counties.
(Section 311(g))
- CA-17** **Res W-4141 – Ryan Water System (RWS).**
This resolution decertificates RWS because it no longer exists.
- CA-18** **I85-06-004 – Order Instituting Investigation to determine whether trended ratebasing should be applied to local exchange telephone companies within the state.**
Order of dismissal for lack of current relevance. This proceeding is closed.
(Com Duque – ALJ Rosenthal)
(Section 311(g))
- CA-19** **A97-10-069 – Jose Luis Ayala-Aroche dba El Corre Caminos and Mark K. Sneed.**
For authority to transfer a certificate of public convenience and necessity to operate as a passenger stage corporation and certain assets to Mark K. Sneed and Jose Luis Ayala-Aroche, a partnership dba El Corre Caminos. I98-07-039, A98-07-063 – Related matters. This decision adopts a settlement agreement admitting all allegations of a Commission Order Instituting Investigation, agreeing to payment of a fine, acceptance of temporary probationary authority and granting the transfer and revision of a passenger stage certificate.
(Com Bilas – ALJ Rosenthal)
(Section 311(g))

- CA-20** **Res G-3252 – San Diego Gas & Electric Company (SDG&E).**
This resolution approves SDG&E's Year 5 Gas Procurement Performance-based Ratemaking Reward.
(Advice Letter 1134-G, filed January 20, 1999)
(Section 311(g))
- CA-21** **(I & S) C83-11-07 –Investigation and Suspension on the Commission's own motion of tariffs to reflect corporate divestiture and tariff information management system filed under Advice Letter 14641 of the Pacific Telephone and Telegraph Company.** This decision closes the proceeding.
(Com Bilas – ALJ Rosenthal)
(Section 311(g))
- CA-22** **I83-03-02 - Investigation on the Commission's own motion into the ratesetting procedures and effects of providing a separate charge for telephone directory assistance service on all California telephone corporations is attached hereto to Appendix D.**
This decision closes the proceeding.
(Com Duque – ALJ Rosenthal)
(Section 311(g))
- CA-23** **A93-09-006 - Southern California Gas Company (SoCalGas).**
For authority to revise its rates effective April 1, 1994, in its biennial cost allocation proceeding. A93-08-022, A93-09-048 – Related matters.
This decision closes these three applications. They have been held open pending federal appeals regarding pipeline charges. All appeals have become final. All issues are now resolved, leaving nothing further to be done. These proceedings are closed.
(Com Bilas – ALJ Barnett)
(Section 311(g))

- CA-24 A97-04-015 – Pacific Gas and Electric Company (PG&E) and Fred Ryness and Associates.**
For authority to sell and convey certain parcel of land in Shasta County, pursuant to Public Utilities Code Section 851. D98-02-035, dated February 4, 1998, is modified to grant PG&E an extension of time of six months to complete the sale to Fred Ryness and Associates. This proceeding is closed.
(Com Bilas – ALJ Patrick)
(Section 311(g))
- CA-25 A98-11-014 – Pacific Gas and Electric Company (PG&E), and the Cities of Clearlake, Fortuna, Marysville and McKinleyville.**
For authority to sell and convey streetlight systems pursuant to Public Utilities Code Section 851. This decision approves PG&E’s application to sell streetlight systems in Clearlake, Fortuna, Marysville and McKinleyville to the cities in which they are located. Net proceeds to be credited to applicant’s shareholders. This proceeding is closed.
(Com Bilas – ALJ Wright)
(Section 311(g))
- CA-26 A93-12-052 - Southern California Edison Company (Edison).**
For authority to issue, sell, and deliver one or more series of debt securities and to guarantee the obligation of others in respect of the issuance of debt securities, the total aggregate principal amount of such indebtedness and guarantees not to exceed \$1,000,000,000; to execute and deliver one or more indentures; to sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property; and for an exemption from the Commission’s competitive bidding rule. This decision grants Edison’s petition for modification of D94-03-037 as modified, to extend the period of authorization to March 31, 2002. This proceeding is closed.
(Exam Evans)
(Section 311(g))
- CA-27 A99-01-002 – Sue and Barry Pries, dba Affordable Sedan and Van Service.**
This decision grants request for a certificate of public convenience and necessity to operate an on-call passenger stage corporation between Pleasanton, Livermore, Dublin and San Ramon, on the one hand, and Oakland, San Francisco and San Jose International Airports, on the other hand. This proceeding is closed.
(Exam Koss)
(Section 311(g))

- CA-28** **A98-12-008 – Robert John Hilton, dba Desert Valley Shuttle.**
This decision authorizes request to extend authority to operate as an on-call passenger stage corporation between points in the cities in Coachella Valley and between points in certain cities in Coachella Valley and Palm Springs and Train Station; and establish a zone of rate freedom. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-29** **R95-04-043 – Order instituting rulemaking on the Commission’s own motion into competition for local exchange service.** I95-04-044 – Related matter. This decision grants the petition for certificates of public convenience and necessity to operate as facilities-based competitive local carriers and to offer resold local exchange services within the territories of Pacific Bell, GTE California Incorporated, Roseville Telephone Company, and Citizens Telephone Company, for those petitioners, as set forth in Appendix B of this decision, subject to the terms and conditions included herein. This decision also grants petitioners’ requests for intrastate, inter-local access and transport areas (interLATA) and intraLATA and authority on a statewide basis as designated in Appendix B.
(Com Duque – ALJ Pulsifer)
(Section 311(g))
- ◆CA-30** **C98-08-023 – Randall Lee Rogers vs. GTE California Inc., Sprint Communications.**
This decision grants the relief requested by complainant and orders reconnection of four telephone numbers that were disconnected by magistrate order. The appeal to the Presiding Officer’s Decision by the Consumer Services Division is denied, finding that complainant was not in violation of Public Utilities Code Section 5322 since he was not a household goods carrier. This proceeding is closed.
(Com Bilas – ALJ Stalder)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

NOTE: Ex Parte Communications are prohibited on Item H-9 and H-9a from 3/12/99 through 3/18/99. (Rule 7(c)(4)).

- 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; Agenda 3010, Item H-1, 2/18/99; 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; Agenda 3010, Item H-2, 2/18/99; Req - Commission)
- H-2a** **ALTERNATE ORDER TO ITEM H-2.** This decision finds that Public Advocates made a substantial contribution to the proceeding, but reduces compensation award by 50% because of deficiencies in Public Advocates' filings.
(Com Duque)

H-3**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.

(Com Neeper - ALJ Watson)

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

(Section 311(d))

(Agenda 3010, Item 2, 2/18/99; Req - Commission)

H-4**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, an Oregon corporation, pursuant to Public Utilities Code Section 851. This proceeding is closed.

(Com Conlon - ALJ Wright)

(Section 311(g))

(Agenda 3009, Item CA-13, 2/4/99; Agenda 3011, Item H-1, 3/4/99;
Req - Commission)

H-5 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))

(Agenda 3010, Item CA-19, 2/18/99; Agenda 3011, Item H-2, 3/4/99; Req - Commission)

H-6 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; Agenda 3010, Item H-8, 2/18/99; Agenda 3011, Item H-4, 3/4/99; Req - Commission)

- H-6a** **ALTERNATE ORDER TO ITEM H-6.** 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; Agenda 3010, Item H-8a, 2/18/99; Agenda 3011, Item H-4a, 3/4/99; Req - Commission)
- H-6b** **ALTERNATE PAGES TO ITEM H-6.** 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; Agenda 3010, Item H-8b, 2/18/99; Agenda 3011, Item H-4b, 3/4/99; Req - Commission)
- H-6c** **ALTERNATE ORDER TO ITEM H-6.** This alternate order adopts \$82.4 million for capital additions at this time and reopens the case for further limited submittals regarding approximately \$12.5 million in capital additions which were not cost justified on the record to date.
(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; Agenda 3010, Item H-8c, 2/18/99; Agenda 3011, Item H-4c, 3/4/99; Req - Commission)
- H-6d** **ALTERNATE PAGES TO ITEM H-6.** These alternate pages would allow recovery for Edison's Green Lights program.
(Com Neeper)
(Agenda 3009, Item H-3d, 2/4/99; Agenda 3010, Item H-8d, 2/18/99; Agenda 3011, Item H-4d, 3/4/99; Req - Commission)

H-7 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;

Agenda 3010, Item H-9, 2/18/99; Agenda 3011, Item H-5, 3/4/99;

Req - Commission)

H-8 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; Agenda 3010, Item H-10, 2/18/99;

Agenda 3011, Item H-6, 3/4/99; Req - Commission)

- H-8a** **ALTERNATE ORDER TO ITEM H-8.**
This alternate grants the application of Pacific, with the clarifications proposed by Office of Ratepayer Advocates, and adopts additional safeguards to assure compliance with the procedures. However, this order declines to impose audits at this time because the safeguards proposed by Pacific provide adequate means of assuring compliance with the like-for-like netting procedures.
(Com Neeper)
(Agenda 3011, Item H-6a, 3/4/99; Req – Commission)
- ✓**H-9** **A98-01-014 - San Diego Gas & Electric (SDG&E).**
For authority to implement a distribution performance-based ratemaking (PBR) mechanism. This decision approves an all-party settlement regarding PBR performance indicators and adopt a distribution PBR mechanism for SDG&E. The distribution PBR mechanism uses the starting point adopted in D98-12-038 and is modeled after the PBR mechanism adopted for Southern California Gas Company. The PBR mechanism uses a revenue-per-customer indexing methodology, a progressive sharing mechanism, and a productivity factor ranging from 1.62% in 1999 to 1.92% in 2002 on the electric side and from 1.38% in 1999 to 1.68% in 2002, on the gas side. This proceeding is closed.
(Com Neeper - ALJ Minkin)
(Section 311(d))
(Agenda 3011, Item 2, 3/4/99; Req – Commission)
- ✓**H-9a** **ALTERNATE ORDER TO ITEM H-9.** This alternate order adopts a rate indexing mechanism and adjusts the productivity and sharing mechanism.
(Com Bilas)
(Agenda 3011, Item 2a, 3/4/99; Req – Commission)
- H-10** **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 an area code overlay to relieve number exhaustion in the 714 area code located principally in Orange County. Mandatory 1+10-digit dialing within the 714 area code takes effect in October 2000, and the new overlay area code will open in February 2001.
(Com Conlon - ALJ Pulsifer)
(Section 311(g))
(Agenda 3011, Item 4, 3/4/99; Req – Commission)

H-11 **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 an area code relief plan for the 909 area code in the form of a two-phase split-and-subsequent-overlay plan (Alternative 17). Alternative 17 splits off the eastern geographic portion of the 909 NPA to a new area code and allows the western section to remain in 909. This plan also allows the western section to retain the 909 area code and one year later adds an additional area code using the overlay method. Mandatory 1+10-digit dialing will be required for the western section effective November 4, 2000. A customer education period will be included.
(Com Conlon - ALJ Pulsifer)
(Section 311(g))
(Agenda 3011, Item 5, 3/4/99; Req – Commission)

H-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))
(Agenda 3010, Item CA-12, 2/18/99; Agenda 3011, Item CA-17, moved to Item 7, 3/4/99; Req - Commission)

ORDERS

- 1** **A96-11-007 - Southern California Water Company (SCWC).**
This decision denies SCWC's application to impose a special fee to recover fixed costs and a special balancing account to recover variable costs resulting from the company's participation in the State Water Project. This proceeding is closed.
(Com Conlon - ALJ Walker)
(Section 311(d))

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res G-3249 - Washington Water Power Company (WWP).**
This resolution approves as modified WWP's affiliate transaction compliance plan.
(Advice Letter C-28G, filed December 31, 1997)
(Section 311(g))
- E-2 Res G-3250 - Wild Goose Storage Inc.**
This resolution approves the initial tariffs filed in compliance with D97-06-091 and D98-06-083.
(Advice Letters 1-G, 1A-G, filed December 18, 1998 and January 19, 1999, respectively)
(Section 311(g))
- E-3 Res E-3578 - Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric (SDG&E), Southern California Gas Company (SoCalGas) and Southern California Edison Company (Edison).**
This resolution conditionally approves as interim 1999 energy efficiency programs, as recommended by the California Board of Energy Efficiency (CBEE).
(Advice Letters 1819-E/2117G (PG&E), filed November 17, 1998; 1132-E/1124-G (SDG&E), 2760 (SoCalGas), 1348-E (Edison), filed November 16, 1998; and CBEE ALI-E/1-6, filed October 16, 1998)
(Section 311(g))

WATER MATTERS

W-1

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; Agenda 3010, Item W-2, 2/18/99; Req - Commission)

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

- LEG-1** AB 301 (Wright), to add Section 311.3 to the Public Utilities Code requiring the Commission to modify its Rules of Practice and Procedure to permit interested persons to petition the Commission to adopt, amend, or repeal a regulation, as specified.
- LEG-2** SB 283 (Kelley), to amend Section 728.2 of the Public Utilities Code to define “telephone corporation” for purposes of this section to include only a telephone corporation whose rates are set by the Commission on a cost of service basis.
- LEG-3** SB 310 (Peace), to add Section 248 to the Public Utilities Code to prohibit the Commission from enacting or implementing any decision, order, or rule that interferes with the rights and obligations of the directors of a corporation, including a utility holding company, to efficiently and effectively discharge their fiduciary obligations to the corporation’s shareholders, as specified.
- LEG-4** AB 365 (Wright), to add Section 2898 to the Public Utilities Code to require the Commission, on or before July 1, 2000, to develop and administer an Internet website that offers to telephone service customers on-line access to information about local and long-distance telephone services offered by providers and other consumer information, as prescribed.
- LEG-5** SB 531 (Baca), to add Section 311.4 to the Public Utilities Code to require the Commission to develop and implement a procedure to permit complaints to be filed, and related complaint proceedings to be administered, through electronic means, as defined.

LEG-6 AB 535 (Reyes), to add Section 2889.4 to the Public Utilities Code to, among other things, require a local exchange service provider that automatically provides custom calling or enhanced calling telephone services billed on a per use basis to a residential subscriber of basic exchange service to provide notice to those subscribers, as specified.

LEG-7 Legislation regarding Commission created energy and telecommunications industry advisory boards.

RESOLUTIONS AND MEMORANDUMS

L-1 **Res L-277** - This resolution authorizes disclosure of confidential direct access data; specifically: 1) monthly data on numbers of direct access customers and estimated sales by service area and; 2) monthly data on numbers of direct access customers by electric service provider and by service area, to the California Energy Resources Conservation and Development Commission, pursuant to confidentiality agreements.
(Section 311(g))
(Agenda 3011, Item L-1, 3/4/99; Req – Commission)

L-2 **Res L-278** - This resolution recommends release of documents requested pursuant to Public Records Act Request by Margaret Turner, mother of Paul Turner, who was electrocuted and died on November 15, 1997 while working for Pacific Gas and Electric Company. Public Records Act Request seeks release of Commission Utility Safety Branch staff investigative records concerning the November 15, 1997 accident.
(Section 311(g))
(Agenda 3011, Item L-2, 3/4/99; 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

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 **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 Telemanagement, Inc. (BTI) and Frontier Telemanagement, 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."
(Agenda 3010, Item EX-7, 2/18/99; Agenda 3011, Item HEX-2, 3/4/99; Req - Commission)

HEX-2 **R.95-04-043, I. 95-04-044** - Application of Pacific Bell for rehearing of D98-11-065 in which the Commission required that incumbent local exchange carriers in the 408 area code must first assign a prefix number to telephone customers from a prefix set (NXX code) that has had more than 25% of its numerical possibilities assigned before assigning numbers from other NXX codes. This restriction was ordered in conjunction with a Commission decision to make more telephone numbers available by means of a new area code overlay of the region presently using the 408 area code. (Agenda 3011, Item EX-2, 3/4/99; 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** **I97-04-013** – Disposition of application for rehearing filed by Bidwell Water Company (Bidwell) of D98-10-025, which found Bidwell to have violated a prior Commission order by failing to credit certain surcharge revenues to a balancing account earmarked solely for payment of a Safe Drinking Water Bond Act loan, directed Bidwell to comply with the prior order by restoring the account to the proper balance, set a new surcharge, and fined Bidwell \$1,000.
- EX-3** **R94-04-031, I94-04-032** – Disposition of application for rehearing filed by Pacific Gas and Electric Company of D97-09-048, in which the Commission established the approach for the review of past and future expenditures for non-nuclear capital additions put into service.
- EX-4** **C97-11-014** - Disposition of application for rehearing of D98-12-076 filed by Pacific Gas and Electric Company (PG&E). In D98-12-076, the Commission fined PG&E \$976,800 for an explosion which occurred at an apartment complex. The Commission determined that PG&E had not taken sufficient remedial actions after an earlier explosion occurred under its policy to allow fumigation contractors to terminate gas service. PG&E alleges the following legal errors: (1) there was insufficient evidence to support the Commission's findings that PG&E acted unreasonably; (2) there was insufficient evidence to support the Commission's findings that PG&E caused the explosion; (3) the Commission erred in imposing a penalty under Public Utilities Code section 451; (4) the Commission erred in imposing a non-delegable duty on PG&E; and (5) the Commission erred in not applying a one-year statute of limitations.

- EX-5** **R93-04-003, I93-04-002** - Order disposes of the applications of GTE California (GTE), of joint applicants MCI Telecommunications Corp/WorldCom Technologies/AT&T Communications; and of joint applicants Nextlink California/ ICG Telecommunications Group/California Cable Television Association for the rehearing of D98-12-079, whereby the Commission adopted forward-looking nonrecurring costs which reflect access to Pacific Bell's and GTE's networks using Operations Support System (OSS) gateways in the OSS/NRC phase of the OANAD proceeding.
- EX-6** **A98-05-044** - Disposes of application for rehearing of Res E-3528 filed by Pacific Gas and Electric Company (PG&E) pursuant to the requirements of Government Code Section 56131, Res E-3528 concludes that the Patterson Water District's reorganization will not substantially impair PG&E's ability to provide adequate service at reasonable rates. PG&E alleges that Res E-3528 errs in concluding that duplication of distribution facilities is in the public interest. PG&E further maintains that the resolution is mistaken about the impact of the reorganization on PG&E's revenues.
- EX-7** **R94-04-031, I94-04-032** - Disposition of application for rehearing of D98-12-080 filed by Pacific Gas and Electric Company and San Diego Gas & Electric Company alleging that the Commission erred in adopting procedures for meter reading, installation and repair.
- EX-8** **C97-02-027** - Disposition of application for rehearing of D98-11-063 filed by MCI Telecommunications Corporation (MCI) and was responded to by California Payphone Association, Payphone Service Providers Group and San Diego Payphone Service Association, and Pacific Bell. D98-11-063 directs MCI to pay a charge known as the "PSSC" and to supplement its Advice letter No. 253.
- EX-9** **R97-03-015** - Order disposes of the City of Long Beach's (Long Beach) application for rehearing of D98-12-024 whereby the Commission approved a contract between Southern California Gas Company (SoCalGas) and Distribuidora de Gas Natural de Mexicali, S. de R.L. de C.V. (DGN) for the provision of wholesale gas service by SoCalGas to DGN. Long Beach claims that the decision unlawfully failed to address the disparity between the contract's terms and SoCalGas' original published offer. It asks that the decision be revised to conform the SoCalGas/DGN contract terms to the terms of the published offer.

FEDERAL 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;** - Southern California Edison Company Update on Reliability Must-Run settlement negotiations.

FEX-3 **FERC Docket Nos. EC99-38-000, et al;** – Pacific Gas and Electric Company, Southern Energy Potrero, LLC, and Southern Energy Delta, LLC, joint application for authorization to transfer jurisdictional assets and request for expedited approval.

CLOSED SESSION -**SUBSCRIPTION NOTICE FOR AGENDA
AND
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