
Public Utilities Commission of the State of California

***Public Agenda 3013
Thursday, April 1, 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 29	Thursday, April 1
✓Monday, April 19	Thursday, April 22
Monday, May 10	Thursday, May 13
Monday, May 24	Thursday, May 27
Monday, June 7	Thursday, June 10

**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-13, H-2

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-18886** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
(Section 311(g))
- CA-2** **Res ALJ-176-3013** - 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
- CA-3** **Res T-16277 - Advantage Communications Group, Inc.**
This resolution revokes the certificate of public convenience and necessity of Advantage Communications Group, Inc.
(Section 311(g))
- CA-4** **C98-09-036 - Rick E. Thurber vs. Pacific Gas and Electric Company and Pacific Bell (PacBell).**
This decision grants the motion of PacBell and dismisses the complaint for failure to state a cause of action for which relief might be granted. This proceeding is closed.
(Com Duque - ALJ Vieth)
(Section 311(g))
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- CA-5 C98-04-021 – Independence Civic Club vs. GTE California Incorporated.**
This decision denies the Independence Civic Club’s request to enlarge the Independence exchange toll free calling area with the adjacent Bishop exchange local calling area. This proceeding is closed.
(Com Duque – ALJ Galvin)
(Section 311(g))
- CA-6 A97-10-021 – Citizens Telecommunications Company of California, Inc. (CTC-California).**
For authority to review its new regulatory framework for the regulation of telecommunications services provided in the Sate of California.
This decision finds that the service quality of CTC-California shows improvement. Continuation of the service quality assurance mechanism will be addressed in the company’s 1999 new regulatory framework review.
This proceeding is closed.
(Com Neeper – ALJ Mattson)
(Section 311(g))
- CA-7 C98-09-025 – Sierra Club, Angeles Chapter vs. Valencia Water Company.**
This decision dismisses complaint for lack of jurisdiction. This proceeding is closed.
(Com Duque – ALJ Bushey)
- CA-8 R97-04-011 - Order Instituting Rulemaking to establish standards of conduct governing relationships between energy utilities and their affiliates. I97-04-012 – Related matter.**
This decision awards The Utility Reform Network compensation for its substantial contributions to D98-04-029 and D98-11-026.
(Com Bilas – ALJ Vieth)
(Section 311(g))
(SB 960 Experiment: Quasi-legislative Category)
- CA-9 C98-04-004 – The Utility Consumers’ Action Network vs. Pacific Bell.**
C98-06-003, C98-06-027, C98-06-049, I90-02-047 – Related matters.
This decision extends statutory deadline to conclude proceeding.
(Com Neeper – ALJ Bushey)
(Section 311(g))

- CA-10** **A99-01-024 – Searles Domestic Water Company (Searles), IMC Global Inc., and GSA Holdings LLC (GSA Holdings).**
For authority to merge Searles with Searles Domestic Water Company LLC and to transfer control of Searles to GSA Holdings. This decision grants Searles’s unopposed application. This proceeding is closed.
(Com Duque – ALJ Walker)
- CA-11** **A98-12-031 – Daniel Shubaralyn, dba Dani’s Shuttle.**
For authority to transfer certificate of public convenience and necessity and all other assets to Dani Shuttle, Inc. pursuant to Public Utilities Code Sections 851 and 1036. This decision grants applicant’s request to transfer authority from an individual ownership to a corporation. This proceeding is closed.
(Com Bilas – ALJ Rosenthal)
(Section 311(g))
- CA-12** **A98-07-022 – City of Modesto.**
For authority to construct one grade crossing of the Union Pacific Railroad Company, Tidewater Line, at the Proposed Pelandale Avenue Crossing City of Modesto. This decision grants City of Modesto’s motion for leave to withdraw application. This proceeding is closed.
(Com Neeper – ALJ Ryerson)
(Section 311(g))
- CA-13** **(ECP) C98-11-008 – Lazanius Johnson vs. Pacific Gas and Electric Company (PG&E).**
This decision denies complaint by reason of failure to prove any error or omission on the part of PG&E. This proceeding is closed.
(Com Neeper – ALJ Wright)
- CA-14** **Res W-4142 – Little Bear Water Company, Inc. (Little Bear).**
This resolution grants Little Bear’s request to terminate existing surcharge and repay loan under the Safe Drinking Water Bond Act.

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- CA-15 A98-10-005 – Business Telecom, Inc., dba BTI Telecommunications Services.**
For authority to operate as a resale provider of local exchange service. This decision grants BTI Telecommunications Services a certificate of public convenience and necessity to operate as a local exchange service reseller. This proceeding is closed.
(Com Knight – ALJ O’Donnell)
(Section 311(g))
- CA-16 A98-06-042 – The Los Angeles County Metropolitan Transportation Authority (MTA).**
This decision grants MTA’s request for authority to construct pedestrian grade crossing across the eastbound light rail train track of the Los Angeles-Long Beach Blue Line along Washington Boulevard at the Grand Avenue Station, in the City of Los Angeles. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-17 A98-02-007 – State of California, Department of Transportation (Caltrans).**
This decision grants Caltrans’ request for authority to widen Redlands Loop Overhead at separated grades over San Bernardino Associated Governments’ Redlands Branch Line tracks, formerly owned by The Burlington Northern and Santa Fe Railway Company, in San Bernardino. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-18 A98-02-019 - State of California, Department of Transportation (Caltrans).**
This decision grants Caltrans’ request for authority to construct the SR-91/I-5 Interchange, as part of an I-5 widening project. The reconstruction requires that Orangethorpe Avenue Overhead be replaced with a wider structure, and the construction of the new North-West Connector Separation and South-East Connector Separation. To complete the project, Caltrans is also authorized to widen Beach Boulevard at-grade across the tracks of Union Pacific Railroad Company’s Santa Ana Branch, formerly owned by the Southern Pacific Transportation Company, in the Cities of Anaheim, Fullerton, and Buena Park. This proceeding is closed.
(Exam Koss)
(Section 311(g))
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CA-19 **A98-11-010 – Alameda Corridor Transportation Authority (ACTA).**
This decision grants ACTA’s request for authority to relocate 17 single-track highway-railroad grade crossings, two single-track highway-railroad grade separations, and one single-track railroad-railroad grade separation, between Firestone Boulevard and Auto Drive South in the County of Los Angeles, Cities of South Gate, Lynwood, and Compton. This proceeding is closed.

(Exam Koss)
(Section 311(g))

CA-20 **A98-08-016 – City of Ontario (City).**
This decision grants City’s request for authority to construct an at-grade crossing at Francis Street between Haven Avenue and Dupont Avenue across the spur tracks of Union Pacific Railroad Company in Ontario. This proceeding is closed.

(Exam Koss)
(Section 311(g))

CA-21 **Res T-16273 – Pacific Bell (Pacific).**
This resolution approves a resale agreement between Pacific and Tel West Communications, LLC, submitted under provisions of Resolution ALJ-174, and General Order 96-A.

(Advice Letter 19968, filed January 14, 1999)
(Section 311(g))

CA-22 **Res T-16280 – Pacific Bell (Pacific).**
This resolution approves three interconnection agreements between Pacific and GTE California, Inc.; Pacific and Option One Communications, Inc.; and Pacific and e.spire Communications, Inc., submitted under provisions of Resolution ALJ-174, and General Order 96-A.

(Advice Letter (AL) 19828, filed November 12, 1998, Supplement AL 19828A, filed February 9, 1999, Supplement AL 19828B, filed February 17, 1999; AL 19969, filed January 14, 1999, Supplement AL 19969A, filed February 3, 1999, AL 19979, filed January 20, 1999)
(Section 311(g))

- CA-23 Res T-16281 – GTE California (GTEC).**
This resolution approves an interconnection agreement between GTEC and Allegiance Telecom, Inc., submitted under provisions of Resolution ALJ-174, and General Order 96-A.
(Advice Letter 8955, filed January 22, 1999)
(Section 311(g))
- CA-24** Moved to Item 7 on the agenda.
This revision was not listed on the agenda distributed to the public.
- CA-25 A99-01-023 – Netsol Technologies, Inc.**
For a certificate of public convenience and necessity (CPCN) to provide resold competitive local carrier service. Granted. This proceeding is closed.
(Com Neeper – ALJ O’Donnell)
(Section 311(g))
- CA-26 Res TL-18888 – Catalina Channel Express, Inc.**
This resolution grants the applicant’s request to increase its water taxi service fares between points in the Long Beach Harbor pursuant to General Order 109.
(Section 311(g))
- CA-27 Res O-0032 – Chevron Pipeline Company.**
This resolution grants applicant’s request to withdraw from service all movement of crude petroleum on its Rincon System.
(Advice Letter 21, filed January 29, 1999)
(Section 311(g))

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- CA-28** **A99-02-009 - San Francisco Thermal, Limited Partnership (SFTLP), Thermal Ventures, Inc. (TVI), NRG Energy, Inc. (NRG) and North American Thermal Systems, Limited Liability Company (NATS)**
This decision grants the application of SFTLP, TVI, NRG and NATS to transfer control of SFTLP solely to NRG. This proceeding is closed.
(Com Neeper - ALJ Malcolm)
(Section 311(g))
- CA-29** **Res SX-20 - Los Angeles County Metropolitan Transportation Authority (LADOT).**
This resolution authorizes LADOT to make improvements to the train signals and train signs at twenty light rail crossings along Washington Boulevard, in the City of Los Angeles.
(Section 311(g))
- CA-30** **A98-04-008 - Pacific Gas and Electric Company (PG&E).**
For authority to use natural gas-based financial instruments to manage market risks associated with California gas transmission's assets. This decision grants PG&E's petition to modify D98-12-082. The decision clarifies D98-12-082 in terms of requirements of anonymity in entering into over-the-counter financial transactions.
(Com Duque - ALJ Minkin)
(Section 311(g))
- CA-31** **A98-07-024 - Pacific Gas and Electric Company (PG&E).**
This decision authorizes PG&E to permit the City and County of San Francisco to use a portion of PG&E's unused, underground conduit in accordance with the Fiber Optic Cable Agreement between them.
Com Conlon - ALJ Vieth
(Section 311(g))
- CA-32** **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))
(Agenda 3013, Item CA-8, 3/18/99; Req - Commission)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

NOTE: **Ex Parte Communications are prohibited on Items H-6 and H-6a from March 26, 1999 through April 1, 1999. (Rule 7(c)(4).)**

H-1 **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 non-tariffed 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))
(Agenda 3010, Item 4, 2/18/99; Agenda 3011, Item H-7, 3/4/99;
Req - Commission)

H-1a **ALTERNATE ORDER TO ITEM H-1.** This alternate order approves PG&E's proposal for a net revenue sharing mechanism for new non-tariffed products and services on an interim basis pending the examination of a permanent revenue sharing mechanism in PG&E's performance based ratemaking application (A98-11-023).
(Com Bilas)

◆H-2 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)

(Agenda 3012, Item CA-30, 3/18/99; Req - Commission)

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 unreasonable 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 unreasonable 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 unreasonable conduct and the fact the claims arose from poor management 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; Agenda 3012, Item H-3, 3/18/99; 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; Agenda 3012, Item H-4, 3/18/99; 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 takes the following actions with respect to the California Alternative Rates for Energy (CARE) program and the Universal Lifeline Telephone Service (ULTS) program. First, this decision determines that customers shall not be admitted into the CARE and ULTS programs by showing proof of participation in another social program. Second, 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. Third, telecommunications utilities with customers participating in the ULTS program are required to conduct random, post-enrollment verification of customers' eligibility to participate in this program. Finally, liquid assets shall not be used as a criterion to screen all applicants for the CARE and ULTS program. However, utilities that discover customers with substantial liquid assets are required to take steps to remove these customers from the CARE and ULTS programs. This decision defines "substantial liquid assets" as an amount in excess of the annual income used to determine a household's eligibility to participate in the CARE and ULTS programs. 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; Agenda 3012, Item H-5, 3/18/99; Req - Commission)

- ✓**H-6** **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 adopts 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; Agenda 3012, Item H-9, 3/18/99; Req – Commission)
- ✓**H-6a**
(Rev.) **ALTERNATE ORDER TO ITEM H-6.** This alternate order adopts a rate indexing mechanism and adjusts the productivity and sharing mechanism.
(Com Bilas)
(Agenda 3011, Item 2a, 3/4/99; Agenda 3012, Item H-9a, 3/18/99; Req – Commission)
This revision was not listed on the agenda distributed to the public.
- H-7** **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; Agenda 3012, Item H-12, 3/18/99; Req - Commission)

ORDERS**1 R97-08-001 - Rulemaking on the Commission's Own Motion to Consider Adoption of Rules Applicable to Interexchange Carriers for the Transfer of Customers Including Establishing Penalties for Unauthorized Transfer. I97-08-002 - Related matter.**

This decision adopts new requirements for local exchange carriers, billing agents and interexchange carriers to curtail unauthorized customer transfer and billing.

(Com Neeper - ALJ Bushey)

(Section 311(g))

2 A95-10-024 - Pacific Gas and Electric Company (PG&E).

For authority to implement a plan of reorganization which will result in a holding company structure. This is the second decision in PG&E's application to form a holding company structure, in which we examined an audit prepared by the Office of Ratepayer Advocates (ORA) to determine whether it was necessary to impose any further conditions on PG&E as a result of the audit's findings. Between ORA's audit and the Commission's review thereof, the Commission adopted the affiliate transaction rules in D97-12-088, as modified by D98-08-035. PG&E also began the process of staffing and developing the holding company infrastructure and continues this process today. Because the affiliate transaction rules and PG&E's restructuring into a holding company structure may resolve some of the problems found by ORA's audit, we do not adopt many of the additional conditions which ORA proposes. However, because we cannot validate that this is in fact the case, we direct a future verification audit to determine compliance with conditions adopted in this proceeding and in other Commission proceedings. We also maintain the conditions we adopted in D96-11-017, the interim opinion in this case, and adopt several further conditions on PG&E with respect to internal controls. With these further conditions, we approve the application and close this proceeding. ORA's recommended financial conditions were the most hotly disputed conditions in this case. We do not adopt these financial conditions for PG&E alone because ORA's justification for imposing these conditions is not unique to PG&E, but applies to all Commission-regulated energy utilities. Therefore, we instruct staff to prepare for our consideration a generic proceeding to determine whether the financial conditions proposed by ORA in this proceeding, or other appropriate financial conditions, should be imposed on all electric and gas utilities within our jurisdiction with respect to their holding company operations.

(Com Neeper - ALJ Econome)

(Section 311(d))

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- 3** **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 an area code overlay to relieve NXX code exhaustion in the 510 area code. The adopted plan calls for mandatory 1 + 10 - digit in the 510 area code effective April 15, 2000 and opening of the overlay area code on July 15, 2000.
(Com Duque – ALJ Pulsifer)
(Section 311(g))
- 4** **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 an area code overlay to relieve NXX code exhaustion in the 415 area code. The adopted plan calls for mandatory 1 + 10 - digit in the 415 area code effective July 24, 2000 and opening of the overlay area code on October 21, 2000.
(Com Duque – ALJ Pulsifer)
(Section 311(g))
This revision was not listed on the agenda distributed to the public.
- (Rev.)**
- 5** **A95-05-030 - Roseville Telephone Company (Roseville).**
For authority to restructure intrastate rates and charges and to implement a new regulatory framework for telephone services furnished within the State of California. I95-09-001, A95-05-031 – Related matters. This decision denies the appeal of Roseville to the October 26, 1998 Assigned Commissioner's Ruling ordering an audit. It denies Roseville's motion for evidentiary hearing on the need for the audit. It provides that Roseville may apply for consideration of cost recovery for the costs of the nonregulated operations audit as a Z factor in Roseville's next new regulatory framework price cap filing. It directs the Office of Ratepayer Advocates to secure from the auditor a separate statement of the costs for the two portions of the audit and concludes that the shares will be 50% each if the auditor is unable to prepare a reasonable statement of its separated costs. It orders Roseville to pay an amount up to \$78,500 to the state within 30 days (with the final amount determined based on comments and reply comments to the draft decision). These proceedings remain open for consideration of the rehearing of D96-12-074.
(Com Bilas – ALJ Mattson)
(Section 311(g))
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- 6** **A98-01-008 – Pacific Gas and Electric Company (PG&E).**
For authority to sell certain generating plants and related assets pursuant to Public Utilities Code Section 851. PG&E filed this application on January 15, 1998, originally seeking authority to sell its Hunters Point, Potrero, Pittsburg, and Contra Costa fossil fuel plants, and its Geysers geothermal plants. PG&E filed an amendment to this application on July 17, 1998, withdrawing the Hunters Point plant from the auction through which all of the plants were to be sold. The withdrawal of Hunters Point was contingent on the Commission approving certain ratemaking treatment and other conditions. The Commission approved the Hunters Point arrangement in D98-10-029. In D98-07-092, we gave PG&E permission to continue the auction process for its remaining plants, and concluded that it would be inappropriate for PG&E to accept final bids until the specific environmental mitigation measures that may be required are identified. In D98-11-064, we certified that the Final Environmental Impact Report (EIR) prepared in response to this amended application complies with the California Environmental Quality Act. That report includes proposed mitigation measures. In this decision we approve the results of the auction and review various aspects of the proposal. In addition, we review and consider the information provided in the Final EIR, adopting mitigation measures and a mitigation monitoring program that are conditions to the sale of the plants. This proceeding is closed.
(Com Bilas – ALJ Weissman)
(Section 311(g))
- 6a** **ALTERNATE PAGES TO ITEM 6.** These alternate pages approve PG&E’s proposed accounting and ratemaking treatment for environmental remediation costs, as set forth in D.98-07-092.
(Com Bilas)
- 7** **A95-05-030 - Roseville Telephone Company.**
For authority to restructure intrastate rates and charges and to implement a new regulatory framework for telephone services furnished within the State of California. I95-09-001 – Related matter. This decision clarifies calculations in D96-12-074, and modifies and supplements the findings of fact and rate orders as necessary. These proceedings are closed.
(Com Conlon – ALJ Mattson)
(Section 311(d))
This item appeared as CA-24 on the agenda distributed to the public.

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1** **Res E-3593** – This resolution authorizes Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (Edison) to defer payment of 50% of the electric bills of qualifying citrus growers for a period of twelve months. PG&E and Edison may file advice letters implementing this resolution within 10 days.
(Section 311(g))
- E-2** **Res E-3592 – Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and Southern California Edison Company (Edison).**
This resolution approves as modified PG&E, SDG&E, SoCalGas and Edison’s 1999 energy efficiency programs, as recommended by the California Board of Energy Efficiency (CBEE).
(Advice Letters (PG&E) 1819-E/2117-G, filed November 17, 1998; (SDG&E) 1132-E/1124-G, (SoCalGas) 2760, (Edison) 1348-E, all filed November 16, 1998; and (CBEE) AL1-E/1-G, Filed October 16, 1998)
- E-3** **Res G-3243 - Southern California Gas Company (SoCalGas).**
This resolution denies SoCalGas’s request 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; Agenda 3009, Item E-3, 2/4/99; Agenda 3011, Item E-1, 3/4/99; Req - Commission)
- E-3a** **ALTERNATE RESOLUTION TO E-3.** In Resolution G-3242, the Commission ruled that the Collateral Discount Rule (CDR) would be terminated. Southern California Gas Company’s request to revise its cogeneration default rates in compliance with the CDR is moot since the CDR no longer exists. Advice Letter 2701 is approved..

E-4 **Res G-3242 - Southern California Gas Company (SoCalGas).**
This resolution authorizes SoCalGas 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; Agenda 3009, Item E-4, 2/4/99;

Agenda 3011, Item E-2, 3/4/99; Req - Commission)

E-4a **ALTERNATE RESOLUTION TO E-4.** This alternate resolution approves Southern California Gas Company's (SoCalGas) request to establish a single customer class for all electricity generators in its service territory and to eliminate the Collateral Discount Rule. SoCalGas' request to set a sunset date of August 1, 1999 for the methodology to determine the Cogeneration Gas Allowance is provisionally approved. Advice Letter 2709 is provisionally approved.

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; Agenda 3012, Item W-1, 3/18/99; Req - Commission)

MANAGEMENT RESOLUTIONS

- M-1** **Res M-4793** – Resolution authorizing disclosure of information concerning utility readiness with respect to the year 2000 computer problem, including utility responses to Res M-4792, dated November 19, 1998.
(Section 311(g))

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

- HLEG-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.
(Agenda 3012, Item LEG-1, 3/18/99; Req - Commission)
- HLEG-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.
(Agenda 3012, Item LEG-2, 3/18/99; Req - Commission)
- HLEG-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.
(Agenda 3012, Item LEG-3, 3/18/99; Req - Commission)
- LEG-1** **SB 48 (Sher and Speier)**, to amend Sections 6255, 6258, and 6259 of, and to add Section 6257 to, the Government Code, relating to public records.
- LEG-2** **SB 177 (Peace)**, to add Section 625 to the Public Utilities Code to prohibit a public utility that offers competitive services from condemning any property for the purpose of competing with other entities in the offering of those competitive services.
- LEG-3** **AB 617 (Campbell)**, to amend Section 2894 of the Public Utilities Code relating to telephone corporations: customer right of privacy. The bill would include in the existing definition of “radiotelephone utility” any entity that provides one-way paging service, as defined.
- LEG-4** **SB 640 (Perata)**, regarding settlements submitted by the Office of Ratepayer Advocates and the utility in application proceedings before the Commission.

- LEG-5** **SB 797 (Costa)**, to amend Sections 851 and 853 of the Public Utilities Code regarding the disposition of public utility property.
- LEG-6** **AB 818 (Knox)**, to add Section 7934 to the Public Utilities Code relating to telecommunications and issues involving retired, existing, and new area codes.
- LEG-7** **SB 932 (Bowen)**, to add Section 2889.7 to the Public Utilities Code imposing specified requirements and prohibitions on telephone corporations relating to notice to subscribers of a new service or feature, requests for suspension of service, related charges, and reimbursement of charges for inadvertent or unauthorized use of telephone service features or services.
- LEG-8** **AB 941 (House)**, to amend Section 5411.5 of the Public Utilities Code relating to the imposition of penalties involving charter-party carriers: limousines.
- LEG-9** **AB 991 (Papan)**, to add Section 709.7 to the Public Utilities Code requiring the Commission, not later than January 31, 2000, to establish rules and rates for line sharing that will allow competitive data carriers to provide high bandwidth services over telephone lines simultaneously with the local exchange service provided by the telephone service provider, as prescribed.
- LEG-10** **AB 1002 (Wright)**, to add Article 10 (commencing with Section 890) to Chapter 4 Part 1 of Division 1 of the Public Utilities Code to require the Commission to impose a surcharge on all natural gas consumed in this state to fund certain public purpose programs including assistance to low-income customers, low-income weatherization, cost-effective energy efficiency and conservation activities, and public interest research and development, as prescribed.

- LEG-11** **AB 1003 (Wright)**, to add, amend and repeal various sections of the Public Utilities Code relating to the creation of the governing boards of the Independent System Operator and the Power Exchange, and to the duties of the Oversight Board.
- LEG-12** **SB 1063 (Bowen)**, to amend Section 377 of the Public Utilities Code to require that notwithstanding other provisions of law, the ownership of hydroelectric generation facilities owned and operated by a public utility regulated by the commission as of January 1, 2000, be retained, and would require those facilities to continue to be operated by that public utility, subject to the regulation of the commission.
- LEG-13** **AB 1082 (Calderon)**, to amend Section 328 of the Public Utilities Code to extend the prohibition against enacting gas industry restructuring decisions until July 1, 2001.
- LEG-14** **AB 1149 (Aroner)**, to add Section 762.7 to the Public Utilities Code to require the commission to amend existing rules regarding the replacement of overhead electric and telephone facilities with underground facilities, to require new underground facilities to meet certain continuity, public safety, and reliability requirements.
- LEG-15** **SB 1183 (Leslie)**, to add Section 851.5 to the Public Utilities Code to prohibit a public utility from directly or indirectly disposing of hydroelectric power facilities, as defined, following the approval of such disposal by the commission, without first offering a right of refusal for acquisition to the county in which the facilities are located. The bill would prohibit the disposal of facilities to a county, or public agency designated by a county, from being considered to be a project within the meaning of CEQA.
- LEG-16** **AB 1421(Wright)**, to amend, add and delete various sections of the Public Utilities Code relating to the restructuring of natural gas services. The bill contains provisions impacting bundled basic gas service, revenue cycle services, distribution rates, commodity rates, and competitive rate schedules and tariffs.

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). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). 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).

NON-FEDERAL ITEMS

ORDERS HELD OVER

- HEX-1** **Conference with Legal Counsel – Application for Rehearing R95-04-043/I95-04-044** – 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 telephone number to 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. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3011, Item EX-2, 3/4/99; Agenda 3012, Item HEX-2, 3/18/99; Req – Commission)

- HEX-2 Conference with Legal Counsel – Application for Rehearing**
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. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3012, Item EX-2, 3/18/99; Req - Commission)
- HEX-3 Conference with Legal Counsel – Application for Rehearing**
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. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3012, Item EX-4, 3/18/99; Req - Commission)
- HEX-4 Conference with Legal Counsel – Application for Rehearing**
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. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3012, Item EX-8, 3/18/99; Req – Commission)

ORDERS

- EX-1 Conference with Legal Counsel – Applications for Rehearing**
Compilation of applications for rehearing recently filed with the Commission. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-2 Conference with Legal Counsel – Threatened Litigation**
Significant exposure to litigation. (Gov. Code Sec. 11126(e)(2)(B).)
- EX-3 Conference with Legal Counsel – Initiation of Litigation**
Consideration of possible Commission initiation of, or intervention in, litigation. (Gov. Code Sec. 11126(e)(2)(C)(i).)
- EX-4 Conference with Legal Counsel – Application for Rehearing**
A98-06-052 - Disposition of application for rehearing by PDO Communications, Inc. (PDO) of D99-01-009. This decision approved an interconnection agreement between PDO and Pacific Bell, but denied a provision requested by PDO for shared access to the capacity of Pacific Bell's local loop (i.e., the distribution line between the central office and the customer's residence). The Commission instead determined the issues involved in ordering shared access to the local loop required a generic proceeding. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Rev.) This revision was not listed on the agenda distributed to the public.
- EX-5 Conference with Legal Counsel – Application for Rehearing**
C96-01-019 - Disposes of application for rehearing by the City of Vernon of D98-12-021, which dismissed the complaint by the City of Vernon seeking an order of the Commission pursuant to Public Utilities Code Secs. 761 and 762 that the Hobart Yard expansion project of the Atchinson, Topeka, & Santa Fe Railway Corp. is unreasonable unless alleged adverse environmental impacts are mitigated. (Gov. Code Sec. 11126(e)(2)(B)(i).)

EX-6 **Conference with Legal Counsel – Application for Rehearing**
I98-08-004 - Disposition of application for rehearing of D98-12-010 filed by Easy Access International, Inc. (Easy Access). In D98-12-010, the Commission granted the motion of the Consumer Services Division to add Easy Access and its officers, Ed Tinari and Celestine Spoden, as respondents in the OII. The OII arises from an investigation of complaints that Coral Communications, Inc. (Coral) billed consumers for calling cards that were not ordered or were not provided. Easy Access allegedly purchased Coral's calling card and voice mail business. Easy Access alleges the following legal errors: (1) the decision fails to demonstrate that respondents are public utilities, thereby divesting the Commission of jurisdiction; and (2) the decision is not supported by adequate findings of fact. (Gov. Code Sec. 11126(e)(2)(B)(i).)

EX-7 **Conference with Legal Counsel – Application for Rehearing**
R95-04-043/I95-04-044 - Disposition of applications for rehearing of D98-10-058 filed by Building Owners Managers Association of California, Real Estate Coalition, League of California Cities, et al., GTE California Incorporated, Pacific Gas and Electric Company, and the California Cable Television Association, and petition for modification filed by Cox California Telcom, L.L.C. D98-10-058 adopted rules governing nondiscriminatory access to poles, ducts, conduits, and rights-of-way applicable to competitive local carriers competing in the service territories of the large and mid-sized incumbent local exchange carriers. (Gov. Code Sec. 11126(e)(2)(B)(i).)

FEDERAL ITEMS

- FEX-1 Conference with Legal Counsel – Initiation of Litigation**
Consideration of possible Commission initiation of, or intervention in,
federal agency or court proceedings.
(Gov. Code Sec. 11126(e)(2)(C)(i).)
- FEX-2 NOT USED**
- FEX-3 Conference with Legal Counsel –Existing Litigation**
FERC Docket No. RM98-10-000 – Regulation of Short-Term Natural Gas
Transportation Services;
FERC Docket No. RM98-12-000 – Regulation of Interstate Natural Gas
Transportation Services;
FERC Docket No. RP95-363-000 – El Paso Natural Gas Company;
FERC Docket Nos. RP97-287-019, et al. - El Paso Natural Gas Company.
(Gov. Code Sec. 11126 (e)(2)(A).)
- FEX-4 Conference with Legal Counsel –Existing Litigation**
CC Docket No. 96-98 - In the Matter of Implementation of Local
Competition Provisions in Telecommunications Act of 1996.
(Gov. Code Sec. 11126 (e)(2)(A).)
- FEX-5 Conference with Legal Counsel - Existing Litigation**
CC Docket No. 97-181 - In the Matter of Defining Primary Lines.
(Gov. Code Sec. 11126 (e)(2)(A).)
- FEX-6 Conference with Legal Counsel - Existing Litigation**
CC Docket No. 80-286 - Federal-State Joint Board on Jurisdictional
Separations.
(Gov. Code Sec. 11126 (e)(2)(A).)

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