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# *Public Utilities Commission of the State of California*

***Public Agenda 3014  
Thursday, April 22, 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>*

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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>
✓Monday, April 19	Thursday, April 22
✓Monday, May 10	Thursday, May 13
Monday, May 24	Thursday, May 27
Monday, June 7	Thursday, June 10
Monday, June 21	Thursday, June 24

*\*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.

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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.
- H-4

## 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-18887** - 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-176-3014** - 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**      **C97-02-028 - Harold A. Curry vs. Southern California Gas Company.**  
C97-08-022. Related matter. This decision dismisses complaints by reason of failure to prosecute with reasonable diligence. These proceedings are closed.  
(Com Duque - ALJ Wright)  
(Section 311(g))

- CA-4            C98-08-002 - Anthony Ricco vs. MCI Telecommunications Corporation.**  
This decision dismisses the complaint for failure to state a cause of action. This proceeding is closed.  
(Com Duque - ALJ McVicar)  
(Section 311(g))
- CA-5            A96-07-001 - Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (Edison).**  
For ex parte interim approval of a loan guarantee and trust mechanism to fund the development of an Independent System Operator (ISO) and a Power Exchange (PX) pursuant to D95-12-063, et al. This decision closes this proceeding and requires PG&E, SDG&E, and Edison to file new applications for winding down the ISO Restructuring Trust and PX Restructuring Trust. This proceeding is closed.  
(Com Duque - ALJ Minkin)  
(Section 311(g))
- CA-6            A98-12-026 - Roseville Telephone Company (Roseville).**  
The application is dismissed. Roseville shall continue to use current depreciation rates. Roseville shall file its next depreciation rate review application on the schedule set forth in the order unless such filing requirement is removed as a result of the recently filed new regulatory framework review proceeding. This proceeding is closed.  
(Com Neeper - ALJ Mattson)  
(Section 311(g))

- CA-7**            **C97-09-054 - Robert W. Merwin, et al. vs. Citizens Communications.**  
This decision directs the establishment of extended toll-free calling from the Courtland/Clarksbug exchange (744 and 775 prefixes) to the Main District Area of the Sacramento exchange. Residential subscribers with these prefixes will pay \$2.10 a month more and businesses \$6.35 a month more for this extended service. This proceeding is closed.  
(Com Duque - ALJ Walker)  
(Section 311(g))
- CA-8**            **A99-01-001 - Pacific Gas and Electric Company (PG&E).**  
PG&E seeks an exemption from requirements of the Public Utilities (Pub. Util.) Code covering sale of utility assets in 73 sales agreements with individual customers that PG&E entered into between 1985 and 1991. PG&E states that, because of the nature of the agreements, it was under the mistaken impression that sales provisions of the Pub. Util. 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 one party. This decision reviews and approves the agreements at issue. This proceeding is closed.  
(Com Neeper - ALJ Walker)  
(Section 311(g))
- CA-9**            **A98-11-017 - Pacific Bell (Pacific).**  
This decision dismisses, at Pacific's request, its application for authority to lease unused space. This decision requires that future applications to lease space to affiliates clearly identify proposed leases of space at central office locations. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))

- CA-10           A98-09-001 - Xpress Management Systems, LLC (Xpress).**  
This decision grants interim passenger stage corporation operating authority to Xpress to provide on-call, door-to-door service to transport passengers and their baggage between points in Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties and Los Angeles International Airport.  
(Com Duque - ALJ Bushey)  
(Section 311(g))
- CA-11           A98-07-043 - Rideshare Port Management, L.L.C., dba Prime Time Shuttle (Rideshare).**  
This decision grants Rideshare's request for a certificate of public convenience and necessity to operate as a passenger stage corporation between Los Angeles International Airport and points in Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties. This decision also partially grants the applicant's request for relief from certain regulatory requirements. This proceeding is closed.  
(Com Duque - ALJ Bushey)  
(Section 311(g))
- CA-12           C98-09-020 - Greg Roberts vs. Pacific Bell and Southwestern Bell Corporation.**  
This decision dismisses complaint with prejudice. This proceeding is closed.  
(Com Neeper - ALJ Ryerson)  
(Section 311(g))
- CA-13           R93-09-026 - Order Instituting Rulemaking on the Commission's own motion to revise General Order (GO) 156.**  
This decision denies the request of Greenlining Institute (Greelining) for compensation for its contributions to D95-12-045, D98-11-030 and D98-12-048 in which we revised GO 156. GO 156 governs the utilities' programs to encourage the participation of women and minority-owned business enterprises in contracting. This decision denies compensation in this case because Greenlining failed to comply with the notice requirements of Section 1804(a). This proceeding is closed.  
(Com Neeper - ALJ Malcolm)  
(Section 311(g))

- CA-14            C98-06-016 - The Utility Consumer's Action Network (UCAN) vs. MCI Metro Access Transmission Services, Inc. (MCI Metro).**  
This decision finds that MCI Metro has agreed to make restitution on identified billing errors and has agreed to cooperate with UCAN and Consumer Services Division to resolve implementation issues. Proceeding concluded; compliance report to be filed. This proceeding is closed.  
(Com Neeper - ALJ Bushey)  
(Section 311(g))
- CA-15            C97-12-037 - Dirk Hughes-Hartogs, Thomas McWilliams vs. GTE California Incorporated.**  
This decision dismisses complaint for failure to meet the requirements of Public Utilities Code Section 1702 for a complaint challenging the reasonableness of rates. This proceeding is closed.  
(Com Duque - ALJ Bennett)  
(Section 311(g))
- CA-16            C98-03-008 - Michael Monasky, et al. vs. Citizens Communications.**  
This decision dismisses complaint for failure to allege a violation of Commission order or rule. This proceeding is closed.  
(Com Neeper - ALJ Bushey)  
(Section 311(g))
- CA-17            A99-02-006 - Yousif A. Ibrahim, dba Safety Airport Express.**  
This decision grants Yousif A. Ibrahim's request to operate as a passenger stage corporation between points in the Counties of San Francisco, Alameda and Contra Costa, and Oakland and San Francisco International Airports, and to establish a Zone of Rate Freedom. This proceeding is closed.  
(Exam Koss)  
(Section 311(g))

- CA-18      Res G-3253 - Southern California Gas Company (SoCalGas).**  
This resolution approves SoCalGas' request to amend its agreement with BC Gas Utility Ltd. to add another redelivery point and change redelivery nomination lead time.  
(Advice Letter 2773, filed December 23, 1998)  
(Section 311(g))
- CA-19      A98-12-019 - West San Martin Water Works, Inc.**  
For authority under Public Utilities Code Section 851 to sell a portion of its public utility water system in San Martin, Santa Clara County, to the San Martin County Water District. This decision grants application to sell the disputed 12 and 8-inch mains and to transfer the 10 customers involved. This proceeding is closed.  
(Com Duque - ALJ Division)
- CA-20      Res W-4143 - Rio Plaza Water Company.**  
This resolution authorizes an offset rate increase producing an additional annual revenue of \$4,736 or 3.76%.  
(Advice Letter 31-W, filed March 12, 1999)
- CA-21      A98-06-048 - San Diego Gas & Electric Company (SDG&E).**  
This decision approves the recovery of costs in SDG&E's Independent System Operator/Power Exchange Implementation Delay Memorandum Account in the amount of \$87,707,389, applicant having reduced its application request by \$2,006,080 as recommended by Office of Ratepayer Advocates. The reasonableness of SDG&E's nonprocurement gas system operations, Qualifying Facilities contract administration, and nuclear fuel expenditures as set forth in the application are approved. This proceeding is closed.  
(Com Duque - ALJ Wright)  
(Section 311(g))

**CA-22           A99-02-024 – Shell California Pipeline Company (Shell), Texaco California Pipelines Inc. (Texaco), Texaco California Pipeline Company LLC (Texaco California LLC) and Equilon California Pipeline Company LLC (ECPC).**

This decision grants the application, pursuant to Section 854 of the Public Utilities Code, to merge Shell into ECPC, Texaco into Texaco California LLC, and Texaco California LLC into ECPC, with the surviving entity ultimately being ECPC. This proceeding is closed.

(Com Neeper - ALJ Malcolm)

(Section 311(g))

**CA-23           C91-11-029 - Marie D. DeMascio vs. Kim M Mar, Mar’s Invesments, Inc., both dba Arrow Pines Mobile Home Estates and Southern California Edison Company (Edison).**

This complaint involves a dispute between a tenant of a mobile home park and the park owners, who are master-meter customers, about a rent surcharge that appears to relate to the provision of electric service. Under Public Utilities Code Section 739.5, master-meter customers purchase electricity at a discount but cannot charge their tenants more than the otherwise-applicable tariffed rate for service. The complainant claims that the rent surcharge was an extra charge for electric service that exceeded tariffed rates. In response to this complaint and others, the Commission initiated an investigation into the lawfulness of such a practice and into the Commission’s jurisdiction in this area. In D95-02-090, the Commission concluded that such a surcharge would be unlawful if it related to electric service and that the Commission was empowered to do something about it. In this decision, we approve a settlement resolving all outstanding issues in this complaint. As a result, all current and past tenants can be reimbursed, with interest, for any of the monthly surcharge payments of \$37.60 they may have made. In total, the owners of the mobile home park collected \$187,586.40 in such surcharges. Although Edison is named as a defendant, that company will have no responsibility to make refunds or take other actions under the settlement. This proceeding is closed.

(Com Neeper - ALJ Weissman)

(Section 311(g))



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- CA-24**      **C91-11-030 – Plyllis Klaus vs. Lonehill Manor Mobiles Estates, a general partnership, Dunex, Inc. a corporation and general partner, Alexander Alex, individually and as President of Dunex, Inc., all dba Lonehill Manor Mobile Estates, and Southern California Edison Company (Edison).**
- This complaint involves a dispute between a tenant of a mobile home park and the park owners, who are master-meter customers, about a rent surcharge that appears to relate to the provision of electric service. Under Public Utilities Code Section 739.5, master-meter customers purchase electricity at a discount but cannot charge their tenants more than the otherwise-applicable tariffed rate for service. The complainant claims that the rent surcharge was an extra charge for electric service that exceeded tariffed rates. In response to this complaint and others, the Commission initiated an investigation into the lawfulness of such a practice and into the Commission's jurisdiction in this area. In D95-02-090, the Commission concluded that such a surcharge would be unlawful if it related to electric service and that the Commission was empowered to do something about it. In this decision, we approve a settlement resolving all outstanding issues in this complaint. As a result, all current and past tenants can be reimbursed, with interest, for any of the monthly surcharge payments of \$1.08 they may have made. In total, the owners of the mobile home park collected \$17,107.20 in such surcharges. Although Edison is named as a defendant, that company will have no responsibility to make refunds or take other actions under the settlement. This proceeding is closed.  
(Com Neeper - ALJ Weissman)  
(Section 311(g))
- CA-25**      **A98-10-007 - CCCCA, Inc. dba Connect!.**
- For authority to operate as a resale provider of local exchange service. This decision grants the request for a certificate of public convenience and necessities to operate as a resale competitive local carrier. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))  
This revision was not listed on the agenda distributed to the public.
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- CA-26      Res E-3577 - San Diego Gas & Electric Company (SDG&E).**  
This resolution approves SDG&E's proposal to reallocate transmission rates subject to refund as a credit to the utility's transition cost balancing account. (Advice Letter 1115-E-A, filed August 25, 1998)  
(Section 311(g))
- CA-27      C98-04-019 - The Utility Reform Network and the Office of Ratepayer Advocates vs. Southern California Edison Company.**  
This decision extends the statutory time for resolving this complaint. The parties are waiting for the Commission to act on a related resolution which could moot the issues in this complaint.  
(Com Bilas - ALJ Barnett)  
(Section 311(g))
- CA-28      198-04-033 - Order Instituting Investigation on the Commission's own motion into the operations and practices of affiliated companies FutureNet, Inc. and FutureNet Online, Inc., dba Future Electric Networks, and individuals in control of operations: Alan Setlin and Larry Huff, Respondents.**  
This decision extends statutory deadline.  
(Com Neeper - ALJ Bushey)  
(Section 311(g))
- CA-29      R87-11-012 - Order Instituting Rulemaking to revise the time schedules for the rate case plan and fuel offset proceedings.**  
This decision dismisses Pacific Gas and Electric Company's petition to modify the rate case plan D89-01-040. This proceeding is closed.  
(Com Neeper - ALJ Stalder)  
(Section 311(g))

- CA-30           A98-07-019 - Southern California Edison Company (Edison).**  
This decision authorizes Edison to lease to Instant Storage available land on its Barre-Ellis transmission line right of way for the purpose of operating a self-storage facility. The revenue generated will be shared between ratepayers and shareholders. This proceeding is closed.  
(Com Neeper - ALJ Stalder)  
(Section 311(g))
- CA-31           A98-05-041 - San Diego Gas & Electric Company (SDG&E).**  
For authority to report assessments of materials and supplies inventories and to establish principles necessary to appraise retained assets. The Commission agrees that for purposes of calculating the competition transition charge, SDG&E's December 31, 1997, book value of its materials and supplies is equal to the market value of its inventory. This proceeding is closed.  
(Com Duque - ALJ Patrick)  
(Section 311(g))
- CA-32           Res W-4144 - Conlin Strawberry Water Company, Inc.**  
This resolution grants an interim general rate increase producing additional annual revenues of \$25,170 or 24.4% in 1999.

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## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

#### *ORDERS HELD OVER*

**NOTE:** Ex Parte Communications are prohibited on Items H-7, H-7a and H-7b from April 12, 1999 through April 22, 1999. (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 Neeper - 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; Agenda 3012, Item H-1, 3/18/99; Req - Commission)
- H-2**            **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 Duque - ALJ Walker)  
(Section 311(d))  
(Agenda 3012, Item 1, 3/18/99; Req - Commission)

**H-3 C98-09-025 - Sierra Club, Angeles Chapter vs. Valencia Water Company.**

**(Rev.)** This decision dismisses complaint. This proceeding is closed.  
(Com Duque - ALJ Bushey)  
(Agenda 3013, Item CA-7, 4/1/99; Req - Commission)  
This revision was not listed on the agenda distributed to the public.

**◆H-4 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; Agenda 3013, Item H-2, 4/1/99; Req - Commission)

**H-5            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;  
Agenda 3013, Item H-3, 4/1/99; Req - Commission)

**H-6 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 Neeper - 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; Agenda 3013, Item H-5, 4/1/99;

Req - Commission)

**H-6a ALTERNATE ORDER TO ITEM H-6.** This alternate order differs from the proposed decision on two issues. First, the liquid assets review is limited to the CARE program. Second, the post-enrollment verification process will be performed by the Low Income Governing Board (LIGB) for the CARE program and the Universal Lifeline Telephone Service Administrative Committee ULTS program. This proceeding is closed.

(Com Bilas)

**H-6b**            **ALTERNATE ORDER TO ITEM H-6.** This alternate order makes it clear that the level of a household's liquid assets is both a screening and qualifying criteria for participation in the CARE and ULTS programs. The alternate order confirms that oversight responsibility for these programs resides in the LIGB, the ULTS Administrative Committee (ULTSAC), and the Commission. It places responsibility for the implementation of a one-time verification programs with the LIGB and ULTSAC. It grants the LIGB and ULTSAC authority to conduct post-enrollment reviews and orders a one time LIGB and ULTSAC post-enrollment verification review to be conducted within two years of the effectiveness of this order. The alternate order permits, but does not require, telecommunications utilities to conduct post-enrollment verification reviews. This proceeding is closed.  
(Com Duque)

✓**H-7**            **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; Agenda 3013, Item H-6, 4/1/99; Req - Commission)

✓**H-7a**            **ALTERNATE ORDER TO ITEM H-7.** This alternate order adopts a rate indexing mechanism and adjusts the productivity and sharing mechanism. This proceeding is closed.  
(Com Bilas)  
(Agenda 3011, Item 2a, 3/4/99; Agenda 3012, Item H-9a, 3/18/99; Agenda 3013, Item H-6a, 4/1/99; Req - Commission)



- ✓**H-7b**      **ALTERNATE PAGES TO ITEM H-7.** These alternate pages to the ALJ's draft decision adopt a productivity stretch factor of .4% to .7%, ramped up over the term of the PBR mechanism.  
(Com Bilas)

- H-8**      **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. This proceeding is closed.  
(Com Neeper - ALJ Econome)  
(Section 311(d))  
(Agenda 3013, Item 2, 4/1/99; Req - Commission)

**H-8a**            **ALTERNATE PAGES TO ITEM H-8.** These alternate pages would have Energy Division conduct the compliance audit instead of Office of Ratepayer Advocates.  
(Com Neeper)

**H-9**            **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))  
(Agenda 3013, Item 5, 4/1/99; Req - Commission)

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**ORDERS**

**NOTE:** **Ex Parte Communications are prohibited on Items 1, 1a, 2, 2a, 2b, 5, 7, and 7a from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decisions are scheduled. (Rule 7(c)(4)).**

- ✓1 **A98-05-004 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish the eligibility and seek recovery of certain electric industry restructuring implementation costs as provided for in Public Utilities Code Section (Pub. Util. Code §) 376. A98-05-006, A98-05-015 - Related matters. This decision considers the Phase 1 issues related to restructuring implementation costs for Southern California Edison Company (Edison) to which Pub. Util. Code § 376 treatment applies. In Phase 1, we develop a set of principles or guidelines for considering program eligibility. The goal of these guidelines is to distinguish between those costs that can be properly classified as eligible for § 376 treatment and costs that are not so eligible. We also set forth cost causation and recovery principles for costs eligible for § 376 treatment. We find that the costs of programs to accommodate implementation of direct access, the Independent System Operator (ISO), and the Power Exchange (PX) that are eligible for § 376 treatment are the reasonable and necessary costs incurred for such programs as of December 31, 1998. We consider the costs incurred for start-up and development of the ISO and the PX reasonable, because these costs are established and approved by the Federal Energy Regulatory Commission. We also consider the costs incurred for the Consumer Education Program and the Electric Education Trust to be reasonable, because this funding has been pre-approved by prior Commission decisions. We direct Edison to file a new application to consider the reasonableness of all other eligible costs for 1997 and 1998. The principles set forth in this decision apply to Edison. The restructuring implementation costs incurred by PG&E and San Diego Gas & Electric Company are the subject of separate proposed settlement agreements and are addressed in an accompanying decision.  
(Com Bilas - ALJ Minkin)  
(Section 311(d))

- ✓1a      **ALTERNATE ORDER TO ITEM 1.** This alternate differs from the proposed decision in that it finds costs of developing market interface systems and certain billing systems modifications costs are eligible for Section 376 treatment. The alternate also allows Edison to request Section 376 treatment for eligible 1999 costs in a separate application, in addition to costs found eligible for 1997 and 1998.  
(Com Bilas)
- ✓2      **A98-05-004 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish the eligibility and seek recovery of certain electric industry restructuring implementation costs as provided for in Public Utilities Code Section (Pub. Util. Code §) 376. A98-05-006, A98-05-015 - Related matters. This decision considers the settlement proposals presented to us by PG&E and San Diego Gas & Electric Company (SDG&E) regarding issues related to restructuring implementation costs to which Pub. Util. Code § 376 treatment applies. In an accompanying decision in this docket, we have adopted a set of principles or guidelines for considering program eligibility for the implementation costs of Southern California Edison Company (Edison). The goal of these guidelines is to distinguish between those costs that can be properly classified as eligible for § 376 treatment and costs that are not so eligible. In that decision, we also set forth cost recovery principles for eligible costs. We find that the same principles that we have adopted for Edison should apply to PG&E and SDG&E. Because these guidelines have implications for approving the proposed settlement agreements of PG&E and SDG&E, we address the proposed settlements in this decision. We reject the proposed settlements, without prejudice, and order PG&E and SDG&E to either renegotiate the settlements based on the principles outlined herein or to request alternative relief, consistent with Rule 51.7.  
(Com Bilas - ALJ Minkin)  
(Section 311(d))

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- ✓2a      **ALTERNATE ORDER TO ITEM 2.** This decision rejects, without prejudice, the proposed settlements for PG&E and SDG&E because the same principles proposed for Edison should apply to PG&E and SDG&E. This alternate differs from the proposed decision because the alternate allows PG&E and SDG&E to request Section 376 treatment for 1999 eligible categories on a case by case basis. Eligible categories may include costs of developing market interface systems and certain billing systems modifications costs.  
(Com Bilas)
- ✓2b      **ALTERNATE ORDER TO ITEM 2.** This alternate order would approve the settlements for PG&E, and SDG&E.  
(Com Neeper)
- 3      **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 grants the December 14, 1998, petition of Southern California Edison Company (Edison) for modification of the Affiliate Transaction Rules under the terms set forth in this decision. This decision grants Edison and other utilities subject to the Affiliate Transaction Rules a limited exemption from the disclaimer requirement of Rule V.F.1 of the Affiliate Transaction Rules in the four limited situations described in this decision as set forth more fully below: (a) building signage; (b) company vehicles; (c) employee uniforms; and (d) installed equipment on customer premises.  
(Com Bilas - ALJ Econome)  
(Section 311(g))
- 4      **R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into compensation for local exchange service.** I95-04-044 - Related matter. This decision approves an area code overlay to relieve impending NXX code exhaust in the 650 area code, covering portions of San Mateo and Santa Clara Counties. The adopted schedule calls for mandatory 1+10-digit dialing in the 650 area code beginning on June 17, 2000, with the new overlay area code to be opened on September 16, 2000. A Public Education Plan is also mandated.  
(Com Duque - ALJ Pulsifer)  
(Section 311(g))

✓5

**A98-05-001 - Pacific Gas and Electric Company (PG&E).**

For approval of demand-side management (DSM) shareholder incentives for 1997 program year accomplishments and second claim for incentives for 1996 program year accomplishments. A98-05-005, A98-05-013, A98-05-018 - Related matters. This decision addresses the earnings claims of PG&E, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company, for DSM activities. During the course of this proceeding, the parties agreed on all earnings claims with the exception of PG&E's claim for its DSM contract with the National Park Service (NPS) in the Presidio. We find that PG&E's administration of the contract with NPS was unreasonable, and disallow all expenses and shareholder earnings associated with that contract. In particular, we find that PG&E should have known at the time it reviewed NPS' measurement and verification plan that the project would not be cost-effective due to dramatically declining occupancy at the Presidio. PG&E failed to approve the plan before authorizing installation of DSM measures, as required under the contract. We also adopt specific modifications to our measurement and evaluation protocols, as described in the decision.

These proceedings are closed.

(Com Neeper - ALJ Gottstein)

(Section 311(d))

6

**I87-11-033 - In the matter of alternative regulatory frameworks for local exchange carriers.**

Based on a recent decision of the United States Supreme Court and a subsequent order by the Federal Communications Commission (FCC), this decision directs Pacific Bell (Pacific) to provide intrastate dialing parity to its California subscribers. Pacific is directed to comply with the FCC order to implement dialing parity no later than May 7, 1999, unless otherwise ordered by the FCC. Pacific also is directed to comply promptly with the equal access and consumer notice requirements established by this Commission. This decision denies a petition to modify our 1997 order dealing with intrastate dialing parity.

(Com Neeper - ALJ Walker)

(Section 311(g))

✓7

**A98-05-019 - San Diego Gas & Electric Company (SDG&E).**

For authority to increase its authorized return on common equity, to adjust its existing ratemaking capital structure, to adjust its authorized embedded costs of debt and preferred stock, to decrease its overall rate of return, and to revise its electric distribution and gas rates accordingly, and for related substantive and procedural relief. A98-05-021, A98-05-024 - Related matters. This proceeding addresses rate of return issues for the stand-alone electric and gas operations of Pacific Gas and Electric Company (PG&E), SDG&E, and Southern California Edison Company (Edison). We hold that for the electric utilities the divestiture of generation and the Federal Energy Regulatory Commission's regulation of transmission have not altered traditional methods of determining return on equity. We find that there is no need to have either a discount or a premium adjustment to the utility distribution companies return on equity. We find that Edison's 1996 Performance Based Ratemaking (PBR) decision does not preclude its rate of return from being determined in this proceeding. We find the return on equity for all utilities to be 10.60%, for both electric and gas. We find the rate of return for the utilities to be: PG&E - 8.74%; SDG&E - 8.75%; Edison - 8.93%. These proceedings are closed.

(Com Duque - ALJ Barnett)

(Section 311(d))

✓7a

**ALTERNATE ORDER TO ITEM 7.** This alternate addresses rate of return issues for the electric and gas operations of PG&E, SDG&E, and Edison. We hold that for the electric utilities the unbundling of utility operations has not at this time altered traditional methods of determining return on equity. We find that no adjustment to the electric utility distribution company return on equity is needed as a result of unbundling. We find that Edison's 1996 PBR decision does not preclude its rate of return from being determined in this proceeding, however, because no adjustment in made as a result of unbundling, we will not disturb the operation of Edison's cost of capital trigger mechanism. We find the return on equity for PG&E and SDG&E to be 10.60% for both electric and gas, with no change in return on equity for Edison. These proceedings are closed.

(Com Duque)

- 8 C87-12-022 - Independent Energy Producers Association, California Manufacturers Association, Toward Utility Rate Normalization vs. Pacific Gas and Electric Company (PG&E).**  
This complaint seeks to have PG&E penalized for mailing three issues of the PG&E Progress newsletter (June, July and August 1987) with customers bills when the newsletters contained literature seeking to change federal legislation and regulations, all in violation of Public Utilities Code Section 453(d)(4). PG&E is found in violation and must refund \$920,000, which is 40% of the cost of postage for the three mailings. This proceeding is closed. (Com Duque - ALJ Barnett)  
(Section 311(g))



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**UTILITIES RESOLUTIONS**

***ENERGY MATTERS***

**E-1**            Not used

**E-2**            Not used

**E-3**            Not used

**E-4**            **Res E-3576 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), Southwest Gas Corporation (SW Gas), and Pacific Power & Light (PP&L).**

This resolution approves, as modified, request to revise tariffs to reflect line extension rules of electric and gas utilities as ordered in D97-12-098, D97-12-099 and D98-03-039.

(Advice Letters (AL) (PG&E) 2081-G/1765-E, filed May 11, 1998, AL (Edison) 1309-E, filed May 4, 1998, AL (SDG&E) 1092-E/1095-G, filed April 30, 1998, AL (SoCalGas) 2708-G, filed May 1, 1998, AL (SW Gas) 572-G, filed April 30, 1998, and AL (PP&L) 289-A, filed May 6, 1998) (Section 311(g))

**E-5**            **Res E-3596 - Pacific Gas and Electric Company (PG&E).**

This resolution approves PG&E's request to revise Form 01-6630, Energy Statement Central Mailing.

(Advice Letters (AL) 1697-E/2040-G, filed October 2, 1997, Supplement AL 1697-E-A/2040-G-A, filed June 9, 1998) (Section 311(g))

**TELECOMMUNICATIONS MATTERS**

**C-1 Res T-16278 - Pacific Bell (Pacific).**

This resolution grants Pacific's request to permanently close public offices located in Oakland and San Francisco (Mission Street), and to replace them with authorized payment locations.

(Advice Letters 19814 and 19918, filed November 9 and December 31, 1998, respectively)

(Section 311(g))

**C-2 Res T-16284 - GTE California, Incorporated (GTEC).**

This resolution grants GTEC's request to voluntarily waive the non-recurring installation charges for number changes for residential and business customers whose Calling Party Number Information might have been displayed without their knowledge when certain GTEC central offices were converted to Common Channel Signaling System 7. In addition, the affected customers will not be charged for GTEC operator intervention required to complete a call to a called party who has subscribed to Anonymous Call Rejection.

(Advice Letter 8960, filed February 8, 1999)

(Section 311(g))

**C-3 Res T-16276 - Roseville Telephone Company (Roseville).**

This resolution rejects Roseville's request for a promotional discount on installation of multiple access lines. Price floors and ceilings have not yet been established for these services and current Commission rules prohibit a new regulatory framework carrier from exercising pricing flexibility until it has done so.

(Advice Letter 423, filed August 27, 1998)

(Section 311(g))

**C-4            Res T-16217 - Pacific Bell (Pacific).**

This resolution rejects Pacific's request for approval of two promotional Primary Rate ISDN services, and for promotional discounts on installation of multiple access lines. Price floors and ceilings have not yet been established for these services and current Commission rules prohibit a new regulatory framework carrier from exercising pricing flexibility until it has done so.

(Advice Letters 19624, 19625, and 19626, filed August 13, 1998)  
(Section 311(g))

**C-5            Res T-16288 - Pacific Bell (Pacific).**

Pacific is seeking to establish a Nationwide Listing Service (NLS) whereby customers could request nationwide directory assistance by dialing 411. Pacific also requested that NLS be approved as a Category III Service with a maximum rate of \$1.10 and a current rate of \$0.95 per listing request even if the number were not found or unlisted. Protests were received from the County of Los Angeles, MCI Communications Corp., and The Utility Reform Network. Pacific responded to the protests. The protests are denied except to the extent that the issues have been addressed in this resolution. Pacific filed two supplements, one to change the categorization to above the line treatment and the second to make a minor text change to the proposed tariff.

(Advice Letters (AL) 19795, filed October 30, 1998, Supplement AL 19795A, filed November 23, 1998)  
(Section 311(g))

**C-5a            ALTERNATE RESOLUTION TO ITEM C-5.** This alternate resolution provides for an announcement for a period of 180 days to inform customers of the availability and charge for the NLS. This alternate resolution does not impose the requirement of an operator informing individual callers about the charge for the NLS.

**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; Agenda 3013, Item W-1, 4/1/99; Req - Commission)

**LEGAL DIVISION MATTERS**

**LEGISLATIVE MATTERS**

- HLEG-1**      **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; Agenda 3013, Item HLEG-3, 4/1/99; Req - Commission)
- HLEG-2**      **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.  
(Agenda 3013, Item LEG-1, 4/1/99; Req - Commission)
- HLEG-3**      **SB 640 (Perata)**, regarding settlements submitted by the Office of Ratepayer Advocates and the utility in application proceedings before the Commission.  
(Agenda 3013, Item LEG-4, 4/1/99; Req - Commission)
- HLEG-4**      **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.  
(Agenda 3013, Item LEG-7, 4/1/99; Req - Commission)
- HLEG-5**      **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.  
(Agenda 3013, Item LEG-9, 4/1/99; Req - Commission)

- HLEG-6**      **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.  
(Agenda 3013, Item LEG-10, 4/1/99; Req - Commission)
- HLEG-7**      **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.  
(Agenda 3013, Item LEG-11, 4/1/99; Req - Commission)
- HLEG-8**      **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.  
(Agenda 3013, Item LEG-12, 4/1/99; Req - Commission)
- HLEG-9**      **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.  
(Agenda 3013, Item LEG-14, 4/1/99; Req - Commission)

- HLEG-10**      **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.  
(Agenda 3013, Item LEG-15, 4/1/99; Req - Commission)
- HLEG-11**      **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.  
(Agenda 3013, Item LEG-16, 4/1/99; Req - Commission)
- LEG-1**            **AB 651 (Wright)**, to add Section 710 to the Public Utilities Code regarding telecommunications providers and private property agreements.
- LEG-2**            **SB 200 (O'Connell)**, to add Section 6903 to the Labor Code relating to employment: labor crews.

## **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). 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** - Disposes of applications for rehearing of D97-08-059 filed by MFS Intelnet of California Inc., AT&T Communications of California, Inc. and MCI Telecommunications Corp. (jointly), Business Telemanagement Inc. and Frontier Telemanagement Inc. (jointly). This decision addressed several outstanding issues concerning competitive retail telecommunications services offered by Pacific Bell and GTE California Inc., including additional retail services to be offered for resale, appropriate restrictions on the resale of services, and the extent to which wholesale discounts should apply to services subject to resale. (Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Agenda 3010, Item EX-7, 2/18/99; Agenda 3011, Item HEX-2, 3/4/99; Agenda 3012, Item HEX-1, 3/18/99; Req - Commission)

**HEX-2**            **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; Agenda 3013, Item HEX-1, 4/1/99; Req - Commission)

**HEX-3**            **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).)  
(Agenda 3013, Item EX-7, 4/1/99; 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 - Initiation of Enforcement Proceeding**  
Deliberation on institution of proceedings or disciplinary actions/against persons or entities under the Commission's jurisdiction. (Disclosure of case name would jeopardize the ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced.) (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)
- EX-5            Conference with Legal Counsel - Application for Rehearing**  
**A99-01-025, A97-03-004** - Disposes of application for rehearing by The Utility Reform Network of Resolution T-16260. This resolution approved Pacific Bell's methodology for reconciling its draw on the California High Cost Fund-B with the rate reductions ordered by the Commission in D98-07-033. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-6            Conference with Legal Counsel – Application for Rehearing**  
**C96-06-042** - Disposition of application for rehearing of D97-02-040 filed by San Martin County Water District. (Gov. Code Sec. 11126(e)(2)(B)(i).)

**EX-7**            **Conference With Legal Counsel - Initiation of Enforcement Proceeding**  
Deliberations on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced or would jeopardize the ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced.) (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)

**EX-8**            **Conference With Legal Counsel - Initiation of Enforcement Proceedings**  
Deliberation of institution of institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of case name would jeopardize the ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced, and disclosure of case name would fail to protect the private or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.) (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)

**EX-9**            **Conference With Legal Counsel - Initiation of Enforcement Proceedings**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.) (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(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            Conference With Legal Counsel - Existing Litigation**  
**FCC Docket No. 96-98** (Implementation of Local Competition Provisions  
of the Telecommunications Act of 1996). (Gov. Code Sec.  
11126(e)(2)(A).)

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