
Public Utilities Commission of the State of California

***Public Agenda 3015
Thursday, May 13, 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, May 10	Thursday, May 13
Monday, May 24	Thursday, May 27
Monday, June 7	Thursday, June 10
Monday, June 21	Thursday, June 24
Tuesday, July 6	Thursday, July 8

**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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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-18, CA-26, H-1, H-1a

CONSENT AGENDA

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

ORDERS AND RESOLUTIONS

NOTE: Ex Parte Communications are prohibited on Items CA-4, CA-21, 4, and 4a 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)).

CA-1 Res TL-18889 - 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-176-3015 - 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 A95-08-038 - San Jose Water Company (SJWC).**
For authority to increase rates charged for water service. The stipulation between SJWC, California Water Service Company, and the Large Water Branch is adopted. SJWC is ordered to reduce its ratebase by a net amount of \$1,784,510. SJWC is authorized to record in ratebase 10% of the pre-1996 capitalized interest during construction in the memorandum account ordered by D96-07-036. This proceeding is closed.
(Com Duque - ALJ Stalder)
(Section 311(d))
- ✓**CA-4 A98-04-065 - George W. Goldthorpe, general partner of the Goldthorpe Partnership.**
For an exemption from the moratorium on new water service connections in the Montara-Moss Beach District as set out in D86-05-078. The supply of water in this district continues to be inadequate, and the applicant has not justified an exception for the proposed construction. This decision denies the application. This proceeding is closed.
(Com Duque - ALJ Walker)
(Section 311(d))
- CA-5 I98-03-012 - Order Instituting Investigation on the Commission's own motion into the operations and practices of Mike Amos Galam, an individual dba Load, Lock N Roll.**
This decision modifies previously approved settlement agreement to prevent inadvertent extension of agreed probation period. This decision also approves revised settlement agreement. This proceeding is closed.
(Com Duque - ALJ Bennett)
(Section 311(g))

CA-6 R92-08-008 - Order Instituting Rulemaking on the Commission's own motion to adopt reporting requirements for electric, gas, and telephone utilities regarding their affiliate transactions.

This decision closes R92-08-008 by leaving in place on an interim basis the interim affiliate reporting requirements for electric, gas, and telephone utilities as set forth in D93-02-019, 48 CPUC2d 163, and as interpreted by subsequent Commission decisions and other types of Commission implementation (i.e., letters from the Executive Director). Because of many changes which have occurred since parties have filed comments on the interim rules for both the telecommunications and energy industries in terms of industry structure and substantive compliance requirements regarding affiliate transactions at the Commission, we do not believe it is prudent to adopt final affiliate reporting requirements in a General Order at this time. This proceeding is closed.

(Com Duque - ALJ Econome)

(Section 311(g))

CA-7 C98-09-011 - Ralph Azevedo, Ronald Azevedo, and Albert Ferari vs. Union Pacific Railroad Company and California Northern Railroad Company.

This decision grants motion to dismiss due to lack of jurisdiction but notes continuing jurisdiction for public safety purposes. This proceeding is closed.

(Com Neeper - ALJ Bushey)

(Section 311(g))

CA-8 R95-01-020 - Rulemaking on the Commission's own motion into universal service and to comply with the mandates of AB 3643.

I95-01-021 - Related matter. This decision on rehearing orders carriers to remit to the California High Cost Fund-B (CHCF-B) and California Teleconnect Fund (CTF) any interest the carriers earned on CHCF-B and CTF surcharge revenues prior to the effective date of D98-01-023. This decision also instructs the Executive Director to serve a copy of this decision on all telecommunications carriers.

(Com Neeper - ALJ Kenney)

(Section 311(g))

- CA-9 A93-12-017 - Southern California Gas Company (SoCalGas).**
For authority to implement peaking service rates. This decision grants The Utility Reform Network an award of \$7,880.00 in compensation for contributions to D95-07-046. That decision adopted a residual local service or “peaking” rate for SoCalGas. This proceeding is closed.
(Com Duque - ALJ Malcom)
(Section 311(g))
- CA-10 Res T-16279 - Amer-I-Net Services Corp.**
This resolution revokes the certificate of public convenience and necessity as requested by Amer-I-Net Services Corp.
(Section 311(g))
- CA-11 Res T-16282 - L.D. Network.**
This resolution revokes the certificate of public convenience and necessity as requested by L.D. Network.
(Section 311(g))
- CA-12 Res T-16283 - CellToll Corporation.**
This resolution revokes the certificate of public convenience and necessity as requested by CellToll Corporation.
(Section 311(g))
- CA-13 Res T-16286 - USX Consultants, Inc.**
This resolution revokes the certificate of public convenience and necessity as requested by USX Consultants, Inc.
(Section 311(g))
- CA-14 Res T-16287 - One Step Billing, Inc.**
This resolution revokes the certificate of public convenience and necessity as requested by One Step Billing, Inc.
(Section 311(g))

- CA-15 Res T-16293 - Communication Service of America, Inc.**
This resolution revokes the certificate of public convenience and necessity as requested by Communication Service of America, Inc.
(Section 311(g))
- CA-16 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 lifts the previously authorized freeze of NXX codes in the 310 Number Planning Area pursuant to D98-05-021, and directs the NXX lottery to go forward as scheduled for May 19, 1999. The freeze is determined to be unnecessary in view of updated NXX code availability information.
(Com Duque - ALJ Pulsifer)
(Section 311(g))
- CA-17 Res T-16296 - Convergent Communications, Inc.**
This resolution revokes certificate of public convenience and necessity held by Convergent Communications, Inc.
(Section 311(g))
- CA-18 (ECP) C99-03-018 - Christopher Douglas vs. Pacific Gas and Electric Company.**
This decision dismisses complaint upon request of parties after settlement reached at the expedited hearing. This proceeding is closed.
(Com Duque - ALJ Bennett)
- CA-19 I94-06-012 - Investigation on the Commission's own motion and order to show cause to determine if San Diego Gas and Electric Company should be held in violation of the Commission's General Order 95 for failure to have exercised reasonable tree trimming practices and procedure.**
This decision grants William P. Adams an award of \$36,535 and John Sevier an award of \$14,257 in compensation for their contributions to D97-10-056. This proceeding is closed.
(Com Duque - ALJ DeUlloa)
(Section 311(g))

- CA-20 Res E-3594 - Pacific Gas and Electric Company (PG&E), Pacific Bell (Pac Bell) and Century Communications (Century).**
This resolution approves PG&E's request to relocate five poles; Pac Bell's request to relocate two poles; and Century's request to relocate overhead.
(Section 311(g))
- ✓CA-21 A98-09-013 - California Water Service Company (CWS).**
For authority to increase rates charged for water service in the East Los Angeles District. A98-09-014, A98-09-015, A98-09-016 - Related matters. This decision grants the motion of CWS and the Water Division's Ratepayer Representative Branch for adoption of their settlement of all issues pending in the general rate case applications for the Bear Gulch, East Los Angeles, Hermosa-Redondo, and Visalia districts. These proceedings are closed.
(Com Duque - ALJ Vieth)
(Section 311(d))
- CA-22 A97-03-015 - Southern California Gas Company (SoCalGas).**
For approval of a long term gas transmission service contract with Distribuidora de Gas Natural de Mexicali, S. de R.L. de C.V. This decision grants The Utility Reform Network an award of \$12,375.66 in compensation for contributions to D98-12-024. That decision addressed the application of SoCalGas for approval of a long-term contract offering distribution service in Mexicali, Mexico. This proceeding is closed.
(Com Bilas - ALJ Malcolm)
(Section 311(g))
- CA-23 A98-07-007 - Pacific Gas and Electric Company.**
For authority to construct the Northeast San Jose Transmission Reinforcement Project. This decision dismisses the application without prejudice at the request of PG&E, and closes the docket. This proceeding is closed.
(Com Duque - ALJ Gottstein)
(Section 311(g))

- CA-24 Res E-3602 - Pacific Gas and Electric Company (PG&E).**
This resolution approves PG&E's request for a deviation from the undergrounding requirements of Public Utilities Code Section 320 at Ledson Winery. The proposed site is along a portion of scenic Highway 12 in Sonoma County.
(Section 311(g))
- CA-25 Res W-4145 - Southern California Water Company (SCWC).**
This resolution grants SCWC's request for an offset decrease in rates of \$283,637 or 5.7% and a refund of the excess in its balancing account of \$695,955.
(Advice Letter 1041-W, filed October 1, 1998)
- CA-26 (ECP) C99-01-040 - Rodney George vs. Sprint PCS.**
This decision orders Sprint PCS to provide cellular telephone service to Rodney George on the terms and conditions which it offered and which were accepted by its customer. This proceeding is closed.
(Com Neeper - ALJ Wright)
- CA-27 Moved to item 10 on the agenda.**
This revision was not listed on the agenda distributed to the public.
- CA-28 Res T-16298 - GTE California (GTEC).**
This resolution approves a Paging Interconnection Agreement between GTEC and Network Services, L.L.C., submitted under provisions of Resolution ALJ-174, and General Order 96-A.
(Advice Letter 8969, filed February 18, 1999)
(Section 311(g))

- CA-29** **A98-12-037 - Williams Communications, Inc. dba Vyvx, Inc.**
This interim decision grants applicant a certificate of public convenience and necessity to operate as an interexchange service reseller. Applicant's proposed construction is under California Environmental Quality Act (CEQA) review. Facilities-based authorization will be addressed in a subsequent decision after the CEQA review is completed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-30** **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))
(Agenda 3014, Item CA-23, 4/22/99; Req - Commission)

CA-31 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))

(Agenda 3014, Item CA-24, 4/22/99; Req - Commission)

CA-32 A98-02-002 - PacifiCorp.

For a limited exemption from affiliate transaction rules. This decision addresses PacifiCorp's motion to withdraw its application. This decision treats Pacific Corp's motion as a motion to dismiss the application without prejudice and grants the motion. This proceeding is closed.

(Com Bilas - ALJ Econome)

(Section 311(g))

- CA-33 Res W-4146 - Cazadero Water Company.**
This resolution grants a general rate increase producing \$7,400 or 30.1% additional annual revenue.
- CA-34 A99-03-023 - Park Water Company (Park Water).**
This decision grants Park Water's request to issue its First Mortgage Bonds in the aggregate principal amount not to exceed \$10,000,000. This proceeding is closed.
(Exam Evans)
- CA-35 Res T-16297 - Pacific Bell (Pacific).**
This resolution approves two Interconnection Agreements between Pacific and Tesco (U-5956-C), and between Pacific and MediaOne Telecommunications of California, Inc. (U-5549-C), submitted under provisions of Resolution ALJ-174, and G.O. 96-A.
(Advice Letters 20077, 20109, filed March 2, and March 24, 1999, respectively)
(Section 311(g))
- CA-36 Res T-16299 - GTE California (GTEC).**
This resolution approves an Interconnection Agreement between GTEC and Level 3 Communications, L.L.C. (U-5941-C), submitted under provisions of Resolution ALJ-174, General Order 96-A.
(Advice Letter 8999, filed March 30, 1999)
(Section 311(g))
- CA-37 C93-07-046 - Utility Audit Company vs. Southern California Gas Company.**
C94-02-009 - Related matter. This decision grants Utility Audit Company, Inc.'s motion to dismiss the complaint cases with prejudice. These proceedings are closed.
(Com Bilas - ALJ Econome)
(Section 311(g))

- CA-38 A99-03-035 - Pacific Gas and Electric Company, City of Bakersfield, Bay Area Senior Services dba Peninsula Regent, Ernest Tschannen dba Sequioia Towers, and I.B.A.M. dba In Motion Fitness.**
This decision approves the request for exemption from competition transition charges. This proceeding is closed.
(Com Duque - ALJ Bytof)
(Section 311(g))
- CA-39 A99-02-014 - Affinity Network Incorporated.**
This decision grants Affinity Network Incorporated a certificate of public convenience and necessity to resell local exchange service. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-40 Res E-3598 - Pacific Bell (Pac Bell).**
This resolution approves Pac Bell's request for a deviation from California Public Utilities Code Section 320 in Sierra County to maintain and upgrade existing overhead cables extending from Sierra City to approximately Carvin Creek. This site is within the Highway 49 Scenic Corridor.
(Section 311(g))
- CA-41 Res W-4147 - Del Oro Water Company, Paradise Pines District (DOWCPP).**
This resolution grants DOWCPP's request for a 12-month surcharge producing an increase in revenue of \$116,403 or 10.43% to offset costs of purchased water.
(Advice Letter 83, filed December 28, 1998)

- CA-42 Res W-4148 - Alisal Water Corporation (AWC).**
This resolution grants AWC's request to acquire the new Moss Landing Heights Water Association Water System.
(Advice Letter 77, filed December 24, 1998)
- CA-43 Res TL-18891 - Econo-Ride Enterprises, Inc.**
This resolution grants Econo-Ride Enterprises, Inc.'s request for voluntary suspension of its certificate of public convenience and necessity .
(Section 311(g))
- CA-44 A98-12-024 - Mohave Cooperative Services, Inc.**
This decision grants a certificate of public convenience and necessity to provide resold local and interexchange telecommunications services. This decision also exempts the utility from filing interexchange tariffs. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-45 A99-03-001 - Catalina Explorer Co., Inc. (Explorer).**
For authority to amend certificate of public convenience and necessity (CPCN) and to extend operating authority to include the transportation of persons and baggage by vessel between Dana Point, Newport Harbor, Long Beach, and Redondo Beach, on the one hand and all points and places on Santa Catalina Island on the other hand. This decision grants Explorer's request to amend its CPCN subject to conditions concerning the establishment of local docking and parking arrangements. This proceeding is closed.
(Com Neeper - ALJ Ryerson)
(Section 311(g))

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

NOTE: Ex Parte Communications are prohibited on Items H-3, H-3a, H-3b, H-7, H-8, H-8a and H-8b from May 10, 1999 through May 13, 1999. (Rev.) (Rule 7(c)(4)).

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

- ◆**H-1** **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; Agenda 3014, Item H-4, 4/22/99; Req-Commission)
- ◆**H-1a** **ALTERNATE ORDER TO ITEM H-1.** This order denies the appeal of the Presiding Officer's Decision by the Consumer Services Division and dismisses the complaint on the grounds of mootness.
(Com Bilas)

H-2 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; Agenda 3014, Item H-6, 4/22/99; Req-Commission)

H-2a ALTERNATE ORDER TO ITEM H-2. 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)

(Agenda 3014, Item H-6a, 4/22/99; Req-Commission)

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- H-2b** **ALTERNATE ORDER TO ITEM H-2.** 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)
(Agenda 3014, Item H-6b, 4/22/99; Req-Commission)
- ✓**H-3** **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; Agenda 3014, Item H-7, 4/22/99; Req-Commission)
- ✓**H-3a** **ALTERNATE ORDER TO ITEM H-3.** 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; Agenda 3014, Item H-7a, 4/22/99; Req-Commission)

- ✓**H-3b** **ALTERNATE PAGES TO ITEM H-3.** 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)
(Agenda 3014, Item H-7b, 4/22/99; Req- Commission)

- H-4** **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; Agenda 3014, Item H-9, 4/22/99;
Req - Commission)

H-5**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.

(Rev.)

The Commission's President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced "quiet time" (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).

(Com Bilas - ALJ Minkin)

(Section 311(d))

(Agenda 3014, Item 1, 4/22/99; Req - Commission)

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

H-5a **ALTERNATE ORDER TO ITEM H-5.** 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.

(Rev.) **The Commission's President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced "quiet time" (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).**

(Com Bilas)

(Agenda 3014, Item 1a, 4/22/99; Req - Commission)

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

H-6**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.

(Rev.)

The Commission's President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced "quiet time" (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).

(Com Bilas - ALJ Minkin)

(Section 311(d))

(Agenda 3014, Item 2, 4/22/99; Req - Commission)

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

H-6a **ALTERNATE ORDER TO ITEM H-6.** 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.

(Rev.) **The Commission’s President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced “quiet time” (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).**

(Com Bilas)

(Agenda 3014, Item 2a, 4/22/99; Req - Commission)

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

H-6b **ALTERNATE ORDER TO ITEM H-6.** This alternate order would approve the settlements for PG&E, and SDG&E.

(Rev.) **The Commission’s President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced “quiet time” (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).**

(Com Neeper)

(Agenda 3014, Item 2b, 4/22/99; Req - Commission)

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

✓H-7**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))

(Agenda 3014, Item 5, 4/22/99; Req - Commission)

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- ✓**H-8** **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))
(Agenda 3014, Item 7, 4/22/99; Req - Commission)
- ✓**H-8a** **ALTERNATE ORDER TO ITEM H-8.** 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)
(Agenda 3014, Item 7a, 4/22/99; Req - Commission)

- ✓**H-8b** **ALTERNTE ORDER TO ITEM H-8.** This alternate order adjusts the return on equity (ROE) for PG&E and SDG&E, but does not require a change in ROE for Edison. These proceedings are closed.
(Com Bilas)
This item was not listed on the agenda distributed to the public.

- H-9** **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))
(Agenda 3014, Item 8, 4/22/99; Req - Commission)

ORDERS

- 1 A97-09-031 - David Regwan dba Prime Time Shuttle of Ventura Orange and Los Angeles Counties and AMRAT, Inc.**
For authority to transfer passenger stage certificate granted by D90-03-066 in A89-08-029, pursuant to Sections 854 and 1036(b) of the California Public Utilities Code and establish a zone of rate freedom. This decision grants requested transfer of passenger stage authority upon specific conditions. This proceeding is closed.
(Com Duque - ALJ Bennett)
(Section 311(d))

- 2 R94-04-031 - Order Instituting Rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.**
This decision adopts the permanent standards for proof of financial viability and technical and operational ability which were first proposed in D98-03-072. Modifications to D98-03-072 have also been adopted with respect to the notice required by Public Utilities Code Section 394.5, the right to cancel provision, and when a direct access service request may be submitted. D97-05-040 is also modified to extend the monthly reporting by the utility distribution companies of direct access activities. This decision also directs all electric service providers operating in California to complete an assessment of each company's Year 2000 readiness or compliance.
(Com Neeper - ALJ Wong)
(Section 311(g))

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- 3** **A98-07-006 - San Diego Gas & Electric Company (SDG&E).**
 For approval of consolidated changes in 1999 authorized revenue and revised rate components; the Competition Transition Charge rate component and associated headroom calculations; RGTCOMA balances; Power Exchange credit computations; disposition of various balancing/memorandum accounts; and electric revenue allocation and rate design changes. A98-07-003, A98-07-026 - Related matters.
- (Rev.)** This decision resolves issues raised in the first revenue allocation proceeding for Pacific Gas and Electric Company, Southern California Edison Company, and SDG&E. The purpose of the proceeding is to review entries to electric utility accounts which have been established to effect the provisions of AB 1890 and previous Commission orders in pursuit of promoting competition in electric generation markets. These proceedings are closed.
- The Commission’s President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, the previously announced “quiet time” (5/10 - 5/13/99) does not apply (Public Utilities Code Section 1701.3(c)).**
 (Com Bilas - ALJ Malcolm)
 (Section 311(d))
This revision was not listed on the agenda distributed to the public.
- ✓4** **A98-02-017 - Pacific Bell.**
 For authority to categorize Business Inside Wire Repair (BIWR), Interexchange Carrier Directory Assistance (IECDA), Operator Assistance Service and Inmate Call Control Service as Category III services. A98-04-048 - Related matter. This decision authorizes Pacific Bell to re-classify its IECDA and certain Operator Assistance Billing Alternatives (OASBA) services from Category II to Category III. The re-classified OASBA services are credit calling card, collect calls, bill-to-third number, and person-to-person service. Pacific Bell is also authorized to increase its IECDA ceiling rate to \$0.39 and its residential WirePro plan to \$1.00. We deny Pacific Bell’s request to re-classify its BIWR and Residential Inside Wire Repair (RIWR) services from Category II to Category III. We also deny Pacific Bell’s request to increase the ceiling rates for its OASBA and BIWR services. We also require Pacific Bell to discontinue its practice of bundling its WirePro Plus plan with its residential WirePro plan unless the services are clearly explained to its customers. These proceedings are closed.
 (Com Duque - ALJ Galvin)
 (Section 311(d))
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- ✓4a **ALTERNATE ORDER TO ITEM 4.** This alternate authorizes Pacific Bell to re-classify its IECDA, certain OASBA, BIWR and RIWR services from Category II to Category III. This alternate also authorizes Pacific Bell to increase its ceiling rate for IECDA to \$.39, for business WirePro to \$1.90 per month, and for residential WirePro \$1.20 per month. We deny Pacific Bell's request to increase the ceiling rates for its OASBA and BIWR services (other than business WirePro). We also require Pacific Bell to explain clearly that customers can choose between the residential WirePro plan and the residential WirePro Plus plan. These proceedings are closed. (Com Duque)
- 5 **A96-12-009 - Pacific Gas and Electric Company (PG&E).**
For authority to identify and separate components of electric rates, effective January 1, 1998. A96-12-011, A96-12-019 - Related matters.
This decision addresses operational problems on the billing system of PG&E. We find that PG&E has failed to maintain its billing system in ways that would accommodate changes in the electric industry and our regulatory programs. We defer issues relating to whether PG&E mismanagement of its system was unreasonable and whether PG&E should be fined or otherwise penalized. We grant PG&E's pending petition to modify D97-08-056 and D98-03-050 to permit PG&E to delay implementation of certain billing requirements.
(Com Duque - ALJ Malcolm)
(Section 311(d))
- 6 **A96-12-047 - GTE Communications Corporation.**
For authority to expand its certificate of public convenience and necessity to include provisions of facilities-based local exchange service. This decision grants, with limitation, GTE Communications Corporation's request that the Commission modify D97-11-028 to authorize it to provide interLocal Access and Transport Area (LATA) and intraLATA telecommunications services as a facilities-based carrier throughout California. GTE Communications Corporation is not authorized to construct intraLATA transmission and end-office-switching facilities in GTE Card Services Incorporated's franchise territory without further Commission approval. This proceeding is closed.
(Com Duque - ALJ Reed)
(Section 311(g))

- ◆7 **C98-05-055 - Richard Minetto (complainant) vs. Sierra Pacific Power Company (SPP) and Sierra Pacific Energy Company (SPE).**
This decision involves SPP using its own employees to operate an electric service provider SPE in violation of our affiliate transaction rules. The complainant is a former employee of SPP and did work for SPE while on SPP's payroll. Held: The utility violated the affiliate transaction rules and is ordered to refund \$50,000 to ratepayers because it used ratepayer funds to pay SPE's costs. This proceeding is closed.
(Com Neeper - ALJ Barnett)
- ◆8 **C98-03-049 - Leo Ferrick, on behalf of the Laguna Shores Vacation Plan Owners Association vs. GTE California Incorporated (GTE).**
This decision denies GTE's appeal of the Administrative Law Judge's Presiding Officer's Decision. This decision also grants relief sought by Laguna Shores. This proceeding is closed.
(Com Neeper - ALJ DeUlloa)
- 9 **A99-02-029 - San Diego Gas & Electric Company (SDG&E).**
For authority to inform the Commission of the Probable Timing of the End of its electric rate freeze, to change electric rates through implementation of interim ratemaking mechanisms concurrent with termination of the electric rate freeze, and to change electric rates by adding new, and revising or terminating existing, rate and revenue mechanisms and rate designs.
A99-01-019, A99-01-034, A99-02-029 - Related matters.
This decision approves a settlement filed in this proceeding of April 15, 1999 which establishes accounting, ratemaking, and customer information requirements for SDG&E in ending the transition period enacted by Assembly Bill (AB) 1890. The end of SDG&E's transition period signifies that SDG&E has recovered all uneconomic generation costs subject to AB 1890's provisions and, also pursuant to AB 1890, removes the requirement that SDG&E's rates be frozen at levels in effect on June 10, 1996. SDG&E estimates that generation-related transition costs will be recorded on or about July 1, 1999.
(Com Duque - ALJ Malcolm)
(Section 311(g))

- 9a** **ALTERNATE ORDER TO ITEM 9.** This alternate requires two modifications to the all party settlement: (1) to provide for a one for one offset to the trust transfer amount using rate reduction bond proceeds, and (2) to end the rate freeze when the transition cost balancing account has a month-end zero or positive balance including any entries due to the undercollection or overcollection of the Power Exchange billing lag.
(Com Duque)
This item was not listed on the agenda distributed to the public.

- 10** **A99-03-002 - Pacific Gas and Electric Company (PG&E).**
This decision confirms Dewitt F. Bowman's nomination to serve on the committee of PG&E's Nuclear Decommissioning Trust Funds. This proceeding is closed.
(Rev.) (Exam Clanon)
 (Section 311(g))
This revision was not listed on the agenda distributed to the public.
This item appeared as CA-27 on the agenda distributed to the public.

UTILITIES RESOLUTIONS**ENERGY MATTERS**

- E-1 Res E-3595 - Pacific Gas and Electric Company (PG&E).**
This resolution approves as modified PG&E's request to revise Schedule S- Standby Service, and Standard Form 79-285 - Agreement for Electrical Standby Service to remove the requirement that PG&E provide standby service to customer that take regular service from another public utility. (Advice Letter 1845-E, filed January 28, 1999)
(Section 311(g))
- E-2 Res E-3599 - Southern California Water Company (SCWC) dba Bear Valley Electric District.**
This resolution denies SCWC's request to revise its electric tariff sheets applicable to its Bear Valley Electric District in order to eliminate the purchased power balancing account negative amortization rate. (Advice Letter 179-E, filed July 28, 1998)
(Section 311(g))
- E-3 Res E-3600 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), and San Diego Gas & Electric Company (SDG&E).**
This resolution approves with modification PG&E, Edison, and SDG&E's request for approval of revisions to electric tariffs, competition transition charge (CTC) responsibility, to clarify the CTC applicability for new or incremental customer load, where such load is being met through a direct transaction and the transaction does not otherwise require the use of the utility's transmission and distribution facilities. Specifically, revisions are made to clarify the requirements for new or incremental customer load to qualify for the CTC exemption in Public Utilities Code Section 369. (PG&E Advice Letter (AL) 1835-E, Edison AL 1359-E, both filed December 23, 1998, Edison Supplemental AL 1359-E-1, filed February 1, 1999, SDG&E AL 1142-E, filed December 28, 1998)
(Section 311(g))

- E-4 Res G-3254 - Southern California Gas Company (SoCalGas).**
This resolution approves SoCalGas's request to revise the interconnect charge memorandum account surcharge to amortize fully the recorded balance in the memorandum account over the next six months.
(Advice Letter 2763, filed November 20, 1998)
(Section 311(g))
- E-5 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))
(Agenda 3014, Item E-4, 4/22/99; Req - Commission)
- E-6 Res E-3607 - San Diego Gas & Electric Company (SDG&E).**
This resolution approves SDG&E's request for tariff revisions to the power exchange (PX) energy cost rate schedule. The revisions would permit SDG&E to increase the PX rate to offset the accumulated PX "billing lag" prior to the lifting of the rate freeze, and to make former direct access customers eligible for an increased PX credit.
(Advice Letter 1161-E, filed April 23, 1999)
(Section 311(g))

TELECOMMUNICATIONS MATTERS

- C-1 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))
(Agenda 3014, Item C-3, 4/22/99; Req - Commission)
- C-2 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))
(Agenda 3014, Item C-4, 4/22/99; 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; Agenda 3014, Item HLEG-1, 4/22/99; 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; Agenda 3014, Item HLEG-2, 4/22/99; Req - Commission)
- HLEG-3** **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; Agenda 3014, Item HLEG-4, 4/22/99; Req - Commission)
- HLEG-4** **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; Agenda 3014, Item HLEG-5, 4/22/99; Req - Commission)

- HLEG-5** **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; Agenda 3014, Item HLEG-6, 4/22/99; Req - Commission)
- HLEG-6** **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; Agenda 3014, Item HLEG-8, 4/22/99; Req - Commission)
- HLEG-7** **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; Agenda 3014, Item HLEG-10, 4/22/99; Req - Commission)
- HLEG-8** **AB 651 (Wright)**, to add Section 710 to the Public Utilities Code regarding telecommunications providers and private property agreements.
(Agenda 3014, Item LEG-1, 4/22/99; Req - Commission)

- LEG-1** **SB 177 (Peace)**, to add Sections 625 and 626 to, and to repeal and add Section 616 of the Public Utilities Code relating to public utilities: eminent domain.
- LEG-2** **SB 427 (Peace)**, to add Section 8037.5 to the Public Utilities Code relating to electrical corporations: tree trimming programs.
- LEG-3** **SB 913 (Baca)**, to add Section 6231.6 to the Public Utilities Code relating to natural gas pipelines: fees.
- LEG-4** **S. 765 (Collins)**, introduced in the United States Senate relating to area codes and the efficient allocation of telephone numbers.

COMMISSIONERS' REPORTS

Commissioner Duque

- Electric Matters
- Water Matters
- Administrative Matters

Commissioner Neeper

- Consumer Protection Matters
- Telecommunications Matters

President Bilas

- Natural Gas Matters
- Transportation Matters
- Strategic Planning Matters

EXECUTIVE DIRECTOR'S REPORT

Wesley M. Franklin, Executive Director

GENERAL COUNSEL'S REPORT

Peter Arth, Jr., General Counsel

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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**
R93-04-003, I93-04-002 - Order disposes of the applications of GTE California (GTE), of joint applicants MCI Telecommunications Corp/WorldCom Technologies/AT&T Communications; and of joint applicants Nextlink California/ ICG Telecommunications Group/California Cable Television Association for the rehearing of D98-12-079, whereby the Commission adopted forward-looking nonrecurring costs which reflect access to Pacific Bell's and GTE's networks using Operations Support System (OSS) gateways in the OSS/NRC phase of the OANAD proceeding. (Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3012, Item EX-5, 3/18/99; Req - Commission)
- HEX-2** **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).)
(Agenda 3014, Item EX-5, 4/22/99; 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**
C97-08-060 - Disposes of application for rehearing by Reba Edwards of D99-01-018 which dismissed the complaint by Reba Edwards against Pacific Bell Company for inadequate and unreasonable telephone service. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-5 Conference with Legal Counsel - Application for Rehearing**
A99-01-035 - Disposition of Application for Rehearing of Resolution T-16254 filed by Pacific Bell. In Resolution T-16254, the Commission rejected Advice Letter 19727 based on unknown potential impacts on ratepayers. Pacific Bell had filed Advice Letter 19727 to eliminate the reference “yellow pages included” contained in Schedule Cal. P.U.C. No. A5, Exchange Services, 5.7 Directory Services, 5.7.3 Foreign Telephone Directory Service. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-6 Conference with Legal Counsel - Application for Rehearing**
(Rev.) A98-10-024 - Disposition of Application for Rehearing of Resolution T-16191 filed by The California Telecommunications Coalition. The resolution approved Pacific’s request to provide ADSL Service. (Gov. Code Sec. 11126(e)(2)(B)(i).)
This revision was not listed on the agenda distributed to the public.

EX-7 **Conference with Legal Counsel - Application for Rehearing**
C98-02-020 - Disposes of Application for Rehearing of D98-12-023 filed by Pacific Bell. D98-12-023 grants Irvine Apartment Communities, Inc., (IAC) and Cox California Telecom, Inc.'s complaint against Pacific Bell for refusing to reconfigure certain network cable in responses to IAC's request. Also disposes of Optel Telecom, Inc.'s Petition to Intervene in the proceeding. (Gov. Code Sec. 11126(e)(2)(B)(i).)

EX-8 **Conference with Legal Counsel - Application for Rehearing**
C97-04-025 - Disposes of Application for Rehearing by ARCO Products Company, Mobil Oil Corporation, and Texaco Refining and Marketing, Inc. of D98-08-033, which dismissed the bulk of a complaint challenging the reasonableness of the rates of SFPP, L.P. and ordered SFPP to file tariffs for its Watson Station facilities. (Gov. Code Sec. 11126(e)(2)(B)(i).)

EX-9 **Conference with Legal Counsel - Initiation of Enforcement Proceedings**
I _____ - Order to show cause why the Burlington Northern Santa Fe Railway Company and the Union Pacific Railroad Company should not be ordered to comply with California Labor Code Section 6906. (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(1).)

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).)

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