# Public Utilities Commission of the State of California

Public Agenda 3016 Thursday, May 27, 1999, 10 a.m. San Francisco, California

> Commissioners Richard A. Bilas, President Henry M. Duque Josiah L. Neeper

For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.

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Ratesetting Deliberative Meeting*	Commission Meeting
Room 5305	Auditorium
(1:30 p.m.)	(10 a.m.)
Closed to the Public	Open to the Public
Monday, May 24	Thursday, May 27
Monday, June 7	Thursday, June 10
Monday, June 21	Thursday, June 24
Tuesday, July 6	Thursday, July 8
Monday, July 19	Thursday, July 22

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

\*Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered. A " $\checkmark$ " next to the date indicates that the meeting will be held. A " $\checkmark$ " next to the item number on the Agenda indicates that the matter will be considered during the Ratesetting Deliberative Meeting.

A " $\blacklozenge$ " next to the item number on the Agenda indicates that the matter may be considered during Closed Session pursuant to Public Utilities Code Section 1701.2(c); thereafter the Commissioners will reconvene in Public Session to vote on the item.

#### Matters of Public Interest

For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.

For further information contact the Public Advisor (415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



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

# **PUBLIC COMMENT**

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
- CA-15, 4, 6

# 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-18890 Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2 Res ALJ-176-3016 Ratification of preliminary determinations of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.
- CA-3 Res T-16289 AmeriVox. This resolution revokes the certificate of public convenience and necessity of AmeriVox, which has had authority to operate as a non-dominant interexchange carrier since October 20, 1993. (Section 311(g))
- CA-4 Res T-16290 UNITEC, Inc. This resolution revokes the certificate of public convenience and necessity of UNITEC, Inc., which has had authority to operate as a non-dominant inter-exchange carrier since March 9, 1994. (Section 311(g))

CA-5	<b>Res T-16291 - Communications for America, Inc.</b> This resolution revokes the certificate of public convenience and necessity of Communications for America, Inc., which has had authority to operate as a non-dominant inter-exchange carrier since May 25, 1994. (Section 311(g))
CA-6	<b>Res T-16292 - MultiMedia Telephone Service, Inc.</b> This resolution revokes the certificate of public convenience and necessity of MultiMedia Telephone Service, Inc., which has had authority to operate as a non-dominant inter-exchange carrier since January 19, 1994. (Section 311(g))
CA-7	<b>Res T-16285 - Global Telemedia, Inc.</b> This resolution revokes the certificate of public convenience and necessity held by Global Telemedia, Inc. (Section 311(g))
CA-8	<b>Res T-16295 - Clear network, Inc.</b> This resolution revokes the certificate of public convenience and necessity held by Clear Network, Inc. (Section 311(g))
CA-9	<b>Res T-16294 - Hospitality Communications Corporation, dba HCC Telemanagement.</b>

This resolution revokes the certificate of public convenience and necessity as requested by Hospitality Communications Corporation. (Section 311(g))

CA-10 R92-03-050 - Order Instituting Rulemaking on the Commission's own motion to consider the line extension rules of electric and gas utilities. Southern California Edison and Pacific Gas and Electric Company seek clarification as to whether any credits or debits realized under the bidding process allowed by the Applicant Design D97-12-099 should be subject to current ratemaking practices or subject to a separate ratemaking mechanism where the shareholders are at risk for any such debits or credits. This decision concludes that there is no record in this proceeding to support a change from current ratemaking practices. Accordingly, D97-12-099 is affirmed. (Com Duque - ALJ Patrick)

(Section 311(g))

CA-11 I97-04-046 - Order Instituting Investigation into the operations and practices of Future Telephone Communications and its president Manuel G. Zepeda, Jr., and vice president Carlos G. Zepeda. This decision revokes the certificate of Future Telephone Communications for charging consumers for long distance services without their agreement, charging rates not in a filed tariff, and failure to follow Commission orders. A fine is imposed. This proceeding is closed. (Com Bilas - ALJ Rosenthal) (Section 311(d))

## CA-12 A97-12-020 - Pacific Gas and Electric Company (PG&E).

For authority, among other things, to increase rates and charges for electric and gas service effective January 1, 1999. I97-11-026 - Related matter. This decision grants James Weil an award of \$4,936.17 in compensation for his contribution to D98-12-078. (Com Bilas - ALJ Biren)

(Section 311(g))

## CA-13 A98-10-026 - Pacific Gas and Electric Company.

For a permit to construct the Monta Vista/Wolfe/Stelling Looping Project pursuant to General Order 131-D. This decision approves Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no. (Com Neeper - ALJ Gottstein) (Rule 6.5(b)).

(Section 311(g))

## CA-14 A98-12-021 - Southern California Edison Company (Edison). For authority to terminate a negotiated power purchase agreement between Edison and O'Brien California Cogen Limited. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no. (Com Duque - ALJ Gottstein) (Rule 6.5(b)). (Section 311(g))

## CA-15 C98-05-052 - Dagwani "Dag" Andom, et al. vs. Southwest Gas Corporation (SW Gas).

This decision finds that complainants did not meet their burden of proof in demonstrating that the gas rates of SW Gas in the Victorville area are unreasonable and not affordable. The complaint is denied. This proceeding is closed.

(Com Duque - ALJ Stalder) (Section 311(g))

CA-16 I96-02-043 - Investigation on the Commission's own motion into the operations, practices, and conduct of Communication Telesystems International and Edward S. Soren, President of Communication Telesystems International to determine whether they have complied with the laws, rules, regulations and applicable tariff provisions governing the manner in which California consumers are switched from one long distance company to another, and other requirements for long distance carriers.

This decision approves settlement agreement which stipulates amount of reparations checks.

(Com Neeper - ALJ Bushey) (Section 311(g))

## CA-17 A97-06-011 - CABAC, Inc.

For authority to operate as a on-call Passenger Stage Corporation pursuant to Section 1031 of the California Public Utilities Code between points in Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties and International Burbank, Long Beach, John Wayne and Ontario Airports, San Pedro Harbor, and the Los Angeles Amtrak Terminal, and for a zone of rate freedom for its tariff rates. This decision dismisses application due to applicant's failure to provide authorized representative to pursue the application. This proceeding is closed. (Com Neeper - ALJ Bennett) (Section 311(g))

## CA-18 Res SX-24 - Los Angeles County Metropolitan Transporation Authority (MTA).

This resolution authorizes MTA to deviate from the provisions of Section 6.7 of General Order 75-C to install only one flashing red light on the gate arms of gate-type signals for pedestrians at the at-grade crossings of Vernon Avenue, Gage Avenue, Florence Avenue, and 103<sup>rd</sup> Street at grade across MTA's and Union Pacific Railroad Company's tracks in Los Angeles, Los Angeles County. (Section 311(g))

## CA-19 A98-12-025 - Southern California Edison Company, and San Diego Gas & Electric Company.

For authority to set contribution levels for the companies' Nuclear Decommissioning Trust Funds and address other related decommissioning issues. This decision approves an unopposed settlement by all active parties of applicants' Nuclear Decommissioning Trust Fund contribution levels for the three-year period beginning January 1, 2000, and related matters. This proceeding is closed.

(Com Duque - ALJ O'Donnell) (Section 311(g)) CA-20 I84-10-009 - Investigation on the Commission's own motion into the rules, practices, and procedures of all telephone corporations, as listed in Appendix A attached to the OII, concerning disclosure of non-published telephone numbers and other subscriber information. The investigation into confidentiality and disclosure rules applicable to non-published numbers is dismissed as moot. This proceeding is closed. (Com Duque - ALJ Weismehl) (Section 311(g))

## CA-21 A99-03-030 - Prepaid Tel.com Inc.

This decision grants Prepaid Tel.com Inc. a certificate of public convenience and necessity to resell local and interexchange telecommunication services. This proceeding is closed. (Com Neeper - ALJ O'Donnell) (Section 311(g))

## CA-22 A98-09-012 - Apple Valley Ranchos Water Company (AVR).

For authority to transfer its Sewer Division to the Town of Apple Valley (Town). This decision accepts an all party settlement stipulation granting AVR authorization to sell its sewer system (acquired as part of the Jess Ranch acquisition) to the Town as final part of an exchange agreement encouraged by the Commission in D95-12-028 whereby AVR in turn acquired Town's small water system. The exchange allows both AVR and Town to achieve economies of scale beneficial to ratepayers. AVR is authorized to file an Advice Letter rolling over the final balance in its Sewer Capital Memo Account into its Production Cost Balancing Account, AVR will absorb the final balance in its Sewer Expense Maintenance Account Open. Phase 2 in A95-03-012 and this application (A98-09-012) are both closed.

(Com Neeper - ALJ Weiss)

## CA-23 A99-03-011 - DMJ Communications, Inc.

This decision grants a certificate of public convenience and necessities to operate as local exchange service reseller. This proceeding is closed. (Com Neeper - ALJ O'Donnell) (Section 311(g))

## CA-24 A98-12-021 - Southern California Edison Company (Edison).

This decision approves Edison's proposed buyout and termination of a 1985 power purchase agreement with O'Brien California Cogen Limited. Expected customer benefits from the buyout are \$13.7 million in net present value. This decision also finds the settlement embodied in the agreement to be reasonable. This proceeding is closed. (Com Duque - ALJ Gottstein) (Section 311(g))

## CA-25 A99-01-017 - Union Pacific Railroad Company (UP).

This decision grants UP's request to construct an industrial spur track crossing at-grade across East Long Beach Avenue, between 50<sup>th</sup> and 51<sup>st</sup> Streets, in the City of Los Angeles, Los Angeles County. This decision also grants its request to abandon two existing at-grade crossings of Alameda Street between 50<sup>th</sup> Street and Slauson Boulevard, in the City of Los Angeles, Los Angeles County. This proceeding is closed. (Exam Koss) (Section 311(g))

## CA-26 A99-01-004 - City of Hayward (City).

This decision grants City's request to construct a crossing at separated grades and an emergency vehicle access at grade crossing over the tracks of the Union Pacific Railroad, West of Hesperian Boulevard, south of Industrial Boulevard, and north of Old Alameda Creek, identified as Street A West, PUC Crossing 001L-23.70-A and EVA Crossing 001L-23.90, respectively. This proceeding is closed. (Exam Koss) (Section 311(g))

- **CA-27** A99-02-013 - Alameda Corridor Transportation Authority (ACTA). This decision grants ACTA's request to construct a two-track grade separation above the reconstructed intersection of Henry Ford Avenue with the on- and off-ramps of State Route (SR) 47 Freeway and above a Union Pacific Railroad Company's (UP) connecting track; to reconstruct the said intersection at-grade across a UP track and ACTA track number 3; to relocate the West Basin Lead Track across reconstructed and widened Henry Ford Avenue; and to construct a Transfer Yard Connecting track across Henry Ford Avenue, in the City of Los Angeles, Los Angeles County. This decision also grants ACTA's request to abandon three existing at-grade crossings at Henry Ford Avenue – SR 47 intersection across the tracks of UP's San Pedro Branch Line, in the City of Los Angeles, Los Angeles County. This proceeding is closed. (Exam Koss) (Section 311(g))
- CA-28 A99-02-031 Pacific Gas and Electric Company (PG&E) and the Cities of Monterey, Morgan Hill, and Watsonville. This decision authorizes PG&E to sell and convey streetlight systems in Monterey, Morgan Hill, and Watsonville to the cities in which they are located. This proceeding is closed. (Com Bilas - ALJ Wright) (Section 311(g))
- CA-29 Res E-3604 Pacific Gas and Electric Company (PG&E). This resolution approves with modification PG&E's request for a deviation from California Public Utilities Code Section 320 in Guernewood Park. PG&E is retroactively authorized to replace four poles and add a third conductor. (Section 311(g))

CA-30 Res SR-102 - Los Angeles County Transportation Authority (MTA). This resolution authorizes MTA to remove the Florence interlocking plant due to discontinuance of Union Pacific Railroad freight service on the affected industry spur tracks. (Exam Koss) (Section 311(g)) CA-31 Res W-4149 - Donner Lake Water Company (DLWC). This resolution grants DLWC a general rate increase producing \$62,039 or 17.27% additional annual revenue.

 CA-32 (I&S) C\_\_\_\_\_\_ - In the matter of the Investigation and Suspension on the Commission's own motion of the tariff filed by Advice Letter (AL)1831-E of Pacific Gas and Electric Company (PG&E).
 Order converting PG&E's AL 1831-E (proposing a new electric tariff applicable to the San Francisco Bay Area Rapid Transit District) into an investigation of the issues and suspending proposed tariff for 120 days.

CA-33 A99-03-015 - Interoute Telecommunications, Inc. (Interoute), and American International Telephone, Inc. (AIT).

> This decision grants the transfer of control of AIT, a certificated interexchange carrier, to Interoute through an acquisition of AIT's stock. This proceeding is closed. (Com Duque - ALJ Walker) (Section 311(g))

CA-34 Res T-16303 - Deaf and Disabled Telecommunications Program Administrative Committee (DDTPAC). This resolution approves the contract between the DDTPAC and Riptide Technologies, Inc. to provide a centralized database system.

(Section 311(g))

# CA-35 Res W-4150 - Del Oro Water Company (DOWC), Johnson Park District.

This resolution grants DOWC a general rate increase producing \$4,264 or 5.8% additional annual revenue.

## CA-36 Res W-4151 - Benbow Water Company, Inc. (BWC). This resolution grants BWC a general rate increase producing \$35,450 or 37.35% additional annual revenue.

#### CA-37 A99-03-006 - Mamdouh F. Hassan. This decision grants applicant's request to transfer its passenger stage certificate to California Airporter, Inc. and establish a Zone of Rate Freedom. This proceeding is closed. (Com Bilas - ALJ Rosenthal) (Section 311(g))

## CA-38 A97-03-007 - Island Boat Service.

For a certificate of public convenience and necessity to operate as an "oncall" vessel common carrier between points at and offshore of Santa Catalina Island. A98-05-037 - Related matter. This decision approves a settlement agreement and closes a consolidated proceeding involving two passenger vessel applications. We accept Island Boat Service's (IBS) proposed amendment in A97-03-007, recasting as on-call and charter service the vessel common carrier authority it seeks, and we grant the application as amended. IBS and Island Navigation Company (Island Navigation) may not amend A97-03-007 and A98-05-037, respectively, to include Zone of Rate Freedom authority. We make permanent the interim authority previously granted Island Navigation to perform tendering service at contract rates. These proceedings are closed. (Com Duque - ALJs Ryerson/McVicar) (Section 311(g))

#### CA-39

#### A88-03-024 - Southern California Edison Company (Edison).

For authority to issue Debt Securities, and/or guarantee the Debt Securities of an Edison affiliate, to finance its Fuel Oil, Nuclear Fuel, and Coal Inventories in an aggregate principal amount not to exceed \$900,000,000. This decision grants Edison's request to issue Debt Securities under D88-07-069 as modified until June 30, 2000. This proceeding is closed. (Exam Clanon) (Section 311(g))

# **REGULAR AGENDA**

#### UTILITY AND TRANSPORTATION ORDERS

#### ORDERS HELD OVER

NOTE: Ex Parte Communications are prohibited on Items H-5, H-5a, H-7, H-7a, H-7b, H-9, and H-9a from May 24, 1999 through May 27, 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. 195-01-021 - 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; Agenda 3014, Item H-1, 4/22/99; Req - Commission)

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

For authority among other things, to decrease its rates and charges for electric and gas service, and increase rates and charges for pipe expansion service. I95-02-015 - Related matter. This decision finds PG&E's response to December 1995 storm to be unreasonable in three respects. First, PG&E was 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; Agenda 3014, Item H-5, 4/22/99; Req - Commission)

- H-2a ALTERNATE PAGES TO ITEM H-2. These alternate pages would impose a fine on PG&E of \$20,000 for staffing deficiencies and \$20,000 for unreasonable claims processing. (Com Neeper)
- H-3 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))

(Agenda 3015, Item CA-7, 5/13/99; 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; Agenda 3015, Item H-4, 5/13/99; 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. (Com Bilas - ALJ Minkin)

(Section 311(d))

(Agenda 3014, Item 1, 4/22/99; Agenda 3015, Item H-5, 5/13/99; Req - Commission)

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.
 (Com Bilas)
 (Agenda 3014, Item 1a, 4/22/99; Agenda 3015, Item H-5a, 5/13/99; Req - Commission)

#### H-6

#### 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 costeffective 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.

The Commission's President has determined that this matter should be removed from the Ratesetting Deliberative Agenda. Consequently, there is no "quiet time". (Public Utilities Code Section 1701.3(c)). (Com Neeper - ALJ Gottstein)

(Section 311(d))

(Agenda 3014, Item 5, 4/22/99; Agenda 3015, Item H-7, 5/13/99; Req - Commission)

## ✓H-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)) (Agenda 3014, Item 7, 4/22/99; Agenda 3015, Item H-8, 5/13/99; Req - Commission)

✓H-7a ALTERNATE ORDER TO ITEM H-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) (Agenda 3014, Item 7a, 4/22/99; Agenda 3015, Item H-8a, 5/13/99;

Req - Commission)

ALTERNATE ORDER TO ITEM H-7. 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)
 (Agenda 3015, Item H-8b, 5/13/99; Req - Commission)

#### H-8 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. 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, there is no "quiet time". (Public Utilities Code Section 1701.3(c)).

(Com Bilas - ALJ Malcolm) (Section 311(d)) (Agenda 3015, Item 3, 5/13/99; Req - Commission)

#### ✓H-9 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 reclassify 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)) (Agenda 3015, Item 4, 5/13/99; Req Commission)

ALTERNATE ORDER TO ITEM H-9. 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)

(Agenda 3015, Item 4a, 5/13/99; Req Commission)

## H-10 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)

(Com Duque - ALJ Malcolm) (Section 311(d)) (Agenda 3015, Item 5, 5/13/99; Req - Commission)

#### H-11 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))

(Agenda 3015, Item 9, 5/13/99; Req - Commission)

H-11a **ALTERNATE ORDER TO ITEM H-11.** 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)

(Agenda 3015, Item 9a, 5/13/99; Req - Commission)

#### **H-12 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

(Rev.)

1040, Schedule C, Line 29. Third, utilities are authorized, but not required, to conduct random, post-enrollment verification of customers' eligibility to participate in the CARE and ULTS programs. 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; Agenda 3015, Item H-2, 5/13/99; Req-Commission)

- H-12a ALTERNATE ORDER TO ITEM H-12. 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; Agenda 3015, Item H-2a, 5/13/99; Req-Commission)
- H-12b ALTERNATE ORDER TO ITEM H-12. 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; Agenda 3015, Item H-2b, 5/13/99;

(Agenda 3014, Item H-6b, 4/22/99; Agenda 3015, Item H-2b, 5/1 Req-Commission)

## H-13 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*)) (Agenda 3015, Item CA-3, 5/13/99; Req - Commission)

## **ORDERS**

1

#### A98-10-030 - Pacific Gas and Electric Company (PG&E), and Mt. Poso Cogeneration Company, L.P. (Mt. Poso).

For authority to terminate agreement of ISO4 power purchase agreement between PG&E and Mt. Poso. This decision denies the joint application of PG&E and Mt. Poso for buyout and termination of a 1984 power purchase agreement between them. This decision also finds that the proposed buyout does not produce a reasonable level of ratepayer benefits. This proceeding is closed.

(Com Neeper - ALJ Gottstein) (Section 311(g))

2

R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter. This decision approves a proposed Public Education Plan regarding the 408/669 area code overlay and mandatory 1+10-digit dialing. The proposed plan was submitted by an industry task force on April 1, 1999, pursuant to D98-11-065 and subsequent Administrative Law Judge ruling. (Com Duque - ALJ Pulsifer) (Section 311(g))

3

**I98-03-013 - Investigation on the Commission's own motion into** whether existing standards and policies of the Commission regarding drinking water quality adequately protect the public health and safety with respect to contaminants such as Volatile Organic Compounds, Perchlorate, MTBEs, and whether those standards and policies are being uniformly complied with by Commission regulated utilities. Interim order with final decision on two motions challenging Commission's jurisdiction to pursue issues of drinking water quality. Motions denied. (Com Duque - ALJ Bennett) (Section 311(g))

## ♦4 I98-04-033 - 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 (FutureNet), and individuals in control of operations: Alan Setlin and Larry Huff.

This decision imposes fine of \$1.3 million to FutureNet due to failure to register as an Electricity Service Provider. (Com Neeper - ALJ Bushey)

#### 5

#### A98-11-024 Pacific Bell (Pacific).

This decision approves Pacific's request for arbitrated Interconnection Agreement between Pacific and Pac-West Telecomm, Inc. The parties shall sign, file and serve the approved agreement within five days, and the date of Commission approval will be the date the signed agreement is filed. The parties shall, within 10 days, serve on the Director of the Telecommunication Division a copy of the approved agreement on an electronic disk in hypertext markup language format. This proceeding is closed.

(Com Neeper - ALJ Mattson)

5a

ALTERNATE ORDER TO ITEM 5. This alternate order proposes changes to the arbitrated Interconnection Agreement between Pacific and Pac-West Telecomm, Inc., and approves the arbitrated Interconnection Agreement as modified. The changes result in traffic bound for internet service providers not being eligible for reciprocal compensation. This proceeding is closed. (Com Neeper)

**♦**6

## C98-06-008 - Pacific Bell and Pacific Bell Public Communications (Pacific) vs. AT&T Communications Company of California, Inc. (AT&T).

This decision orders AT&T to remit to Pacific the Pay Station Service Charge (PSSC) that AT&T billed and collected for non-coin calls made from Pacific's payphones during the period of April 1, 1997, through October 6, 1997; authorizes AT&T to subtract the PSSC it is ordered to remit to Pacific from the compensation that AT&T must pay to Pacific for non-coin calls pursuant to federal regulations; address Pacific's appeal of the presiding officer's decision. This proceeding is closed. (Com Duque - ALJ Kenney)

## **UTILITIES RESOLUTIONS**

#### **ENERGY MATTERS**

E-1 Res E-3601 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (Edison), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas) and Low Income Governing Board (LIGB). This resolution conditionally approves PG&E, Edison, SDG&E and SoCalGas's request to implement a needs assessment and a California alternative rates outreach pilot; and the LIGB's request for its 1999 Budget and for authority to implement a needs assessment and a California alternative rates outreach pilot. (Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792, respectively, all filed March 12, 1999, and LIGB compliance filing dated February 26, 1999) (Section 311(g))

## E-2 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)) (Agenda 3015, Item CA-40, 5/13/99; Req - Commission)

E-3

# **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)) (Agenda 3015, Item E-2, 5/13/99; Reg - Commission)

## TELECOMMUNICATIONS MATTERS

## C-1 Res T-16302 - Pacific Bell (Pacific).

This resolution approves Pacific's request to offer Integrated Pathway Service (IPS) as a provisional Category II service on an interim basis. Pacific's request for Category III treatment for IPS cannot be granted at this time. Category II pricing flexibility for IPS will be allowed after price floor is approved. Subject to additional requirements that are ordered in this resolution, final categorization of Pacific's IPS will be determined at a later time. After IPS has been offered by Pacific for two years, Pacific may submit an advice letter filing seeking permanent Category III classification. (Advice Letter 19804, filed November 3, 1998) (Section 311(g))

C-1a ALTERNATE RESOLUTION TO ITEM C-1. This alternate resolution approves Pacific's request to offer IPS a channelized (1.544 Mbps) high capacity service which delivers up to 24 channels of DS-0 (64 Kbps) level data/and or exchange voice connecting service. This alternate also grants Pacific's request to offer IPS as a Category III service in view of the fact that similar services have been available to consumers from a number of providers. We believe that allowing Pacific to offer IPS as Category III service will enable Pacific to compete with providers of IPS-type services who have already established themselves in the marketplace. In addition, the maximum pricing flexibility accorded to a Category III service will give Pacific the flexibility to offer competitive pricing strategies that will also benefit the consumers.

(Section 311(g))

C-2

#### 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 (NRF) 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; Agenda 3015, Item C-1, 5/13/99; Req - Commission)

- C-2a ALTERNATE RESOLUTION TO ITEM C-2. This alternate resolution approves Roseville's request for a promotional discount on installation of multiple access lines. Price floors and ceiling have not yet been established for these services, however, current Commission rules do not prohibit a NRF carrier from exercising promotional pricing. (Section 311(g))
- C-3

## Res T-16217 - Pacific Bell (Pacific).

This resolution rejects Pacific's request for approval of two promotional Primary Rate ISDN (PRI) 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; Agenda 3015, Item C-2, 5/13/99; Req - Commission)

C-3a

ALTERNATE RESOLUTION TO ITEM C-3. This alternate resolution approves Pacific's request for two promotional PRI services and for promotional discounts on installation of multiple access lines. The Commission has previously granted Pacific authority for promotional pricing, subject to staff review for price-cost anti-competitive safeguards, and has not revoked that grant. (Section 311(g))

## LEGAL DIVISION MATTERS

## LEGISLATIVE MATTERS

- HLEG-1 SB 48 (Sher and Speier), to amend Sections 6255, 6258, and 6259 of, and to add Section 6257 to, the Government Code, relating to public records. (Agenda 3013, Item LEG-1, 4/1/99; Agenda 3014, Item HLEG-2, 4/22/99; Agenda 3015, Item HLEG-2, 5/13/99; Req Commission)
- HLEG-2 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; Agenda 3015, Item HLEG-3, 5/13/99; Req Commission)
- HLEG-3 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; Agenda 3015, Item HLEG-5, 5/13/99; Req - Commission)

HLEG-4 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; Agenda 3015, Item HLEG-8, 5/13/99; Req - Commission) HLEG-5 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. (Agenda 3015, Item LEG-1, 5/13/99; Req - Commission)

HLEG-6 SB 427 (Peace), to add Section 8037.5 to the Public Utilities Code relating to electrical corporations: tree trimming programs. (Agenda 3015, Item LEG-2, 5/13/99; Req - Commission)

- **LEG-1 SB 33 (Peace),** to amend Section 307, 308, and 309.1 of, and to repeal and add Section 305, of the Public Utilities Code, relating to public utilities.
- **LEG-2 SB 476 (Chesbro),** to add Section 798.44 to the Civil Code, relating to mobilehomes.
- LEG-3 SB 655 (Peace), to amend Section 801.5 of the Civil Code, to add Section 25260.92 to, and to add and repeal Sections 25619 and 25620.91 of the Public Resources Code, relating to the State Energy Resources Conservation and Development Commission: Grant program: solar energy systems.
- LEG-4 AB 705 (Aroner), to add Chapter 30 (commencing with Section 22935) to Division 8 of the Business and Professions Code, relating to transport escort services.
- **LEG-5 AB 1393 (Wright)**, to amend Sections 381 and 382 of, and to add Section 381.5, to the Public Utilities Code, related to electrical restructuring: programs: funding.

- LEG-6 AB 1421 (Wright), to amend Section 331 of, to add Sections 328.1 and 328.2 to, and to repeal and add Sections 328 and 365.5 of, the Public Utilities Code, relating to gas and electric services.
- LEG-7 AB 818 (Knox), as amended, to add Sections 7934, 7935, 7936, 7938, 7939, and 7940 to the Public Utilities Code, relating to telecommunications: area code proliferation and telephone number conservation.

#### **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

#### **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

Maxine Harrison, Acting Representative Southern California

Robert T. Feraru Public Advisor

# **CLOSED SESSION**

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the disclosures required by Government Code Sections 11125.2 and 11126.3(f).

## NON-FEDERAL ITEMS

## ORDERS HELD OVER

 HEX-1 Conference with Legal Counsel - Application for Rehearing R95-04-043/I95-04-044 - 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; Agenda 3014, Item HEX-3, 4/22/99; Req - Commission)

- HEX-2 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; Agenda 3015, Item HEX-1, 5/13/99; Req - Commission)
- HEX-3 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; Agenda 3015, Item HEX-2, 5/13/99; Req - Commission)
- HEX-4 Conference with Legal Counsel Application for Rehearing 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).) (Agenda 3015, Item EX-6, 5/13/99; Req - Commission)
- HEX-5 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).) (Agenda 3015, Item EX-7, 5/13/99; Req Commission)

- HEX-6 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).) (Agenda 3015, Item EX-8, 5/13/99; Req Commission)
- HEX-7Conference with Legal Counsel Initiation of Enforcement ProceedingsI- Order to show cause why the Burlington Northern SantaFe Railway Company and the Union Pacific Railroad Company should notbe ordered to comply with California Labor Code Section 6906. (Gov.Code Secs. 11126(d)(2), 11126(e)(2)(C)(1).)(Agenda 3015, Item EX-9, 5/13/99; Req Commission)

## **ORDERS**

EX-1	<b>Conference with Legal Counsel - Applications for Rehearing</b> Compilation of applications for rehearing recently filed with the Commission. (Gov. Code Sec. 11126(e)(2)(B)(i).)
EX-2	<b>Conference with Legal Counsel - Threatened Litigation</b> Significant exposure to litigation. (Gov. Code Sec. 11126(e)(2)(B).)
EX-3	<b>Conference with Legal Counsel - Initiation of Litigation</b> Consideration of possible Commission initiation of, or intervention in, litigation. (Gov. Code Sec. 11126(e)(2)(C)(i).)
EX-4	<b>Conference with Legal Counsel - Application for Rehearing</b> <b>R95-04-043, I95-04-044</b> - Disposes of Applications for Rehearing of D98-10-057 filed by Pacific Bell and GTE California Inc. This decision addressed the jurisdictional nature of telephone traffic between end users and Internet Service Providers and determined that such calls are subject to the bill-and-keep or reciprocal compensation provisions of applicable interconnection agreements. (Gov. Code Sec. 11126(e)(2)(B)(i).)
EX-5	<b>Conference with Legal Counsel - Application for Rehearing</b> <b>C98-08-038 -</b> Disposes of Application for Rehearing by Edwin F. de la Torre of D99-02-060 which dismissed the complaint by Edwin F. de la Torre against Southern California Edison Company for failure to provide notice regarding a hazardous and unsafe condition on a lateral electric service line, and negligent inspection and maintenance. (Gov. Code Sec. 11126(e)(2)(B)(i).)

## FEDERAL ITEMS

**FEX-1 Conference with Legal Counsel - Initiation of Litigation** Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings. (Gov. Code Sec. 11126(e)(2)(C)(i).)

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Those intervenors who have financial hardship determination pending or granted shall be eligible to receive draft agenda item packets at no charge.