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# *Public Utilities Commission of the State of California*

***Public Agenda 3018  
Thursday, June 24, 1999, 10 a.m.  
San Francisco, California***

**Commissioners  
Richard A. Bilas, President  
Henry M. Duque  
Josiah L. Neeper  
Joel Z. Hyatt  
Carl W. Wood**

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

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

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

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b><i>Open to the Public</i></b>
Monday, June 21	Thursday, June 24
Tuesday, July 6	Thursday, July 8
Monday, July 19	Thursday, July 22
Monday, August 2	Thursday, August 5
Monday, August 30	Thursday, September 2

*\*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  
(415) 703-2074 E-mail: [public.advisor@cpuc.ca.gov](mailto: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.

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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-1, 2

## CONSENT AGENDA

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

## ORDERS AND RESOLUTIONS

- CA-1**            **C98-10-025 - James D. Korn vs. Pacific Bell.**  
This decision denies the complaint filed by James D. Korn. This proceeding is closed.  
(Com Neeper - ALJ DeUlloa)  
(Section 311(g))
- CA-2**            **Res ALJ-176-3018** - 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**

**A98-05-014 - Southern California Edison Company (Edison).**

For authority to report on the valuation process for certain generation-related assets pursuant to D97-11-074. This decision, for the purpose of transition cost recovery, adopts Edison's proposals for market valuation of retained power plant land, materials and supplies inventories and certain fuel-oil facilities and inventories. Specifically, this decision approves the following: (1) The methodology by which Edison will allocate, according to function, all of the land retained at the sites of its divested gas-fired generating stations; (2) Transmission land will be retained in the regulated utility and not be subject to market valuation; (3) Residual land will be surveyed into parcels, advertised and sold promptly; (4) Market valuation of fuel-oil land, fuel-oil facilities, and fuel-oil inventories other than jet turbine fuel, will be deferred until year-end 1999 to allow a determination by the Independent System Operator (ISO) whether these assets are needed for system reliability. However, Edison is required to submit a proposal for market valuation of these assets, no later than January 31, 2000, regardless of whether the ISO has made its determination; (5) Edison's assessment that market value of its inventories of fossil-generation materials and supplies as of December 31, 1997, was equal to the book value and (6) Edison's assessment that market value of its inventories of fossil-generation fuels as of December 31, 1997, was equal to the book value.

(Com Duque - ALJ Patrick)

(Section 311(g))

- CA-4**            **R92-03-050 - Order Instituting Rulemaking on the Commission's own motion to consider the line extension rules of electric and gas utilities.**  
This decision addresses proposed changes to the line extension rules of the gas and electric utilities. This decision also: (1) adopts a proposal to delete Option 1, the "unit cost option" from the utilities' line extension rules; (2) rejects a proposal to change the contract and cash advance provisions of tariff rules 15 and 16; (3) rejects a proposal to require the utilities to collect an advance payment to cover engineering and coordinating services; (4) adopts a proposal to require the utilities to provide one construction inspection at no charge for applicant-installed extensions; and (5) rejects a proposal to change the timing of collection by the utilities of the Income Tax Component of Contribution. The adopted changes are intended to level the competitive playing field and promote competition in line extension construction services provided by the utilities and independent contractors. Pursuant to Public Utilities Code Section 783, the elimination of Option 1 will not become effective until July 1, 2000. Applicants who choose the applicant-installed option will be allowed one inspection at no charge to the applicant effective the date of this order.  
(Com Duque - ALJ Patrick)  
(Section 311(g))
- CA-5**            **C99-02-021 - USDA Forest Service (Forest Service) vs. Lukins Brothers Water Company, Inc.**  
This decision dismisses Forest Service's complaint for lack of jurisdiction over the dispute between the parties. This proceeding is closed.  
(Com Neeper - ALJ Vieth)  
(Section 311(g))
- CA-6**            **Res T-16305 - Conquest Operator Services Corp.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Section 311(g))
- CA-7**            **Res T-16306 - California Intercall, Inc.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Section 311(g))

- CA-8**            **Res T-16308 - AMTEL Corporation dba Texas Amtel.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Section 311(g))
- CA-9**            **Res T-16307 - US Xchange of California, L. L. C.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Section 311(g))
- CA-10**           **Res T-16304 - Nextcom Worldwide Telecommunications, Inc.**  
This resolution revokes the certificate of public convenience and necessity as requested by the company.  
(Advice Letter 4, filed March 16, 1999)  
(Section 311(g))
- CA-11**           Moved to item 4 on the agenda.  
This revision was not listed on the agenda distributed to the public.
- CA-12**           **Res TL-18893 -** This resolution modifies Res TL-18877 to clarify the requirements for filing certificates of insurance to evidence adequate protection against liability under General Order 160-A by organizations that provide transportation services incidental to operation of a youth camp which are required to register as private carriers pursuant to Public Utilities Code Section 5353(n)(2)(A).  
(Section 311(g))

- CA-13      Res TL-18894 - Ross A. Vitalie dba Door-to-Door Airporter Shuttle Service (Applicant).**  
This resolution grants Applicant a temporary fare increase to offset increased fuel costs.  
(Section 311(g))
- CA-14      Res T-16313 - Pacific Bell (Pacific).**  
This resolution approves two conformed Paging Interconnection Agreements between Pacific and TSR Wireless LLC, and between Pacific and Metrocall, Inc., submitted under provisions of Resolution ALJ-174, and General Order 96-A.  
(Advice Letter (AL) 20205 and AL 20206, both filed April 28, 1999)  
(Section 311(g))
- CA-15      Res T-16312 - GTE California Incorporated (GTEC).**  
This resolution approves two Interconnection Agreements between GTEC and Southern California Edison, and between GTEC and PaeTec Communications, Inc., pursuant to Section 252 of the Telecommunications Act of 1996.  
(Advice Letter (AL) 9022, filed April 21, 1999, and AL 9025, filed April 23, 1999)  
(Section 311(g))
- CA-16      Res W-4153 - San Jose Water Company.**  
This resolution authorizes an offset increase in rates of \$3,304,561 or 3.24% additional annual revenue.  
(Advice Letter 314, filed May 11, 1999)
- CA-17      A99-04-008 - Access Communications, Inc. dba Access Long Distance.**  
For a certificate of public convenience and necessity (CPCN) to offer local exchange telecommunication services. This decision grants Access Communications, Inc. a CPCN to resell local exchange service. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))

- CA-18           A99-03-026 - Telecom Licensing, Inc.**  
For a certificate of public convenience and necessity (CPCN) to provide competitive local exchange service on a resale basis as a competitive local carrier. This decision grants Telecom Licensing, Inc. a CPCN to resell local exchange service. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))
- CA-19           Res E-3610 - San Diego Gas & Electric Company.**  
This resolution approves the recommendations of SDG&E, acting on behalf of the California Demand-Side Management Measurement Advisory Committee, for supplemental membership for the 1999 calendar year.  
(Advice Letter (AL) 1150-E and AL 1136-G, both filed February 4, 1999)  
(Section 311(g))
- CA-20           Res E-3608 - Pacific Gas and Electric Company (PG&E).**  
This resolution grants with a proviso PG&E's request for an increase in compensation for the members of its Diablo Canyon Independent Safety Committee.  
(Advice Letter 1857-E, filed April 1, 1999)  
(Section 311(g))
- CA-21           R95-04-043- Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.**  
This decision grants certificates of public convenience and necessity to the competitive local carriers listed in Appendix B of the order to provide facilities based and/or resale local service, and interlocal access and transport areas authority, as noted in the order, pursuant to D95-07-054 and subsequent orders.  
(Com Duque - ALJ Pulsifer)  
(Section 311(g))

**CA-22           A99-04-041 - City of Fremont (City).**

For authority to improve the Nunes Lane crossing of the Union Pacific Railroad (UPRR) Company tracks and designate the improved crossing as an emergency vehicle access to the City, County of Alameda. This decision grants authority to construct an emergency vehicle access at grade crossing over the tracks of the UPRR, west of Mission Boulevard/SR 84 and east of Paseo Padre Parkway to be identified as Nunes Lane EVA, PUC Crossing Number 001DAB-41.22. This proceeding is closed.

(Exam Koss)

**CA-23           A98-07-058 - Pacific Gas and Electric Company (PG&E).**

For authority to recover 1997 and 1998 non-nuclear generation capital additions in the competition transition charge pursuant to Public Utilities Code Section 367. A98-08-012 - Related matter.

This decision adopts a settlement filed by PG&E, the Office of Ratepayer Advocates (ORA), and The Utility Reform Network (TURN) that resolves the issues surrounding PG&E's request for recovery of non-nuclear generation capital additions for 1997 and the first quarter of 1998. The settlement would reduce by \$4.9 million the amount PG&E is permitted to recover by way of the competition transition charge for capital additions from the requested amount of \$133.4 million. This decision also adopts a joint recommendation filed by San Diego Gas & Electric Company (SDG&E), ORA and TURN resolving the issues surrounding SDG&E's request for recovery of non-nuclear generation capital additions for 1997 and the first quarter of 1998. The settlement would grant SDG&E's request for \$22.3 million in capital additions. These proceedings are closed.

(Com Bilas - ALJ Malcolm)

(Section 311(g))

**CA-24           Res W-4155 - Buhl Water System (BWS).**

This resolution authorizes BWS a general rate increase producing \$3,408 or 8.37% additional annual revenue.



- CA-25      Res E-3615 - Pacificorp.**  
This resolution approves Pacificorp's request for new tariffs to reflect price changes using a performance based ratemaking formula.  
(Advice Letter 297-E, filed January 27, 1999)  
(Section 311(g))
- CA-26      A99-04-002 - Pacific Gas and Electric Company (PG&E) and the City of Gilroy.**  
For authority under Section 851 of the California Public Utilities Code to sell and convey a streetlight system. This decision authorizes PG&E to sell a streetlight system within the City of Gilroy to the City of Gilroy.  
(Com Neeper - ALJ Wright)  
(Section 311(g))

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## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

#### *ORDERS HELD OVER*

- H-1**            **R95-01-020 - Order instituting rulemaking on the Commission's own motion into universal service and to comply with the mandates of Assembly Bill 3643. I95-01-021 - Related matter.**  
This decision denies intervenor compensation to Public Advocates, Inc. (PA) for failure to follow the Commission's intervenor compensation filing requirements. PA has been repeatedly admonished for such filings in the past but continues to make inadequate filings.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))  
(Agenda 3006, Item 7, 12/17/98; Agenda 3008, Item H-4, 1/20/99; Agenda 3010, Item H-1, 2/18/99; Agenda 3012, Item H-1, 3/18/99; Agenda 3014, Item H-1, 4/22/99; Agenda 3016, Item H-1, 5/27/99; Agenda 3017, Item H-1; 6/10/99; Req - Commission)
- H-1a**            **ALTERNATE ORDER TO ITEM H-1.** This alternate order grants intervenor compensation to PA on behalf of Southern Christian Leadership Conference, National Council of La Raza, Korean Youth and Community Center, Filipinos for Affirmative Action, and Filipino Civil Rights Advocates in the amount of \$62,541 for its contributions to D96-10-066.  
(Com Neeper)  
(Agenda 3017, Item H-1a, 6/10/99; Req - Commission)

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- 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 a 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. PG&E must record the claims of approximately \$500,000 below-the-line to shareholders; cannot recover these costs from ratepayers in the account used for claims payment, and cannot use these costs as expense forecasts in its pending general rate case. 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. It also opens a rulemaking to determine the appropriate wood pole minimum safety factors and directs certain safety and reliability studies be made on conductor spacing and undergrounding standards.  
(Com Neeper - ALJ Watson)
- (Rev.)**
- (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;  
Agenda 3016, Item H-2, 5/27/99; Agenda 3017, Item H-2, 6/10/99;  
Req - Commission)  
This revision was not listed on the agenda distributed to the public.
- 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)  
(Agenda 3016, Item H-2a, 5/27/99; Agenda 3017, Item H2a, 6/10/99;  
Req - Commission)

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- H-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))  
(Agenda 3015, Item CA-3, 5/13/99; Agenda 3016, Item H-13, 5/27/99; Agenda 3017, Item H-8, 6/10/99; Req - Commission)
- H-4           R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related matter.** This decision approves 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))  
(Agenda 3016, Item 2, 5/27/99; Agenda 3017, Item H-9, 6/10/99; Req - Commission)
- H-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)  
(Agenda 3016, Item 5, 5/27/99; Agenda 3017, Item H-15, 6/10/99; Req - Commission)

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**H-5a**            **ALTERNATE ORDER TO ITEM H-5.** This alternate order adopts limited 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 the continuation of provisions in the existing agreement for certain definitions, and compensation for termination of call setup per call and per minute of use. Parties shall sign and file the arbitrated Interconnection Agreement, once modified as ordered herein, within 5 days of today. This proceeding is closed.

(Com Neeper)

(Agenda 3016, Item 5a, 5/27/99; Agenda 3017, Item H-15a, 6/10/99;

Req - Commission)

**H-6**            **R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks. I93-04-002 - Related matter.** This decision establishes prices for unbundled network elements (UNEs) offered by Pacific Bell (Pacific). Among other things, the decision (1) concludes that prices for all of Pacific's UNEs should be set at the applicable Total Element Long Run Incremental Costs adopted in D98-02-106 plus a markup of 19% to cover shared and common costs, (2) rejects arguments by AT&T Communications of California, Inc. and MCI Telecommunications Corporation that Yellow Page revenues and Pacific's draw from the California High Cost Fund-B should be used to lower UNE prices for residential loops, (3) requires Pacific to continue providing UNE combinations in accordance with the terms of existing interconnection agreements until the Federal Communications Commission has completed its work on the issues remanded to it by the Supreme Court in *AT&T Corp. v. Iowa Utilities Bd.* (*AT&T – Iowa*), 119 S.Ct. 721 (1999), (4) concludes that Pacific should not be required to file tariffs applicable to UNEs, and (5) establishes price floors for the local exchange services specified in D96-03-020. The decision acknowledges that several issues related to UNE pricing remain unsettled in light of the Supreme Court's decision in *AT&T – Iowa*, including the nature of the geographic deaveraging that will be required, and the identity of the network elements that Pacific and other incumbent local exchange carriers will ultimately be required to offer under the Telecommunications Act. The decision concludes that notwithstanding this uncertainty, the most appropriate course of action here is to set prices for the UNEs covered in existing interconnection agreements, and not to attempt to set geographically-deaveraged prices at this time.

(Com Duque - ALJ McKenzie)

(Section 311(d))

(Agenda 3017, Item 1, 6/10/99; Req - Commission)

- H-7                   A97-04-001 - Pacific Gas and Electric Company (PG&E).**  
This decision finds that PG&E's electric operations during the period from January 1, 1996 to December 31, 1996 were prudent, except for claimed incentive awards of \$2.47 million or ten percent of the benefits resulting from restructuring 25 Qualifying Facilities power purchase contracts during the 1996 Record Period and disallowances agreed to by the parties. This proceeding is closed.  
(Com Duque - ALJ Wright)  
(Section 311(d))  
(Agenda 3017, Item 2, 6/10/99; Req - Commission)
- H-8                   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 concerning the California Alternate Rates for Energy (CARE) program and the Universal Lifeline Telephone Service (ULTS) program. First, this decision specifies what income from self-employment will be used to determine eligibility for the CARE and ULTS programs. Second, liquid assets will not be used to screen applicants for the CARE and ULTS programs. Third, customers will not be admitted into the CARE and ULTS programs by showing proof of participation in another social program. Finally, all customers participating in the CARE and ULTS programs will be required to provide upon enrollment in these programs, and periodically thereafter, a signed statement indicating that the utility may verify the customer's eligibility to participate in the program, and if the verification establishes that the customer is ineligible, the customer will be removed from the program and may be billed for discounts which the customer should not have received. 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; Agenda 3016, Item H-12, 5/27/99; Agenda 3017, Item H-7, 6/10/99; Req - Commission)

**H-8a**            **ALTERNATE ORDER TO ITEM H-8.** 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; Agenda 3016, Item H-12a, 5/27/99; Agenda 3017, Item H-7a, 6/10/99; Req - Commission)

**H-8b**            **ALTERNATE ORDER TO ITEM H-8.** 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 3016, Item H-12b, 5/27/99; Agenda 3017, Item H-7b, 6/10/99; Req - Commission)

**H-8c**            **ALTERNATE ORDER TO ITEM H-8.** This alternate order rejects the use of a “substantial liquid assets” criteria for eligibility for CARE and ULTS. It clarifies that the previous Commission decision in complaint cases were based on specific facts in individual complaints and did not reflect a broad policy review. It also clarifies that loans should not be considered income nor should funds transferred from one account to another. However, the decision clarifies that gain from the sale of an asset would be counted as income. In all other aspect, this alternate is the same as the ALJ’s proposed decision.  
(Com Hyatt)  
This item was not listed on the agenda distributed to the public.

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**ORDERS**

- 1**            **R98-01-011 - Rulemaking on the Commission's own motion to assess and revise the regulatory structure governing California's natural gas industry.** This decision identifies the most promising options for changing the regulatory structure for the natural gas industry in California. Closes this docket and opens a new rulemaking proceeding to consider the cost/benefit implications of each of the options identified in the decision. Encourages parties to develop a plan for improving the flow of information about transmission and storage systems and transactions. This decision also encourages all parties to pursue a comprehensive settlement consistent with the options the Commission has identified. Finally, it confirms the Commission plans to report to the Legislature on the need for enhanced consumer protection rules to govern the conduct of gas service providers in a manner consistent with the Commission's rules for electric service providers. This proceeding is closed.  
(Com Bilas - ALJ Weissman)  
(Section 311(d))
- ◆2**            **I98-02-026 - Order Instituting Investigation on the Commission's own motion into the operations and practices of Paradise Movers LLC, and its chief Executive Officer, James Shioloh.** This decision revokes the household goods carrier permit of Paradise Movers LLC (Paradise). This proceeding is closed.  
(Com Bilas - ALJ Ryerson)
- 3**            **R95-04-043 - Order instituting Rulemaking on the Commission's own motion into competition for local exchange service. I95-04-044 - Related Matter.** This decision addresses the portion of the June 10, 1999 Petition for Modification of Decision 98-05-021 filed by Assemblyman Wally Knox et al. requesting a suspension of the July 17, 1999 implementation of the 424 overlay area code.  
(Com Duque - ALJ Pulsifer)  
(Section 311(g))



**4**

**A98-12-022 - GTE California Incorporated (GTEC).**

For authority to lease assets pursuant to Section 851 of the Public Utilities Code. This decision approves the agreements at issue, with conditions, and directs GTEC to conduct a further review of lease and license agreements that may not have been approved. This proceeding is closed.

(Com Neeper - ALJ Walker)

(Section 311(g))

This item appeared as CA-11 on the agenda distributed to the public.

## **UTILITIES RESOLUTIONS**

### ***ENERGY MATTERS***

**E-1            Res E-3574 - Pacific Gas and Electric Company (PG&E).**  
This resolution grants with modifications PG&E's request to establish a Transmission Revenue Requirement Reclassification Account.  
(Advice Letter 1794-E-A, filed September 8, 1998)  
(Section 311(g))

**E-2            Res E-3606 - Southern California Edison Company (Edison).**  
This resolution grants with modifications Edison's request to establish a Fuel Oil Inventory Memorandum Account to record fuel oil inventory carrying costs, and gains and losses on the sale of fuel oil inventory.  
(Advice Letter 1351-E, filed November 20, 1998)  
(Section 311(g))

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**TELECOMMUNICATIONS MATTERS****C-1 Res T-16310 - Pacific Bell (Pacific).**

This resolution grants Pacific's request to permanently close public offices located in San Francisco, Bush Street and Chinatown, respectively, and to replace them with authorized payment locations.

(Advice Letter (AL) 20200 and AL 20201, filed April 23, 1999)

(Section 311(g))

**C-2 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))

(Agenda 3016, Item C-1, 5/27/99; Agenda 3017, Item C-1, 6/10/99;

Req - Commission)

**C-2a ALTERNATE RESOLUTION TO ITEM C-2.** 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))

(Agenda 3016, Item C-1a, 5/27/99; Agenda 3017, Item C-1a, 6/10/99;

Req - Commission)

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- 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;  
Agenda 3016, Item C-3, 5/27/99; Agenda 3017, Item C-3, 6/10/99;  
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))  
(Agenda 3016, Item C-3a, 5/27/99; Agenda 3017, Item C-3a, 6/10/99;  
Req - Commission)
- C-4**            **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;  
Agenda 3016, Item C-2, 5/27/99; Agenda 3017, Item C-2, 6/10/99;  
Req - Commission)

- C-4a**      **ALTERNATE RESOLUTION TO ITEM C-4.** 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))  
(Agenda 3016, Item C-2a, 5/27/99; Agenda 3017, Item C-2a, 6/10/99;  
Req - Commission)

**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; Agenda 3016, Item HLEG-1, 5/27/99; Agenda 3017, Item HLEG-1, 6/10/99; 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; Agenda 3016, Item HLEG-2, 5/27/99; Agenda 3017, Item HLEG-2, 6/10/99; 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; Agenda 3016, Item HLEG-3, 5/27/99; Agenda 3017, Item HLEG-3, 6/10/99; 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; Agenda 3016, Item HLEG-4, 5/27/99; Agenda 3017, Item HLEG-4, 6/10/99; 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; Agenda 3016, Item HLEG-5, 5/27/99; Agenda 3017, Item HLEG-5, 6/10/99; 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; Agenda 3016, Item HLEG-6, 5/27/99; Agenda 3017, Item HLEG-6, 6/10/99; Req - Commission)
- HLEG-7**      **SB 476 (Chesbro)**, to add Section 798.44 to the Civil Code, relating to mobilehomes. (Agenda 3016, Item LEG-2, 5/27/99; Agenda 3017, Item HLEG-7, 6/10/99; Req - Commission)
- HLEG-8**      **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. (Agenda 3016, Item LEG-7, 5/27/99; Agenda 3017, Item HLEG-9, 6/10/99; Req - Commission)

- HLEG-9**      **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. (Agenda 3016, Item LEG-1, 5/27/99; Agenda 3017, Item HLEG-10, 6/10/99; Req - Commission)

***RESOLUTIONS AND MEMORANDUMS***

- L-1**            **Res L-279** - This resolution authorizes disclosure of investigative records pertaining to an accident involving injury to Rafael Rodriguez, which occurred on May 27, 1998, while Mr. Rodriguez, an employee of Tri-County Landscape, was doing maintenance work on the electrical transformer for Southern California Edison Company. (Section 311(g))
- L-2**            **Res L-281** - At its May 27, 1999 meeting the Commission issued D99-05-048 (signed 2-0), affirming the assigned Commissioner's change of hearing determination in A98-12-021, the application of Southern California Edison Company for authority to terminate a negotiated power purchase agreement with O'Brien California Cogen Limited. This resolution affirms the adoption of D99-05-048. (Section 311(g))
- L-3**            **Res L-282** - At its May 27, 1999 meeting the Commission issued D99-05-048 (signed 2-0), approving Southern California Edison Company's proposed buyback and termination of a 1985 power purchase agreement with O'Brien California Cogen Limited. This decision found the settlement embodied in the agreement to be reasonable. This resolution affirms the adoption of D99-05-049. (Section 311(g))



## **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

Commissioner Hyatt

Commissioner Wood

## **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

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## CLOSED SESSION

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

### NON-FEDERAL ITEMS

#### ORDERS HELD OVER

- HEX-1**      **Conference with Legal Counsel - Application for Rehearing R95-04-043, I95-04-044** - 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; Agenda 3016, Item HEX-1, 5/27/99; Req - Commission)

- HEX-2**            **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; Agenda 3016, Item HEX-5, 5/27/99; Req - Commission)
- HEX-3**            **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; Agenda 3016, Item HEX-6, 5/27/99; 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; Agenda 3016, Item HEX-4, 5/27/99; Agenda 3017, Item HEX-3, 6/10/99; Req - Commission)

**HEX-5**            **Conference with Legal Counsel - Application for Rehearing**  
**R95-04-043, I95-04-044** - 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).) (Agenda 3016, Item EX-4, 5/27/99; Agenda 3017, Item HEX-4, 6/10/99; Req - Commission)

**HEX-6**            **Conference With Legal Counsel - Application For Rehearing**  
**A94-12-005, I95-02-015** - Disposition of Application for Rehearing by Pacific Gas and Electric Company (PG&E) of D98-12-096, which granted limited rehearing of and modified D95-12-055, which in turn resolved revenue requirements issues in Phase I of PG&E's 1996 test year general rate case. (Gov. Code Sec. 11126(e)(2)(B)(i).) (Agenda 3017, Item EX-5, 6/10/99; 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**  
**A97-10-24** - Disposition of Application for Rehearing of D99-03-055 filed by The Utility Reform Network. In D99-03-055, the Commission granted in part the application of Southern California Edison for recovery of non-nuclear capital additions added to its 1996 rate base.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-5            Conference with Legal Counsel - Initiation of Enforcement Proceedings**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Disclosure of case name would fail to protect the private or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.  
(Gov. Code Secs. 11126(d)(2), 11126(d)(2)(C)(i).)
- EX-6            Conference with Legal Counsel - Initiation of Enforcement Proceedings**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Disclosure of case name would fail to protect the private or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.  
(Gov. Code Sec. 11126(d)(2), 11126(d)(2)(C)(i).)

- EX-7**            **Conference with Legal Counsel - Application for Rehearing**  
**A99-02-027** - Disposes of Application for Rehearing, filed by Pacific Gas & Electric, of Resolution E-3582, which adopts service fees for consolidated Energy Service Provider billing.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-8**            **Conference with Legal Counsel - Application for Rehearing**  
**R97-04-011, I97-04-012** - Disposition of Application for Rehearing of D98-11-027, filed jointly by Southern California Gas Company and San Diego Gas and Electric Company (Applicants), concerning the tag line: A Sempra Energy Company. D98-11-027 denied the Applicants' petition for modification of the disclaimer requirement set forth in the Affiliate Transaction Rules, which were adopted by D97-12-088.  
(Gov. Code Sec 11126(e)(2)(B)(i).)
- EX-9**            **Conference with Legal Counsel - Initiation of Enforcement Proceedings**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceedings or disciplinary action is not commenced.) (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)
- EX-10**          **Conference with Legal Counsel – Initiation of Enforcement Proceedings**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Order would institute an Investigation and Order to Show Cause why the Certificate of Public Convenience and Necessity of Long Distance Direct Incorporated should not be revoked or suspended because of the failure to comply with D97-04-028 and D98-03-071. These decisions approved a settlement entered in A95-04-025 concerning compliance and enforcement issues; and required payment of funds and periodic reporting. The Consumer Services Division staff alleges non-compliance by LDDI with these terms.  
(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)

- EX-11**            **Conference with Legal Counsel - Application for Rehearing**  
**R95-04-043, I 95-04-044** - Applications for Rehearing of The Utility Reform Network, the Office of Ratepayer Advocates, The California Telecommunications Coalition, and GST Telecom California/GST Pacific Lightwave for D98-11-066 in which the Commission ordered an interim surcharge on customer billings, subject to refund and a reasonableness review, to allow Pacific Bell and GTE California, Inc. interim relief for certain local competition implementation costs that have accrued in 1996 memorandum accounts. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-12**            **Conference with Legal Counsel - Initiation of Enforcement Proceeding**  
Deliberations on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced or would jeopardize the ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced. (Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)



**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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