

Public Utilities Commission of the State of California

*Public Agenda 3020
Thursday, July 22, 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>

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

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
✓Monday, July 19	Thursday, July 22
Monday, August 2	Thursday, August 5
Monday, August 30	Thursday, September 2
Monday, September 13	Thursday, September 16
Monday, October 4	Thursday, October 7

**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



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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-15

CONSENT AGENDA

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

ORDERS AND RESOLUTIONS

NOTE: Ex Parte Communications are prohibited on Item CA-10 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decision is scheduled. (Rule 7(c)(4)).

CA-1 Res TL-18897 - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

CA-2 Res ALJ-176-3020 - 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 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 denies the petition to modify D98-06-026 filed on August 27, 1998 by the Foundation for Taxpayer and Consumer Rights and Public Media Center. The petition to modify asked the Commission to change the language the electric utilities include in their bills to describe the Trust Transfer Amount.
(Com Duque - ALJ Malcolm)
(Section 311(g))

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- CA-4 A98-05-022 - Pacific Gas and Electric Company (PG&E).**
For authority to report assessments of inventory balances and to address appraisal of retained generation assets. This decision adopts for purposes of transition cost recovery various proposals for market valuation of PG&E materials and supplies (M&S), fuel-oil inventories, common and general plant and land associated with its power plants, as follows: (1) PG&E's recorded December 31, 1997 balance will be used for purposes of market valuing its generation M&S; (2) PG&E's recorded December 31, 1997 balance will be used for purposes of market valuing its fuel-oil inventories which are not separately valued as part of the sale contract for the related fossil facilities; (3) appraisal of PG&E's off-site common and general plant that cannot be reclassified or sold will be addressed later in the transition period after the power plants have been market valued, or no later than the next Transition Cost proceeding; and (4) disposition of generation-related lands that will not remain with the power plants will be addressed in separate applications.
(Com Duque - ALJ Patrick)
(Section 311(g))
- CA-5 A96-08-041 - AT&T Communications of California, Inc.**
For arbitration pursuant to Section 252 of the Federal Telecommunications Act of 1996 to establish an interconnection agreement with GTE California, Incorporated. A96-08-068, A96-09-012 - Related matters.
This decision reopens and consolidates A96-08-041, A96-08-068, and A96-09-012 for the purpose of deciding issues remanded by the United States District Court. This decision also requires the parties to hold settlement discussions and to submit written comments regarding (1) the issues remanded by the Court, and (2) the scope, schedule, and expected outcome of this proceeding.
(Com Duque - ALJ Kenney)
(Section 311(g))
- CA-6 Res SU-50 - Pacific Gas and Electric Company (PG&E).**
This resolution authorizes PG&E's request for deviation from General Order 112-E, Section 192.327(a) to reduce the depth of the ground cover over a section of transmission Line 310.
(Section 311(g))

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- CA-7** **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, R95-04-043, I95-04-044 - Related matters.**
This decision denies The Utility Reform Network's request for compensation for its contribution to D98-12-069.
(Com Neeper - ALJ Maloney)
(Section 311(g))
- CA-8** **A96-11-020 - Pacific Gas and Electric Company (PG&E).**
For authority to sell certain generating plants for related assets pursuant to Public Utilities Code Section 851. There being no known issues remaining to be considered, this proceeding is closed.
(Com Bilas - ALJ DeUlloa)
(Section 311(g))
- CA-9** **C99-01-020 - The City of St. Helena (St. Helena) vs. Napa Valley Wine Train, Inc. (Wine Train).**
This decision denies St. Helena's motion for an order to show cause, grants Wine Train's motion to dismiss and dismisses the complaint, which seeks an advisory opinion. This proceeding is closed.
(Com Bilas - ALJ Vieth)
(Section 311(g))
- ✓**CA-10** **C97-09-054 - Robert W. Merwin, et al. vs. Citizens Communications.**
This is a revision of a draft decision that appeared on the Commission's agenda on April 22, 1999. The earlier draft was withdrawn when the administrative law judge granted a request by defendant for an evidentiary hearing to examine disputed issues of fact. The hearing was held on May 19, 1999. Based on the evidence of record, this decision directs the establishment of extended toll-free calling from the Courtland/Clarksburg exchange (744 and 775 prefixes) to the Main District Area of the Sacramento exchange. Residential subscribers with these prefixes will pay \$2.10 a month more and business \$6.35 a month more for this extended service. This proceeding is closed.
(Com Duque - ALJ Walker)
(Section 311(d))
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- CA-11 A96-11-007 - Southern California Water Company.**
For authority to participate in the State Water Project and to recover all present and future costs under contract with the Central Coast Water Authority and other related costs to deliver water to its Santa Maria District. This decision grants an award of \$1,363.35 to Donald R. Ward, representing the Orcutt Area Advisory Group, Inc., in compensation for contributions to D99-04-060. This proceeding is closed.
(Com Duque - ALJ Walker)
(Section 311(g))
- CA-12 A99-04-026 - Local Gateway Exchange, Inc.**
For authority to operate as a resale provider of local exchange and interexchange service. This decision grants applicant a certificate of public convenience and necessity to offer resold local and interexchange telecommunications service. This proceeding is closed.
(Com Neeper - O'Donnell)
(Section 311(g))
- CA-13 A99-03-044 - Advanced Data Communications, LLC.**
This decision grants Advanced Data Communications, LLC a certificate of public convenience and necessity to resell local exchange telecommunications services as a competitive local carrier. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))
- CA-14 A99-04-019 - NOW Communications, Inc., dba NOW Communications of Mississippi, Inc.**
This decision grants NOW Communications, Inc. a certificate of public convenience and necessity to resell local exchange telecommunications services as a competitive local carrier. This proceeding is closed.
(Com Neeper - ALJ O'Donnell)
(Section 311(g))

- ◆CA-15 **C99-02-020 - Paul Richard Klein, dba Stereo's R Us vs. GTE California, Inc.**
This decision denies the complaint of Paul Klein for restoration of telephone service. This proceeding is closed.
(Com Neeper - ALJ DeUlloa)
- CA-16 **Res W-4160 - Arroyo Center Water Company (ACWC).**
This resolution authorizes ACWC's request for an interim general rate increase producing additional annual revenue of \$10,494 or 45.54% in 1999.
- CA-17 **A99-02-003 - Dominguez Water Company (Dominguez) and Hawkins Water Service (Hawkins).**
For authority to acquire the utility assets of Hawkins by Dominguez. This decision adopts all party settlement and authorizes Dominguez to acquire Hawkins. This proceeding is closed.
(Com Duque - ALJ Vieth)
- CA-18 **A99-02-005 - Dominguez Water Company (Dominguez) and Coast Springs Water Company (Coast Springs).**
For authority to acquire the utility assets of Coast Springs by Dominguez. This decision adopts all party settlement and authorizes Dominguez to acquire Coast Springs. This proceeding is closed.
(Com Duque - ALJ Vieth)
- CA-19 **A99-01-027 - Alameda Corridor Transportation Authority (ACTA).**
This decision grants ACTA's request to construct a two-track grade separation above Washington Boulevard, a five-track grade separation above Washington Boulevard, and a grade separation for Santa Fe Avenue above three tracks, a crossover, a turnout, and above an industrial spur in the City of Los Angeles, County of Los Angeles. This proceeding is closed.
(Exam Koss)
(Section 311(g))

- CA-20 A99-03-051 - The State of California, Department of Transportation (Caltrans).**
This decision grants Caltrans' request to construct a crossing at separated grades to replace the existing westbound Carquinez Bridge (001A-28.60-A) on I-80 with a new westbound Carquinez Bridge to be identified as 001A-28.80-A and a temporary utility bridge to be identified as 001A-28.70-A. This proceeding is closed.
(Exam Koss)
(Section 311(g))
- CA-21 Res E-3105 - Pacific Gas and Electric Company (PG&E).**
This resolution approves with modifications PG&E's request to deviate from the eligibility requirements of Schedule E-19 and E-20 for certain cotton ginning customers.
(Advice Letter 1859-E, filed April 19, 1999)
(Section 311(g))
- CA-22 Res E-3625 - Pacific Gas and Electric Company (PG&E).**
This resolution approves PG&E's request for two new standard form agreements to be made available to power producers operating Qualifying Facilities.
(Advice Letter 1870-E, filed May 3, 1999)
(Section 311(g))
- CA-23 A-99-03-017 - Shibli Azar, dba Silicon Valley Airporter.**
This decision grants Shibli Azar's request to extend its operations as a passenger stage corporation between points in the counties of Santa Clara, San Mateo, and San Francisco, on the one hand, and Oakland International Airport, on the other hand, and between Alameda County, on the one hand, and San Francisco, San Jose, and Oakland International Airports, on the other hand; and to establish a Zone of Rate Freedom. This proceeding is closed.
(Exam Koss)
(Section 311(g))

- CA-24 A96-03-007 - Pacific Bell Communications (PBCom).**
For a certificate of public convenience and necessity to provide interLATA, intraLATA and local exchange telecommunications services within the State of California. This decision grants The Utility Reform Network an award of \$63,293.71 in compensation for contributions to D99-02-013. That decision addressed the application of PBCom for approval of its proposal to provide interLATA and long distance calling in California. This proceeding is closed.
(Com Neeper - ALJ Malcolm)
(Section 311(g))
- CA-25 Res W-4161 - Mullen Water Company (MWC).**
This resolution grants MWC's request for a general rate increase producing \$2,280 or 25.6% additional annual revenue.
- CA-26 C98-11-004 - Pacific Bell (Pacific) vs. AT&T Communications of California, Inc.**
This decision dismisses Pacific's complaint without prejudice. This proceeding is closed.
(Com Neeper - ALJ DeUlloa)
(Section 311(g))
(Agenda 3019, Item CA-6, 7/8/99; Req - Commission)

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

H-1

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; Agenda 3018, Item H-3, 6/24/99;
Req - Commission)

- H-2** **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; Agenda 3018, Item H-6, 6/24/99; Agenda 3019, Item H-3, 7/8/99; Req - Commission)

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- H-3** **I98-12-013 – Order Instituting into the power outage which occurred on December 8, 1998 on Pacific Gas & Electric Company system.**
This decision closes the investigation. There is no need for an adjudicatory proceeding. The California Independent System Operator (CAISO) has the benefit of the reports generated in this investigation. The Commission will monitor the CAISO's efforts toward reliability improvement, and will consider further action in the future if needed. This proceeding is closed.
(Com Bilas - ALJ O'Donnell)
(Section 311(g))
(Agenda 3019, Item 2, 7/8/99; Req - Commission)
- H-3a** **ALTERNATE ORDER TO ITEM H-3.** This alternate would order Energy Division to convene a public forum for parties to develop any solutions and recommendations regarding the December 8, 1998 outage for reliability, safety, managerial and procedural solutions that pertain to the distribution system, or are corollary to distribution. Transmission issues will be considered by CAISO, and we will monitor their efforts. This proceeding is closed.
(Com Neeper)
(Section 311(g))
(Agenda 3019, Item 2a, 7/8/99; Req - Commission)
- H-4** **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; Agenda 3018, Item H-1, 6/24/99; Agenda 3019, Item H-2, 7/8/99; Req - Commission)

H-4a **ALTERNATE ORDER TO ITEM H-4.** 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 \$75,238 for its contributions to D96-10-066. (Com Neeper)

(Rev.)
7/19/99 (Agenda 3017, Item H-1a, 6/10/99; Agenda 3018, Item H-1a, 6/24/99; Agenda 3019, Item H-2a, 7/8/99; Req - Commission)

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

ORDERS

- 1** **A95-06-024 - McCanna Ranch Water Company (Ranch).**
 For a certificate of public convenience and necessity to construct a public utility water system in the unincorporated area of Riverside County, in or near Perris, California and to establish rates for service and to issue stock. This decision, following the caveat of Oro Electric ((1913) 2 CRRC 748) to PG&E v. Great Western Power ((1912) 1 CRRC 203) that where a newcomer by reason of superior natural advantage can give service as good as the existing utility at materially lower rates, the public interest must be deemed paramount and the new utility be given opportunity to serve, and meeting the Bakman Water Co. ((1979) 1 CPUC 2d 364) tests, finds Commission Resolution M-4708 inapplicable, to this proposed 1356 unit subdivision to be constructed by Barrett American Incorporated (Barrett) near the City of Perris, and authorizes service thru “levelized” rates by Ranch (Barrett’s progeny), in a 555 square mile area where Eastern Municipal Water District offers wholesale service (exclusive, supplemental, and emergency) to numerous water purveyors, both public and private. Barrett’s parent guarantees the economic viability of Ranch. This proceeding is closed.
 (Com Duque - ALJ Weiss)
 (Section 311(d))
This revision was not listed on the agenda distributed to the public.
- (Rev.)**
 7/20/99
- 2** **198-08-004 - Investigation on the Commission’s own motion into the operations, practices, and conduct of Coral Communications, Inc. (Coral) and Michael Tinari, President of Coral; William Gallo, Senior Vice President of Coral; Devon Porcella, Vice President of Sales and Operations of Coral; Neal Deleo; Vice President Finance and MIS of Coral to determine whether the corporation or its principals have operated within California without having a certificate to operate from the Commission and whether they have charged California subscribers for telecommunications services the subscribers never authorized.**
 This decision directs billing agents, Telephone Billing Services, ITA, Accutel, and CCPI to submit an accounting of all transactions with Coral and/or Easy Access, Inc. and to remit any funds on deposit as well as all fees charged for the wrongful billing.
 (Com Duque - ALJ Bushey)
 (Section 311(g))

UTILITIES RESOLUTIONS

ENERGY MATTERS

- E-1 Res E-3622 - Pacific Gas and Electric Company (PG&E).**
This resolution denies PG&E's request for an extension of time to complete certain Research, Development and Demonstration (RD&D) projects. PG&E is ordered to return the unspent RD&D funds through its Electric Deferred Refund Account or similar account.
(Advice Letter 2126-G/1833-E, filed December 21, 1998)
(Section 311(g))
- E-2 Res E-3620 - San Diego Gas & Electric Company (SDG&E).**
This resolution approves with modifications SDG&E's propose tariff revisions to its Power Exchange Energy Costs Rate Schedule. The requested changes would permit SDG&E to recover the costs of power purchased through a new Block-Forward Market offered by the California Power Exchange.
(Advice Letter 1167-E, filed May 20, 1999)
(Section 311(g))
- E-3 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))
(Agenda 3018, Item E-2, 6/24/99; Agenda 3019, Item E-5, 7/8/99;
Req - Commission)
- E-3a ALTERNATE RESOLUTION TO ITEM E-3.** This alternate resolution allows Edison to receive interest for January 1, 1999 on its FOIMA, instead of the effective date of the Resolution as Item E-3 does.
(Com Neeper)
(Section 311(g))

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))
(Agenda 3016, Item C-1, 5/27/99; Agenda 3017, Item C-1, 6/10/99;
Agenda 3018, Item C-2, 6/24/99; Agenda 3019, Item C-1, 7/8/99;
Req - Commission)

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))
(Agenda 3016, Item C-1a, 5/27/99; Agenda 3017, Item C-1a, 6/10/99;
Agenda 3018, Item C-2a, 6/24/99; Agenda 3019, Item C-1a, 7/8/99;
Req - Commission)

C-1b **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. However, the Commission grants Pacific's request to offer IPS as a Category III service only on a provisional basis for a period of 18 months. Pacific shall submit an advice letter at least 120 days before the end of the 18-month provisional period to request permanent Category III classification for IPS. In that advice letter filing, Pacific must demonstrate to the Commission's satisfaction that IPS is a fully competitive service in the marketplace. Failure to do so may result in the Commission reclassifying Pacific's IPS to a Category II classification. Interested parties may submit comments to Pacific's permanent Category III advice letter filing for IPS to assist the Commission in determining whether the marketplace is fully competitive for Pacific's IPS service.
(Section 311(g))

C-2 **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;
Agenda 3018, Item C-3, 6/24/99; Agenda 3019, Item C-2, 7/8/99;
Req - Commission)

C-2a **ALTERNATE RESOLUTION TO ITEM C-2.** 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;
Agenda 3018, Item C-3a, 6/24/99; Agenda 3019, Item C-2a, 7/8/99;
Req - Commission)

C-2b **ALTERNATE RESOLUTION TO ITEM C-2.** This alternate resolution approves Pacific's request for two promotional PRI services and for promotional discounts on installation of multiple access lines. California Cable Television Association filed a protest on the three promotions citing the requirements in D96-03-020 that no pricing flexibility for the services recategorized from Category I to Category II in that decision until price floors for those services are adopted in the Open Access and Network Architecture Development (OANAD) proceeding. However, with the Commission adopting the OANAD pricing in the near future, Pacific will soon have the price floors necessary to exercise pricing flexibility for the recategorized Category II services in D96-03-020. The Commission will therefore authorize Pacific's requested promotions in Advice Letters Nos. 19624, 19625 and 19626, contingent upon the Commission issuing the OANAD pricing decision. Once the OANAD pricing decision becomes effective, Pacific shall file a supplement to these advice letters to verify that the requested promotional pricing flexibilities are not below the adopted price floors in the OANAD pricing decision for the services promoted. (Section 311(g))

C-3 **Res T-16276 - Roseville Telephone Company (Roseville).**
This resolution rejects Roseville's request for a promotional discount on installation of multiple access lines. Price floors and ceilings have not yet been established for these services and current Commission rules prohibit a new regulatory framework (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;
Agenda 3018, Item C-4, 6/24/99; Agenda 3019, Item C-3, 7/8/99;
Req - Commission)

C-3a **ALTERNATE RESOLUTION TO ITEM C-3.** 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;

Agenda 3018, Item C-4a, 6/24/99; Agenda 3019, Item C-3, 7/8/99;

Req - Commission)

C-3b **ALTERNATE RESOLUTION TO ITEM C-3.** This resolution rejects without prejudice Roseville's Advice Letter 423 that requests approval for a promotional discount on installation of multiple access lines consistent with the promotional pricing authority for non-recurring charges granted to Roseville by Resolution T-15955.

(Section 311(g))

WATER MATTERS

W-1

Res W-4154 - Valencia Water Company (VWC).

This resolution authorizes VWC's request for expansion of service area and orders it to file an application for approval of water management program.

(Advice Letter (AL) 84, filed March 11, 1999; AL 85, filed April 6, 1999)

(Agenda 3019, Item W-1, 7/8/99; Req - Commission)

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

- HLEG-1** **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; Agenda 3018, Item HLEG-2, 6/24/99; Agenda 3019, Item HLEG-2, 7/8/99; Req - Commission)
- HLEG-2** **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; Agenda 3018, Item HLEG-4, 6/24/99; Agenda 3019, Item HLEG-4, 7/8/99; Req - Commission)
- HLEG-3** **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; Agenda 3018, Item HLEG-5, 6/24/99; Agenda 3019, Item HLEG-5, 7/8/99; Req - Commission)
- LEG-1** **AB 811 (Keeley)**, an act to add Section 367.5 to the Public Utilities Code, relating to Public Utilities.

RESOLUTIONS AND MEMORANDUMS

- L-1** **Res L-283** - This resolution affirms the adoption of D99-05-051 at the May 27, 1999 Commission Meeting.
(Section 311(g))
- L-2** **Res L-284** - This resolution affirms the adoption of D99-05-050 at the May 27, 1999 Commission Meeting.
(Section 311(g))

COMMISSIONERS' REPORTS

Commissioner Duque

- Electric Matters
- Water Matters
- Legislative

Commissioner Neeper

- Telecommunications Matters

President Bilas

- Administrative Matters
- Natural Gas Matters
- Transportation Matters
- Strategic Planning Matters
- Legislative

Commissioner Hyatt

- Administrative Matters
- Strategic Planning Matters

Commissioner Wood

- Consumer Protection 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; Agenda 3016, Item HEX-1, 5/27/99; Agenda 3018, Item HEX-1, 6/24/99; Req - Commission)

- HEX-2** **Conference With Legal Counsel - Applications For Rehearing**
A94-12-005, I95-02-015 - Disposition of Applications 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; Agenda 3018, Item HEX-6, 6/24/99; Req - Commission)
- HEX-3** **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; Agenda 3018, Item HEX-2, 6/24/99; Agenda 3019, Item HEX-1, 7/8/99; 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; Agenda 3018, Item HEX-4, 6/24/99; Agenda 3019, Item HEX-2, 7/8/99; Req - Commission)
- HEX-5** **Conference with Legal Counsel - Applications 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; Agenda 3018, Item HEX-5, 6/24/99; Agenda 3019, Item HEX-3, 7/8/99; Req - Commission)

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- HEX-6** **Conference with Legal Counsel - Applications for Rehearing**
R97-04-011, I97-04-012 - Disposition of Applications 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).)
(Agenda 3018, Item EX-8, 6/24/99; Agenda 3019, Item HEX-4, 7/8/99; Req - Commission)
- HEX-7** **Conference with Legal Counsel - Applications 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).)
(Agenda 3018, Item EX-11, 6/24/99; Agenda 3019, Item HEX-5, 7/8/99; Req - Commission)
- HEX-8** **Conference with Legal Counsel - Application for Rehearing**
C99-01-040 - Application of Sprint PCS for rehearing of D99-05-021 in which the Commission granted a complaint filed by Rodney George. The rehearing application alleges: 1) that the Commission does not have jurisdiction in this consumer complaint case because it involves the rates charged by Sprint PCS, and 2) that the decision relies on a mischaracterization of the company's service agreement with Mr. George.
(Gov. Code Sec. 11126(e)(2)(B)(i).)
(Agenda 3019, Item EX-6, 7/8/99; 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**
A99-05-041 - Disposition of Application for Rehearing of Resolution T-16288 filed by MCI Worldcom, Inc. (MCI). In Resolution T-16288, the Commission approved an advice letter filing by Pacific Bell which sought authority to provide a nationwide directory assistance service. MCI alleges that the Commission erred in not conditioning approval of Pacific Bell providing competitors access to its California directory listing database. (Gov. Code Sec. 11126(e)(2)(B)(i).)

FEDERAL ITEMS

- HFEX-1** **Conference with Legal Counsel - Existing Litigation**
AT&T Communications of California, Inc. v. Pacific Bell, et al., C-97-0800; MCI Telecommunications Corp., et al. v. Pacific Bell, et al., C-97-0670; GTE California, Inc. v. P. Gregory Conlon, AT&T Communications of California, et al., C-97-1756; and GTE California, Inc. v. P. Gregory Conlon, MCI Telecommunications Corp., et al., C97-1757. (Gov. Code Sec. 11126(e)(2)(A).)
(Agenda 3019, Item FEX-7, 7/8/99; Req - Commission)
- HFEX-2** **Conference with Legal Counsel - Existing Litigation**
STB Finance Docket No. 32760 - Union Pacific Corporation, et al. - Control and Merger - Southern Pacific Rail Corporation, et al.
(Gov. Code Sec. 11126(e)(2)(A).)
(Agenda 3019, Item FEX-8, 7/8/99; Req – Commission)
- 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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