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# ***Public Utilities Commission of the State of California***

***Public Agenda 3025  
Thursday, October 21, 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, October 18	Thursday, October 21
✓Monday, November 1	Thursday, November 4
Monday, November 15	Thursday, November 18
Monday, November 29	Thursday, December 2
Monday, December 13	Thursday, December 16

*\*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-19, 11

## 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-18905** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-2**      **Res ALJ-176-3025** - 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**      Moved to Item 10.
- CA-4**      **A99-05-022 - Inder Mohan Singh, dba Buddy Shuttle Service.**  
For authority to transfer a certificate of public convenience and necessity (CPCN) and all other assets to Buddy Shuttle Service, Inc. This decision dismisses Inder Mohan Singh's request to transfer a previously revoked CPCN. This proceeding is closed.  
(Com Bilas - ALJ Rosenthal)  
(Section 311(g))

- CA-5           A98-05-014 - Southern California Edison Company (Edison).**  
To report on the valuation process for certain generation-related assets pursuant to D97-11-074. A98-05-022 - Related matter.  
The Commission decides that recovery of the undepreciated balance for post-1997 capital additions to the utilities' remaining non-nuclear generation facilities should be addressed by the utilities in their Public Utilities Code Section 377 applications to be filed at the time of market valuation of the respective facilities.  
(Com Duque - ALJ Patrick)  
(Section 311(g))
- CA-6           Res T-16353 - Universal Lifeline Telephone Service Marketing Board (ULTSMB).**  
This resolution adopts a contract between the ULTSMB and Deen and Black Public Relations (Deen and Black). The contract will enable Deen and Black to develop and implement an interim marketing and outreach campaign for the Universal Lifeline Telephone Service program for twelve months, beginning November 1, 1999, in the amount of \$4,491,762.00.  
(Section 311(g))
- CA-7           C99-07-008 - Vera J. Johnson (Johnson) vs. Santa Clarita Water Company (Santa Clarita).**  
This decision dismisses Johnson's complaint that Santa Clarita is negotiating to sell its public utility water system to Castaic Lake Water Agency for failure to state a cause of action. This proceeding is closed.  
(Com Duque - ALJ McVicar)  
(Section 311(g))

- CA-8**            **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 orders, pursuant to Public Utilities Code Section 2889.9(f), all California billing telephone companies to cease to provide billing and collection services for International Telemedia Associates and Calling Card Plus, Inc. due to failure to comply with D99-08-017.  
(Com Duque - ALJ Bushey)  
(Section 311(g))
- CA-9**            **Res TL-18904 - This resolution gives passenger stage corporations temporary authority to adjust their fares without specific Commission authorization.**  
(Section 311(g))
- CA-10**          **A99-03-071 - PacifiCorp.**  
By this application, PacifiCorp seeks a limited exemption from the Commission's Affiliate Transaction Rules, adopted in D97-12-088, and modified in D98-08-035. This decision grants the application in all respects, except that it grants a more limited exemption to Rule IV.C of the Affiliate Transaction Rules that PacifiCorp requested in its application. This proceeding is closed.  
(Com Bilas - ALJ Econome)  
(Section 311(g))

- CA-11           A97-05-016 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish its authorized rate of return on common equity, establish its authorized capital structure, and establish its overall rate of return for Calendar Year 1998. This decision grants The Utility Reform Network an award of \$31,310.98 in compensation for its contribution to D97-12-089. The requests of Ronald Knecht and Ray Czahar for intervenor compensation are denied. This proceeding is closed.  
(Com Bilas - ALJ DeUlloa)  
(Section 311(g))
- CA-12           C99-03-016 - Marcella Beagle vs. Pacific Bell.**  
This decision grants the motion of Pacific Bell, in part, and dismisses the complaint with respect to two of the three charges. On the service interruption charge, the decision directs an account adjustment for one day's service interruption. This proceeding is closed.  
(Com Neeper - ALJ Vieth)  
(Section 311(g))
- CA-13           A99-07-036 - A.R.C. Networks, Inc. (A.R.C.), Arc Networks, Inc. (Arc),  
Technology Acquisitions, Ltd. (Techonology) and Omnilynx  
Communications Corporation (Omnilynx).**  
This decision grants the joint application of A.R.C., Arc, Techonology and Omnilynx for authority of transfer of control and merger. This results in A.R.C. becoming a wholly-owned subsidiary of Omnilynx. This proceeding is closed.  
(Com Wood - ALJ O'Donnell)  
(Section 311(g))
- CA-14           A99-07-037 - Comm South Companies, Inc. (CSC) and Topp Telecom,  
Inc. (Topp).**  
For authority of transfer of control. This decision grants the acquisition of 100% of the outstanding common stock of CSC by Topp. This proceeding is closed.  
(Com Wood - ALJ O'Donnell)  
(Section 311(g))

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- CA-15**      **A99-08-002 - HJN Telecom, Inc.**  
This decision grants HJN Telecom, Inc.'s request for a certificate of public convenience and necessity to resell local exchange service. This proceeding is closed.  
(Com Hyatt - ALJ O'Donnell)  
(Section 311(g))
- CA-16**      **Res E-3634 - Pacific Gas and Electric Company (PG&E).**  
This resolution grants PG&E's request to deviate from the provisions of Public Utilities Code Section 320 and install a recloser on an electrical pole in Los Gatos-Saratoga Road (Highway 9), east of Aloha Avenue in Saratoga.  
(Section 311(g))
- CA-17**      **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 adopts revisions to the administrative process for conducting NXX code lottery rationing. The revisions are adopted pursuant to the Workshop Report issued June 15, 1999, by the Commission's Telecommunications Division.  
(Com Hyatt - ALJ Pulsifer)  
(Section 311(g))
- CA-18**      **A99-07-030 - Richard M. Kipperman, Chapter 7 Bankruptcy Trustee for Peerless Limousine Service (Peerless).**  
This decision grants Richard M. Kipperman's request to transfer the certificate of public convenience and necessity of Peerless to El Camino Livery California Corporation. This proceeding is closed.  
(Com Bilas - ALJ Rosenthal)  
(Section 311(g))
- CA-19**      **(ECP) C99-07-038 - Freda D. Pechner vs. Pacific Gas and Electric Company.**  
This expedited complaint alleging an erroneous retroactive bill is denied because there is sufficient evidence to show meter tampering and the back bill calculation is reasonable. This proceeding is closed.  
(Com Wood - ALJ Bennett)
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**CA-20      Res G-3262 - Southern California Gas Company (SoCalGas).**  
This resolution approves SoCalGas's request to revise Schedule No. G-ITC by eliminating all references to the Interconnect Charge Memorandum Account (ICMA) Surcharge; the creation of a new tariff schedule, Schedule No. G-ICMA; the extension of the ICMA Surcharge to recover a FERC-ordered refund; and the truncation of the ICMA Surcharge to three decimal places.  
(Advice Letter (AL) 2820, filed June 30, 1999; AL 2820-A, filed August 31, 1999)  
(Section 311(g))

**CA-21      (I&S) C99-06-002 - In the matter of the Investigation and Suspension on the Commission's own motion of the tariff filed by Advice Letter 1831-E of Pacific Gas and Electric Company (PG&E).**  
The Commission's June 3, 1999 Order of Investigation and Suspension ordered the parties to file briefs primarily on two issues: 1) whether this Commission has jurisdiction over any electric service PG&E provides to the San Francisco Bay Area Rapid Transit District (BART); and 2) if so, the extent of this Commission's jurisdiction vis-à-vis the Federal Energy Regulatory Commission (FERC). The Order further states that if this Commission has jurisdiction over some part of PG&E's service to BART, evidentiary hearings may be held to determine the appropriate rates. The Commission holds that there is a distribution component included in PG&E's delivery of BART's federal preference power and that this Commission has jurisdiction over the distribution component. The Commission defers to the evidentiary hearing the determination of the specific services and facilities used for local distribution. The Commission also hold that BART is not exempt under Public Utilities Code Sections 374(b) and 701.8 from payment of costs for public purpose programs, nuclear decommissioning, and distribution services and facilities. The Commission finds that an evidentiary hearing is necessary and confirms findings in the Order of Investigation and Suspension that this proceeding be categorized as a ratesetting investigation. The scope of this proceeding may be further revised after the prehearing conference. PG&E's proposed E-BART tariff, pursuant to stipulation, may go into effect, subject to refund of any duplicative or inappropriate charges as determined after hearing.  
(Com Neeper - ALJ Bytof)  
(Section 311(g))  
**This item was released for public review and comment (PU Code Section 311(g)) and was identified as Item 9.**

- CA-22            A99-01-036 - PacifiCorp and Scottish Power plc.**  
For exemption from the merger approval requirements of California Public Utilities Code Section 854. This decision grants the petition to modify D99-06-049, which approved the merger of applicants. It adds two conditions to the merger which had been agreed to by the applicants but had not been included in D99-06-049. The two conditions refer to service standards and reliability. This proceeding is closed.  
(Com Bilas - ALJ Barnett)  
(Section 311(g))
- CA-23            Res T-16354 - GTE California Incorporated (GTE).**  
This resolution approves three Paging Interconnection Agreements between GTE and Cook Telecom, Inc., between GTE and Desert Mobilefone, and between GTE and TSR Wireless, LLC, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 9109, filed August 12, 1999; Supplement AL 9109A, filed August 16, 1999; AL 9110, filed August 12, 1999; Supplement AL 9110A, filed August 16, 1999; AL 9111, filed August 13, 1999; Supplement AL 9111A, filed August 16, 1999)  
(Section 311(g))
- CA-24            Res T-16355 - GTE California Incorporated (GTE).**  
This resolution approves three Interconnection Agreements between GTE and Coyote Metro, LLC, between GTE and 01 Communications, Inc., and between GTE and Net-tel Corporation, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 9119, filed August 31, 1999; AL 9120, filed August 31, 1999; AL 9122, filed September 2, 1999)  
(Section 311(g))
- CA-25            Res T-16356 - Pacific Bell (Pacific).**  
This resolution approves an Interconnection Agreement between Pacific and HighSpeed.Com of California, L.L.C., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter 20538, filed September 3, 1999)  
(Section 311(g))



- CA-26      Res T-16357 - Pacific Bell (Pacific).**  
This resolution approves three Interconnection Agreements between Pacific and TCG - San Diego, between Pacific and TCG - San Francisco, and between Pacific and TCG - Los Angeles, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 20541, AL 20542, AL 20543, all filed September 8, 1999)  
(Section 311(g))
- CA-27      Res T-16358 - Pacific Bell (Pacific).**  
This resolution approves two Resale Agreements between Pacific and Advanced Data Communications, Inc., and between Pacific and PrePaid Tel.com, Inc., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 20571, filed September 14, 1999; AL 20580, filed September 15, 1999)  
(Section 311(g))
- CA-28      Res T-16359 - Pacific Bell (Pacific).**  
This resolution approves a Paging Interconnection Agreement between Pacific and Satellite Skypager, Inc., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter 20581, filed September 17, 1999)  
(Section 311(g))
- CA-29      A97-10-024 - Southern California Edison Company (Edison).**  
For authority to recover capital additions to its Fossil Generating Facilities made between January 1, 1996 and December 31, 1996, and related substantive and procedural relief. Based on a settlement reached between Edison and The Utility Reform Network, this decision authorizes transition cost recovery of \$11.156 million of 1996 capital additions to Edison's non-nuclear generating facilities and denies recovery of \$1.1415 million in costs associated with Work Order No. 3393-0044, the Cool Water Blanket Spare Parts project. The authorized costs should be recorded in the Transition Cost Balancing Account. This proceeding is closed.  
(Com Bilas - ALJ Bytof)  
(Section 311(g))

- CA-30**            **C92-02-032 - W. Victor vs. GTE California Incorporated, GTE Corporation, and Does 2001 through 2010.**  
This decision finds the petition to modify D98-07-021 is without merit and is denied. This proceeding is closed.  
(Com Duque - ALJ Walker)  
(Section 311(g))  
(Agenda 3024, Item CA-4, 10/7/99; Req - Commission)
- CA-31**            **A98-12-037 - Williams Communications, Inc., dba Vyvx, Inc.**  
For a certificate of public convenience and necessity (CPCN) to provide InterLATA and IntraLATA Telecommunications Services within the State of California. This decision grants Williams Communications, Inc. a CPCN to operate as a facilities-based interexchange carrier. This proceeding is closed.  
(Com Neeper - ALJ O'Donnell)  
(Section 311(g))

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## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

#### *ORDERS HELD OVER*

**NOTE:** Ex Parte Communications are prohibited on Items H-10, 3, 8, 10 and 10a from October 18, 1999 through the conclusion of the Business Meeting at which a vote on the Proposed Decisions is scheduled. (Rule 7(c)(4)).

**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; Agenda 3020, Item H-1, 7/22/99; Agenda 3023, Item H-1, 9/16/99; Req - Commission)

**H-2** **R97-10-049 - Commission Order Instituting Rulemaking on the Commission's own motion to set rules and to provide guidelines for the privatization and excess capacity as its relates to investor owned water companies.**

This decision adopts with modifications proposals to allow water companies to provide goods and services to unregulated operations priced at incremental cost. This proceeding is closed.

(Coms Duque/Neeper - ALJ Bushey)

(Section 311(g))

(Agenda 3022, Item 2, 9/2/99; Agenda 3024, Item H-1, 10/7/99; Req - Commission)

- H-3            C95-01-038 - Strawberry Property Owners Association vs. Conlin-Strawberry Water Company, Inc.**  
This decision assesses Conlin-Strawberry Water Company, Inc. a fine totaling \$400,000 for failure to comply with past Commission orders. The total fine or a portion thereof may be stayed if past orders for system repairs and improvement are completed. This proceeding is closed.  
(Com Neeper - ALJ Bennett)  
(Section 311(g))  
(Agenda 3023, Item 1, 9/16/99; Agenda 3024, Item H-8, 10/7/99; 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 grants in part the Petition to Modify D96-03-020 filed by GTE California Incorporated (GTEC). The modification lifts the restriction on Category II pricing flexibility until price floors are adopted for GTEC in Open Access and Network Architecture Development (OANAD). GTEC is authorized to file an advice letter to establish interim Category II price floors for particular services using its cost studies filed in OANAD.  
(Com Duque - ALJ Pulsifer)  
(Section 311(g))  
(Agenda 3024, Item 7, 10/7/99; Req - Commission)

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- H-5**                    **R99-02-001 - Rulemaking for purposes of implementing certain statutory requirements regarding public review and comments for specified Commission decisions.**  
This decision adopts Rules of Practice and Procedure to implement certain statutory requirements, enacted in Senate Bill 779 (Calderon), regarding public review and comment for specified Commission decisions. This proceeding is closed.  
(Com Neeper - ALJ Kotz)  
(Section 311(g))  
(Agenda 3022, Item 1, 9/2/99; Agenda 3023, Item H-7, 9/16/99; Agenda 3024, Item H-5, 10/7/99; Req - Commission)
- H-5a**                    **ALTERNATE ORDER TO ITEM H-5.** The modified alternate adds further proposals beyond the three changes in the original alternate. The further substantive proposals are: (1) commenters may provide a “redlined” version of the decision to which their comments relate; (2) changes to a decision, even if substantive, would not be subject to public review and comment if the changes merely incorporate commenters’ suggestion or language that previously had been subject to public review and comment; (3) parties may reduce or waive the comment period on an alternate if all parties so stipulate; (4) absent such stipulation, the Commission may reduce (but not waive) the comment period on an alternate; and (5) the Commission may reduce or waive the comment period on a draft decision if “public necessity” (as defined) requires such reduction or waiver.  
(Coms Bilas/Neeper)  
(Agenda 3022, Item 1a, 9/2/99; Agenda 3023, Item H-7a, 9/16/99; Agenda 3024, Item H-5a, 10/7/99; Req - Commission)  
This revision was not listed on the agenda distributed to the public.
- H-5b**                    **ALTERNATE PAGES TO ITEM H-5a.** These alternate pages remove reference to redlining from the alternate.  
(10/20/99)                    (Com Duque)  
This item was not listed on the agenda distributed to the public.

**H-6**

**R97-01-009 - Order Instituting Rulemaking on the Commission's intervenor compensation program. I97-01-010 - Related matter.**

This decision adopts, with two changes, the Commission's proposal for determining responsibility of certain utilities for payment of intervenor compensation awards in quasi-legislative or rulemaking proceedings, first announced in D98-04-059. Specifically, when participation of California-jurisdictional utilities occurs through an association, the Commission will direct the association - and not the member utilities - to pay any award. Second, the Commission modifies D98-04-059 to remove the requirement that utilities file a revenue report with the Public Advisor.

(Com Neeper - ALJ Hale)

(Section 311(g))

(Agenda 3022, Item CA-5, 9/2/99; Agenda 3023, Item H-12, 9/16/99; Agenda 3024, Item H-7, 10/7/99; Req - Commission)

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**H-6a (Rev.)**      **ALTERNATE ORDER TO ITEM H-6.** This alternate rejects the April 1998 proposal for determining the responsibility of certain utilities for payment of intervenor compensation awards. Instead, in quasi-legislative rulemaking proceedings affecting an industry or multiple industries, this alternate requires all energy, telecommunications and water utilities in the affected industry to pay any compensation award, regardless of whether that utility participated in the proceeding. It states an intent to establish an intervenor compensation program fund from which awards in quasi-legislative rulemaking proceedings where no specific respondents are named will be paid. The program will be funded through the fees collected on an annual basis from regulated energy, telecommunications, and water utilities under Public Utilities Section 401 et seq. D98-04-059 is modified to remove the requirement that utilities file a revenue report with the Public Advisor.  
(Com Neeper)  
(Agenda 3023, Item H-12a, 9/16/99; Agenda 3024, Item H-7a, 10/7/99; Req - Commission)

**H-7**      **A98-05-038 - Pacific Bell.**  
For authority for pricing flexibility and to increase prices of certain operator services, to reduce the number of monthly Directory Assistance (DA) call allowances, and adjust prices for four Centrex optional features. This decision authorizes Pacific Bell to increase its DA price floor from \$0.25 to \$0.35, tariff price from \$0.25 to \$0.46, and ceiling rate to \$0.46. Pacific Bell's monthly DA allowance call for residential customers is decreased from five to three calls, for business customers is decreased from two to zero, and Centrex business customers is decreased from one to zero. Pacific Bell's Busy Line Verification (BLV) and Emergency Interrupt (EI) service price floors are increased to cover costs as set forth in sealed Exhibit G. The tariff price is increased from \$0.50 to \$1.20 for BLV and from \$1.00 to \$1.25 for EI. The ceiling rate is capped at \$1.20 for BLV and at \$1.25 for EI. Concurrent with the above-mentioned changes, Pacific Bell is authorized to change its DA, BLV, and EI resale prices to maintain a 17% margin between its retail and resale prices for these services. This proceeding is closed.  
(Com Duque - ALJ Galvin)  
(Section 311(d))  
(Agenda 3023, Item 5, 9/16/99; Agenda 3024, Item H-10, 10/7/99; Req - Commission)

- H-8**                    **A99-04-010 - Western Gas Resources-California, Inc. (WGRC).**  
For a certificate of public convenience and necessity to provide public utility gas transmission and distribution services through the use of certain existing facilities and to construct additional interconnection facilities. This decision dismisses without prejudice WGRC's application refiling at this time after substantial amendment so that the request conforms to the Commission current policy, or its refiling at a later date if the Commission ongoing investigation into restructuring the natural gas industry reaches a conclusion with regard to local transmission and distribution competition that would allow the type of competition in which WGRC wishes to engage. This proceeding is closed.  
(Com Bilas - ALJ Biren)  
(Section 311(g))  
(Agenda 3024, Item 1, 10/7/99; Req - Commission)
- H-8a**                    **ALTERNATE ORDER TO ITEM H-8.** This alternate order would deny the Motion to Dismiss of Pacific Gas and Electric Company and send this matter to hearings.  
(Coms Hyatt/Neeper)
- H-9**                    **C99-04-004 - Western Gas Resources-California, Inc. vs. Pacific Gas and Electric Company (PG&E).**  
This decision dismisses the complaint as moot. A companion application for a certificate of public convenience and necessity is also dismissed, which makes this complaint regarding PG&E's alleged anti-competitive activity moot. This proceeding is closed.  
(Com Bilas - ALJ Biren)  
(Section 311(g))  
(Agenda 3024, Item 2, 10/7/99; Req - Commission)



- ✓**H-10**      **A99-01-016 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish post-transition period electric ratemaking mechanisms. A99-01-019, A99-01-034 - Related matters. This decision resolves issues in Phase 1 of these applications of PG&E, Southern California Edison Company and San Diego Gas & Electric Company addressing ratemaking, accounting, and other regulatory concerns arising with the end of the “transition period” and rate freeze prescribed by Assembly Bill 1890 for each utility.  
(Com Duque - ALJ Malcolm)  
(Section 311(d))  
(Agenda 3024, Item 3, 10/7/99; Req - Commission)
- H-11**      **R98-07-037 - Order Instituting Rulemaking on the Commission’s proposed policies and programs governing energy efficiency, low-income assistance, renewable energy and research development and demonstration.**  
This decision addresses the structure and operating procedures of the California Board for Energy Efficiency and the Low-Income Governing Board.  
(Com Neeper - ALJ Gottstein)  
(Section 311(g))  
(Agenda 3024, Item 6, 10/7/99; Req - Commission)

**H-12 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; Agenda 3020, Item H-2, 7/22/99; Agenda 3021, Item H-2, 8/5/99; Agenda 3022, Item H-3, 9/2/99; Agenda 3023, Item H-4, 9/16/99; Agenda 3024, Item H-3, 10/7/99; Req - Commission)

**H-13            R94-04-031 - Order Instituting Rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-032 - Related matter.**

This decision grants the motion of Independent Energy Producers Association, et al., on an interim basis and subject to true-up, regarding the election by Qualifying Facilities to receive energy payments based on the Power Exchange market-clearing price.

(Com Neeper - ALJ Minkin)

(Section 311(g))

(Agenda 3024, Item 4, 10/7/99; Req - Commission)

**H-14            A99-07-045 - Southern California Edison Company (Edison).**

This decision confirms Daniel P. Garcia to serve on the committee of Edison's Nuclear Decommissioning Trust Funds. This proceeding is closed.

(Exam Clanon)

(Section 311(g))

(Agenda 3024, Item CA-7, 10/7/99; Req - Commission)

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**ORDERS**

- 1**           **A98-05-014 - Southern California Edison Company (Edison).**  
To report on the valuation process for certain generation-related assets pursuant to D97-11-074. A98-05-022 - Related matter.  
This decision orders Pacific Gas and Electric Company to file, by November 15, 1999, an application to value remaining generation and generation related assets pursuant to Sections 216(h) and 377 of the Public Utilities Code. A98-05-022 is closed.  
(Com Duque - ALJ Patrick)  
(Section 311(g))
- 2**           **A96-03-031 - Southern California Gas Company (SoCalGas).**  
For authority to review its rates effective January 1, 1997, in its Biennial Cost Allocation Proceeding. A96-04-030 - Related matter.  
This decision corrects the allocation of pipeline surcharges among SoCalGas's customers in a limited rehearing of D97-04-082. It allocates the \$162 million in surcharges as follows: 24.5% of the surcharge amounts associated with step-downs on El Paso pipeline will be allocated to SoCal's noncore customers. 75.5% of the surcharge amounts associated with step-downs on El Paso pipeline will be allocated to the core and noncore on an equal cents per therm basis. 100% of the surcharge amounts associated with step-downs on Transwestern pipeline will be allocated to SoCal's noncore customers. This allocation results in a reduction to the Core Fixed Cost Account of \$88.1 million and a corresponding increase to the Interstate Transition Cost Surcharge account that will be paid by the noncore. The \$88.1 increase in noncore cost responsibility will be amortized over a 4-year period. These proceedings are closed.  
(Com Duque - ALJ Gottstein)  
(Section 311(d))

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- ✓3      **A98-05-053 - Southern California Edison Company (Edison).**  
For authority to review the reasonableness of SCE's operations during the period from April 1, 1997 through December 31, 1997; recovery of cost tracked in the Independent System Operator/Power Exchange Implementation Delay Memorandum Account; reasonableness review of special contracts administration; and Electric Vehicles Program costs for the period from January 1, 1998 through April 30, 1998. This decision finds that all Edison's operations during the record period April 1, 1997 through April 30, 1998 were reasonable except that Edison erred in failing to transfer \$4.106 million from its Electric Revenue Adjustment Mechanism balancing account to its Transition Cost Balancing Account. Edison is ordered to make the transfer. This proceeding is closed.  
(Com Neeper - ALJ Barnett)  
(Section 311(d))
- 4      **R97-10-048 - Order Instituting Rulemaking on the Commission's own motion to set rules and to provide guidelines for the acquisition and mergers of water companies.**  
This decision approves proposed settlement agreement of California Water Association and Ratepayer Representation Branch to set guidelines to implement Senate Bill 1268 and for mergers and acquisitions of small water utilities. This proceeding is closed.  
(Coms Duque/Neeper - ALJ Bennett)  
(Section 311(g))
- 5      **R98-12-015 - Order Instituting Rulemaking on the Commission's own motion to solicit comments and proposals on distributed generation and competition in electric distribution service.**  
This decision summarizes the issues that were raised in connection with this rulemaking, and describes the roadmap that the CPUC will follow to address the issues of distributed generation, distribution competition, and the role of the utility distribution companies (UDCs). This decision bifurcates the issues into two tracks. The first track will address the issues pertaining to distributed generation, and a new order Instituting Rulemaking is being opened for that purpose. The second track will address the distribution competition issues, and the role of the UDCs in a competitive retail electronic market. This second track will be handled initially in a CPUC staff study and report. This proceeding is closed.  
(Com Duque - ALJ Wong)  
(Section 311(g))

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- 6            **R\_\_\_\_\_ - Order Instituting Rulemaking on the Commission's own motion into distributed generation.**  
 This Order Instituting Rulemaking is being opened to develop specific policies and rules regarding distributed generation. A workshop will be held to address how the current interconnection rules should be revised to facilitate the deployment of distributed generation using simplified and standardized interconnection protocols. Most of the other distributed generation issues will be resolved through the use of prepared written testimony and formal hearings. The Commission will collaborate with the California Energy Commission and the Electricity Oversight Board, as well as with the Legislature, to develop the applicable policies and rules.  
 (Com Bilas - ALJ Wong)
- 7            **R94-04-031 - Order Instituting Rulemaking on the Commission's proposed policies governing restructuring California's electric services industry and reforming regulation. I94-04-031 - Related matter.**  
 On August 9, 1999, Southern California Edison Company (Edison) submitted a petition for declaratory order (Petition) to request clarification that the Commission does not require Edison to apply for authority under Public Utilities Code Section 851 to sell, lease, assign, mortgage, or otherwise dispose of or encumber transmission facilities that are subject to the jurisdiction of the Federal Energy Regulatory Commission. The Commission denies Edison's Petition and will not issue such a declaratory order.  
 (Com Duque - ALJ Minkin)  
 (Section 311(g))
- ✓8           **A99-01-018 - Antone Sylvester Tug Service, Inc.**  
 This decision authorizes Antone Sylvester Tug Service, Inc.'s request to transport property by vessel between all points in the Los Angeles, Long Beach, and Redondo Beach harbor areas, on the one hand, and all points on Santa Catalina Island excluding Avalon and the Isthmus on the other hand.  
 (Rev.)            This proceeding is closed.  
 (10/14/99)        (Com Bilas - ALJ McVicar)  
                           (Section 311(d))  
                           This revision was not listed on the agenda distributed to the public.

9 Moved to Item CA-21.

- ✓10 **A99-02-019 - Rajinder Singh Randhawa, dba American Express Shuttle.**  
For authority to operate as a passenger stage corporation between points in Alameda County, Santa Clara County, San Mateo County and San Joaquin County and Oakland International Airport, San Francisco International Airport, and Sacramento International Airport, Contra Costa County. This decision grants Rajinder Singh Randhawa request for an extension of its airport shuttle passenger stage certificate to include all of Santa Clara County, and denied extension to other areas and airports. This proceeding is closed.  
(Com Duque - ALJ Rosenthal)  
(Section 311(d))  
**This item was released for public review and comment (PU Code Section 311(g)) and was identified as Item CA-3.**

- ✓10a **ALTERNATE ORDER TO ITEM 10.** This alternate order grants Rajinder Singh Randhawa the authority requested, finding that, as a matter of policy, the Commission should not deny operational authority to carriers in competitive markets on the basis that their businesses may fail as long as their operations do not compromise the public interest. This proceeding is closed.  
(Com Hyatt)

**11            199-09-001 - Investigation on the Commission's own motion into the operations and practices of Telmatch Telecommunications, Inc., to determine whether it has violated the laws, rules and regulations governing the manner in which California consumers are billed for telecommunication services.**

This decision directs Hold Billing Services, Inc., Billing Concepts, USBI, and ZPDI to remit to the Manager of the Commission's Fiscal Office a certified check, payable to California Public Utilities Commission in the amount of the difference between the amount collected on behalf of Telmatch Telecommunications, Inc. (Telmatch) less than the amount charge Telmatch for billing services and the amount disbursed to Telmatch or refunded to customers. Similarly, Pacific Bell, and GTE California, Incorporated, should remit funds held on behalf of Telmatch to the Commission. All such funds will be held by the Commission and will be distributed pursuant to further order of the Commission.

(Com Duque - ALJ DeUlloa)

(Section 311(g))



## **UTILITIES RESOLUTIONS**

### ***ENERGY MATTERS***

- E-1            Res E-3591 - San Diego Gas & Electric Company (SDG&E).**  
This resolution denies without prejudice SDG&E's request to add to its list of sample forms two Summary Bill Forms which allow customers with multiple accounts at multiple service addresses to receive one bill instead of individual bills for each account.  
(Advice Letter 1140-E/1129-G, filed December 16, 1998)  
(Section 311(g))  
(Agenda 3022, Item E-3, 9/2/99; Agenda 3023, Item E-1, 9/16/99;  
Agenda 3024, Item E-6, 10/7/99; Req - Commission)

**MANAGEMENT**

- M-1**            **Res M-4797** - This resolution approves an annual fee of \$100 for registered Electric Service Providers for the year beginning September 1, 1999.  
(Section 311(g))  
(Agenda 3023, Item CA-36, 9/16/99; Agenda 3024, Item M-1, 10/7/99;  
Req - Commission)

## **COMMISSIONERS' REPORTS**

### Commissioner Duque

- Electric Matters
- Water Matters
- Legislative Matters

### Commissioner Neeper

- Telecommunications Matters
- Legal/Administrative Law Judge Matters

### President Bilas

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

Advocates Trust Fund action memo changing the Trustee Bank

### Commissioner Hyatt

- Administrative Matters
- Strategic Planning Matters

### Commissioner Wood

- Consumer Protection Matters
- Legislative 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

1998 Annual Report of Railroad Accidents Occurring in California.

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**  
**R.95-04-043, I.95-04-044** - Disposition of Application for Rehearing of California Cable Television Association of D98-07-091, which clarified D96-03-020 with regard to the calculation of imputation costs related to Universal Service, but provided that this clarification would sunset with the issuance of the Commission's OANAD Proceeding. (Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Agenda 3023, Item EX-4, 9/16/99; Req - Commission)

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- HEX-2**      **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; Agenda 3020, Item HEX-1, 7/22/99; Agenda 3024, Item HEX-1, 10/7/99; Req - Commission)
- HEX-3**      **Conference with Legal Counsel - Application for Rehearing**  
**A99-08-046** - Disposition of Application for Rehearing of Res. T-16302, which authorized Pacific Bell (Pacific) to provide Integrated Pathway Service, a New Service, as a Category III Service, filed by The California Cable Television Association, alleging that the Resolution is in error because Pacific failed to provide support for Category III treatment of the service, failed to make the required showing regarding unbundling and imputation, and Pacific's introduction of IPS is an attempt to circumvent Category II safeguards.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Agenda 3024, Item EX-7, 10/7/99; Req - Commission)
- HEX-4**      **Conference with Legal Counsel - Application for Rehearing**  
**I98-04-033** - Disposition of Application for the Rehearing of D99-06-055 filed by FutureNet Online, Inc. and Alan J. Setlin. That decision required that appellants pay a fine for offering electrical service to the public without first registering with the Commission as an Energy Service Provider as required by Public Utilities Code Sections 394-396. (Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Agenda 3023, Item EX-5, 9/16/99; Agenda 3024, Item HEX-3, 10/7/99; Req - Commission)

**HEX-5**      **Conference with Legal Counsel - Initiation of Enforcement Proceeding**  
**I\_\_\_\_\_** - Order Instituting Investigation into whether  
Commonwealth Energy Corporation supplied false information in its  
application for registration as an Electric Service Provider.  
(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)  
(Agenda 3024, Item EX-4, 10/7/99; Req - Commission)

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**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**  
**A99-08-051** - Disposition of Application for Rehearing filed by the Sierra Club (Angeles chapter) of Resolution W-4154, which approves Advice Letters 84 and 85 expanding the service area of the Valencia Water Company.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-5            Conference with Legal Counsel - Application for Rehearing**  
**(Rev.)            A98-06-051** - Disposition of Application for Rehearing by A&M United  
**(10/22/99)**        Group, LLC, of D99-06-059, which denied the application to acquire the operating authority of EZ Shuttle and Charter Service and revoked the operating authority of EZ Shuttle and Charter Service.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Typographical corrected error on proceeding number)
- EX-6            Conference with Legal Counsel - Initiation of Enforcement Proceeding**  
Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.  
(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)



**EX-7**

**Conference with Legal Counsel – Initiation of Enforcement Proceeding**

Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.

(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)

**FEDERAL ITEMS**

- FEX-1            Conference with Legal Counsel - Initiation of Litigation**  
Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings. (Gov. Code Sec. 11126(e)(2)(C)(i).)
- FEX-2            Conference with Legal Counsel - Existing Litigation**  
**CC Docket Nos. 96-262, 99-249, 96-45 and 94-1** - In the Matter of Access Charge Reform, Low-Volume Long Distance Users, Federal-State Joint Board on Universal Service and Price Cap Performance Review for Local Exchange Carriers. (Gov. Code Sec. 11126 (e)(2)(A).)
- FEX-3            Conference with Legal Counsel - Existing Litigation**  
**FERC Docket Nos. ER97-2355-000, et al.**, Southern California Edison Company. (Gov. Code Sec. 11126(e)(2)(A).)
- FEX-4            Conference with Legal Counsel - Existing Litigation**  
**CC Docket No. 96-45** - Further notice of proposed rulemaking in the matter of Federal-State Joint Board on Universal Service: Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas.  
(Gov. Code Sec. 11126 (e)(2)(A).)
- FEX-5            Conference with Legal Counsel - Existing Litigation**  
**FERC Docket Nos. ER98-495-000, et al.** - Pacific Gas and Electric Company, et al.  
(Gov. Code Sec. 11126(e)(2)(A).)

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