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# *Public Utilities Commission of the State of California*

***Public Agenda 3027  
Thursday, November 18, 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>Closed to the Public</b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b>Open to the Public</b>
✓Monday, November 15	Thursday, November 18
✓Monday, November 29	Thursday, December 2
Monday, December 13	Thursday, December 16
Monday, January 3, 2000	Thursday, January 6, 2000

*\*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-7, CA-8, CA-9, CA-10

## CONSENT AGENDA

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

## ORDERS AND RESOLUTIONS

**NOTE:**        **Ex Parte Communications are prohibited on Items CA-4, CA-6, 3, 5, and 5a from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decisions is scheduled. (Rule 7(c)(4)).**

**CA-1**        **Res TL-18910** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

**CA-2**        **Res ALJ-176-3027** - 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**        **R92-03-050 - Order Instituting Rulemaking on the Commission's own motion to consider the line extension rules of electric and gas utilities.** In this decision, the Commission declines to adopt a proposal that would require new customers to pay up front for their meters. The Commission removes from the line and service extension allowances the credits for meter services, meter reading and billing, and payment services. The meter ownership credit is deferred until the Commission addresses meter policy issues in other pending proceedings.  
(Com Duque - ALJ Patrick)  
(Section 311(g))

- ✓**CA-4**      **A99-05-013 - Alisal Water Corporation.**  
This decision dismisses without prejudice pending the outcome of a related civil suit underway in Monterey Superior Court, Alisal Water Corporation's request to include Rosehart Ag-Industrial Park in its service area, establish rates for service, and issue an evidence of indebtedness. This proceeding is closed.  
(Com Duque - ALJ McVicar)  
(Section 311(d))
- CA-5**      **Res TL-18907 - Airporter, Inc., dba Santa Rosa Airporter (Airporter).**  
This resolution grants Airporter's request to amend its passenger stage corporation certificate as requested in route revision Docket 507.  
(Section 311(g))
- ✓**CA-6**      **A99-03-065 - Southern California Water Company (SCWC).**  
In the Matter of the Application of the Southern California Water Company (U 133 W) for an Order Authorizing it to Increase Rates For Water Service in its Wrightwood Customer Service Area. A99-03-066, A99-03-067, A99-03-068 - Related matters. This decision approves a settlement between SCWC and the active parties in this consolidated general rate case proceeding for the Wrightwood, Claremont, Barstow, and Calipatria-Niland districts. A significant part of the rate increase requested by SCWC for all four districts relates to proposed plant additions to meet water quality regulations. This decision defers recognition in rates of these costs pending issuance of new standards by United States Environmental Protection Agency and the California Department of Health Services for radon and arsenic. This proceeding is closed.  
(Com Neeper - ALJ Patrick)  
(Section 311(d))
- CA-7**      **I93-04-009 - Investigation on the Commission's own motion into the operations and practices of Myra Lea Gallo, dba SHORELINE LIMOUSINE. I-94-09-005 - Related matter.**  
Respondent is no longer operating. These proceedings are closed.  
(Com Duque - ALJ Stalder)  
(Section 311(d))

- CA-8**            **I94-09-022 - Order Instituting Investigation into the operations and practices of Stephan and Antoanet Stephanoff, a partnership, doing business as Desert Cities Shuttle.**  
This decision orders a refund due to respondent overcharging a customer. This proceeding is closed.  
(Com Duque - ALJ Stalder)  
(Section 311(d))
- CA-9**            **A94-02-015 - All Destinations Shuttle, Inc. and Savvas Roditis.**  
For authority to operate as a passenger stage between certain portions of Los Angeles and Orange Counties, on the one hand, and Los Angeles International Airport and Burbank Airport, Long Beach Airport, John Wayne Airport, Amtrak Rail Station and Los Angeles and Long Beach Harbors, on the other hand. I94-12-012 - Related matter.  
Applicant and respondent are no longer operating. These proceedings are closed.  
(Com Duque - ALJ Stalder)  
(Section 311(d))
- CA-10**           **I94-11-031 - Order Instituting Investigation for Notice of Revocation of Passenger Stage Corporation Certificate and Charter-Party Carrier Permit of Angelo Abed, dba U.S.A. Airporter.**  
Respondent's operating authority has been revoked for other reasons. This proceeding is closed.  
(Com Duque - ALJ Stalder)  
(Section 311(d))
- CA-11**           **Res E-3640 - Pacific Gas and Electric Company (PG&E).**  
This resolution approves PG&E's request to change Schedules E-19 and E-20 to allow customers with winter season intensive operations to be eligible for the Optimal Billing Period Program.  
(Advice Letter 1896-E, filed July 30, 1999)  
(Section 311(g))

- CA-12      Res O-0036 - Pacific Pipeline System LLC (PPS LLC).**  
This resolution approves PPS LLC's request for modification to its tariff.  
(Advice Letter 3, filed May 7, 1999)  
(Section 311(g))
- CA-13      Res W-4169 - San Gabriel Valley Water Company, Los Angeles County  
Division (SGVWC).**  
This resolution approves SGVWC's request for an additional attrition year  
step increase of \$1,027,400 or 3.7%.  
(Advice Letter 304, filed September 15, 1999)
- CA-14      Res W-4170 - East Pasadena Water Company (EPWC).**  
This resolution approves EPWC's request for a surcharge of \$0.064 per one  
hundred cubic feet of water usage for twelve months to amortize a \$50,059  
undercollection in EPWC's purchased water, purchased power, and  
pumping assessment balancing accounts.  
(Advice Letter 55, filed October 8, 1999)
- CA-15      A98-07-003 - Pacific Gas and Electric Company (PG&E).**  
For verification, consolidation and approval of costs and revenues in the  
transition revenue account. A98-07-006, A98-07-026 - Related matters.  
This decision grants The Utility Reform Network an award of \$22,227.94 in  
compensation for its contribution to D99-06-058, which addressed issues  
related to: (1) allocation of direct access costs, (2) allocation of transition  
costs, (3) power exchange pricing, and (4) ratemaking. These proceedings  
are closed.  
(Com Bilas - ALJ Patrick)  
(Section 311(g))
- CA-16      A99-07-015 - Pacific Gas and Electric Company (PG&E) and City of  
Sonoma.**  
This decision authorizes PG&E request to sell and convey a certain parcel  
of land in Sonoma County to the City of Sonoma pursuant to Public  
Utilities Code Section 851. This proceeding is closed.  
(Com Wood - ALJ Wright)  
(Section 311(g))

- CA-17      Res W-4171 - Peerless Water Company (PWC).**  
This resolution grants PWC's request for a general increase in rates producing \$40,527 or 4.96% additional annual revenue.
- CA-18      Res W-4172 - Hillcrest Water Company (HWC).**  
This resolution grants HWC's request for a rate of return offset revenue increase of \$38,552 or 5.59% additional annual revenue after having completed the penalty ordered by D97-06-105.  
(Rev.)  
(11/15/99) (Advice Letter 87, filed October 14, 1999)  
This revision was not listed on the agenda distributed to the public.
- CA-19      Res TL-18911 - Airporter, Inc., dba Santa Rosa Airporter.**  
This resolution grants Santa Rosa Airporter's request for voluntary suspension of a portion of its passenger stage certificate.  
(Section 311(g))
- CA-20      Res TL-18909 - Safeway Lines & Tour Company.**  
This resolution grants Safeway Lines & Tour Company's request for a passenger stage corporation certificate.  
(Section 311(g))

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## 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;  
Agenda 3020, Item H-1, 7/22/99; Agenda 3023, Item H-1, 9/16/99;  
Agenda 3025, Item H-1, 10/21/99; 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;  
Agenda 3025, Item H-2, 10/21/99; 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; Agenda 3025, Item H-3, 10/21/99; Req - Commission)
- H-3a**                    **ALTERNATE ORDER TO ITEM H-3.** This alternate orders Conlin-Strawberry Water Company, Inc. to make all system improvements ordered by the Commission and the Department of Health and Services by April 30, 2000, and to pay a fine of \$10,000 for violations that remained uncorrected on January 20, 1994. Within two months of the effective date of this order, the Director of the Water Division shall file a compliance verification resolution for our review indicating all improvements which have been verified, and a recommended timetable for completion by April 30, 2000 of any system improvements which remain uncorrected. Should Conlin-Strawberry fail to comply with this Order by April 30, 2000, the Commission General Counsel shall promptly prepare for the Commission's review, a petition, pursuant to Section 855 of the Public Utilities Code, to be filed in the Superior Court of Tuolumne County seeking the appointment of a receiver to assume possession of Conlin-Strawberry Water Company, Inc. and to operate the utility system.  
(Com Neeper)
- 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; Agenda 3025, Item H-4, 10/21/99; Agenda 3026, Item H-2, 11/4/99; Req - Commission)



**H-5**            **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; Agenda 3025, Item H-6, 10/21/99; Agenda 3026, Item H-3, 11/4/99; Req - Commission)

**H-5a**            **ALTERNATE ORDER TO ITEM H-5.** 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; Agenda 3025, Item H-6a, 10/21/99; Agenda 3026, Item H-3a, 11/4/99; Req - Commission)

**H-6            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; Agenda 3025, Item H-11, 10/21/99;

Agenda 3026, Item H-5, 11/4/99; Req - Commission)

**H-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 - 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; Agenda 3025, Item H-12, 10/21/99; Agenda 3026, Item H-6, 11/4/99; Req - Commission)

**H-7a ALTERNATE PAGES TO ITEM H-7.** This alternate rejects the uniform allocation of shared and common costs adopting a non-uniform mark-up of 6% for residential loops and a mark-up of 22% for all other UNEs. In all other aspects the PD remains unchanged.  
(Com Hyatt)

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- H-8**            **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))  
(Agenda 3025, Item 1, 10/21/99; Agenda 3026, Item H-7, 11/4/99;  
Req - Commission)
- H-9**            **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; Agenda 3025, Item H-7, 10/21/99; Agenda 3026, Item H-4, 11/4/99;  
Req - Commission)

**H-9a**            **ALTERNATE ORDER TO ITEM H-9.** This alternate order authorizes Pacific Bell to establish a Local Directory Assistance (DA) price floor of \$0.35, and to increase its DA tariff price and ceiling rate from \$0.25 to \$0.35. Pacific Bell's monthly DA call allowance for residential customers remains at five. The monthly DA call allowance for business customers is decreased from two to zero, and for 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 \$1.25 for EI. Concurrent with the above mentioned changes, Pacific Bell is authorized to change its DA, BLV, EI and four Centrex Optional Features resale prices to maintain a 17% margin between its retail and resale prices for these services.

(Com Wood)

(Agenda 3026, Item H-4a, 11/4/9; Req - Commission)

**H-10**            **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; Agenda 3026, Item H-13, 11/4/99;

Req - Commission)

**H-10a**            **ALTERNATE ORDER TO ITEM H-10.** 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; Agenda 3025, Item H-5a, 10/21/99;  
Agenda 3026, Item H-13a, 11/4/99; Req - Commission)

**H-10b**            **ALTERNATE ORDER TO ITEM H-10.** This alternate is consistent with the Alternate of Commissioners Bilas and Neeper, except with respect to the issue of redlining. This alternate makes clear that redlined decisions are not acceptable as part of comments or ex parte material.  
(Com Duque)  
(Agenda 3025, Item H-5b, 10/21/99; Agenda 3026, Item H-13b, 11/4/99;  
Req - Commission)

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**ORDERS**

- 1           A96-08-043 - Pacific Gas and Electric Company (PG&E).**  
For authority to restructure and establish natural gas rates; modify its core aggregation and core subscription programs; obtain approval of the principles of a post-1997 core gas procurement incentive mechanism; and obtain approval of principles for disposition of its gas gathering facilities. The investigation into the bidding behavior of PG&E's Utility Electric Generation department during the Open Season auction of natural gas transportation capacity on the Redwood Path is closed without further action. However, a discussion of the allegations is set forth. The emergency motion of Enron Capital & Trade Resources and Enron Energy Services is now moot. This proceeding is closed.  
(Com Bilas - ALJ Biren)  
(Section 311(g))
  
- 2           A99-01-021 - Southern California Edison Company (Edison).**  
For approval of optional rate schedules and other related issues. The Commission, in Southern California Edison Company's 1998 Rate Design Window proceeding, approves rate design proposals as follows: Schedule GS-FR, a new, optional, customer-specific flat rate applicable to certain General Service customers; Schedule WTR, a new schedule for unmetered service applicable to specific wireless technologies; and a modification to an existing tariff schedule, Schedule TOU-PA-5, to allow oil pumping customers to take service on this schedule. The GS-FR and WTR options will be implemented on a limited basis. The Flat Rate option would continue to be available only for the duration of the rate freeze period, i.e., until either the end of the rate freeze period mandated by Assembly Bill 1890 or until transition costs are recovered, if this occurs prior to the statutory end of the transition period. The WTR option will be closed to additional customers at the end of the transition period. Both of the new options, as well as Schedule TOU-PA-5, will be available to bundled service and to direct access customers. This proceeding is closed.  
(Com Hyatt - ALJ Patrick)  
(Section 311(g))

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- ✓3      **A98-09-040 - Southern California Water Company (SCWC).**  
SCWC seeks authority to introduce single tariff pricing for eight water districts that comprise the company's Region III, located primarily in the Los Angeles area. The region-wide tariff would be phased in over three years and would replace stand-alone rates in the eight districts. The application is opposed by the Ratepayer Representation Branch of the Commission's Water Division as inimical to traditional ratemaking based on cost of service within a district. The proposal, if adopted, would constitute the first time that the Commission has permitted single tariff pricing for non-contiguous water districts. Based on the compelling need for rate relief in some of the smaller districts in the company's Region III, and on the demonstrated minimal impact of single tariff pricing in the other districts of Region III, as well as on the record as a whole, our order today grants the application. However, the Commission directs the Water Division to monitor this pricing practice and to make recommendations for change, if any, at the time of the next general rate case for this region. This proceeding is closed.  
(Com Duque - ALJ Walker)  
(Section 311(d))
- 4      **A97-12-039 - San Diego Gas & Electric Company (SDG&E).**  
For authority to sell electrical generation facilities and power contracts. This decision approves SDG&E's proposal to auction its qualifying facility contracts, except that SDG&E must absorb the costs of the auction. SDG&E is entitled to receive a 10% shareholder incentive.  
(Com Bilas - ALJ Barnett)  
(Section 311(g))
- ✓5      **A97-12-020 - Pacific Gas and Electric Company (PG&E).**  
For authority, among other things, to increase rates and charges for electric and gas service effective on January 1, 1999. I97-11-026, A94-12-005, I95-02-015 - Related matters. This decision authorizes PG&E's gas and electric revenue requirements for test year 1999. Authorized electric revenues are increased by \$180 million (9.4%). Gas revenues are increased by \$63 million (7.9%). PG&E's request for attrition rate adjustments for 2000 and 2001 is denied. Several ancillary requests re considered and resolved. The proceeding remains open pending disposition of ratemaking issues raised by the out-of-service status of PG&E's El Dorado Hydroelectric Project.  
(Com Bilas - ALJ Wetzell)  
(Section 311(d))
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- ✓5a      **ALTERNATE PAGES TO ITEM 5.** These alternate pages, in conjunction with Administrative Law Judge Wetzell's proposed decision, authorize PG&E's gas and electric revenue requirements for test year 1999. The alternate pages authorize increases of \$202 million (10.5%) for electric service and \$63 million (7.9%) for gas service. The alternate pages grant PG&E's request to include \$20.384 million in the vegetation management forecast for a supplemental four-year tree removal/replacement program.  
(Com Bilas)
- 6      **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 number pooling trial and related measures, and also approves, as a back up contingency, a three-way area code split for the 707 Numbering Plan Area to relieve NXX code exhaustion. The implementation schedule will be addressed in a later order following further inquiry into efficient number utilization.  
(Com Hyatt - ALJ Pulsifer)  
(Section 311(g))
- 7      **R\_\_\_\_\_ - Rulemaking for Purpose of Revising Settlement Provisions in the Rules of Practice and Procedure.**  
Rulemaking to consider revision of settlement rules in Rules of Practice and Procedure.  
(Com Neeper - ALJ Walker)
- 8      **R\_\_\_\_\_ - Order Instituting Rulemaking into implementation of Public Utilities Code Section 390.**  
This order opens a rulemaking addressing certain issues related to the prices paid to Qualifying Facilities for energy and capacity. Specifically, the Commission addresses provisions in Public Utilities Code Section 390 that establishes various criteria for basing short-run avoided cost energy payments on the Power Exchange market-clearing price.  
(Com Neeper - ALJ Minkin)  
(Section 311(g))  
This revision was not listed on the agenda distributed to the public.
- (Rev.)  
(11/15/99)

- 9**                    **A99-02-002 - Pac-West Telecommunications, Inc.**  
(11/15/99)        For Arbitration of an interconnection agreement with Citizens  
Telecommunications Company of California, Inc. This decision adopts the  
findings of the Final Arbitrator's Report and approves the executed  
arbitrated interconnection agreement. This matter is added to the agenda  
pursuant to Government Code Section 11125.3(a)(1) and Public Utilities  
Code Section 306(b). This proceeding is closed.  
(Com Duque - ALJ Reed)  
(Section 311(g))  
This item was not listed on the agenda distributed to the public.

## UTILITIES RESOLUTIONS

### ***ENERGY MATTERS***

- E-1            Res E-3639 - Southern California Edison Company (Edison).**  
This resolution conditionally approves Edison's request to continue offering its existing products and services. This resolution also requires Edison to file an advice letter if it desires to continue its newspaper subscription service.  
(Advice Letter 1286-E, filed January 30, 1998)  
(Section 311(g))
- E-2            Res E-3642 - Pacific Gas and Electric Company (PG&E).**  
This resolution rejects PG&E's request for approval of sample billing forms submitted under General Order 96-A, Section II.C(5).  
(Advice Letter 2180-G/1913-E, filed September 15, 1999)  
(Section 311(g))
- E-3            Res E-3636 - Pacific Gas and Electric Company (PG&E).**  
This resolution denies without prejudice PG&E's request to modify its Generating Facility Operations and Maintenance Account.  
(Advice Letter 1849-E, filed February 16, 1999)  
(Section 311(g))  
(Agenda 3026, Item E-2, 11/4/99; Req - Commission)
- E-3a            ALTERNATE RESOLUTION TO ITEM E-3.** This resolution approves PG&E's request for a modification of its Generating Facility Operations and Maintenance Account.  
(Com Neeper)

**ADMINISTRATIVE LAW JUDGE DIVISION RESOLUTIONS**

- ALJ-1**      **Res ALJ-178** - Revises Resolution ALJ-174 to implement Section 252(i) of the Telecommunications Act of 1996 concerning the adoption by a carrier of an interconnection agreement previously approved by the Commission.  
(Section 311(g))  
(Agenda 3026, Item ALJ-1, 11/4/99; Req - Commission)

## **COMMISSIONERS' REPORTS**

### Commissioner Duque

- Electric Matters
- Water Matters
- Legislative Matters

### Commissioner Neeper

- Telecommunications Matters
- Legal/Administrative Law Judge Matters

Report on the investigation of the early release of PG&E's General Rate Case decision.

### President Bilas

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

### 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

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; Agenda 3018, Item HEX-1, 6/24/99;  
Agenda 3020, Item HEX-1, 7/22/99; Agenda 3024, Item HEX-1, 10/7/99;  
Agenda 3025, Item HEX-2, 10/21/99; Agenda 3026, Item HEX-3, 11/4/99;  
Req - Commission)

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**HEX-2**            **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).)  
(Agenda 3025, Item EX-6, 10/21/99; Agenda 3026, Item HEX-7, 11/4/99; Req - Commission)

**HEX-3**            **Conference with Legal Counsel - Application for Rehearing**  
**C87-12-022** - Disposition of Application for Rehearing of D99-05-032, filed by Pacific Gas and Electric Company (PG&E). The decision resolves a complaint, filed by Independent Energy Producers Association, California Manufacturers Association, and Toward Utility Rate Normalization, alleging that PG&E had violated Public Utilities Code Section 453(d), which prohibits a utility from using billing envelopes for political advocacy. In D99-05-032, the Commission determined that PG&E had violated this statutory provision, and ordered a refund, plus interest from April 1, 1998 and until the refund is made to the ratepayers.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)  
(Agenda 3026, Item EX-4, 11/4/99; Req - Commission)

**HEX-4**            **Conference with Legal Counsel - Application for Rehearing**  
**I.95-02-015, A.94-12-005** - Disposition of Applications for Rehearing of D99-06-080 filed by Pacific Gas & Electric Company (PG&E). In D99-06-080, the Commission investigated PG&E's response to severe storms of December 1995. The Commission fined PG&E \$85,000 and ordered PG&E to cancel Note 7 of its internal construction standard for wood poles. PG&E alleges that the Commission erred in ordering the Note 7 cancellation and imposing the \$85,000 fine. In addition, PG&E alleges that the Commission erred in excluding the December 1995 storm claims payments from PG&E's 1999 General Rate Case forecast.  
(Gov. Code Sec. 11126(e)(2)(B).)  
(Agenda 3026, Item EX-5, 11/4/99; 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**  
**(ECP) C99-06-026** - Disposition of Application for Rehearing filed by the Apple Valley Ranchos Water Company of D99-09-009, which ordered a refund and cancelled a past due bill on customer's account.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-5            Conference with Legal Counsel - Application for Rehearing**  
**A99-09-035** - Disposition of Application for Rehearing filed by Southern California Edison Company (Edison) of Resolution E-3606 concerning the fuel oil memorandum account authorized by the Commission to be effective as of August 5, 1999. Edison seeks to have the account made retroactive to January 1, 1999. (Gov. Code Sec. 11126(e)(2)(B)(i).)
- EX-6            Conference with Legal Counsel - Motion for Stay**  
**I98-04-033** - Disposition of Motion for Stay of D99-06-055, filed by FutureNet Online, Inc. and Alan J. Setlin. That decision required that appellants pay a fine for offering electric service to the public without first registering with the Commission as an Energy Service Provider as required by Public Utilities Code Sections 394-396. FutureNet seeks to stay payment of the fine pending the appeals process.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)

**FEDERAL ITEMS**

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

**FEX-2            Conference with Legal Counsel - Existing Litigation**  
**FERC Docket Nos. ER99-2326-000, et al.** - Pacific Gas and Electric  
Company. (Gov. Code Sec. 11126(e)(2)(A).)

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