Public Utilities Commission of the State of California

Public Agenda 3029 Thursday, December 16, 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

Ratesetting Deliberative Meeting*	Commission Meeting	
Room 5305	Auditorium	
$(1:30 \ p.m.)$	(10 a.m.)	
Closed to the Public	Open to the Public	
✓Monday, December 13	Thursday, December 16	
Monday, January 3, 2000	Thursday, January 6, 2000	
Tuesday, January 18	Thursday, January 20	
Monday, January 31	Thursday, February 3	

^{*}Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered. A " v" next to the date indicates that the meeting will be held. A " v" 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.

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-18915 -** Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- **CA-2 Res ALJ-176-3029** 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 A99-04-048 Pacific Gas and Electric Company (PG&E).

For an order under Section 851 of the California Public Utilities Code to sell and convey certain limited sole-customer public utility facilities. This decision authorizes PG&E to sell facilities of a value of \$250,000 or less using a standard form contract. The sale would be approved by advice letter rather than a Public Utilities Code Section 851 application. This proceeding is closed.

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

CA-4 A99-01-038 - GMS Com, Inc.

(**Rev.**) (12/14/99)

For a certificate of public convenience and necessity (CPCN) to operate as a switchless reseller of interexchange services. This decision denies GMS Com, Inc.'s request for CPCN to provide inter-Local Access and Transport Area (LATA) and intraLATA telephone service in California. This proceeding is closed.

(Com Bilas - ALJ Weismehl)

(Section 311(g))

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

CA-5 R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service. 195-04-044 - Related matter.

This decision denies without prejudice the motion of Cox California Telcom (Cox) for the appointment of an Administrative Law Judge to mediate its dispute with Pacific Bell (Pacific) concerning Pacific's claimed breach of contract over directory deliveries to Cox's customers. (Com Bilas - ALJ Pulsifer)

CA-6 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 directs Consumer Services Division to take over the activities and functions of the Electric Education Call Center (EECC) no later than January 1, 2000. The current operations of the EECC shall terminate on or before December 31, 1999.

(Com Neeper - ALJ Wong)

(Section 311(g))

(Section 311(g))

CA-7 C97-09-030 - Energy Alternatives vs. Pacific Gas and Electric Company (PG&E).

This decision denies Energy Alternatives' complaint and finds that PG&E reasonably implemented its 1997 Energy Partners Weatherization Program. This proceeding is closed.

(Com Bilas - ALJ Bennett)

(Section 311(g))

CA-8 Moved to Item 11 on the agenda.

(**Rev.**) This revision was not listed on the agenda distributed to the public. (12/13/99)

CA-9 A99-03-020 - Southern California Edison Company (Edison).

For approval of further guidelines for evaluation and reporting requirements on the distribution performance based ratemaking (PBR) mechanism. In this decision, the Commission considers whether Edison has complied with the directives in D96-09-092, D98-07-077, and D98-08-015 regarding submissions and actions to be taken by March 1999, the time for a midterm review of its PBR mechanism. The Commission determines that the PBR mechanism should not be adjusted at this time, but that further reporting guidelines are necessary, further studies should be made and further data gathering should take place. The Commission directs Edison, in the next application proceeding regarding its PBR mechanism, to submit certain exhibits regarding price indexes and to include objective measures of customer satisfaction or face rejection of the application. This proceeding is closed.

(Com Bilas - ALJ Biren) (Section 311(g))

CA-10 A99-09-048 - City of Hayward (City).

This decision grants the City's request to construct a temporary at grade crossing over the tracks of the Union Pacific Railroad during construction of the Harder Road Grade Separation Project, identified as Lund Avenue, Temporary PUC Crossing 001D-21.66. This proceeding is closed. (Exam Koss)

(Section 311(g))

CA-11 A99-04-017 - Citizens Telecommunications Company of California Inc. (CTCC).

This decision approves an all-party settlement between CTCC and Office of Raterpayer Advocates which sets depreciation rates for 2000 and makes no change to depreciation rates for 1999. This proceeding is closed.

(Com Bilas - ALJ O'Donnell)

(Section 311(g))

CA-12 A99-08-050 - Wickland Pipelines LLC (Wickland).

For authority to increase membership contributions and for approval of market-based rates and conditions of service. This interim decision finds that Wickland is a pipeline corporation and a public utility subject to the jurisdiction of the Commission.

(Com Wood - ALJ Stalder)

(Section 311(g))

CA-13 Res G-3276 - Pacific Gas and Electric Company (PG&E).

This resolution approves PG&E's request to revise Gas Schedule G-EG - Gas Transportation Service to Electric Generation, to include additional third-party-customers.

(Advice Letter (AL) 2159-G, filed on June 16, 1999, which replaces AL 2158-G)

(Section 311(g))

CA-14 A99-08-049 - Atcall, Inc.

This decision grants Atcall, Inc.'s unopposed request under Section 854 of the Public Utilities Code for a corporate reorganization and transfer of control. This proceeding is closed.

(Com Hyatt - ALJ Walker) (Section 311(g))

CA-15 A99-07-026 - Amarjit Singh, Monika Randhawa, and Balbir Singh Ghuman, dba All American A-1 Shuttle Service.

This decision grants Amarjit Singh, Monika Randhawa, and Balbir Singh Ghuman's request to operate as a passenger stage corporation between certain points in the counties of Alameda, Santa Clara, and San Mateo, and the International Airports of Oakland, San Francisco, and San Jose. This proceeding is closed.

(Exam Koss) (Section 311(g))

CA-16 A99-10-005 - Buddy Shuttle Service, Inc., dba Buddy Shuttle Service.

This decision grants Buddy Shuttle Service, Inc.'s request to operate as a passenger stage operation between certain points in the counties of Alameda, Santa Clara, and San Mateo, and the International Airports of Oakland, San Francisco, and San Jose. This proceeding is closed. (Exam Koss) (Section 311(g))

CA-17 A99-08-029 - SunRise Shuttle Inc., dba Sunrise Shuttle Inc.

This decision grants Sunrise Shuttle Inc.'s request to operate as a passenger stage corporation between certain points in the counties of Santa Clara, Alameda, and San Mateo, and the International Airports of San Francisco and Oakland. This proceeding is closed.

(Exam Koss) (Section 311(g))

CA-18 Res W-4177 - Hat Creek Water Company (HCWC).

This resolution grants HCWC's request for a general rate increase producing \$3,106 or 28% additional annual revenue and modifying the interest rates on deposits for all Class B, C, and D water and sewer utilities.

CA-19 Res W-4176 - Del Oro Water Company, Lime Saddle District (LSD).

This resolution orders LSD to institute and maintain a full cost water supply balancing account.

CA-20 Res ST-45 - Santa Clara Valley Transportation Authority (VTA).

This resolution grants VTA's request for a variance from General Order 95, Rule 74.4-E, along the depressed area of the Tasman West Line from Station 160+60 through Station 184+40. (Section 311(g))

CA-21 A99-02-010 - State Coastal Conservancy (Conservancy).

This decision authorizes Conservancy's request to construct one pedestrian/bike path at grade across the main line track of the Northwestern Pacific Railroad Authority, in an unincorporated area of Sonoma County, to be identified as PUC Crossing 005H-30.84-D. This proceeding is closed. (Exam Koss) (Section 311(g))

CA-22 A99-02-034 - State of California, Department of Transportation (Caltrans).

This decision grants Caltrans' request to reconstruct the Fairview-Goleta Overhead located in the county of Santa Barbara. This proceeding is closed. (Exam Koss) (Section 311(g))

CA-23 A99-10-011 - Ventura County Transportation Commission (VCTC).

This decision grants VCTC's request to restore its rail crossings at Main Street, Center Street, Orchard Street, all public streets in the Community of Piru, County of Ventura. This proceeding is closed.

(Exam Koss)

(Section 311(g))

CA-24 A98-05-014 - Southern California Edison Company (Edison).

For authority to report on the valuation process for certain generation-related assets pursuant to D97-11-074. This decision orders Edison to file, by December 1, 1999, an application to value remaining generation and generation related assets pursuant to Sections 216(h) and 377 of the Public Utilities Code. This proceeding is closed.

(Com Duque - ALJ Patrick)

(Section 311(g))

(Agenda 3026, Item CA-9, 11/4/99; Agenda 3028, Item CA-9, 12/2/99;

Req - Commission)

CA-25 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))

(Agenda 3027, Item CA-3, 11/18/99; Agenda 3028, Item CA-30, 12/2/99;

Req - Commission)

CA-26 A99-08-021 - Pacific Fiber Link, L.L.C.

For modification of its certificate of public convenience and necessity to review proponent's environmental assessment for compliance with the California Environmental Quality Act. Order approving Assigned Commissioner's Ruling changing the preliminary determination on need for hearing from yes to no.

(Com Duque - ALJ Walker) (Rule 6.5(b)) (Section 311(g))

CA-27 R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service.

(Rev.) **195-04-044 - Related matter.**

(12/16/99) This decision

This decision grants the petitions for certificates of public convenience and necessity as competitive local carriers to offer resold local exchange services within the territories of Pacific Bell (Pacific), GTE California Incorporated, Roseville Telephone Company, and Citizens Telephone Company, for those petitioners as set forth in Appendix B of the decision, subject to the terms and conditions included herein. The decision also grants petitioners' requests for intrastate interLocal Access and Transport Areas (interLATA) and intraLATA authority on a statewide basis as designated in Appendix B. Limited facilities-based authority is granted restricted to the use of equipment located in previously existing structures. Any expanded scope of facilities-based authority involving construction will require a carrier to reapply and meet all California Environmental Quality Act requirements.

(Com Bilas - ALJ Pulsifer)

(Section 311(g))

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

CA-28 Res CSD-6 - Resolution appointing specified employees of the Consumer (12/14/99) Services Division as "limited peace officers".

(Gov. Code Sec. 11126(a).)

This item appeared as EX-6 on the agenda distributed to the public.

REGULAR AGENDA

UTILITY AND TRANSPORTATION ORDERS

ORDERS HELD OVER

NOTE: Ex Parte Communications are prohibited on Items H-1 and H-5 from

midnight December 12, 1999, through the conclusion of the

Commission meeting on December 16, 1999.

(Rule 7(c)(4)).

✓H-1 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*))

(Agenda 3027, Item CA-6, 11/18/99; Agenda 3028, Item H-1, 12/2/99;

Req - Commission)

H-2 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; Agenda 3027, Item H-5, 11/18/99; Agenda 3028, Item H-5, 12/2/99; Req - Commission)

H-2a ALTERNATE ORDER TO ITEM H-2. 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; Agenda 3027, Item H-5a, 11/18/99; Agenda 3028, Item H-5a, 12/2/99; Req - Commission)

H-3 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; Agenda 3027, Item H-6, 11/18/99;

Agenda 3028, Item H-6, 12/2/99; Req - Commission)

H-4 A98-05-014 - Southern California Edison Company.

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 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;

Agenda 3027, Item H-8, 11/18/99; Agenda 3028, Item H-7, 12/2/99;

Req - Commission)

✓H-5 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)) (Agenda 3027, Item 3, 11/18/99; Agenda 3028, Item H-8, 12/2/99; Req - Commission)

H-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))

(Agenda 3027, Item 6, 11/18/99; Agenda 3028, Item H-11, 12/2/99;

Req - Commission)

H-7 A93-12-042 - Southwest Gas Corporation (Southwest).

For a certificate of public convenience and necessity under Section 1001 of the California Public Utilities (PU) Code to extend its service area to provide natural gas service in Placer County, California and into portions of El Dorado and Nevada Counties, California, all of which are located contiguous to Southwest's existing certificated service area. A94-01-021 - Related matter. Joint Petition of Southwest and Town of Truckee for Modification of D94-12-022 and D95-04-075 is denied. Commission staff is requested to investigate Southwest for evident violations of Commission orders, pursuant to PU Code Section 2107. These proceedings are closed. (Com Wood - ALJ Wright)

(Section 311(g))

(Agenda 3028, Item 1, 12/2/99; Req - Commission)

H-7a ALTERNATE ORDER TO ITEM H-7. This alternate order approves the joint petition by Southwest and The Town of Truckee, California to modify D94-12-072 and D95-04-075.

(Com Neeper)

(Agenda 3028, Item 1a, 12/2/99; Req - Commission)

H-8 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 serves notice of the Commission's plan to revise the administrative process for the filing and review of facilities-based competitive local carriers (CLCs) for Certificate of Public Convenience and Necessities (CPCN). The quarterly cycles of CPCN review in the local competition docket as established in D96-12-020 shall be discontinued and replaced with individual applications. Currently pending CLC petitions shall be notified of their new application numbers.

(Com Bilas - ALJ Pulsifer)

(Section 311(g))

(Agenda 3028, Item 2, 12/2/99; Req - Commission)

H-9 R98-04-009 - Rulemaking to establish rules for enforcement of the standards of conduct governing relationships between energy utilities and their affiliates adopted by the Commission in D97-12-088.

This decision determines that the Commission shall not establish a formal advisory ruling process for the Affiliate Transaction Rules. This proceeding is closed.

(Com Bilas - ALJ Econome) (Section 311(g)) (Agenda 3028, Item 3, 12/2/99; Req - Commission)

H-10 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 the Petition of the Office of Ratepayer Advocates asking the Commission to halt implementation of the currently pending area code overlays that were previously approved by various Commission decisions. The Commission suspends the currently scheduled implementation dates for the institution of mandatory 1+10-digit dialing and for the opening of the overlay area code in each of the affected Numbering Plan Areas (NPAs) (i.e., in the 408, 415, 510, 650, 714, and 909 NPAs). The decision likewise grants the City of Berkeley's "Petition to Modify D99-04-024," to halt start-up of the 510/324 NPA overlay and the related 1+10-digit dialing requirement, and the City and County of San Francisco's and the County of Marin's jointly filed Petition to Modify D99-04-025, to halt start-up of the 415 NPA overlay and the related 1+10-digit dialing requirement. A number pooling trial plan and related measures are instituted to address impending code exhaustion.

(Com Hyatt - ALJ Pulsifer) (Section 311(g)) (Agenda 3028, Item 4, 12/2/99; Req - Commission)

ORDERS

1 R96-11-004 - Order Instituting Rulemaking for electric distribution facility standard setting.

This decision denies the petition to modify D98-03-036 filed by the California Municipal Utilities Association. (Com Neeper - ALJ O'Donnell) (Section 311(g))

- ALTERNATE ORDER TO ITEM 1. This alternate finds compelling public policy reasons to grant California Municipal Utilities Association's petition to modify D98-03-036 in part and forbear from applying General Order 165 to publicly-owned utilities at this time.

 (Com Bilas)
- I92-03-052 Order Instituting Investigation on the Commission's own motion to consider policies and procedures applicable to the possible over-assessment by the State Board of Equalization of property owned by Commission regulated utilities.

Pacific Bell and GTE California Incorporated (GTEC) cost impacts from the property tax settlement agreement are not eligible for Z-factor treatment. Accordingly, it is no longer necessary for Pacific Bell and GTEC to collect rates subject to refund or to maintain a California Property Tax Memorandum Account for the purpose of flowing through property tax savings to their ratepayers. This proceeding is closed. (Com Duque - ALJ Galvin) (Section 311(g))

R98-06-029 - Order Instituting Rulemaking on the Commission's own motion into the service quality standards for all telecommunications carriers and revisions to General Order 133-B.

This decision eliminates two outdated rules from General Order 133-B. This proceeding is closed.

(Com Bilas - ALJ O'Donnell) (Section 311(g))

4 A98-05-004 - Pacific Gas and Electric Company.

For authority to establish the eligibility and seek recovery of certain electric industry restructuring implementation costs as provided for in Public Utilities (PU) Code Section 376. A98-05-006, A98-05-015 - Related matters. In this decision the Commission clarifies the modified settlement discussed in D99-09-064. The Commission adopts the modified settlement regarding restructuring implementation costs and PU Code Section 376 treatment for such costs with these clarifications. These proceedings are closed.

(Com Bilas - ALJ Minkin) (Section 311(g))

R97-08-001 - Rulemaking on the Commission's own motion to consider adoption of rules applicable to interexchange carriers for the transfer of customers including establishing penalties for unauthorized transfer. I97-08-002 - Related matter.

This decision prohibits disconnection of local telephone service for non-payment of long distance, requires all entities which bill through local exchange carriers to have unique identifier, requires all interexchange carriers to use U# in bills and customer transfers, requires presentation of customer transfer documents to local exchange carriers within 90 days, and adopts complaint reporting rules.

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

6 A99-09-049 - Southern California Edison Company (Edison).

For approval of Program Year (PY) 2000 and 2001 energy efficiency program plans, budgets, and performance award mechanism. A99-09-050, A99-09-057, A99-09-058 - Related matters. In this Interim Opinion, the Commission considers the appropriate procedural mechanism for reviewing the utilities' applications for approval of PY 2000 energy efficiency programs, budgets, and performance award mechanisms. It preliminarily grants, in part, the utilities' applications, and provides for mid-year adjustment, if necessary, after further proceedings. It authorizes Edison, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company (collectively, the utilities) to implement their proposed PY 2000 energy efficiency programs, as designed and budgeted, and their proposed market assessment and evaluation studies and budgets effective January 1, 2000. It further provides for the prospective modification of those programs, studies, and budgets, as necessary, in the final decision. Finally, it declines to authorize the utilities' proposed program-specific performance award mechanisms, including milestones and award levels, at this time. It defers a determination regarding the utilities' program-specific performance award mechanisms to the final decision, after further proceedings on these applications and after the decision is issued in the annual earning assessment proceeding establishing appropriate shareholder incentive caps.

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

7 A99-08-021 - Pacific Fiber Link, L.L.C.

Pacific Fiber Link, L.L.C., now operating as Worldwide Fiber Networks, Inc., seeks modification of its operating certificate in order to obtain environmental approval for installation of a fiber optic conduit and cable project from the Oregon border to Sacramento, and later to Los Angeles. The Commission's Executive Director on July 6, 1999, had issued a stop work notice based on complaints that applicant had begun the project without required approvals and without proper environmental review. The application to modify the operating authority was protested by two parties, but one protest has been withdrawn and the other protest did not seek hearing after applicant agreed to measures to mitigate environmental impact of its project. The Commission's staff has conducted an environmental review and proposed a mitigated negative declaration that would permit applicant to resume work on its project. This decision approves the mitigated negative declaration, lifts the stop work order, and permits work to resume, provided that stringent mitigation measures are observed. This proceeding is closed.

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

8 I______ - Order Instituting Investigation on the Commission's own motion into the Total Element Long Run Incremental Costs for unbundled switching elements and for local call termination.

This order institutes a formal investigation to accomplish two goals: 1) to implement lower rates for Pacific Bell's unbundled switching elements, which reflect current costs of switching investment, and 2) since local switching rates are also used for termination of local calls under reciprocal compensation arrangements, this will lead to a decrease in the rates paid for local traffic between Pacific's network and the networks of its competitors. (Com Bilas - ALJ Kenney)

9 R______- - Order Instituting Rulemaking on the Commission's own motion into reciprocal compensation for telephone traffic transmitted to Internet Services Providers (ISP) modems.

This order institutes a rulemaking (OIR) into reciprocal compensation for telephone traffic originating from customers' telephone stations and transmitted to ISPs' modems. Current policy on reciprocal compensation adopted by the Commission in D98-10-057 as modified by D99-07-047 will continue to be in effect unaffected by this OIR until such time as the Commission determines otherwise. The OIR will examine several aspects of reciprocal compensation for ISP traffic including, but not limited to the following: (1) the basis and justification for reciprocal compensation, (2) alternative compensation arrangements such as bill and keep, (3) and if warranted, the level and make up of a proper reciprocal compensation for ISP bound traffic.

(Com Neeper)

10 R_______ - Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and consumer protection rules applicable to all telecommunications utilities.

This order initiates a proceeding to establish rules for protecting consumer rights in today's competitive telecommunications services marketplace. Interested parties are invited to file comments on the analyses and recommendations contained in a report prepared by our Telecommunications Division, and to present alternative ideas and proposals they may have to promote consumer protection in the telecommunications industry

(**Rev.**) (Com Wood - ALJ McVicar)

(12/14/99) (Section 311(g))

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

11 **A99-03-047 - Pacific Bell (Pacific).**

(12/13/99)

For arbitration of an Interconnection Agreement with MFS/Worldcom pursuant to Section 252(b) of the Telecommunications Act of 1996. This decision grants the motion of Pacific for a Commission order directing MFS Worldcom to identify and maintain a memorandum account of its ISP-bound traffic and associated reciprocal compensation payments received from Pacific pursuant to the Interconnection Agreement mandated by D99-09-069. Pacific is likewise directed to identify and maintain a similar memorandum account for its own ISP terminating traffic. Pacific is also directed to pay MFSW for reciprocal compensation for ISP traffic under its prior interconnection contract. This proceeding is closed.

(Com Duque - ALJ Pulsifer)

(Section 311(g))

This item appeared as CA-8 on the agenda distributed to the public.

UTILITIES RESOLUTIONS

ENERGY MATTERS

E-1 Res E-3641 - Donald Boucher.

This resolution denies Donald Boucher's request to the Commission to order Pacific Gas and Electric Company pay monetary damages for not fulfilling its promise to provide electric service to applicant's property. The Commission, however, finds that the applicant is eligible for line extension under tariff rules in effect prior to July 1, 1995. (Section 311(g))

E-2 Res E-3647 - Pacific Gas and Electric Company (PG&E).

This resolution approves PG&E's request to increase its total electric and gas revenue requirements effective January 1, 2000 on an interim basis in accordance with D98-12-078.

(Advice Letter (AL) 1921-E and AL 2188-G, both filed October 1, 1999) (Section 311(g))

E-3 Res G-3267 - Sempra Energy, on behalf of Southern California Gas Company (SoCalGas).

This resolution denies SoCalGas' request for amendments to the full requirements provision of the Intrastate Transmission Service Agreement for a noncore customer.

(Advice Letter 2826, filed July 9, 1999) (Section 311(g))

E-4 Res G-3275 - Semptra Energy, on behalf of Southern California Gas Company (SoCalGas).

This resolution approves with modifications SoCalGas' request to refund \$100 million of the projected year-end 1999 balance in SoCalGas' Core Fixed Cost Account through a one-time bill credit to all eligible core customers.

(Advice Letter 2847, filed September 20, 1999) (Section 311(g))

E-5 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))

(Agenda 3027, Item E-2, 11/18/99; Agenda 3028, Item E-2, 12/2/99;

Req - Commission)

TELECOMMUNICATIONS MATTERS

- **C-1 Res T-16374 -** This resolution approves the year 2000 budget of \$33.457 million and a surcharge rate of 0.05% for the California Teleconnect Fund program. Further, this resolution approves a budget for the first six-month of year 2001 of \$16.932 million and a surcharge rate of 0.185% for the same time period. (Section 311(g))
- C-2 Res T-16364 This resolution adopts the year 2000 budget and surcharge for the Public Policy Payphone Program.

 (Section 311(g))

LEGAL DIVISION MATTERS

LEGISLATIVE MATTERS

LEG-1 Proposal for year 2000 California Public Utilities Commission-Sponsored State Legislation.

COMMISSIONERS' REPORTS

• Discussion and Potential Action on Presidency.

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

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 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; 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; Agenda 3027, Item HEX-1, 11/18/99; Agenda 3028, Item HEX-1, 12/2/99; 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 – Initiation of Enforcement Proceedings.

I_______ - Deliberation on institution of proceedings or disciplinary actions against persons or entities under the Commission's jurisdiction. (Disclosure of case name would jeopardize the ability to effectuate service of process upon one or more unserved parties if the proceeding or disciplinary action is commenced.)

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

EX-5 Conference with Legal Counsel – Applications for Rehearing

A98-05-022 - Disposition of Application for Rehearing of D99-07-031 filed by Pacific Gas and Electric Company, who challenges that portion of the decision which deals with the disposition of generation lands that will not remain with the power plants. D99-07-031 requires the filing of Public Utilities Code Section 851 filings for these lands following market valuation of the related power plant.

(Gov. Code Sec. 11126(e)(2)(B)(i).)

EX-6 Moved to CA-28 on the agenda.

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

(12/14/99)

EX-7 Conference with Legal Counsel - Applications for Rehearing

A98-01-015 - Disposition of Application for Rehearing by Southern California Gas Company (SoCalGas) of D99-09-068. That decision dismissed without prejudice SoCalGas' application to sell its Montebello Gas Storage Facility, because of the need to further consider the proposed sale, and to review information that may be brought forward in the Commission's Order Instituting Investigation 99-04-022.

(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 No. ER99-4545 - California Independent System Operator.

(Gov. Code Sec. 11126(e)(2)(A).)

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