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

***Public Agenda 3033  
Thursday, February 17, 2000, 10 a.m.  
San Francisco, California***

**Commissioners  
Richard A. Bilas, President  
Henry M. Duque  
Josiah L. Neeper  
Carl W. Wood  
Loretta M. Lynch**

*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> <i>Room 5305</i> <i>(1:30 p.m.)</i> <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <b><i>Open to the Public</i></b>
✓Monday, February 14	Thursday, February 17
Monday, February 28	Thursday, March 2
Monday, March 13	Thursday, March 16
Monday, April 3	Thursday, April 6
Monday, April 17	Thursday, April 20

*\*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  
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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.

## 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-18919** - Resolution authorizing designated employees in the Rail Safety and Carriers Division to exercise powers of a Peace Officer within the scope of their duties as specified in Penal Code Section 830.11 and Public Utilities Code Section 308.5 and appointing these employees as persons who may perform specific duties described by Public Utilities Code Section 308.
- CA-2**      **Res ALJ-176-3033** - 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**      **R95-01-020 - Rulemaking on the Commission's own motion into universal service and to comply with the mandates of Assembly Bill 3643. I95-01-021 - Related matter.**  
This decision grants the petition to modify D97-12-105 and Resolution T-16176 filed by the Office of Ratepayer Advocates (ORA) to the extent the petition requests leave for ORA to serve in vacant positions on the Universal Lifeline Telephone Service Marketing Board. In all other respects, ORA's petition to modify D97-12-105 and Resolution T-16176 is denied.  
(Com Neeper - ALJ Kenney)  
(Section 311(g)(1))

- CA-4**            **C99-03-045 - Tim Selby, as Trustee of the San Luis Truck Transfer, Inc., Profit Sharing Trust vs. Union Pacific Railroad (Union Pacific).**  
This decision orders Union Pacific to reconstruct private crossing it destroyed without notice to landowner. Such crossing was landowner's sole means of access to the property. This proceeding is closed.  
(Com Bilas - ALJ Bushey)  
(Section 311(g)(1))
- CA-5**            **A98-05-019 - San Diego Gas & Electric Company (SDG&E).**  
For authority to increase its authorized return on common equity; to adjust its existing ratemaking capital structure; to adjust its authorized embedded costs of debt and preferred stock; to decrease its overall rate of return; and to revise its electric distribution and gas rates accordingly, and for related substantive and procedural relief. A98-05-021, A98-05-024 - Related matters. This decision grants three intervenors, The Utility Reform Network, Utility Consumers Action Network, and James Weil, \$92,901.19 for their significant contribution to D99-06-057.  
(Com Duque - ALJ Ryerson)  
(Section 311(g)(1))
- CA-6**            **A94-11-015 - Pacific Gas and Electric Company (PG&E).**  
For authority to revise its gas rates and tariffs to be effective by September 15, 1995, pursuant to D89-01-040, D90-09-089, D91-05-029, D93-12-058 and D94-07-024. After rehearing, the Commission affirms the decision to adopt a core/noncore allocation of 82%/18% for the revenue shortfalls associated with core to noncore migration described in D95-12-053. This proceeding is closed.  
(Com Duque - ALJ Cooke)  
(Section 311(g)(1))

- CA-7            R92-03-050 - Order Instituting Rulemaking on the Commission's own motion to consider the line extension rules of electric and gas utilities. A91-06-016 - Related matter.**  
This decision denies three requests filed by Utility Design, Inc. (UDI) for awards of compensation for its participation in R92-03-050 and A91-06-016. The three requests are as follows: 1) June 9, 1997, for an award of compensation for contribution to D94-12-026; 2) February 17, 1998, for an award of compensation for contributions to D95-12-013 and D97-12-099; 3) August 23, 1999, for an award of compensation for contribution to D99-06-079. A91-06-016 is closed.  
(Com Duque - ALJ DeUlloa)  
(Section 311(g)(1))
- CA-8            A98-05-004 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish the eligibility and seek recovery of certain electric industry restructuring implementation costs as provided for in Public Utilities Code Section 376. A98-05-006, A98-05-015 - Related matters. This decision grants The Utility Reform Network an award of \$41,787.32 in compensation for its contribution to D99-05-031 and D99-09-064. These proceedings are closed.  
(Com Bilas - ALJ Thomas)  
(Section 311(g)(1))
- CA-9            Res E-3655 - Southern California Edison Company (Edison).**  
This resolution approves as modified Edison's request to revise its Transition Cost Balancing Account to provide greater detail regarding the recording of transaction costs associated with the market valuation of Edison's generating assets.  
(Advice Letter 1421-E, filed December 3, 1999)
- CA-10          A99-09-052 - Southern California Edison Company (Edison).**  
For confirmation of the appointment of William E. B. Siart to the Committees of its Nuclear Decommissioning Trust Funds. Granted. This proceeding is closed.  
(Exam Clanon)

- CA-11      Res T-16390 - Roseville Telephone Company (Roseville).**  
This resolution approves one Interconnection Agreement between Roseville and Teligent Services, Inc., submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter 469, filed December 8, 1999)
- CA-12      Res T-16391 - Pacific Bell (Pacific).**  
This resolution approves two CMRS Interconnection Agreements between Pacific and GTE Mobilnet of Central California Incorporated, and between Pacific and GTE Wireless of the Pacific Incorporated, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 20755, AL 20756, both filed November 23, 1999)
- CA-13      A94-12-005 - Pacific Gas and Electric Company (PG&E).**  
For authority, among other things, to decrease its rates and charges for electric and gas service, and increase rates and charges for pipeline expansion service. I95-02-015 - Related matter. This decision closes these proceedings.  
(Com Neeper - ALJ Hale)
- CA-14      Res E-3657 - Pacific Gas and Electric Company (PG&E).**  
This resolution approves PG&E's request for restructuring of a Qualifying Facility Contract with Ultrapower 3.  
(Advice Letter 1927-E, filed October 13, 1999)
- CA-15      Res SX-29 -** This resolution authorizes the railroads in California to update costs of maintenance automatic grade-crossing warning devices for calendar year 1999.
- CA-16      Res T-16392 - Pacific Bell (Pacific).**  
This resolution approves three Resale Interconnection Agreements between Pacific and Alliance Network, Inc., between Pacific and Local Gateway Exchange, Inc., and between Pacific and EZ Phone, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 20757, filed November 23, 1999; AL 20770, filed November 30, 1999; AL 20786, filed December 7, 1999)

- CA-17      Res T-16393 - Pacific Bell (Pacific).**  
This resolution approves two Resale Interconnection Agreements between Pacific and Now Communications, Inc., and between Pacific and essential.com (Pending), submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 20808, filed December 10, 1999; AL 20894, filed December 21, 1999)
- CA-18      Res T-16394 - GTE California, Inc. (GTE).**  
This resolution approves two Interconnection Agreements between GTE and Advanced TelCom Group, Inc., and between GTE and Prism California Operations, LLC, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 9293, filed January 5, 2000; AL 9301, filed January 7, 2000)
- CA-19      Res T-16395 - GTE California, Inc. (GTE).**  
This resolution approves two Wireless Interconnection Agreements between GTE and Alpine PCS Operating, LLC, and between GTE and Sprint Spectrum L.P. Cox Communications PCS, L.P., dba Sprint PCS, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 9243, filed December 21, 1999; AL 9273, filed December 24, 1999)
- CA-20      Res T-16396 - GTE California (GTE).**  
This resolution approves two Paging Interconnection Agreements between GTE and Nationwide Paging, and between GTE and Kcindur Communications, Inc., dba Advanced Paging, submitted under provisions of Resolution ALJ-174 and General Order 96-A.  
(Advice Letter (AL) 9292, AL 9294, both filed January 5, 2000)
- CA-21      A99-11-029 - Southern California Edison Company (Edison).**  
For authority to lease available land at Santiago Substation to Irvine R.V. Storage, LLC. This decision authorizes Edison's request to lease a 12-acre site in the City of Irvine to Irvine R.V. Storage, LLC. This proceeding is closed.  
(Com Wood - ALJ Wright)

- CA-22**      **Res TL-18920** - Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- CA-23**      **Res W-4190 - Elk Grove Water Works, Inc. (EGWW).**  
This resolution relieves EGWW of its public utility obligation as a result of transfer of ownership to the Florin Resource Conservation District.
- CA-24**      **Res T-16397 - TSR Wireless, LLC.**  
This resolution revokes the Certificate of Public Convenience and Necessity held by TSR Wireless, LLC, as requested by the company.
- CA-25**      **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 motion jointly filed by the Association of Directory Publishers, Pacific Bell, and GTE California, Inc. for an order from the Commission terminating the hearings in this proceeding concerning whether the provision of subscribers list information is an essential service. (Com Bilas - ALJ Pulsifer)
- CA-26**      **A99-05-031 - Concert Communications Sales, LLC**  
This decision grants Concert Communications Sales, LLC a certificate of public convenience and necessity to provide resold local and interexchange telecommunications services. This proceeding is closed. (Com Neeper - ALJ O'Donnell)

**CA-27            I96-02-043 - Investigation on the Commission's own motion into the operations, practices, and conduct of Communications TeleSystems International and Edward S. Soren, President of Communications TeleSystems International, to determine whether they have complied with the laws, rules, regulations and applicable tariff provisions governing the manner in which California consumers are switched from one long-distance carrier to another, and other requirements for long-distance carriers.**

This decision approves a settlement agreement provided that the amount remaining in the reparations fund be contributed to the Consumer Education Trust Fund established in D98-12-084. This proceeding is closed.

(Com Neeper - ALJ Bushey)

(Section 311(g)(1))

(Agenda 3032, Item CA-6, 2/3/00; Req - Commission)



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## REGULAR AGENDA

### UTILITY AND TRANSPORTATION ORDERS

#### *ORDERS HELD OVER*

**NOTE:** Ex Parte Communications are prohibited on Item H-11 and H-11a  
**(Rev.)** from midnight of February 13, 2000 through the Commission meeting  
**(2/10/00)** on February 17, 2000. (Rule 7(c)(4)).  
This revision was not listed on the agenda distributed to the public.

**H-1** **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)(1))  
(Agenda 3022, Item 2, 9/2/99; Agenda 3024, Item H-1, 10/7/99;  
Agenda 3025, Item H-2, 10/21/99; Agenda 3027, Item H-2, 11/18/99;  
Agenda 3031, Item H-1, 1/20/00; Req - Commission)

**H-2** **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)(1))  
(Agenda 3029, Item 3, 12/16/99; Agenda 3030, Item H-7, 1/6/00; Agenda 3031, Item H-9, 1/20/00; Req - Commission)

- H-3**            **R97-01-009 - Order Instituting Rulemaking on the Commission's Intervenor Compensation Program. I97-01-010 - Related matter.**  
This decision awards intervenor compensation for substantial contributions to D98-04-059, as modified by D99-02-039 as follows: CAUSE, \$5,498; CPI, \$3,086; Kim, \$9,000; SSCF, et al., \$20,657; Sawaya, \$8,289; TURN, \$51,724; and Weil, \$15,226. We direct the utilities participating in this rulemaking to pay the awards, including interest. These proceedings are closed.  
(Com Neeper - ALJ Hale)  
(Section 311(g)(1))  
(Agenda 3032, Item CA-5, 2/3/00; Req - Commission)
- H-4**            **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)(1))  
(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; Agenda 3029, Item H-3, 12/16/99; Agenda 3030, Item H-2, 1/6/00; Agenda 3032, Item H-1, 2/3/00; Req - Commission)
- H-4a**            **ALTERNATE ORDER TO ITEM H-4.** This alternate order restructures our regulatory oversight of public purpose programs to protect consumer and ratepayer interests. It dissolves the California Board for Energy Efficiency and the Low Income Governing Board in favor of processes that will promote participation by the widest range of individuals and organizations. This decision emphasizes our continuing need for substantial regulatory oversight of utility administrators to protect ratepayer interests and consumer interests. It identifies a number of mechanisms that the Commission will implement on a case-by-case basis, depending upon, which is the most effective and efficient mechanism to maximize public participation, develop a useful record, and promote due process.  
(Com Duque)  
(Agenda 3030, Item H-2a, 1/6/00; Agenda 3032, Item H-1a, 2/3/00; Req - Commission)

**H-4b**            **ALTERNATE ORDER TO ITEM H-4.** This alternate order dissolves the California Board for Energy Efficiency in favor of processes that will promote improved participation by individuals and organizations. It retains the Low Income Governing Board because of its continuing role as liaison to low-income communities. It states an intention to work with low-income communities and others to develop improved processes for participation on low-income program issues in Public Utilities Commission proceedings.  
(Com Lynch)  
(Agenda 3032, Item H-1b, 2/3/00; Req - Commission)

**H-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.  
**The Commission's President at the January 6, 2000 Commission Meeting, announced that this matter should be removed from the Ratesetting Deliberative Agenda.**  
(Com Bilas - ALJ Wetzell)  
(Section 311(d))  
(Agenda 3027, Item 5, 11/18/99; Agenda 3028, Item H-10, 12/2/99; Agenda 3031, Item H-2, 1/20/00; Agenda 3032, Item H-2, 2/3/00; Req - Commission)

**H-5a (Rev.) (2/16/00)**      **ALTERNATE ORDER TO ITEM H-5.** This alternate order authorizes increases in PG&E's gas and electric revenue requirements for test year 1999. Authorized electric revenues are increased by \$286 million (14.9%). Gas revenues are increased by \$71 million (8.8%). **The Commission's President at the January 6, 2000 Commission Meeting, announced that this matter should be removed from the Ratesetting Deliberative Agenda.**  
(Com Bilas)  
(Agenda 3027, Item 5a, 11/18/99; Agenda 3028, Item H-10a, 12/2/99; Agenda 3031, Item H-2a; 1/20/00; Agenda 3032, Item H-2a, 2/3/00; Req - Commission)  
This revision was not listed on the agenda distributed to the public.

**H-5b**      **ALTERNATE ORDER TO ITEM H-5.** This alternate order grants PG&E an increase in gas distribution revenues over levels authorized in 1996 of \$91.9 million (4.9%); grants an increase in electric distribution revenues over levels authorized in 1996 of \$361 million (18.9%) that is \$120 million (6.0%) over levels in effect on December 31, 1998; establishes a customer service program; and directs PG&E to prepare a 2002 Test Year General Rate Case. **The Commission's President at the January 6, 2000 Commission Meeting, announced that this matter should be removed from the Ratesetting Deliberative Agenda.**  
(Com Wood)  
(Agenda 3031, Item H-2b, 1/20/00; Agenda 3032, Item H-2, 2/3/00; Req - Commission)

**H-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.

**The Commission's President at the January 6, 2000 Commission Meeting, announced that this matter should be removed from the Ratesetting Deliberative Agenda.**

(Com Neeper - ALJ Patrick)

*(Section 311(d))*

(Agenda 3027, Item CA-6, 11/18/99; Agenda 3028, Item H-1, 12/2/99; Agenda 3029, Item H-1, 12/16/99; Agenda 3031, Item H-3, 1/20/00; Agenda 3032, Item H-3, 2/3/00; Req - Commission)

**H-7           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.

**The Commission's President at the January 6, 2000 Commission Meeting, announced that this matter should be removed from the Ratesetting Deliberative Agenda.**

(Com Duque - ALJ Walker)

*(Section 311(d))*

(Agenda 3027, Item 3, 11/18/99; Agenda 3028, Item H-8, 12/2/99;  
Agenda 3029, Item H-5, 12/16/99; Agenda 3031, Item H-4; 1/20/00;  
Agenda 3032, Item H-4, 2/3/00; Req - Commission)

**H-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)  
(Agenda 3029, Item 8, 12/16/99; Agenda 3030, Item H-9, 1/6/00;  
Agenda 3031, Item H-11, 1/20/00; Agenda 3032, Item H-9, 2/3/00;  
Req - Commission)

- H-9**            **I87-11-033 - In the matter of Alternative Regulatory Frameworks of local exchange carriers.**  
The June 10, 1999 Petition for Modification of D94-06-011 filed by Pacific Bell requesting reassignment of oversight responsibility for a compliance audit from the Office of Ratepayer Advocates (ORA) to the Telecommunications Division is granted. The Commission concurs with the assessment of the Executive Director's letter of August 6, 1999 that the scope of the audit proposed by ORA failed to comply with the orders in D96-05-036. The audit oversight responsibility is reassigned from the ORA to the Telecommunications Division. The Telecommunications Division is directed to ensure that the audit scope includes the modifications identified by the Executive Director's letter of August 6, 1999.  
(Com Duque)  
(Section 311(g)(1))  
(Agenda 3030, Item 1, 1/6/00; Agenda 3031, Item H-15, 1/20/00; Agenda 3032, Item H-13, 2/3/00; Req - Commission)
- H-9a**            **ALTERNATE ORDER TO ITEM H-9.** This order denies the June 10, 1999 Petition for Modification of D94-06-011 filed by Pacific Bell as being untimely and presenting no basis on which a modification should be granted. The Office of Ratepayer Advocates is directed to modify some of the scope elements in its audit contract.  
(ALJ Weismehl)  
(Agenda 3030, Item 1a, 1/6/00; Agenda 3031, Item H-15a, 1/20/00; Agenda 3032, Item H-13a, 2/3/00; Req - Commission)
- H-9b**            **ALTERNATE ORDER TO ITEM H-9.** This alternate order denies Pacific Bell's petition to modify D94-06-011, filed June 10, 1999, to transfer responsibility of an audit from the Commission's Office of Ratepayer Advocates to the Commission's Telecommunications Division.  
(Com Lynch)  
(Agenda 3032, Item H-13b, 2/3/00; 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 adopts a back-up contingency plan to address the need for number resources in the 310 Numbering Plan Area pursuant to D99-09-067, and as required by the Federal Communications Commission. The Commission hereby adopts as the back-up plan Alternative 1A, the geographic split originally proposed by the industry as described in D98-05-021. It also adopts a contingency plan under which the implementation of the back-up plan would be triggered.

(Com Lynch - ALJ Pulsifer)

(Section 311(g)(1))

(Agenda 3030, Item 2, 1/6/00; Agenda 3031, Item H-16, 1/20/00;

Agenda 3032, Item H-14, 2/3/00; Req - Commission)

**✓H-11 A98-12-005 - GTE Corporation (GTE) and Bell Atlantic Corporation (Bell Atlantic).**

For authority to transfer control of GTE's California utility subsidiaries to Bell Atlantic, which will occur indirectly as a result of GTE's merger with Bell Atlantic. This decision approves the application. Net benefits of \$84.1 million (net present value) calculated over a five year long-term period shall be allocated to ratepayers, with \$19.8 million used to fund the Community Collaborative Agreement (CCA). GTE California Incorporated shall reduce revenues by \$19.0 million per year for five years, beginning with the first October 1 new regulatory framework price cap advice letter filing made after merger consummation. The billing base shall include the amount of both the California High Cost Fund-B and residential exchange service access charges. Applicants shall implement the CCA subject to several clarifications. Applicants shall file a report showing applicants' success in serving customers in San Francisco, Los Angeles, and San Diego.

Applicants shall serve additional service quality reports. Applicants shall file written notices of their agreement with the terms of this order, and the date the merger is consummated. The authority to transfer control and merger expires in 365 days if not exercised. Applicants shall file a report within 30 days of any decision by another jurisdiction that materially changes the terms of the proposed merger. Eligible intervenors may file a request for an award of intervenor compensation. The order is effective immediately. The proceeding is closed."

**(Rev.)**  
(2/17/00)

(Com Neeper - ALJ Mattson)

(Section 311(d))

(Agenda 3032, Item 1, 2/3/00; Req - Commission)

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



- ✓**H-11a**      **ALTERNATE ORDER TO ITEM H-11.** This alternate order approves of  
(2/10/00)      the proposed merger with conditions set forth in the ALJ's proposed  
decision with the exception that the Commission leaves open the  
proceeding. In the next phase of the proceeding the Commission will  
consider whether and how to use \$64.3 million associated with ratepayer  
benefits to fund programs that would promote access to advanced  
telecommunications services by unserved communities.
- (Rev.)**      (Coms Lynch/Wood)  
(2/17/00)      This item was not listed on the agenda distributed to the public.  
                         This revision was not listed on the agenda distributed to the public.

**ORDERS**

**NOTE:** Ex Parte Communications are prohibited on Item 1 and 3 from the day of the Ratesetting Deliberative Meeting through the conclusion of the Business Meeting at which a vote on the Proposed Decision is scheduled. (Rule 7(c)(4)).

- ✓1 **A98-09-003 - Pacific Gas and Electric Company (PG&E).**  
For review and recovery of the costs and revenues in the Transition Cost Balancing Account (TCBA). A98-09-008, A98-09-009 - Related matters. This decision adopts settlements presented by San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (Edison), and PG&E and various settling parties regarding disputed issues in each utility's Annual Transition Cost Proceeding. It adopts SDG&E's and Edison's settlements without modification; it proposes one modification to PG&E's settlement. The Office of Ratepayer Advocates (ORA) and SDG&E have settled SDG&E's application. The settling parties joining Edison are ORA and Aglet Consumer Alliance (Aglet). The settling parties joining PG&E are ORA and the Coalition of California Utility Employees. The Edison and SDG&E applications are uncontested. Aglet opposes PG&E's application. This decision also provides clarification for various accounting issues impacting the operation of the TCBA. It provides further clarification for the recovery of authorized depreciation for assets with an estimated market value below net book value or accelerated amortization for assets with estimated market value above book value. It explains how estimated market value should be accounted for in the TCBA on a prospective basis and directs the utilities to recalculate interest, as appropriate. It also considers various recommendations made in independent reviews of each utility's TCBA and clarifies the Commission decisions, as necessary.  
(Com Duque - ALJ Minkin)  
(Section 311(d))

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- 2**            **A99-11-003 - Pacific Gas and Electric Company (PG&E).**  
For authority to establish authorized rates of return on common equity for electric distribution and gas distribution; and establish unbundled rates of return for year 2000 for electric distribution and gas distribution. This interim order makes PG&E's test year 2000 cost of capital that will be adopted in this proceeding effective from the date a final decision is issued back to the effective date of this order.  
(Com Wood - ALJ Galvin)  
(Section 311(g)(1))
- ✓3**            **A98-10-012 - Southern California Gas Company (SoCalGas).**  
For authority to revise its rates effective August 1, 1999, in its Biennial Cost Allocation Proceeding (BCAP). A98-10-031 - Related matter. This decision approves a Joint Recommendation sponsored by SoCalGas, Office of Ratepayer Advocates (ORA) and others which adopts, among other issues: (1) a three-year BCAP period, (2) a throughput forecast of 950.3 MMdth, (3) 75/25 balancing account protection for noncore throughput variation, (4) a transmission resource plan of \$32.5 million, (5) the new customer only (NCO) marginal cost method, (6) 50/50 balancing account protection for storage, and (7) a delay in core deaveraging. Rates are reduced by \$159.5 million for the core and \$48.4 million for the noncore. It also approves a Joint Recommendation sponsored by San Diego Gas & Electric Company (SDG&E), ORA, and UCAN which adopts, among other issues: (1) a throughput forecast of 480 million therms for former UEG customers, (2) a \$31 million gas transmission resource plan, (3) the NCO marginal cost method for customer costs, (4) a single tariff schedule for core commercial and industrial customers, and (5) elimination of schedule XGTS. Core rates are reduced \$18 million; noncore rates are reduced \$20.4 million. The interstate transition cost surcharge is found to be \$59.894 million and allocated \$11.559 million to the core and \$48.335 million to the noncore. The core fixed cost account is found to be overcollected by \$132 million, to be amortized in rates over a one-year period. (This \$132 million is included in the overall \$159.5 million core rate reduction.) It finds that it is in the public interest to adopt a Sempra-wide electric generation (EG) tariff, that is, one that is the same for SoCalGas' EG customers and SDG&E's EG customers. It continues in effect SoCalGas' residual load service tariff for not more than three years. These proceedings are closed.  
(Com Duque - ALJ Barnett)  
(Section 311(d))
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- 4**            **I99-07-003 - Investigation on the Commission's own motion to consider the costs and benefits of various promising revisions to the regulatory and market structure governing California's natural gas industry and to report to the California Legislature on the Commission's findings.** This is the First Interim Opinion in the second phase of the Gas Strategy case. Pacific Gas & Electric Company (PG&E), along with many, but not all, of the other parties involved in the Gas Strategy case filed a settlement proposal regarding changes in its Operational Flow Order (OFO) protocol on its gas system. This settlement provides for increased information availability regarding the system (line pack, temperature, forecast demand, etc.) so that shippers can better judge when an OFO might be called. It clarifies the guidelines for calling an OFO, and reduces the penalties for small imbalances, while increasing the cashout price for relying on PG&E in an underdelivery situation. It also creates an OFO Forum for discussion about the settlement's effects and other issues like additional storage assets allocated to balancing. This decision approves the settlement while clarifying certain provisions and ordering the Energy Division to monitor its effect on the core.  
(Com Bilas - ALJ Biren)  
(Section 311(g)(1))

- 5**            **R98-09-005 - Order Instituting Rulemaking on the Commission's own motion to consider modifications to the Universal Lifeline Telephone Service (ULTS) Program and General Order (GO) 153.** This decision adopts the following revisions to the ULTS program and GO 153. First, GO 153 is revised to incorporate all changes to the ULTS program that have occurred since GO 153 was issued in 1984. Second, the ULTS program is revised to conform with specific aspects of the Federal Lifeline and Link Up programs. Third, ULTS program benefits are expanded to provide more low-income households with access to affordable basic telephone service. Finally, ULTS program administrative procedures are revised to make the program more efficient and effective. This decision also orders the Telecommunications Division to convene a workshop to develop a comprehensive proposal for using CMRS to provide ULTS. This proceeding is closed.  
(Com Neeper - ALJ Kenney)  
(Section 311(g)(1))

## UTILITIES RESOLUTIONS

### *ENERGY MATTERS*

**E-1            Res E-3646 - Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas).**

This resolution is a continuation of Res E-3601 and conditionally approves PG&E, SCE, SDG&E and SoCalGas' request to conduct a needs assessment study. The Energy Division will conduct a needs assessment workshop and will have supervisory and facilitation responsibilities of the study.

(PG&E Advice Letter (AL) 2140-G/1854-E; SCE AL 1370-E; SDG&E AL 1156-E/1141-G; SoCalGas AL 2792; all filed March 12, 1999)  
(Section 311(g)(1))

**E-2            Res E-3648 - Pacific Gas and Electric Company (PG&E).**

This resolution approves with modifications PG&E's request to record certain electric restructuring costs related to new, unanticipated programs in its Electric Restructuring Costs Account.

(Advice Letter 1919-E, filed September 28, 1999)

(Section 311(g)(1))

(Agenda 3031, Item E-1, 1/20/00; Agenda 3032, Item E-3, 2/3/00;  
Req - Commission)

**TELECOMMUNICATIONS MATTERS**

**C-1**            **Res T-16362** - This resolution adopts a budget of \$1,228,318 for the TDD Interim Placement Committee for year 2000 and reduces the incremental surcharge from 0.012% to 0.005%.  
(Section 311(g)(1))

**C-2**            **Res T-16379 - The Deaf and Disabled Telecommunications Program (DDPT) Administrative Committee.**  
This resolution adopts an interim annual budget for 2000 of \$57,802,130 for the DDPT pursuant to Public Utilities Code Sec. 2881. This amount is about \$4.3 million more than the adopted budget for 1999. The surcharge will increase from the current 0.18% to 0.28%.  
(Section 311(g)(1))

## **COMMISSIONERS' REPORTS**

Commissioner Duque

- 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 Wood

- Consumer Protection Matters
- Legislative Matters
- Electric Matters

Commissioner Lynch

## **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, 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 Telecom, 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; Agenda 3029, Item HEX-1, 12/16/99; Agenda 3030, HEX-1, 1/6/00; Agenda 3031, Item HEX-1, 1/20/00; Agenda 3032, Item HEX-1, 2/3/00; 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 Proceeding**  
Deliberation on institution of proceeding or disciplinary actions against person 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 and disclosure could also jeopardize the ability to effect personal service on the Respondent.)  
(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)
- EX-5            Conference with Legal Counsel - Application for Rehearing**  
**198-08-004** - Disposition of Application for Rehearing of D99-08-017 (in 198-08-004, an investigation into allegations of cramming by Coral Communications, Inc. (Coral)) filed by OAN, Services, Inc. (OAN) and Telephone Billing Services, Inc. (TBS). In this decision, the Commission ordered five billing agents, including OAN and TBS, to submit an accounting of all amounts billed for Coral, and to turn over to the Commission, or provide security for, funds in their possession that they had collected on behalf of Coral. OAN and TBS contend that the Commission lacks authority under recently enacted Public Utilities Code Sections 2889.9 and 2890 to require billing agents to make payments or to provide financial security to the Commission. They contend also that the portions of the order directed at OAN and TBS are not supported by adequate findings and subject them to an unreasonable search and seizure and a taking of property without due process of law, in violation of the Fourth and Fifth Amendments to the U.S. Constitution.  
(Gov. Code Sec. 11126(e)(2)(B)(i).)

**EX-6**            **Conference with Legal Counsel - Initiation of Enforcement Proceeding I \_\_\_\_\_** - This order institutes a formal investigation of whether Qwest Communications Inc. violated the California Environmental Quality Act or Commission rules and orders in the manner in which it constructed or installed telecommunications facilities in various locations around the state. (Advisory Note: The Commission will not discuss or act on this item on February 3, 2000)  
(Gov. Code Secs. 11126(d)(2), 11126(e)(2)(C)(i).)  
(Com Lynch)

**EX-7**            **Conference with Legal Counsel - Existing Litigation**  
**Case No. C99-03259** - Grove v. CPUC (United States District Court, Northern District of California, San Francisco Division).  
(Gov. Code Sec. 11126(e)(2)(A).)

**FEDERAL ITEMS**

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

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AND  
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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.*