
Public Utilities Commission of the State of California

Wesley M. Franklin, Executive Director

Headquarters

505 Van Ness Avenue
San Francisco, CA 94102
(415) 703-2782

Southern California Office

107 So. Broadway, Room 5109
Los Angeles, CA 90012
(213) 897-2973

Website: <http://www.cpuc.ca.gov>

Daily Calendar Thursday, December 18, 1997

- Regular Commission Meetings
 - Notices
 - Subscription Information (Daily Calendar and Agenda)
 - Commissioner Office Hours
 - Public Meetings and Workshops
 - New Filings
 - Petitions for Modification of Applications for Rehearing
 - Draft Decisions/Proposed Decisions/Alternates/Arbitrator's Reports
 - Advice Letter Filings
 - Miscellaneous Transportation Items
 - Adjournments/Resettings/Submissions
 - Removals from Calendar
 - New Settings
 - Law and Motion Hearings
 - Hearings
 - Notice of Denial of Request for Ex Parte Meeting
 - Notice of Ex Parte Communications
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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call (415) 703-1203. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

REGULAR COMMISSION MEETINGS

December 30, 1997	2:00 p.m.	LOCATION TO BE ANNOUNCED.
January 7, 1998	10:00 a.m.	San Francisco

NOTICES

Delivery of Formal Pleadings for Filing

Unless otherwise directed, all *courier-delivered documents* submitted for filing as part of the formal record in a proceeding should be *hand-carried directly* to the Commission's Docket Office, Room 2001, 505 Van Ness Avenue in San Francisco; Room 5109, 107 South Broadway in Los Angeles; or Room 4006, 1350 Front Street in San Diego. All *documents sent through the mail* for formal filing should be addressed *ONLY* to the Commission's Docket Office, Room 2001, 505 Van Ness Avenue, San Francisco, CA 94102.

The Payphone Service Provider's Enforcement Committee has proposed a Charter for approval by the CPUC. A protest must be made in writing and received within 20 days from the date of this calendar item. Protest must be delivered to Director, Telecommunications Division, 505 Van Ness Ave., Room 3203, San Francisco, CA, 94102.

Charge for Commission Documents

To purchase Commission documents, there is a charge of 20 cents a printed page (postage prepaid) with a minimum purchase of \$2.00.

SUBSCRIPTION INFORMATION

Subscription Notice for Draft Agenda Items

In compliance with Public Utilities Code Section 311.5, parties who wish to subscribe to receive draft agenda items may do so by writing to the Public Utilities Commission; Attention: Poly Arca, Room 1003; 505 Van Ness Avenue; San Francisco, CA 94102; or by calling (415) 703-1798. The cost for a one-year subscription to the entire public agenda package (which excludes Executive Session materials) is \$1,000. You may also order a partial agenda package (energy agenda items only or telecommunication agenda items only) at the cost of \$500 per year. The package you receive via mail will include only those agenda items available at the time of the agenda distribution date, which is usually 10 to 12 days prior to the Commission meeting. If agenda items (including revisions) are not ready on the distribution date, they will be made available at no charge in the lobby outside the Commission Auditorium at 9:00 a.m. on the morning of the Commission meeting, but not earlier.

In addition, the Commission will make draft agenda items available for viewing and photocopying (at 20 centers per page) at the Commission’s Central Files Office (Room 2002), 505 Van Ness Avenue, San Francisco, and in the Los Angeles, San Diego, and the following field offices: El Centro, Eureka, Sacramento and San Bernardino. Since the agenda package will be mailed to these locations, it will be available at these locations a day or two after the distribution date. These locations will not receive agenda items that are not ready on the distribution date.

If an agenda item is held over to a subsequent Commission meeting, that agenda item and any revisions to that agenda item that were available on the morning of the initial Commission meeting (as well as any further available revisions) will be mailed in the Escutia package for the subsequent Commission meeting; the item and its revisions will also be available for viewing and photocopying in the Commission’s Central Files Office and field offices as set forth above.

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

The cost to receive the agenda only, without copies of draft agenda items, remains at \$75 per year.

Subscription Notice for Daily Calendar and/or Agenda

Parties who wish to subscribe to the Daily Calendar and/or the Agenda may do so by writing to the Public Utilities Commission; Attention: Poly Arca, Room 1003; 505 Van Ness Avenue; San Francisco, CA 94102; or by calling (415) 703-1798. The subscription cost for the Daily Calendar is \$225 per year. The Biweekly Daily Calendar is \$50 per year. The Agenda is \$75 per year. Checks are to be made payable to the Public Utilities Commission.

COMMISSIONER OFFICE HOURS

(For further information or to make an appointment, please contact, Michelle Diamonon at (707) 445-7875 for Eureka and Chico locations, and Sandra Graham at (213) 897-3544 for other locations).

Date/Time Commissioner Location

NONE SCHEDULED

PUBLIC MEETINGS & WORKSHOPS

Public Workshop and Public Meeting

<p>December 18, 1997 9 am - 1 pm and 1 pm - 4 pm</p>	<p>Pacific Gas and Electric Company Energy Center 851 Howard Street (1 block west of the Moscone Center) San Francisco</p>
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A Public Workshop will be conducted by the Technical Services Consultants to the California Board for Energy Efficiency to discuss (1) definitions, (2) cost-effectiveness tests and their application, (3) measures of performance and evaluation, and (4) methods to classify programs.

The Technical Advisory Committee for the California Board for Energy Efficiency will meet to discuss SPC program performance indicators; New Program and SPC subcommittee activities and work products; 1998 program changes based on recent CPUC decisions; TAC membership activities, including the recent TAC membership survey, and agenda planning for 1998. The contact person is Beverly Coleman (415) 564-3082.

Public Meeting

<p>December 18, 1997 10 am - 4 pm</p>	<p>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The California Relay Service Advisory Committee (CRSAC) of the Deaf and Disabled Telecommunications Program will hold scheduled interviews for CRSAC Open Committee Seats. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Workshop Notice

<p>December 19, 1997 9:30 am</p>	<p>California Public Utilities Commission 505 Van Ness Avenue Training Room San Francisco</p>
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The Energy Division staff will conduct a workshop to address compliance issues associated with utility advice filings ordered in ordering paragraph 1 of Decision (D)97-12-039. The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Layman at (415) 703-3332.

Public Meeting

<p>December 19, 1997 10 am - 4 pm</p>	<p>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The California Relay Service Advisory Committee (CRSAC) of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<i>January 6, 1998 10 am - 4 pm</i>	<i>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</i>
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The Administrative Committee of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<i>January 8, 1998 (Thursday) 9:30 am - 12:00 noon</i>	<i>California Public Utilities Commission 505 Van Ness Avenue, Room 3204 (Corner of Van Ness Avenue and McAllister Street) San Francisco</i>
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The Interim Administrative Committee for the California High Cost Fund B and the California Teleconnect Fund will hold its 9th meeting to discuss the status of its motion filed on October 29, 1997, and to discuss administrative matters. The contact person for this meeting is Angela Young at (415) 703-2837.

Public Meeting

<i>January 8, 1998 9:30 am - 3:30 pm</i>	<i>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</i>
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The Equipment Program Advisory Committee of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<p>January 9, 1998 10 am</p>	<p>San Diego Gas & Electric Company 601 Van Ness Avenue, Suite 2060 San Francisco</p>
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San Diego Gas & Electric Company will hold a settlement conference for their 1997 Annual Energy Cost Adjustment Clause (ECAC) A96-10-022, in accordance with Rule 51.1 of the Commission's Rules of Practice and Procedure. Please RSVP to Monica Wiggins at (619) 696-4056 no later than Monday, January 5, 1998.

Public Meeting

<p>January 23, 1998 (CHANGED DATE) 10 am - 4 pm</p>	<p>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The California Relay Service Advisory Committee (CRSAC) of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<p>February 3, 1998 10 am - 4 pm</p>	<p>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The Administrative Committee of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<p>February 12, 1998 9:30 am - 3:30 pm</p>	<p>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The Equipment Program Advisory Committee of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

Public Meeting

<p>February 27, 1998 (CHANGED DATE) 10 am - 4 pm</p>	<p><i>Deaf and Disabled Telecommunications Program</i> 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</p>
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The California Relay Service Advisory Committee (CRSAC) of the Deaf and Disabled Telecommunications Program will hold its regular monthly meeting. For more information about the meeting, or if you plan to attend the meeting and need sign language interpretation or real-time captioning, contact Sara Brucker at (510) 874-1410 VOICE or (510) 874-1411 TTY. Environmental Reminder: Please refrain from wearing perfumes or scents to DDTP meetings, because people with environmental illness or multiple chemical sensitivity must reduce their exposure in order to attend.

NEW FILINGS

12/12/97	A97-12-023	Southern California Gas Company, Southern California Edison Company; San Diego Gas & Electric Company, Pacific Bell, and GTE California, Inc., for application for rehearing of Resolution L-258A
12/16/97	A97-12-024	SmartStop, Inc., for registration as an interexchange carrier telephone corporation

PETITIONS FOR MODIFICATION AND APPLICATIONS FOR REHEARING

NONE

**DRAFT DECISIONS * PROPOSED DECISIONS * ALTERNATES *
ARBITRATOR'S REPORTS**

NONE

ADVICE LETTER FILINGS

NONE

MISCELLANEOUS TRANSPORTATION ITEMS

December 18, 1997

Filings with Safety and Enforcement

NONE

ADJOURNMENTS * RESETTINGS * SUBMISSIONS

A97-07-030 Malcolm-Pacific Gas and Electric Company, **Evidentiary Hearing held and submitted upon receipt of reply briefs.**

REMOVALS FROM CALENDAR

NONE

NEW SETTINGS

12/23/97 ALJ Bennett Comr Duque	10:30 am A97-10-025	(PHC) -Edward A. Hanline and Kimberly A. Hanline dba Quick Silver Shuttle Service, for a certificate of public convenience and necessity to operate as a passenger stage corporation between points in San Diego County and San Diego Lindbergh Field International Airport, Telephone Prehearing Conference
12/30/97 ALJ Wright Comr Conlon	10:00 am A97-04-001	(PHC) -Pacific Gas and Electric Company, for Commission order finding that electric operations during the reasonableness review period from 1/1/96 to

Fourth Floor, Sacramento

12/19/97 ALJ Bushey Comr Duque	2:00 pm C97-11-018	(PHC) -Brook Fiber Communications of Fresno, Inc., Brooks Fiber Communications of Stockton, Inc., Brook Fiber Communications of Bakersfield, Inc., Brooks Fiber Communications of San Jose, Inc. and Brooks Fiber Communications of Sacramento, Inc. vs. Pacific Bell, for unreasonable and unlawful anti-competitive activities, Commission Courtroom, San Francisco
12/22/97 ALJ Ryerson Comr Duque	10:00 am A97-09-040	(PHC) -Catalina Channel Express, Inc., for such additional authority as may be necessary to affirm its scheduled service certificate of public convenience and necessity to operate as a common carrier by vessel between Dana Point and Avalon/Two Harbors and for authority to file a tariff and timetable to commence such service, Commission Courtroom, San Francisco
12/22/97 ALJ Walwyn Comr Duque	10:00 am C97-03-049	(PHC) -California Cable Television Association vs. Pacific Bell, for offering and promoting the bundled offering of the basic exchange service and Internet service in violation of due procedures and without authorization, Commission Courtroom, San Francisco
12/23/97 ALJ Bennett Comr Duque	10:30 am A97-10-025	(PHC) -Edward A. Hanline and Kimberly A. Hanline dba Quick Silver Shuttle Service, for a certificate of public convenience and necessity to operate as a passenger stage corporation between points in San Diego County and San Diego Lindbergh Field International Airport, Telephone Prehearing Conference
12/30/97 ALJ Wright Comr Conlon	10:00 am A97-04-001	(PHC) -Pacific Gas and Electric Company, for Commission order finding that electric operations during the reasonableness review period from 1/1/96 to 12/31/96 were prudent, Commission Courtroom, San Francisco
1/5/98 ALJ McVicar Comr Duque	2:00 pm C97-08-004	(PHC) -Commission Instituting Investigation and Suspension of the Commission's own motion to tariff filed by Advice Letter Nos. 287 and 287-A of San Jose Water Company in Santa Clara County, Commission Courtroom, San Francisco

1/6/98 ALJ Bushey Comr Duque	10:00 am C97-09-059	(PHC) -Peter Wood vs. Pacific Bell, for failure to provide adequate services and for discriminatory treatment, Commission Courtroom, San Francisco
1/7/98 ALJ McVicar Comr Duque	9:00 am C97-08-054	(EH) -Carl Brandstetter vs. Holiday Retreats, Inc., Paul Derebery, Surinder S. Dang, and Gurinder Singh, for serving water without authority, Council Chambers, City Hall, 3900 Main Street, Riverside
1/9/98 ALJ Barnett Comr Neeper	10:00 am C97-10-076	(ECP) -Lorna Shofner vs. D.C.N. Wireless, for overbilling and unfair business practices, Commission Courtroom, Los Angeles,
1/9/98 ALJ Barnett Comr Duque	10:30 am C97-10-078	(ECP) -Fariborz Hamzel vs. Pacific Bell, for unauthorized ISDN calls, Commission Courtroom, State Office Building, 107 S. Broadway, Los Angeles
1/12/98 ALJ Careaga Comr Duque	10:00 am C97-04-025	(EH) -ARCO Products Company, Mobil Oil Corporation, Texaco Refining and Marketing Inc. vs. SFPP, L.P., for violation of Section 451 of the Public Utilities Code by charging rates that are not just and reasonable for the intrastate transportation of refined petroleum products, Commission Courtroom, San Francisco

1/12/98 ALJ Patrick ALJ Stalder Comr Conlon	10:00 am A96-05-045	(EH)-Southern California Edison Company, for authority to freeze rates t their current levels by deferring a \$1.7 million rate decrease, plus interest to 1998, for a finding that 1/1/97 balances in the energy cost adjustment clause (ECAC) and electric revenue adjustment mechanism (ERAM) accounts are reasonable, for authority to set aside overcollection in the ECAC and ERAM accounts as of 12/31/96 to reduce the level of competition transition cost, for authority to revise its incremental energy rate, the energy reliability index and avoided capacity cost pricing, and for a review of the reasonableness of Edison's operations during the period from April 1, 1995, through March 31, 1996, and
	A97-05-050	(EH)-Southern California Edison Company, for review of the reasonableness of operations during the period from April 1 1996, through March 31, 1997 (Reasonableness Phase), Commission Courtroom, San Francisco
1/13/98 ALJ Henderson Comr Neeper	10:00 am A96-10-022	(EH)-San Diego Gas & Electric Company, for annual energy cost adjustment clause for the period from 5/1/97 to 4/30/98, Commission Courtroom, San Francisco
1/14/98 ALJ Ramsey Comr Conlon	10:00 am 191-08-029	(PHC)-Investigation on the Commission's own motion into the causes of recent derailments of Southern Pacific Transportation Company trains, compliance of Southern Pacific with applicable laws, rules, and regulations, the existence of any local safety hazards, and recommendations for improvements in state and federal laws or regulations, Commission Courtroom, San Francisco
1/15/98 ALJ Patrick Comr Bilas	1:30 pm A97-11-012	(PHC)-Pacific Gas and Electric Company, for authority to increase the price of water delivered to the El Dorado Irrigation District from the El Dorado Project, effective in 1998 and 1999, Commission Courtroom, San Francisco
1/16/98 ALJ Walker Comr Duque	7:00 pm C97-09-056	(PHC)-Marna An Powell and Donna M. Hufford vs. GTE Northwest, dba GTE West Coast, for enlargement of the 488 prefix to include a toll free one-way extended area service, Orick Community Center, 101 Swan Road, Orick

1/22/98 ALJ Econome Comr Bilas	1:30 pm A97-03-002	(PHC) -Pacific gas and Electric Company, for authority to revise its gas rates and tariffs to be effective 1/1/98, pursuant to D.89-01-040, D.90-09-089, D.91-05-029, D.93-12-058, D.94-07-024, and D.95-12-053, Commission Courtroom, San Francisco (EH), for 10 am, January 26, San Francisco (also January 27-30 and February 2-6, San Francisco),
1/27/98 ALJ Stalder Comr Conlon	10:00 am A95-08-038	(EH) -San Jose Water Company, for authority to increase rates by \$3,867,000 or 4.16% in 1995; \$4,348,000 or 4.43% in 1996; and \$1,713,000 or 1.67% in 1997, in Los Gatos, Saratoga, Monte Sereno, Campbell, portions of San Jose, Cupertino and Santa Clara, and in territory within the County of Santa Clara surrounding and adjacent in these municipalities, Commission Courtroom, San Francisco (also January 28, San Francisco)
1/30/98 ALJ Walker Comr Duque	7:00 p.m. C97-09-054	(PHC) -Robert W. Merwin vs. Citizens Communications, for arbitrary definition of service areas, Jean Harvie Community Center, 14273 River Road, Walnut Grove
2/3/98 ALJ Malcolm Comr Duque	10:00 am A95-12-043	(EH) -Pacific Bell, for authority to increase and restructure certain rates of its Integrated Services Digital Network services, Commission Courtroom, San Francisco
2/5/98 ALJ Wetzell Comr Conlon	1:00 pm A97-09-049	(PHC) -San Diego Gas & Electric Company, for a permanent gas procurement performance-based ratemaking mechanism, Commission Courtroom, San Francisco
2/9/98 ALJ Careaga Comr Neeper	10:00 am C96-01-019	The City of Vernon vs. The Atchison, Topeka and Santa Fe Railway, for non-compliance with zoning, Commission Courtroom, San Francisco

2/10/98	10:00 am	(PHC)-Pacific Gas and Electric Company, for recovery of 1996 capital additions costs, and,
ALJ Malcolm	A97-10-014	
Comr Bilas	A97-10-015	(PHC)-San Diego Gas & Electric Company, for competition transition charge recovery of 1996 capital additions, and
	A97-10-024	(PHC)-Southern California Edison Company, for authority to recover capital additions to its fossil generating facilities made between 11/1/96 AND 12/31/96,
		Commission Courtroom, San Francisco (EH) for 10 am, March 9, San Francisco (also March 10-13, San Francisco)
2/18/98	9:30 am	(EH)-Tel-Save, Inc. of Pennsylvania, dba The Phone Company, for a certificate of public convenience and necessity to operate as a reseller of local exchange service,
ALJ Garde	A96-12-050	
Comr Neepser		Commission Courtroom, San Francisco (also February 19, San Francisco)
3/16/98	9:00 am	(EH)-U.S. Long Distance, Inc. vs. Pacific Bell, for losses in excess of \$100,000 due to defendants improper administration of billing and collection services edit called "scan and reject edit,"
ALJ Bushey	C96-12-043	
Comr Knight		Commission Courtroom, San Francisco (also March 17-18, San Francisco)
3/30/98	10:00 am	(EH)-Southern California Gas Company, for approval of a long-term gas transmission service contract with Distribudora de Gas Natural de Mexicali, s. de R.L. de C.V.,
ALJ Patrick	A97-03-015	
Comr Bilas		Commission Courtroom, San Francisco (also March 31, and April 1-3, San Francisco)

NOTICE OF DENIAL OF REQUEST FOR EX PARTE MEETING

On September 20, 1996, the Commission adopted Resolution ALJ 169 regarding the "Filing of Notice of Denial of Request for Ex Parte Meeting". The resolution implements an interim procedure whereby a party whose written request for an ex parte meeting with a Commissioner has been denied will be allowed to file a notice of such denial. Copies of Resolution ALJ 169 are available from the Commission's Central Files Office at 505 Van Ness Avenue, Room 2002, San Francisco; telephone (415) 703-2045. Copies of tendered notices are available in the Central Files Office for review and/or reproduction under

existing procedures. They are also available from the filing party who is under the obligation to provide copies of the notice without delay.

NONE FILED

NOTICE OF EX PARTE COMMUNICATIONS

Copies of tendered notices are available in the Central Files Office for review and/or reproduction under existing procedures. They are also available from the filing party who is under the obligation to provide copies of the notice without delay.

12/16/97 A96-11-020 Pacific Gas and Electric Company, for authorization to sell Hunters Point, Morro Bay, Moss Landing, and Oakland generating plants and related assets.

Summary: On December 12, 1997, Truman Burns, staff for the Office of Ratepayer Advocates (ORA) left a written communication (attached to notice) for David Gamson, advisor to Cmmr. Neepser. The communication summarized ORA's comments on Pacific Gas & Electric Company's (PG&E) fossil divestiture compliance filing. ORA's communication stated that ORA supports the divestiture of PG&E's power plants, but not PG&E's proposed ratemaking on the rate of return. ORA stated that D97-11-074 (CTC Phase II) states that a reduced rate of return should apply to PG&E's plants subject to this sale effective as of 7/97. ORA stated that PG&E should comply with the Commission's decision, in which the reduced rate of return is appropriate because the Preferred Policy Decision, AB 1890 and the early implementation of the rate freeze reduced PG&E's overall risk of recovering all of its transition costs. ORA stated that it disagrees with PG&E's claim that the auction sales price being greater than the book value "changes everything." ORA stated that the results of PG&E's auction being greater than the book value was known at the time the Commission adopted D97-11-074. ORA also stated that PG&E's proposed retroactive award of the divestiture bonus is illogical and inconsistent with D97-11-074. ORA stated that any increase should be effective when PG&E closes the sale, not retroactive to 7/97. ORA stated that it opposed PG&E's request for a 42 basis point bonus, stating that PG&E is entitled to only a 40 basis point bonus. ORA stated that PG&E's misguided horse racing analogy proves ORA's point. ORA stated that race tracks allow bets only in step increments, and that both the Preferred Policy Decision and D97-11-074 state that the bonus should be "up to 10 basis points for each 10% of fossil generation divested." ORA stated that the Commission used step increments of 10%.

Filer: Office of Ratepayer Advocates

Contact: Sue Muniz

Phone: (415) 703-2804

12/16/97 A96-12-009 Pacific Gas and Electric Company, to identify and separate components of electric rates effective January 1,

1998.

Summary: On December 11, 1997, Sabrina Miller, Senior Regulatory Representative for Pacific Gas & Electric Company (PG&E), met with Michelle Cooke, advisor to Cmmr. Duque, in San Francisco. Also present were: Bill Manheim, attorney for PG&E, and Jana Corey, Director, Regulatory Relations, PG&E. Miller stated that D97-08-056 states that any ISO costs that are assigned exclusively to the utility for services provided on behalf of all customers should be recovered from all customers, regardless of the generation provider. Miller stated that D97-08-056 approved the Retail Transmission Rate Stipulation which recognized that FERC would determine the retail transmission revenue requirement, but deferred to the CPUC the design of retail transmission rates. Miller stated Section 5.2.7 of the ISO tariff states that must-run contract costs payable by a utility that is a Participating TO (Transmission Owner), shall be recovered from end-users located in the Service Area of that utility. Miller added that Section 5.2.7 further stated that such utility shall file with the Commission and/or the appropriate Local Regulatory Authority a mechanism for such recovery. Miller stated that the FERC agrees that these costs should be recoverable from end-use customers and that the utility should apply to this Commission approval of recovery of costs. Manheim stated that the issue of must-run recovery is an issue of jurisdiction, not recovery, then PG&E asks that the CPUC at least allow PG&E to track must-run costs through a CPUC ratemaking mechanism starting 1/1/98 subject to the outcome of a filing by PG&E at the FERC for recovery of must-run costs.

Filer: Pacific Gas and Electric Company

Contact: Heidi Holzhauer

Phone: (415) 972-5611

Summary: On December 11, 1997, Steven Kline, Vice President, Regulatory Regulations, Pacific Gas & Electric Company (PG&E), sent a letter (attached to notice) to Cmmrs. Conlon, Duque, Knight, Neep, and Bilas. Copies were also sent to: James Hendry, advisor to Cmmr. Conlon; Michelle Cooke, advisor to Cmmr. Duque; Robert Lane, advisor to Cmmr. Knight, David Gamson, advisor to Cmmr. Neep; and Julie Halligan, advisor to Cmmr. Bilas. Kline stated that the Commission should find that the recovery of must-run costs from end-use customers subject to the Commission's jurisdiction—costs that are incurred as a result of contracts already filed with the FERC whose costs recovery arrangements are already set forth in the Independent System Operator (ISO) tariff—fall within the jurisdiction of the Commission, not the FERC, and are authorized for recovery through PG&E's Transition Revenue Account (TRA). Kline requested that the Commission's resolution on Advice Letter 1705-E approve all ISO charges, including those costs associated with power from the must-run generation units, for recovery through the TRA. Kline requested that in the alternative, if the Commission does not make the finding as requested above, the Commission at the very least should approve the subtraction of must-run costs from the TRA starting 1/1/98, subject to the outcome of a filing by PG&E at the FERC for recovery of must-runs.

Filer: Pacific Gas and Electric Company

Contact: Maryann Friel

Phone: (415) 972-5611

12/16/97

A96-07-009

Southern California Edison Company, to adopt

performance based ratemaking and incentive based ratemaking mechanisms as specified in D95-12-063, as modified by D96-01-009, with related changes in D89-01-040, D92549 and D88-01-063.

Summary: On December 11, 1997, Jana Corey, Regulatory Relations for Pacific Gas & Electric Company (PG&E), met with Michelle Cooke, advisor to Cmmr. Duque. Also present were: Julie Halligan, advisor to Cmmr. Bilas; Jim Hendry, advisor to Cmmr. Conlon; Ray Williams, Manager, Revenue Requirements, PG&E; Bill Edwards, attorney, PG&E; and Bill Manheim, attorney, PG&E. Written materials (attached to notice), consisting of PG&E's hand written notes titled "Generation PBR Proceeding" and pages from the Competition Transition Charge (CTC) Phase 2 decision, were used. Corey stated that PG&E is requesting that the Generation PBR proposed decision (PD) be modified and made consistent with the treatment of hydroelectric and geothermal units set forth in the CTC Phase 2 decision. Edwards stated that the CTC Phase 2 decision calls for portfolio and transition cost balancing account (TCBA) treatment of all hydroelectric and geothermal assets (must-run and non-must-run). Edwards stated that in return for TCBA treatment, the PD calls for a reduced rate of return and reasonableness review. Edwards stated that the CTC Phase 2 decision provides for interest to be earned on the credit amounts in the memorandum account. Edwards stated that the treatment given hydroelectric and geothermal facilities in the Generation PBR PD is less favorable than the treatment for fossil must-run units in the CTC Phase 2 decision.

Filer: Pacific Gas and Electric Company

Contact: Les Guliasi

Phone: (415) 972-5611

12/16/97	A96-07-009	Southern California Edison Company, to adopt performance based ratemaking and incentive based ratemaking mechanisms as specified in D95-12-063, as modified by D96-01-009, with related changes in D89-01-040, D92549 and D88-01-063.
	A96-07-018	Pacific Gas and Electric Company, for approval of proposed hydroelectric/geothermal performance-based ratemaking (PBR) mechanisms, effective 1/1/98 and to change electric revenue requirements subject to PBR, also effective 1/1/98.

Summary: On December 11, 1997, Steve Linsey, staff for the Office of Ratepayer Advocates (ORA), met with Michelle Cooke, advisor to Cmmr. Duque, in San Francisco. Also present were: Tom Thompson for ORA, and Jonathan Bromson, attorney for ORA. ORA staff stated that the proposed decision (PD) of ALJ Wetzell should be adopted as written. ORA staff stated that this proceeding and Phase 2 of the transition cost proceeding were very carefully coordinated by ALJs Wetzell and Minkin, and that both judges clearly placed generation revenue requirement issues, including must-run units, in this proceeding. ORA staff stated that it had circulated a letter articulating its position on must-run issues and that subsequently the issues of must-run revenue requirements were clearly placed in

this proceeding. ORA staff stated that the Commission was fully aware of the linkages between the two decisions and need not alter the PD. ORA staff stated that there was no substantive conflict between the PD and the CTC Phase 2 decision. ORA staff stated that the reasoning in the Phase 2 CTC decision does nothing to change the fact that Pacific Gas and Electric could have more than one opportunity to recover all costs of qualifying must-run hydro/geo units.

Filer: Office of Ratepayer Advocates

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Contact: Susie Toy

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Summary: December 11, 1997, Steve Linsey, Staff for the Office of Ratepayer Advocates (ORA), met with Dorothy Duda, advisor to Cmmr. Knight, in San Francisco. Linsey stated that the proposed decision (PD) of ALJ Wetzell should be adopted as written. ORA stated that this proceeding and Phase 2 of the transition cost proceeding were very carefully coordinated by ALJs Wetzell and Minkin, and that both judges clearly placed generation revenue requirement issues, including must-run units, in this proceeding. Linsey stated that Duda had circulated a letter articulating its position on must-run issues and that subsequently the issues of must-run revenue requirements were clearly placed in this proceeding. Linsey stated that to allow Pacific Gas and Electric Company access to full cost recovery contracts with the Independent System Operator and the Transition Cost Balancing Account permits double recovery, and places alternative providers at a competitive disadvantage. Linsey stated that nothing in the Phase 2 decision conflicts with the PD remedying this potential for double recovery.

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12/16/97 A97-10-001 Pacific Gas and Electric Company, for approval of 1998 Energy Efficiency Programs, Shareholder Incentive Mechanism for 1998 programs, a cost accounting process for transfer of Surcharge Funds, and Update of Energy Efficiency Commitments.

Summary: On December 11, 1997, Jana Corey, Director, Regulatory Relations for Pacific Gas & Electric Company (PG&E), met with David Gamson, advisor to Cmmr. Nepper, in San Francisco. Also present was: Chris Chouteau, Manager, Customer Energy Management, PG&E. Chouteau stated, regarding PG&E's energy efficiency and conservation budget provided to the legislature during the 1996 discussions of AB 1890, that PG&E provided to the legislature the full 1996 budget (\$106 million) for all demand-side management activities including \$14 million for PG&E's low income programs. Chouteau stated that the statute was intended to provide for stable overall funding by referencing PG&E's entire demand-side management budget, including PG&E's low income budget. Chouteau stated that PG&E is also concerned about the requirement to bid out the information and education portion of the demand-side management programs during 1998, and instead suggested that utilities could move in this direction as it becomes feasible without interfering with 1998 goals. Chouteau stated that the decision should be modified to provide for residential standard performance contract expenditures that reflect the \$2.4

million recommendation made by the California Board for Energy Efficiency (CBEE). Chouteau also suggested that decisions regarding co-branding of the programs with the CBEE logo should also be left to the Board's discretion, as the choice and timing of placing a new logo in the market requires strategic consideration based on customer and market information.

Filer: Pacific Gas and Electric Company

Contact: Heidi Holzhauser

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12/16/97 A97-10-011 Southern California Gas Company, for approval of 1998 Energy Efficiency Programs.

Summary: On December 11, 1997, Claudine Swartz, Regulatory Representative for Southern California Gas Company (SoCalGas), met with David Gamson, advisor to Cmmr. Neeper. Also present were: Dorothy Duda, advisor to Cmmr. Knight; and James Hendry, advisor to Cmmr. Conlon, and Frank Spasaro, Director of Industrial Marketing for SoCalGas. Swartz urged the Commission to give further consideration to SoCalGas' shareholder earnings buyout proposal as it would save ratepayers approximately \$9 million. Swartz stated that a twelve-month program budget was appropriate for SoCalGas because a gas surcharge may not be in place by 10/1/1998 and a twelve-month budget was previously authorized by the PBR decision, D97-07-054. Spasaro stated that \$15 million in performance awards included in the draft decision's budget for SoCalGas should be used for Measurement Forecast Regulatory Reporting, as the decision states that SoCalGas performance rewards will be collected through a rate increase. Swartz stated that the draft decision's program cap is inappropriate, in light of the significantly higher caps established for the electric utilities and the fact that SoCalGas does not draw from public goods surcharge funds. Spasaro stated that it is appropriate for the utilities to use their logos together with a newly designed energy efficiency logo.

Filer: Southern California Gas Company

Contact: Artemis Manos

Phone: (213) 895-5236

12/16/97 A97-03-004 Pacific Bell, for approval of rate reductions to offset the explicit subsidy support ordered in D96-10-066.

Summary: On December 16, 1997, Paul Stein, attorney for The Utility Reform Network (TURN), sent a letter (attached to notice) to Cmmrs. Knight, Neeper, Duque, and Bilas. A copy was also sent to: ALJ Walwyn. Stein states that the joint comments of AT&T Communications of California (AT&T) and MCI Telecommunications Corp. (MCI) in the intervenor compensation docket mischaracterize TURN's position in A97-03-004 as "second-guessing" the Commission's view of market conditions in the long-distance market.

Filer: The Utility Reform Network

Contact: Paul Stein

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