
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 Wednesday, January 21, 1998

- 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

January 21, 1998	10 am	San Francisco
February 4, 1998	10 am	San Francisco
February 19, 1998	10 am	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.

Filing: Letter Seeking Approval

Date Filed: December 26, 1997

Filed With: Telecommunications Division

Public Advocates on behalf of the Signatory coalitions, requests approval of the Organizational Charter filed on December 26, 1997, implementing D.97-03-067 Community Partnership Commitments. **Comments/protests must be delivered to Director, Telecommunications Division, 505 Van Ness Avenue, Room 3203, San Francisco, CA 94102 by February 2, 1998.** The contact person is Linda Rochester at (415) 703-2770.

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 cents 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).

<u>Date/Time</u>	<u>Commissioner</u>	<u>Location</u>
2/25/98, 1 pm - 4 pm	Henry M. Duque	State Office Building 107 So. Broadway, Room 5109 Los Angeles
3/13/98, 9 am - 12 pm	Josiah Neeper	State Office Building 1350 Front Street, Room 4006 San Diego
4/17/98, 9 am - 12 pm	Josiah Neeper	State Office Building 107 So. Broadway, Room 5109 Los Angeles
5/15/98, 9 am - 12 pm	Josiah Neeper	State Office Building 1350 Front Street, Room 4006 San Diego

PUBLIC MEETINGS & WORKSHOPS

Public Meeting

<i>January 21, 1998 Lottery begins at 1:30 pm</i>	<i>California Public Utilities Commission 505 Van Ness Avenue, Training Room (Corner of Van Ness Avenue and McAllister Street) San Francisco</i>
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**LOTTERY FOR TELEPHONE NUMBER PREFIX ASSIGNMENTS IN THE
209, 213, 310, 408, 415/650, 510/925, 619, 714/949, 805, 818/626,
AND 916/530 NUMBERING PLAN AREAS**

The Telecommunications Division of the California Public Utilities Commission will be conducting a lottery to determine allocations of central office codes (NXXs) in the 209, 213, 310, 408, 415/650, 510/925, 619, 714/949, 805, 818/626, and 916/530 area codes pursuant to the provisions of D.96-09-087. Applications should be submitted to the California Code Administrator prior to the close of business on January 13, 1998. For information on the lottery process, call (415) 703- 1879. If specialized accommodations for the disabled are needed, call the Public Advisor at (415) 703-2032 five working days in advance of the event.

Public Meeting PLEASE NOTE: NEW MEETING LOCATION!

January 22, 1998
1 pm - 5 pm

California Public Utilities Commission
505 Van Ness Avenue, Room 3209
San Francisco

The ULTS Marketing Board (ULTSMB) will hold a meeting to discuss development of a Draft 1998 Budget. If you would like to join the meeting by phone conference or receive a copy of the agenda please notify Vivien Wright, Executive Assistant, five (5) working days in advance of the meeting at (510) 452-2757.

Public Meeting

January 23, 1998
9:30 am - 4 pm

California Public Utilities Commission
505 Van Ness Avenue, Room 5305
(Corner of Van Ness Avenue and McAllister Street)
San Francisco

The California Board for Energy Efficiency will meet to discuss the proposed RFP for independent administrators and governing rules, analysis and evaluation plans; utility 1998 program plans and associated reports to and decisions by the ALJ; utility third-party programs; standard performance contracting programs; consultant workplans; 1998 energy efficiency budgets; development of a CBEE logo; reports from or direction to the technical consultants and Technical Advisory Committee, Board operational matters, and other Board filings. The contact person is Sara Myers, (415) 387-1904.

Public Meeting

January 23, 1998

(REVISED

DATE)

10 am - 4 pm

Deaf and Disabled Telecommunications Program
1939 Harrison Street
DDTP Conference Room, Suite 555
Oakland

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.

Workshop Notice

January 26, 1998
9 am

California Public Utilities Commission
505 Van Ness Avenue, Training Room
(Corner of Van Ness Avenue and McAllister Street)
San Francisco

The Energy Division staff will conduct a workshop to discuss technical criteria related to load profiling. This workshop is being held pursuant to an Assigned Commissioners' Ruling dated January 13th, 1998.

The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Public Meeting

<p>January 27, 1998 Various times. (See Schedule below.)</p> <p>With a Break for Lunch (A brief break will be called prior to lunch)</p>	<p>San Diego Gas & Electric Company 8306 Century Park Court, Building 4 San Diego</p> <p>To join via teleconference: Dial: 303-633-0782 Passcode: 1505225#</p>
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Advisory Committee Topic Area Discussions

Topic Area 1: Administration Issues 9 am - 10 am

Topic Area 2: Financial/Fiscal Management 10 am - 11 am

Topic Area 3: Data Systems 11 am - 12 pm

As provided for in Public Utilities Commission D97-09-117, one or more LIGB members may be participating in this meeting via teleconference. Members of the public may also participate in the meeting on **January 27, 1998** by calling **303 633-0782**.

The Low Income Governing Board Advisory Committee will meet to discuss the following agenda items:

- review meeting minutes
- administrative/membership issues
- briefing on Board retreat
- legal issues, issues related to the transition of services
- topic area reports
- outreach to customers
- and develop agenda for next meeting

These meeting are open to the public. You can get the materials for this meeting from the LIGB website at www.ligb.org under "Advisory Committee". Amy Hopper is the contact person at (510) 251-2888, extension 2015.

Workshop Notice

<p>January 28, 1998 9 am</p>	<p>California Public Utilities Commission 505 Van Ness Avenue, Commission Auditorium (Corner of Van Ness Avenue and McAllister Street) San Francisco</p>
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The Energy Division staff will conduct a workshop to discuss formation of a Direct access "Rule 22 Tariff Review Group". This workshop is being held pursuant to D.97-10-087, Ordering Paragraph 11.

The workshop is open to the public and the Commission Auditorium is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Public Meeting

<p>January 28, 1998 10:00 am - 5 pm</p>	<p>California Public Utilities Commission 505 Van Ness Avenue, Room 3204 (Corner of Van Ness Avenue and McAllister Street) San Francisco</p>
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The ULTS Marketing Board (ULTSMB) will hold its regular meeting to discuss/approve the following: Draft Charter, Draft 1998 Budget, results of previous ULTS Marketing Studies/Campaigns, election of Chairperson and Vice-Chair, and other general administrative matters.

If you would like to join the meeting by phone conference or receive a copy of the full agenda please notify Vivien Wright, Executive Assistant, five (5) working days in advance of the meeting at (510) 452-2757.

Workshop Notice

<p>January 29, 1998 9 am</p>	<p>California Public Utilities Commission 505 Van Ness Avenue, Hearing Room (Corner of Van Ness Avenue and McAllister Street) San Francisco</p>
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The Energy Division staff will conduct a workshop to discuss formation of a “Universal Node Identifiers System” Working Group. This workshop is being held pursuant to D.97-12-090, Ordering Paragraph 1.a.

The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Public Meeting

<p>January 29, 1998 10 am - 3 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 scheduled interviews for EPAC 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.

Public Meeting

<p>January 29, 1998 10 am - 4 pm</p> <p><i>With a Break for Lunch</i> <i>(A brief break will be called prior to lunch)</i></p>	<p><i>Sacramento Municipal Utility District</i> <i>Sequoia Room 1 & 2</i> <i>6301 S Street</i> <i>Sacramento</i></p> <p>To join via teleconference: Dial: 303-633-0782 Passcode: 1505225#</p>
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As provided for in Public Utilities Commission D97-09-117, one or more LIGB members may be participating in this meeting via teleconference. Members of the public may participate in the meeting by calling **303-633-0782** on **January 29, 1998**.

The Low Income Governing Board will meet to discuss the following agenda items: Chairperson’s report, review meeting minutes, discuss legal issues, Technical Consultants projects, address budget planning/financial status, update on the Advisory Committee, debrief about Board retreat, address policy planning issues on critical path, and develop agenda for next Board meeting. These meetings are open to the public. You can get the materials for this meeting from the LIGB website at www.ligb.org. Amy Hopper is the contact person at (510) 251-2888, extension 2015.

Workshop Notice

<p>January 30, 1998 9 am</p>	<p><i>California Public Utilities Commission</i> <i>505 Van Ness Avenue, Commission Auditorium</i> <i>(Corner of Van Ness Avenue and McAllister Street)</i> San Francisco</p>
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The Energy Division staff will conduct a workshop to discuss formation of a “Permanent Standards Working Group” for meter standards under direct access. This workshop is being held pursuant to D.97-12-048, Ordering Paragraph 7.

Workshop Notice

<p>January 30, 1998 9:30 am - 3:30 pm</p>	<p><i>Pacific Gas and Electric Company Energy Center</i> <i>851 Howard Street</i> San Francisco</p>
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The Commitments Committee of the California Board for Energy Efficiency will hold a public workshop to discuss development of a common set of definitions for itemized utility assets and liabilities. The workshop is part of the first phase of the transfer of utility assets and liabilities related to energy efficiency programs, which involves identifying, defining and categorizing the specific assets and liabilities to be transferred. Subsequent phases involve audit and verification of assets and liabilities, and identification of the mechanism and time frame over which the assets are physically or financially transferred. The contact person is Nancy Licht, (707) 522-1457.

Public Meeting

<p>January 30, 1998 10 am - 4 pm and February 23 through February 27, 1998 10 am - 4 pm</p>	<p>California Public Utilities Commission 505 Van Ness Avenue, Training Room (Corner of Van Ness Avenue and McAllister Street) San Francisco</p>
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The Commission Energy Division is convening rate of return workshops on the topic of developing methodologies to match rate of return on equity to regulated and nonregulated utility services. The workshop setting will allow utilities and other parties to share their progress in unbundling costs of capital methodologies. The workshop is open to the public. Access and facilities for the disabled are available. The Commission will maintain an interactive area on the Commission's website for this workshop. The address of the Commission's website is www.CPUC.CA.GOV. Once on the Commission's website, parties should go to the Energy Division's Library to find the Unbundling the Costs of Capital Workshop area of the website. Parties are invited to post a copy of their proposal the Unbundling the Costs of Capital Workshop area of the Commission's website. Instructions for posting proposals and comments in the Unbundling the Costs of Capital Workshop area of the Commission's website are posted in that area of the website. If you have any questions, please contact Donna Wagoner at 415-703-3175.

Public Meeting

<p>February 3, 1998 Various times. (See Schedule below.) With a Break for Lunch (A brief break will be called prior to lunch)</p>	<p>Pacific Gas and Electric Company Energy Center 851 Howard Street (1 block west of the Moscone Center) San Francisco To join via teleconference: Dial: 303-633-0782 Passcode: 1505225#</p>
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Advisory Committee Topic Area Discussions
Topic Area 1: Administration Issues 9 am - 10 am
Topic Area 2: Financial/Fiscal Management 10 am - 11 am
Topic Area 3: Data Systems 11 am - 12 pm
Full Advisory Committee Meeting 12:30 pm - 4 pm

(Lunch is provided for advisory committee members)

As provided for in Public Utilities Commission D.97-09-117, one or more LIGB members may be participating in this meeting via teleconference. Members of the public may also participate in the meeting on **February 3, 1998** by calling **303 633-0782**.

The Low Income Governing Board Advisory Committee will meet to discuss the following agenda items:

- review meeting minutes
- administrative/membership issues
- briefing on Board retreat
- legal issues, issues related to the transition of services
- topic area reports
- outreach to customers
- and develop agenda for next meeting

These meeting are open to the public. You can get the materials for this meeting from the LIGB website at www.ligb.org under "Advisory Committee". Amy Hopper is the contact person at (510) 251-2888, extension 2015.

Public Meeting

<p><i>February 3, 1998</i> <i>10 am - 4 pm</i></p>	<p><i>Deaf and Disabled Telecommunications Program</i> <i>1939 Harrison Street</i> <i>DDTP Conference Room, Suite 555</i> <i>Oakland</i></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.

Workshop Notice

<p><i>February 9, 1998</i> <i>9 am</i></p>	<p><i>California Public Utilities Commission</i> <i>505 Van Ness Avenue, Training Room</i> <i>(Corner of Van Ness Avenue and McAllister Street)</i> <i>San Francisco</i></p>
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The Energy Division staff will conduct a workshop to discuss load profiling issues related to the process for segmenting the current customer rate schedules into more segmented rate categories. This workshop is being held pursuant to D.97-10-086, Ordering Paragraph 6. The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Workshop Notice

<p><i>February 10, 1998</i></p>	<p><i>California Public Utilities Commission</i></p>
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9 am	505 Van Ness Avenue, Training Room (Corner of Van Ness Avenue and McAllister Street) San Francisco
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The Energy Division staff will conduct a workshop to determine whether there should be dynamic load profiles for agricultural customers. This workshop is being held pursuant to D.97-10-086, Ordering Paragraph 8.

The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Workshop Notice

February 11, 1998 9 am	California Public Utilities Commission 505 Van Ness Avenue, Training Room (Corner of Van Ness Avenue and McAllister Street) San Francisco
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The Energy Division staff will conduct a workshop to discuss data and information necessary to assess the effects of load profiling, and to determine how load profiling methodologies and administration can be improved. This workshop is being held pursuant to D.97-10-086, Ordering Paragraph 10 (a).

The workshop is open to the public and the training room is wheelchair accessible. For more information contact Steve Roscow of the Energy Division (phone: 415-703-2818).

Public Meeting

February 12, 1998 9:30 am - 3:30 pm	Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland
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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

February 27, 1998 (REVISED DATE) 10 am - 4 pm	Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland
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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

12/19/97	A97-12-051	Bahram Shahab and Merhdad Hajimoradi; Metro Shuttle Inc., dba: L.A.Xpress/Best Shuttle, for authority to transfer control of passenger stage certificates to Infinity Transportation Inc. (8939 S. Sepulveda Boulevard, #514, Los Angeles, CA 90045; (310) 216-3336)
12/26/97	C97-12-050	ECP - Elena Milkova vs. Sprint Telephone Company, for failure to execute a block of long distance charges which resulted in excess charges in complainant's account
1/12/98	A98-01-010	iTelsa (USA), Inc., for registration an interexchange carrier telephone corporation

PETITIONS FOR MODIFICATION AND APPLICATIONS FOR REHEARING

1/13/98	R94-04-031	Commission Order Instituting Rulemaking on its proposed policies governing restructuring California's electric services industry and reforming regulation and
	I94-04-032	Commission Order Instituting Investigation on its proposed policies governing restructuring California's electric services industry and reforming regulation; Petition for modification of D.97-12-048 by Applied Metering Technologies, Inc.

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

NONE

ADVICE LETTER FILINGS

NONE

MISCELLANEOUS TRANSPORTATION ITEMS

January 21, 1998

Filings with Safety and Enforcement

NONE

ADJOURNMENTS * RESETTINGS * SUBMISSIONS

A97-10-021	Ramsey-Citizens Telecommunications Company of California, Inc., Prehearing Conference held and completed
A97-12-020	Wetzell-Pacific Gas and Electric, workshop held and completed
I97-11-026	
C97-11-034	Watson-Pac-West Telecomm, Inc. vs. Pacific Bell, Prehearing Conference held and completed

REMOVALS FROM CALENDAR

NONE

NEW SETTINGS

1/29/98	9:30 am	(PHC)-Pacific Gas and Electric Company, for authority to increase rates and charges for electric and gas service effective 1/1/99, and
ALJ Careaga	A97-12-020	
Comr Bilas		

	197-11-026	(PHC) -Commission Order Instituting Investigation into the out-of-service status of Pacific Gas and Electric Company's El Dorado hydroelectric project and the need to reduce electric rates related to this non-functioning electric generating facility, Commission Courtroom, San Francisco
2/19/98 ALJ Patrick Comr Neeper	10:00 am C96-05-049	(EH) -Florsheim Bros. vs. Pacific Gas and Electric Company, for excessive charges in connection with the electric portion of trenching and related costs and fees, all of which were non-refundable, in both Golf Course Terrace #9 and #10 subdivisions in Stockton, Commission Courtroom, San Francisco (also February 20, San Francisco)

LAW AND MOTION

Law and Motion Hearings are held before Administrative Law Judge Steven Kotz at 9:30 am in one of the Commission's San Francisco Office Hearing Rooms, unless otherwise noted. (Temporarily, ALJ Janet Econome will preside January 13-23; ALJ Robert Ramsey, January 26-30; and ALJ Jacqueline Reed, February 2-13.) Law and Motion procedures are governed by Resolution ALJ 164. Copies of Resolution ALJ 164 are available from the Commission's Documents Desk (415) 703-1713 or from Central Files (415) 703-2045.

1/27/98	9:30 am	NONE SCHEDULED
2/3/98	9:30 am	NONE SCHEDULED
2/10/98	9:30 am	NONE SCHEDULED

HEARINGS

Dates in parentheses following the word "also" are subject to change without notice. the assigned Commissioner's name is listed next to the proceedings as matter of record; the assigned Commissioner may not be present at the hearing.

(PHC) = Prehearing Conference**(OA) = Oral Argument****(EH) = Evidentiary Hearing****(WS) = Workshop****(PPH) = Public Participation Hearing****(FPH) = Full Panel Hearing****(IAM) = Initial Arbitration Meeting****(AH) = Arbitration Hearing****(M) = Mediation**

1/21/98 ALJ Garde Comr Bilas	7:00 pm A97-09-010	(PPH) -California Water Service Company, for a general rate increase to increase revenues by \$126,700, or 7.1%, in 1998 in the Selma District, Arts Center, 1045 Rose Avenue, Selma
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),
1/26/98 ALJ McKenzie Comr Neeper	10:00 am 197-04-014	(EH) -Commission Order Instituting Investigation on the Commission's own motion and order whether Guy W. Martens, dba Western Cellular, Inc., has violated consumer protection laws and should be subject to sanctions or the imposition of operating requirements to advance consumer protection, Commission Courtroom, San Francisco (also January 27, San Francisco)
1/26/97 ALJ McVicar Comr Duque	2:00 pm A97-08-011	(PHC) -Pamee Tina Collette and Lawrence R. Vanoni to sell the Coast Springs Water Company, Inc. and Joseph R. Bonamico, Sr. To acquire the Coast Water Springs Water Company, Inc., Commission Courtroom, 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)

1/27/98 ALJ Garde Comr Bilas	7:00 pm A97-09-009	(PPH) -California Water Service Company, for a general rate increase to increase revenues by \$408,900, or 6.6%, in 1998; \$108,200, or 1.7%, in 1999; and by \$108,200, or 1.6%, in both 2000 and 2001, in the South San Francisco District, City of South San Francisco Municipal Services Building, 33 Arroyo Drive, South San Francisco
1/28/98 ALJ Weiss Comr Conlon	1:30 pm C92-04-034	(EH) -Castlerock Estates Inc., Bruce B. Breiholz vs. Toro Water Service, Inc., California Utilities Service, Inc., and Robert T. Adcock, for refunds of taxes and contributions for plant and facilities made in 1988, Commission Courtroom, San Francisco
1/29/98 ALJ Careaga Comr Bilas	9:30 am A97-12-020 I97-11-026	(PHC) -Pacific Gas and Electric Company, for authority to increase rates and charges for electric and gas service effective 1/1/99, and (PHC) -Commission Order Instituting Investigation into the out-of-service status of Pacific Gas and Electric Company's El Dorado hydroelectric project and the need to reduce electric rates related to this non-functioning electric generating facility, Commission Courtroom, 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
2/2/98 ALJ Stalder Comr Duque	10:00 am A89-03-026	(EH) -Southern California Edison Company, for a certificate to construct and operate a 220-kV line between the Kramer Substation and the Victor Substation, Commission Courtroom, San Francisco (also February 3-6, San Francisco)

2/3/98 ALJ Garde Comr Bilas	10:00 am I97-07-014	(PHC) -Commission Order Instituting Investigation for the purpose of establishing a list for the fiscal year 1998-99 and 1999-2000 of existing and proposed crossings at grade of city streets, county roads, or state highways in need of separation, or projects effecting the elimination of grade crossings by removal or relocation of streets or railroad tracks, or existing separations in need of alterations or reconstruction in accordance with Section 2452 of the streets and highways code, Commission Courtroom, San Francisco
2/3/98 ALJ Malcolm Comr Duque	10:00 am A95-12-043 C96-02-002	(EH) -Pacific Bell, for authority to increase and restructure certain rates of its Integrated Services Digital Network services, and (EH) -Compaq Computer Corporation and Intel Corporation vs. Pacific Bell, for unjust and unreasonable rates and charges and practices, and inadequate service for its Integrated Services Digital Network service, Commission Courtroom, San Francisco
2/3/98 ALJ McVicar Comr Duque	7:00 pm A97-11-007 A97-11-008 A97-11-009	(PPH) Citizens Utilities Company of California, for a general rate increase of \$210,305 or 31.97% for the year 1998; \$34,846 or 4.0% for the year 1999; attrition revenue increase of 3.8% for the year 2000 in the Felton District, and (PPH) -Citizens Utilities Company of California, for a general rate increase of \$481,362 or 38.3%, for the year 1998; no increase is being requested for 1999 and the attrition year 2000 in the Larkfield District, and (PPH) -Citizens Utilities Company of California, for a general rate increase of \$1,400,275 or 9.0% for the year 1998; \$1,274,163 or 7.4% for the year 1999, an attrition revenue increase of 6.9% for the year 2000 in the Sacramento District, Felton Community Hall, 6191 Highway 9, Felton; (also February 4, 7:00 pm, Luther Burbank Center, Gold Room, 50 Mark West Springs Road, Santa Rosa; and February 5, 7:00 pm, Encina High School Cafeteria, 1400 Bell Street, Sacramento)
2/4/98 ALJ Garde Comr Duque	10:00 am A97-10-051	(PHC) -Watertek Inc., for approval of acquisition of Spreckels Sewer System and rate request of \$37.70 per month for residential service and industrial rates, City of Salinas Council Chambers, 200 Lincoln Avenue, Salinas

2/4/98 ALJ Barnett Comr Neeper	2:30 pm A91-05-050	(FPH) -Southern California Edison Company (U 338 E) for review of the reasonableness of Edison's operations during the period from April 1, 1990 through March 31, 1991. (Limited to argument regarding the Mojave cogeneration contract.) Commission Courtroom, San Francisco
2/5/98 ALJ Garde Comr Conlon	9:30 am A7-07-058	(EH) -Ambler Park Water Utility and California-American Water Company, for an order authorizing Ambler Park Water Utility to sell and California-American Water Company to acquire the water utility assets of Ambler Park Water Utility, Monterey Public Library Community Room, 625 Pacific Street, Monterey
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
2/10/98 ALJ Malcolm Comr Bilas	10:00 am A97-10-014 A97-10-015 A97-10-024	(PHC) -Pacific Gas and Electric Company, for recovery of 1996 capital additions costs, and, (PHC) -San Diego Gas & Electric Company, for competition transition charge recovery of 1996 capital additions, and (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)
2/12/98 ALJ Bushey Comr Duque	C97-11-018	(PHC) -Brooks Fiber Communications of Fresno, Inc., Brooks Fiber Communications of Stockton, Inc., Brooks 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

2/18/98 ALJ Garde Comr Neeper	9:30 am A96-12-050	(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, Commission Courtroom, San Francisco (also February 19, San Francisco)
2/19/98 ALJ Patrick Comr Neeper	10:00 am C96-05-049	(EH) -Florsheim Bros. vs. Pacific Gas and Electric Company, for excessive charges in connection with the electric portion of trenching and related costs and fees, all of which were non-refundable, in both Golf Course Terrace #9 and #10 subdivisions in Stockton, Commission Courtroom, San Francisco (also February 20, San Francisco)
2/23/98 ALJ McVicar Comr Duque	10:00 am A97-12-016	(PHC) -Southern California Water Company (SoCalWater), for an order to form a holding company structure and for approval of the sale of certain non-utility assets by or from SoCal Water to Cal Cities Water Company, Commission Courtroom, San Francisco
2/24/98 ALJ Garde Comr Bilas	10:00 am C97-02-015	(EH) -Utility Audit Company, Inc., vs. Southern California Gas Company, for improper billing resulting in overcharges to customers of the Le Parc Simi Valley Homeowners Association, Commission Courtroom, Los Angeles
3/9/98 ALJ Bennett Comr Duque Comr Neeper	10:00 am A97-06-011 A97-06-012	(EH) -CABAC, Inc., for authority to operate as an “on-call passenger stage corporation pursuant to Section 1031 of the California Public Utilities Code between points in Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties and Los Angeles International, Burbank, Long Beach, John Wayne and Ontario Airports, San Pedro Harbor, and the Los Angeles Amtrak Terminal, and for a zone of rate freedom for its tariff rates, and (EH) -B.A.D.D.J., Inc., for authority to operate as an “on-call” passenger stage corporation pursuant to Section 1031 of the California Public Utilities Code between points in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura Counties, on the one hand, and Los Angeles International, Burbank, Long Beach, John Wayne, Ontario, Santa Barbara and Oxnard Airports, San Pedro Harbor, and the Los

- A97-06-013 Angeles Amtrak Station, on the other, and for a zone of rate freedom for its tariff rates, and
(EH)-AMRAT, Inc., for authority to operate as an “on-call” passenger stage corporation pursuant to Section 1031 of the California Public Utilities Code between points in Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties and Los Angeles International, Burbank, Long Beach, John Wayne and Ontario Airports, San Pedro Harbor, and the Los Angeles Amtrak Terminal, and for a zone of rate freedom for its tariff rates; and
- A97-07-041 **(EH)**-Rideshare Port Management LLC, dba Prime Time Shuttle, for authority to operate as a passenger stage corporation between points in Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara and Ventura Counties, on the one hand, and Los Angeles International, Burbank, Long Beach, John Wayne, Ontario, Palm Springs, Santa Barbara, and Oxnard Airports, San Pedro Harbor, and the Los Angeles Amtrak Station, on the other hand, and for a zone of rate freedom for its tariff rates, and
- A97-09-031 **(EH)**-David Regwan, dba Prime Time Shuttle of Ventura, Orange and Los Angeles Counties, to sell, and AMRAT, Inc., a California Corporation, to purchase, the Passenger Stage Certificate granted by D.90-03-066 in Application 89-08-029, pursuant to Sections 854 and 1036(b) of the California Public Utilities Code, and establish a zone of rate freedom,
Commission Courtroom, Los Angeles (also March 10 and 11, Los Angeles)
- 3/16/98 9:00 am **(EH)**-U.S. Long Distance, Inc. vs. Pacific Bell, for
ALJ Bushey C96-12-043 losses in excess of \$100,000 due to defendants improper
Comr Knight administration of billing and collection services edit
called “scan and reject edit,”
**Commission Courtroom, San Francisco (also
March 17-18, San Francisco)**
- 3/23/98 7:00 pm, **(PPH)**-Pacific Gas and Electric, for a permit to construct
ALJ Patrick A97-04-043 the Vasona Substation pursuant to General Order 131-
Comr Knight D,
Town Hall, 110 East Main Street, Los Gatos)

3/30/98 ALJ Patrick Comr Bilas	10:00 am A97-03-015	(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., Commission Courtroom, San Francisco (also March 31, and April 1-3, San Francisco)
4/6/98 ALJ Patrick Comr Knight	10:00 am A97-04-043	(EH) -Pacific Gas and Electric, for a permit to construct the Vasona Substation pursuant to General Order 131-D, Commission Courtroom, San Francisco (also April 7 and 8, San Francisco)
4/17/98 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
4/21/98 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
5/7/98 ALJ Bennett Comr Knight	10:00 am C97-09-024	(EH) -Snow Valley, Inc. vs. Southern California Edison Company, for unjust, unreasonable and discriminatory rates and charges and for improper charges for construction of a power substation, Riverside City Hall, 3900 Main Street, Seventh Floor, Riverside

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.

1/16/98 A91-05-050 Southern California Edison Co, to revise its electric rates under (ECAC) Energy Cost Adjustment Clause; (MAABF) Major Additions Adjustment Billing Factor; (ERABF) Electric Revenue Adjustment Billing Factor; (LIS) Low Income Surcharge for rate increase of \$214.4 million, effective 1992.

Summary: On January 13, 1998, Alan Fohrer, Executive Vice President and Chief Financial Officer for Southern California Edison Company (Edison), met with Cmmr. Conlon, in San Francisco. Also present were: James Hendry, advisor to Cmmr. Conlon; Bruce Foster, Vice President of Regulatory Affairs for Edison; W. James Scilacci, Director of Edison's QF Business Unit; Michael Hoover, Manager of Regulatory Affairs for Edison; and Russell Swartz, Senior Counsel for Edison. Materials (attached to notice), consisting of summaries and graphs illustrating Edison's position, were used. Foster stated that the Proposed Decision (PD) in this proceeding contains serious errors of law and fact and therefore should not be adopted by the Commission. Foster stated that the PD disregards material facts and applicable civil law which demonstrate that the PD is incorrect in concluding that there was no "colorable claim" or "legitimate dispute" that was resolved by the amendment to the original Mojave Cogeneration contract. Foster stated that Edison is concerned that the PD, if left uncorrected, could establish an inappropriate precedent for other pending reasonableness reviews and call into question Edison's dealings with numerous Qualifying Facilities (QF) holding similar, Commission-approved standard offer contracts. Fohrer discussed the subject of the completely asymmetrical risks that arise for the utility when traditional reasonableness review approaches are applied to QF contract administration. Fohrer discussed the unfairness that results if the utility is subjected to virtually unlimited disallowance risk under circumstances where the utility was required to enter into the contracts, was rebuffed in its efforts to incorporate protections into the contracts, and has absolutely no opportunity to gain from, or even share in, the results of prudent administrative actions. Fohrer stated that the disallowance risk posed by this case and others pending before the Commission demonstrates that previous cost of capital determinations have not adequately accounted for the risks associated with QF contract administration. Fohrer stated that in analogous situations involving gas generating plants that are being divested the Commission approved limitations on the utility's liability for negligence in recognition of the fact that the maintenance contracts, like the QF contracts, are not voluntary on the part of the utility and provide only a reimbursement level of

compensation. Swartz addressed the PD's discussion of the "nameplate" dispute that was settled between Edison and the QF developer through the amended Mojave Cogeneration contract. Swartz noted that the issues raised in this reasonableness proceeding only require the Commission to determine if there was a legitimate dispute between the parties regarding the effect of the nameplate provision in the parties' original contract; the Commission need not in this case address the meaning of "nameplate" on a generic basis, but should instead defer judgment on that issue until it can assess the evidence that has and will be submitted on the generic issue in Edison's 1992 ECAC. Swartz summarized the Merced case and explained how that decision demonstrates objectively that Edison did not act imprudently in concluding that the developer of the Mojave Cogeneration project had raised a colorable claim. Swartz further addressed ORA's position in this case, which acknowledges that contract prices are payable for "excess" generation delivered by a QF facility which is not overinstalled but which treats nameplate as an absolute cap for any facility that is arguably overinstalled.

Filer: Southern California Edison Company

Contact: Bobbie Cao

Phone: (626) 302-2310

Summary: On January 13, 1998, Alan Fohrer, Executive Vice President and Chief Financial Officer for Southern California Edison Company (Edison), met with Cmmr. Bilas, in San Francisco. Also present were: Julie Halligan, advisor to Cmmr. Bilas; Bruce Foster, Vice President of Regulatory Affairs for Edison; W. James Scilacci, Director of Edison's QF Business Unit; Michael Hoover, Manager of Regulatory Affairs for Edison; and Russell Swartz, Senior Counsel for Edison. Materials (attached to notice), consisting of summaries and graphs illustrating Edison's position, were used. Foster stated that the Proposed Decision (PD) in this proceeding contains serious errors of law and fact and therefore should not be adopted by the Commission. Foster stated that the PD disregards material facts and applicable civil law which demonstrate that the PD is incorrect in concluding that there was no "colorable claim" or "legitimate dispute" that was resolved by the amendment to the original Mojave Cogeneration contract. Foster stated that Edison is concerned that the PD, if left uncorrected, could establish an inappropriate precedent for other pending reasonableness reviews and call into question Edison's dealings with numerous Qualifying Facilities (QF) holding similar, Commission-approved standard offer contracts. Fohrer discussed the subject of the completely asymmetrical risks that arise for the utility when traditional reasonableness review approaches are applied to QF contract administration. Fohrer discussed the unfairness that results if the utility is subjected to virtually unlimited disallowance risk under circumstances where the utility was required to enter into the contracts, was rebuffed in its efforts to incorporate protections into the contracts, and has absolutely no opportunity to gain from, or even share in, the results of prudent administrative actions. Fohrer stated that the disallowance risk posed by this case and others pending before the Commission demonstrates that previous cost of capital determinations have not adequately accounted for the risks associated with QF contract administration. Fohrer stated that in analogous situations involving gas generating plants that are being divested the Commission approved limitations on the utility's liability for negligence in recognition of the fact that the maintenance contracts, like the QF contracts, are not voluntary on the part of the utility and provide only a reimbursement level of

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Filer: Southern California Edison Company

Contact: Bobbie Cao

Phone: (626) 302-2310

Summary: On January 13, 1998, Alan Fohrer, Executive Vice President and Chief Financial Officer for Southern California Edison Company (Edison), met with Cmmr. Neper, in San Francisco. Also present were: David Gamson, advisor to Cmmr. Neper; Bruce Foster, Vice President of Regulatory Affairs for Edison; W. James Scilacci, Director of Edison's QF Business Unit; Michael Hoover, Manager of Regulatory Affairs for Edison; and Russell Swartz, Senior Counsel for Edison. Materials (attached to notice), consisting of summaries and graphs illustrating Edison's position, were used. Foster stated that the Proposed Decision (PD) in this proceeding contains serious errors of law and fact and therefore should not be adopted by the Commission. Foster stated that the PD disregards material facts and applicable civil law which demonstrate that the PD is incorrect in concluding that there was no "colorable claim" or "legitimate dispute" that was resolved by the amendment to the original Mojave Cogeneration contract. Foster stated that Edison is concerned that the PD, if left uncorrected, could establish an inappropriate precedent for other pending reasonableness reviews and call into question Edison's dealings with numerous Qualifying Facilities (QF) holding similar, Commission-approved standard offer contracts. Fohrer discussed the subject of the completely asymmetrical risks that arise for the utility when traditional reasonableness review approaches are applied to QF contract administration. Fohrer discussed the unfairness that results if the utility is subjected to virtually unlimited disallowance risk under circumstances where the utility was required to enter into the contracts, was rebuffed in its efforts to incorporate protections into the contracts, and has absolutely no opportunity to gain from, or even share in, the results of prudent administrative actions. Fohrer stated that the disallowance risk posed by this case and others pending before the Commission demonstrates that previous cost of capital determinations have not adequately accounted for the risks associated with QF contract administration. Fohrer stated that in analogous situations involving gas generating plants that are being divested the Commission approved limitations on the utility's liability for negligence in recognition of the fact that the maintenance contracts, like the QF contracts, are not voluntary on the part of the utility and provide only a reimbursement level of

compensation. Swartz addressed the PD's discussion of the "nameplate" dispute that was settled between Edison and the QF developer through the amended Mojave Cogeneration contract. Swartz noted that the issues raised in this reasonableness proceeding only require the Commission to determine if there was a legitimate dispute between the parties regarding the effect of the nameplate provision in the parties' original contract; the Commission need not in this case address the meaning of "nameplate" on a generic basis, but should instead defer judgment on that issue until it can assess the evidence that has and will be submitted on the generic issue in Edison's 1992 ECAC. Swartz summarized the Merced case and explained how that decision demonstrates objectively that Edison did not act imprudently in concluding that the developer of the Mojave Cogeneration project had raised a colorable claim. Swartz further addressed ORA's position in this case, which acknowledges that contract prices are payable for "excess" generation delivered by a QF facility which is not overinstalled but which treats nameplate as an absolute cap for any facility that is arguably overinstalled.

Filer: Southern California Edison Company

Contact: Bobbie Cao

Phone: (626) 302-2310

1/16/98 C97-11-017 California Cable Television Association vs. Southern California Edison Company, for Southern California Edison's efforts to restrict the types of services cable operators deliver over facilities attached to Southern California Edison poles.

Summary: On January 13, 1998, John Hughes, Manager of Regulatory Affairs for Southern California Edison Company (Edison), spoke with ALJ Pulsifer, via telephone. Hughes discussed the 1/12/98 motion by the CCTA to transfer this case to ALJ Pulsifer. Hughes stated his concern that the proposed transfer would delay a decision on the merits and would therefore postpone the time when Edison's ratepayers and shareholders could begin receiving fair and equitable compensation for cable operator's use of utility assets.

Filer: Southern California Edison Company

Contact: Bobbie Cao

Phone: (626) 302-2310

1/16/98 C97-11-034 Pac-West Telecomm, Inc. vs. Pacific Bell, for an order declaring that Pacific Bell is in breach of the Agreement and for compensations, and for improper termination ISP calls

Summary: LATE FILED. On January, 12, 1998, Bill Blase, Vice President, Regulatory, for Pacific Bell (PacBell), spoke with Cmmr. Neepier, via telephone. Blase stated Pac-West Telecomm, Inc. (Pac-West) has filed a complaint against PacBell because PacBell is not paying Pac-West for internet traffic. Blase stated that PacBell believes that Interstate traffic is clearly interstate in nature and not covered by PacBell's interconnection agreement with PacWest. Blase stated that the FCC has concurred with this position, but the States are split on the issue.

Filer: Pacific Bell

1/16/98 A95-10-024 Pacific Gas and Electric Company, for authorization to implement a plan of reorganization which will result in a holding company structure.

Summary: On January 13, 1998, Scott Logan, for the Office of Ratepayer Advocates (ORA), met with Cmmrs. Conlon, Knight, Bilas, Neeper, and Duque, at separate times, in San Francisco. Present at the first meeting were: Cmmr. Conlon; James Hendry, advisor to Cmmr. Conlon; Howard Lubow, Gary Harpster, and Robert Welchlin, for Overland Consulting (Overland); and Elena Schmid, Pam Thompson, Scott Logan, and Robert Cagen, for ORA. Present at the second meeting were: Cmmr. Bilas; Dorothy Duda, advisor to Cmmr. Knight; Julie Halligan, advisor to Cmmr. Bilas; Howard Lubow, Gary Harpster, and Robert Welchlin, for Overland Consulting (Overland); and Elena Schmid, Pam Thompson, Scott Logan, and Robert Cagen, for ORA. Present at the third meeting were: Cmmr. Neeper; Cmmr. Duque; David Gamson, advisor to Cmmr. Neeper; Michelle Cooke, advisor to Cmmr. Duque; Howard Lubow, Gary Harpster, and Robert Welchlin, for Overland Consulting (Overland); and Elena Schmid, Pam Thompson, Scott Logan, and Robert Cagen, for ORA. Materials (attached to notice), consisting of a summary of the 10/19/97 "Audit of Affiliate Transactions for the Pacific Gas and Electric Company (PG&E)" (Audit), were used. Lubow, at each meeting, discussed the audit, which was prepared by Overland. Lubow stated that Overland's conclusion that PG&E's accounting system was filled with errors, and that the errors and other circumstances led to significant subsidies of unregulated operations by regulated operations. Harpster stated how residual cost accounting causes a default of cost responsibility to PG&E ratepayers, rather than to the unregulated affiliate to which such costs should be charged. Harpster stated that cost responsibility and benefits of product development favor unregulated affiliates and disfavored ratepayers. Harpster stated as an example how the costs of three unprofitable products were charged to ratepayers, while the benefits of two successful products were transferred at cost to the affiliates, even though substantial profit was expected. Harpster discussed the growth of the unregulated operations and how this greatly increased the importance of proper accounting and structural separation. Harpster and Welchlin discussed the complexity of PG&E and affiliate accounts, that company accountants could not even understand the accounting, and the inadequate training and instruction for employees to charge their time properly. Welchlin stated that errors in allocation favor the unregulated affiliate, partly because of default cost responsibility to the utility, and that Overland's review would have located errors that benefit ratepayers. Welchlin described how the lack of organizational separation between regulated and unregulated operations harms ratepayers, and further described the nature of the inadequate accounting controls, and 10 of the most important accounting errors. Welchlin and Harpster described some of their recommendations, stating that affiliate rulemaking was a step in the right direction and that more structural separation and better accounting was necessary. Harpster described the subsidy problems inherent in marketing of static transfer switches and the potentially anticompetitive nature of that and other subsidies. Harpster also discussed the knowledge transfer from regulated employees who move to unregulated affiliates, and that ratepayers are uncompensated for the transfer.

Filer: Office of Ratepayer Advocates
Contact: Robert C. Cagen

Phone: (415) 703-2164

1/20/98 A91-05-050 Southern California Edison Co, to revise its electric rates under (ECAC) Energy Cost Adjustment Clause; (MAABF) Major Additions Adjustment Billing Factor; (ERABF) Electric Revenue Adjustment Billing Factor; (LIS) Low Income Surcharge for rate increase of \$214.4 million, effective 1992.

Summary: On January 14, 1998, Alan Fohrer, Executive Vice President and Chief Financial Officer for Southern California Edison Company (Edison), met with Cmmr. Duque, in San Francisco. Also present were: Michelle Cooke, adv. to Cmmr.; Bruce Foster, Vice President of Regulatory Affairs for Edison; W. James Scilacci, Director of Edison's QF Business Unit; David Morse, Program Manager for the Office of Ratepayer Advocates; Michael Hoover, Manager of Regulatory Affairs for Edison; and Russell Swartz, Senior Counsel for Edison. Materials (attached to notice), consisting of summaries and graphs illustrating Edison's position, were used. Hoover stated that the Proposed Decision (PD) in this proceeding contains serious errors of law and fact and therefore should not be adopted by the Commission. He also explained that there are essentially three principal issues raised by the PD. Swartz addressed the PD's discussion of the "nameplate" dispute that was settled between Edison and the QF developer through the amended Mojave Cogeneration contract. Swartz noted that the issues raised in this reasonableness proceeding only require the Commission to determine if there was a legitimate dispute between the parties regarding the effect of the nameplate provision in the parties' original contract; the Commission need not in this case address the meaning of "nameplate" on a generic basis, but should instead defer judgment on that issue until it can assess the evidence that has and will be submitted on the generic issue in Edison's 1992 ECAC. Swartz summarized the Merced case and explained how that decision demonstrates objectively that Edison did not act imprudently in concluding that the developer of the Mojave Cogeneration project had raised a "colorable claim," and validates Edison's concern that litigating the dispute with Mojave Cogeneration could have established a bad precedent for Edison's other QF contracts. Swartz further addressed ORA's position in this case, which acknowledges that contract prices are payable for "excess" generation delivered by a QF facility which is not "overinstalled" but which treats nameplate as an absolute cap for any facility that is arguably "overinstalled." Fohrer addressed the unfairness that results if the utility is subjected to virtually unlimited disallowance risk under circumstances where the utility was required to enter into the contracts, was rebuffed in its efforts to incorporate protections into the contracts. Fohrer stated that the disallowance risk posed by this case and others pending before the Commission demonstrates that previous cost of capital determinations have not adequately accounted for the risks associated with QF contract administration.

Filer: Southern California Edison Company
Contact: Bobbie Cao

Phone: (626) 302-2310
