
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 Friday, February 13, 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

The Commission Daily Calendar will not be published on February 16, 1998 due to a State Legal Holiday.



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 BUSINESS MEETINGS

February 19, 1998	10 am	San Francisco
March 12, 1998	10 am	San Francisco
March 26, 1998	10 am	San Francisco

COMMISSION RATESETTING DELIBERATIVE MEETINGS (Not Open to the Public)

March 9, 1998
March 23, 1998
April 6, 1998

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 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>February 13, 1998 8:30 am - 12 pm</i>	<i>Universal Lifeline Telephone Service Trust Office 1970 Broadway, Suite 650 Oakland</i>
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The ULTS Marketing Board (ULTSMB) will hold a meeting to make changes to the Draft 1998 Budget. If you would like to join the meeting by phone conference or receive a copy of the agenda and/or receive a copy of discussion materials, please notify Vivien Wright, Executive Assistant, five (5) working days in advance of the meeting at (510) 452-2757.

Public Meeting

<i>February 17 & 18, 1998</i>	<i>San Diego Gas & Electric Company</i>
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<p>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>101 Ash Street, Auditorium 3 San Diego</p> <p><i>(This location is subject to change)</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 February 17 & 18, 1998. The Low Income Governing Board will meet to discuss the following agenda items: Chairperson's report, review meeting minutes, discuss legal issues, address contract issues, review of 2/20/98 report to the Commission, address budget planning/financial status, update on the Advisory Committee, 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.

Public Meeting

<p>February 18, 1998 1:30 pm</p>	<p>California Public Utilities Commission 505 Van Ness Avenue, Training Room <i>(Corner of Van Ness Avenue and McAllister Street)</i> San Francisco</p>
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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 February 10, 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

<p>February 18, 1998</p>	<p>California Public Utilities Commission</p>
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9:30 am - 12:30 pm	505 Van Ness Avenue, Room 3204 (Corner of Van Ness Avenue and McAllister Street) San Francisco
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The ULTS Marketing Board (ULTSMB) will hold its regular meeting to discuss/approve the following: Draft Charter, Draft 1998 Budget, ULTSMB expenses and per diems incurred for January 1998, State contracting guidelines, administrative report, and public comments.

If you would like to join the meeting by phone conference or in person, and/or receive a copy of the full agenda and meeting materials, please notify Vivien Wright, Executive Assistant, at (510 452-2757).

Public Meeting AGENDA CHANGE

February 18, 1998 1:30 pm - 4 pm and other various dates (See Schedule below.)	California Public Utilities Commission 505 Van Ness Avenue, Room 3204 (Corner of Van Ness Avenue and McAllister Street) San Francisco
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The Universal Lifeline Telephone Service (ULTS) Administrative Committee will hold its regularly scheduled monthly meetings (see dates listed below) to approve the payment of telephone claims, review and approve administrative expenses, authorize administrative transfer, administrative report, reimbursement policy for ULTS Marketing Board, investment policy guidelines, and public comments.

If you would like to join the meeting by phone conference and /or receive a copy of the full agenda and meeting materials please notify Vivien Wright, Executive Assistant, at (510 452-2757).

February through June 1998 ULTS Administrative Committee Meetings

- Wednesday, February 18, 1998
- Wednesday, March 18, 1998
- Thursday, April 16, 1998
- Monday, May 18, 1998
- Thursday, June 18, 1998

Public Meeting

February 19, 1998 9:30 am - 2:30 pm	California Public Utilities Commission 505 Van Ness Avenue, Room 4206 San Francisco
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The Payphone Service Providers Enforcement Subcommittee will conduct a monthly meeting. For more information, please contact Adam Thaler at (415) 703-1157.

Public Meeting

February 23 through February 27, 1998	California Public Utilities Commission 505 Van Ness Avenue, Training Room
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<i>10 am - 4 pm</i>	<i>(Corner of Van Ness Avenue and McAllister Street) San Francisco</i>
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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

<i>February 24, 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 Finance Committee of the Deaf and Disabled Telecommunications Program will hold a 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>February 25, 1998 9:30 am - 4 pm</i>	<i>California Public Utilities Commission 505 Van Ness Avenue San Francisco</i>
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The California Board for Energy Efficiency will meet to discuss analysis and evaluation activities; the RFP for independent administration and associated Commission decisions; CBEE work plans and schedules; gas DSM funding issues, filings re: assets and liabilities; verification and other reporting requirements issues; 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.

The Board will hold an Executive Session (closed session) to discuss pending litigation regarding letters of agreement for outside consulting services, including the State Personnel Board's letter ruling, dated February 4, 1998, and the related case -- California State Employees Association et al. v. California State Personnel Board et al., Case No. 978CS03024 (Sacramento County Superior Court). The closed session is being conducted pursuant to Government Code Sections 11126(e)(1), 11126(e)(2)(B)(i), and 11126(f)(6).

Public Meeting

<p><i>February 25, 1998</i> <i>10 am - 4pm</i></p> <p><i>With a working Lunch</i> <i>(A brief break will be called prior to lunch)</i></p>	<p><i>Pacific Gas and Electric Company Energy Center</i> <i>851 Howard Street (1 block west of the Moscone Center)</i> <i>San Francisco</i></p> <p><i>To join via teleconference:</i> <i>Dial: 303-633-6221</i> <i>Passcode: 6264611##</i></p>
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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 participate in the meeting by calling **the above number on February 25, 1998.**

The Low Income Governing Board will meet to discuss the following agenda items: Chairperson's report, review meeting minutes, discuss legal issues, address contract issues, discuss outcome of 2/19/98 Commission meeting, develop policy alternatives for continuing LIGB work given SPB ruling, develop and review Board comment to Commission on impact of SPB ruling, address budget planning/ financial status, update on the Advisory Committee, address policy planning issues on critical path, and develop agenda for next Board meeting. This meeting are open to the public. You can get the materials for this meeting by phoning the LIGB at 415-703-2565 and leaving a message with your fax number at least 24 hours in advance of the meeting time.

Immediately following the conclusion of the public meeting, the LIGB will hold an Executive Session (closed session) to discuss pending litigation regarding letters of agreement for outside consulting services, including the State Personnel Board's letter ruling, dated February 4, 1998, and the related case -- California State Employees Association et al. v. California State Personnel Board et al., Case No. 978CS03024 (Sacramento County Superior Court). The closed session is being conducted pursuant to Government Code Sections 11126(e)(1), 11126(e)(2)(B)(i), and 11126(f)(6).

Public Meeting (REVISION)

<p>February 26, 1998 and February 27, 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 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>March 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.

Workshop Notice

<p>March 4, 1998 (Wednesday) (and March 5, 1998, if Necessary) 10:00 am - 4:00 pm</p>	<p>Training Room 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 Telecommunications Division will conduct a workshop to address outstanding technical, administrative, and other related implementation issues concerning the reconciliation of the California Teleconnect Fund (CTF) and the federal schools and libraries program as directed by Resolution T-16118. The workshop shall also address whether, and to what extent, the CTF reporting requirements contained in staff's previous workshop report concerning the CTF should be revised to reflect changes in the program. Any interested party that wishes the workshop to address a specific implementation issue should (1) identify this issue and (2) propose a means of resolving the issue in a letter to the Director of the Telecommunications Division within ten days of the February 4th effective date of the Resolution.

If you would like a detailed agenda of the workshop, an explanation of service requirements or have any further questions, please notify Brian Roberts at (415) 703-2334, fax (415) 703-4405, e-mail bpr@cpuc.ca.gov or Zenaida Tapawan-Conway at (415) 703-2005, e-mail ztc@cpuc.ca.gov of the Telecommunications Division, California Public Utilities Commission by February 17, 1998. The Commission's policy is to hold workshops in locations that are accessible to people with disabilities. If specialized accommodations are needed, please call the Public Advisor at (415) 703-2074 or TDD # (415) 703-2032 no later than February 18, 1998.

Public Meeting

<p>March 12, 1998 9:30 am - 3:30 pm</p>	<p><i>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</i></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>March 27, 1998 10 am - 4 pm</p>	<p><i>Deaf and Disabled Telecommunications Program 1939 Harrison Street DDTP Conference Room, Suite 555 Oakland</i></p>
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The California Relay Service 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.

NEW FILINGS

1/2/98	C98-01-032	Eric Diesel vs. Pacific Gas and Electric Company, for failure to comply with a California Public Utilities Commission decision and for failure to exercise good faith in installing power lines on complainant's property
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2/9/98	A98-02-017	Pacific Bell, for authority to categorize business inside wire repair, interexchange carrier directory assistance, operator assistance service and inmate call control service as Category III services
2/10/98	A98-02-015	City of Escondido, for an order to construct Escondido Creek Channel path, a Class I public bikeway, across the railroad track, at-grade, of the North County Transit District in the City of Escondido
2/10/98	A98-02-016	Transamerican Telephone, Inc, for a certificate of public convenience and necessity to provide competitive local exchange and interexchange telecommunications services

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

NONE

ADVICE LETTER FILINGS

NONE

MISCELLANEOUS TRANSPORTATION ITEMS

February 13, 1998

Filings with Safety and Enforcement

2/6/98	TCP-11631-B	Cosmostar Inc., 888 O'Farrell Street, E-901, San Francisco, CA 94109, Tel. (415) 776-2345, Terminal address: 1111 Pennsylvania Avenue, San Francisco, CA 94107; application for Class B transfer from TCP 8481, Jun Hee Lee, DBA Save and Save Travel, Address 275 Turk Street, Room 511, San Francisco, CA 94102, Tel. (415) 888-4631.
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ADJOURNMENTS * RESETTINGS * SUBMISSIONS

A95-10-024 Econome-Pacific Gas and Electric Company, holding company structure, **Prehearing Conference held and completed**

A97-10-083 McVicar-Southern California Water Company, Barstow District, **Prehearing Conference held and completed**

REMOVALS FROM CALENDAR

NONE

NEW SETTINGS

3/6/98 11:00 am (ECP)-C. David Stephan vs. Pacific Bell, for violation
ALJ Barnett C98-01-031 of the tariff provision for extended referral of a phone
number
Commission Courtroom, Los Angeles

3/16/98 2:00 pm (PHC)-Commission Order Instituting Investigation into
ALJ Bennett I98-01-004 whether to revoke the oprating authority of Felipa
Comr Duque Garza Fuentes, dba Fuentes Tours,
Telephone Prehearing Conference

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. (ALJ Jacqueline Reed will temporarily preside 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

2/17/98 9:30 am NONE SCHEDULED

2/24/98 9:30 am NONE SCHEDULED

3/3/98 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

(EH) = Evidentiary Hearing

(PPH) = Public Participation Hearing

(IAM) = Initial Arbitration Meeting

(M) = Mediation

(OA) = Oral Argument

(WS) = Workshop

(FPH) = Full Panel Hearing

(AH) = Arbitration Hearing

2/13/98 9:00 am **(EH)**-Commission Order Instituting Investigation into the operations and practices of Boston-Finney, registered non-utility electric service provider No. 1105, and those of the managing directors or trustees, Christopher S. Mee and Richard MacFarlane, and whether these respondents have violated provisions of the Public Utilities Code, including Section 394.25 or Commission orders,

Commission Courtroom, San Francisco

2/17/98 10:30 am **(PHC)**-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

A97-11-007
A97-11-008 **(PHC)**-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

A97-11-009 **(PHC)**-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,

Commission Courtroom, 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,

Commission Courtroom, San Francisco (also February 19, San Francisco)

2/20/98 ALJ Wright Comr Duque	2:00 pm A97-07-015	(PHC) -Southwest Gas Corporation, to modify the terms and conditions of the certificate of public convenience and necessity granted in D.95-04-075 to provide natural gas service in areas of El Dorado, Nevada, and Placer Counties, Town Hall, 11570 Donner Pass Road, Truckee
2/23/98 ALJ McVicar Comr Duque	10:00 am C97-08-004	(EH) -Commission Order Instituting Investigation and Suspension of the Commission's own motion of tariff filed by Advice Letter Nos. 287 and 287-A of San Jose Water Company in Santa Clara County, Commission Courtroom, San Francisco (also February 24-27, San Francisco)
2/23/98 Comr Neeper	10:00 am A97-12-016	(PHC& EH) -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
2/23/98 ALJ Minkin Comr Duque	1:30 pm A97-12-047	(PHC) -Southern California Edison Company, for authority to adopt incentive-based ratemaking mechanisms, Commission Courtroom, San Francisco
2/24/98 ALJ Pulsifer Comr Conlon	10:00 am R95-04-043 I95-04-044	(FPH) -Rulemaking on the Commission's own motion into competition for local exchange service, and (FPH) -Investigation on the Commission's own motion into competition for local exchange service, Commission Auditorium, 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
2/24/98 ALJ Bushey Comr Duque	10:00 am 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

2/25/98 ALJ Garde Comr Neeper	10:00 am C97-05-012	(EH)-Robert and Lorraine Cooke, and Marian and Sheldon Bramlett vs. Arrowhead Manor Water Company and Lance Johnson, to repair the water supply system, State Office Building, Conference Room A, 464 West Fourth Street, 11th Floor, San Bernardino
2/25/98 ALJ Wright	10:00 am C97-12-053	(ECP)-Richard Beagle vs. Southern California Edison Company, for failure to disconnect service in a timely manner and improper billing, City Hall, Small Conference Room, Building 1, 6650 Beach Boulevard, Buena Park
2/26/98 ALJ Patrick Comr Neeper	9:00 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 27, San Francisco)
2/26/98 ALJ Garde Comr Bilas	10:30 am C97-09-022	(EH)-Desert Golf R.V. Resort, LLC, dba California Golf R.V. Resort, vs. Southern California Edison Company, for improperly applying a GSI rate designation for a domestic use, Criste, Pippin & Gold, 73550 Alessandro Street, Palm Desert
3/2/98 ALJ Garde Comr Duque	7:00 pm A97-10-051	(PPH)-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
3/3/98 ALJ Weiss Comr Conlon	10:00 am 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
3/4/98 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 (also March 5) San Francisco; (EH) for 10 am, March 11, Los Angeles (also March 12, Los Angeles)
3/6/98 ALJ Barnett	11:00 am C98-01-031	(ECP)-C. David Stephan vs. Pacific Bell, for violation of the tariff provision for extended referral of a phone number Commission Courtroom, Los Angeles
3/6/98 ALJ Barnett	10:00 am C98-01-029	(ECP)-Maria Lembi vs. Southern California Edison Company for refusing to restore service and incorrect billing of \$4,479.88, Commission Courtroom, Los Angeles
3/9/98 ALJ Barnett Comr Conlon	10:00 am A92-05-047	(EH)-Southern California Edison Company, for authority to revise its energy cost adjustment billing factors, its electric revenue adjustment billing factor, its low income rate assistance and its base rate levels effective 1/1/93, and for authority to revise its energy reliability index and avoided capacity cost pricing , and for review of the reasonableness of Edison’s operations during the period from 4/1/91 through 3/31/92. (Hearing limited to Southern California Edison Company’s contract administration practices regarding (a) truncation and (b) energy and as-available capacity forecast rates.) Commission Courtroom, San Francisco (also March 10-12, San Francisco)
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 Angeles Amtrak Station, on the other, and for a zone of rate freedom for its tariff rates, and
- A97-06-013 (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)**

3/16/98 ALJ Bennett Comr Duque	2:00 pm I98-01-004	(PHC) -Commission Order Instituting Investigation into whether to revoke the operating authority of Felipa Garza Fuentes, dba Fuentes Tours, Telephone Prehearing Conference
3/17/98 ALJ Walker Comr Duque	10:00 am C92-02-032 and related matters	(PHC) -W. Victor vs. GTE California and Does 2001-2010, for correction of telephone billing of \$65.04 due to billing errors, Commission Courtroom, Los Angeles (also March 18, Los Angeles)
3/17/98 ALJ Careaga Comr Duque	10:00 am C97-04-025	(OA) -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 charging rates that are not just and reasonable for the intrastate transportation of refined petroleum products, Commission Courtroom, San Francisco
3/17/98 ALJ Weissman Comr Duque	1:30 pm A97-12-043	(PHC) -Southern California Edison Company, for an order approving termination agreement for termination of Interim Standard Offer No. 4 Power Purchase Agreement with Harbor Cogeneration Company, Commission Courtroom, San Francisco
3/19/98 ALJ Stalder Comr Duque	7:00 pm A89-03-026	(PPH) -Southern California Edison Company, for a certificate to construct and operate a 220-kV transmission line between the Kramer Substation and Victor Substation in San Bernardino, Simms Park, 16614 S. Clark Avenue, Bellflower
3/23/98 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 (also March 24-25, San Francisco)

3/23/98 ALJ Patrick Comr Knight	7:00 pm A97-04-043	(PPH) -Pacific Gas and Electric, for a permit to construct the Vasona Substation pursuant to Order 131-D, Town Hall, 110 East Main Street, Los Gatos)
3/24/98 ALJ Weissman Comr Duque Comr Knight	1:30 pm A97-11-004 A97-11-011	(PHC) -Pacific Gas and Electric Company, to identify cost savings for revenue cycle service provided by other entities and to propose credits for end-use customers in such circumstances, and (PHC) -Southern California Edison Company, to identify cost savings for revenue cycle services provided by other entities and to propose net avoided-cost credits for end-use customers in such circumstances for implementation on 1/1/99, and
	A97-12-012	(PHC) -San Diego Gas and Electric Company, to identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances for implementation no later than 1/1/99 (Phase 1), Commission Courtroom, San Francisco (EH) for 10 am, April 1 (also for April 2-3 and April 6-7, San Francisco)
3/25/98 ALJ Garde Comr Duque	10:00 am A97-10-051	(EH) -Watrettek 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
3/26/98 ALJ Bennett Comr Bilas	10:00 am C97-11-014	(PHC) -Joanne Carey vs. Pacific Gas and Electric Company, for failure to cease its unsafe practice of allowing fumigation personnel to terminate gas service at a structure being fumigated, Commission Courtroom, San Francisco
3/26/98 ALJ Rosenthal Comr Neeper	10:00 am A96-05-001	(EH) -City of San Diego, for an order authorizing the reopening of the existing at-grade pedestrian crossing at 54 th Street (between Market Street and Naranja Street) to vehicular traffic in the City and County of San Diego, State Office Building, 1350 Front Street, Room B-103, San Diego (also March 27, San Diego)

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)
3/30/98 ALJ McVicar Comr Duque	10:00 am A97-08-011	(EH) -Pamee Tina Collette and Lawrence R. Vanoni to sell the Coast Springs Water Company, Inc., and Joseph R. Bonamico, Sr., to acquire the Coast Springs Water Company, Inc., Commission Courtroom, San Francisco
4/6/98 ALJ Malcolm Comr Knight	10:00 am R98-01-011	(EH) -Commission Order Instituting Rulemaking on the Commission's own motion to assess and revise the regulatory structure governing California's natural gas industry, Commission Auditorium, San Francisco (also April 7, 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 Rosenthal Comr Conlon	10:00 am A97-11-040	(PHC) -Pacific Bell, application to modify certain affiliate transaction rules as contained in D.87-12-067, D.92-07-072, and D.86-010-026 to facilitate the post-merger consolidation of support services, Commission Courtroom, 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

5/1/98 ALJ Wetzell Comr Bilas	9:30 am A97-12-020 I97-11-026	<p>(PHC)-Pacific Gas and Electric Company, for authority to increase rates and charges for electric and gas service effective 1/1/99, and</p> <p>(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,</p> <p>Commission Courtroom, San Francisco</p>
5/7/98 ALJ Bennett Comr Knight	10:00 am C97-09-024	<p>(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,</p> <p>Riverside City Hall, 3900 Main Street, Seventh Floor, Riverside</p>
5/11/98 ALJ Careaga Comr Duque Comr Knight	1:30 pm A97-11-004 A97-11-011 A97-11-012	<p>(PHC)-Pacific Gas and Electric Company, to identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances, and</p> <p>(PHC)-Southern California Edison Company, to identify cost savings for revenue cycle services provided by other entities and to propose net avoided-cost credits for end-use customers in such circumstances for implementation on 1/1/99, and,</p> <p>(PHC)-San Diego Gas & Electric Company, to identify cost savings for revenue cycle services provided by other entities and to propose credits for end-use customers in such circumstances for implementation no later than 1/1/99,</p> <p>Commission Courtroom, San Francisco; (EH) for 10 am, May 18, San Francisco (also May 19-22, 26-29, and June 1-5, San Francisco)</p>
7/15/98 ALJ Pulsifer Comr Conlon	10:00 am R95-04-043 I95-04-044	<p>(EH)-Rulemaking on the Commission's own motion into competition for local exchange service, and</p> <p>(EH)-Investigation on the Commission's own motion into competition for local exchange service,</p> <p>Commission Courtroom, San Francisco (also July 16-17, 20-24, San Francisco)</p>

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.

2/10/98	A96-08-001	Pacific Gas and Electric Company, for approval of valuation and categorization of non-nuclear generation related sunk costs eligible for recovery in the competition transition charge,
	A96-08-006	San Diego Gas & Electric Company, to identify and value the sunk costs of its non-nuclear generation assets,
	A96-08-007	Southern California Edison Company, to identify and value the sunk costs of its non-nuclear generation assets,
	A96-08-070	Pacific Gas and Electric Company, to establish the competition transition charge,
	A96-08-071	Southern California Edison Company, to estimate transition costs and establish a transition cost balancing account; transition cost executive summaries; transition cost policy; transition cost collection; 1998 market price used to determine transition costs; transition costs for nuclear generation; transition costs for fossil generation; fuel and fuel transportation contract obligations; plant-related sunk costs and rate base for fossil generation; transition costs for hydro generation; transition costs arising from interutility contracts; transition costs for regulatory assets, obligations, and balancing accounts; early retirement, severance, and retraining transition costs; and transition costs ratemaking attached, and

A96-08-072 San Diego Gas & Electric Company, to estimate transition costs and establish a transition cost balancing account; prepared direct testimony attached.

Summary: CORRECTION TO THE DAILY CALENDAR OF 2/11/98.

(Removes Late Filed from the Summary..)

On February 5, 1998, Bruce Foster, Vice President, and Russell G. Worden, Regulatory Affairs Manager for Edison met with Commissioner Knight at the commissions San Francisco's office. Mr. Foster referred to a letter from John Fielder, Vice President of Edison which has been delivered to each of the Commissioners in January 27, 1998. Mr. Foster stated that the draft decision that was held from the February 4, 1998, Commission Conference (Agenda Item H-4) should be adopted without modification. He said that this draft decision represents a correct and fair interpretation of section 369 of Assembly Bill (AB) 1890. He urged the Commission to reject the recent re-interpretation of the section being urged by a number of parties that would result in shifting the Competition Transition Charge (CTC) to remaining customers and creating a new exemption for certain others.

Filer: Southern California Edison Company

Contact: Bobbie Cao

Phone: (626) 302-2310

2/10/98 A97-11-012 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

Summary: On February 5, 1998, Sabrina Miller, Senior Regulatory Representative for Pacific Gas & Electric Company (PG&E), met with Julie Halligan, advisor to Cmmr. Bilas. Miller stated that PG&E and El Dorado Irrigation District (EDI) are developing a tentative agreement for a temporary system to restore water service to EID customers. Miller stated that the cost of the temporary system will be borne by EID, and that the system will be in place for approximately a year or more, until a permanent system is put in. Miller stated that it is imperative that the Commission proceed to act on PG&E's water rate case, and not wait until the superior court rules on the case filed by EID. Miller asked that the Commission bifurcate the issues in the water rate case into issues that can be dealt with now, and issues that must be dealt with later, such as the Riverton project, which FERC is expected to rule on later this year. Miller stated that in the past the Commission has asserted its jurisdiction over contracts in which "changed circumstances" warranted the Commission to modify a contract if the contractual price for utility service were no longer cost-based. Miller stated that these contracts were not even Commission-approved, as is the contract here. Miller stated it is therefore even more appropriate for the Commission to assert its exclusive ratemaking jurisdiction to review the rate set in the Commission-approved 1919 Contract relating to PG&E's public utility water service to EID. Miller stated that the Commission not taking jurisdiction over the El Dorado water rate case would not only be contrary to past Commission actions, but would set a bad precedent for future cases which may warrant Commission intervention.

Filer: Pacific Gas and Electric Company

Contact: Maryann Friel

Phone: (415) 972-5611

2/10/98 A96-10-038 Pacific Enterprises, Enova Corporation, Mineral Energy Company, B Mineral Energy Sub, and G Mineral Energy Sub, for approval of a plan of merger of Pacific Enterprises, and Enova Corporation with and into B Mineral Energy Sub (Newco Pacific Sub) and G Mineral Energy Sub (Newco Enova Sub), the wholly-owned subsidiaries of a newly created holding company, Mineral Energy Company

Summary: On February 5, 1998, William Reed, Vice President of Regulatory and Governmental Affairs for San Diego Gas & Electric Company (SDG&E), met with David Gamson, advisor to Cmmr. Neep. Also present was: Lisa Hubbard, State Regulatory Affairs Director for SDG&E. Written materials (attached to notice), consisting of pages from the record that discussed the availability of various sharing mechanisms and two tables and a bar chart from the 1/23/98 *Comments of Enova Corporation and Pacific Enterprises*, were used. The communication concerned the Pacific Enterprises/Enova merger. Reed stated his concern that the ALJ had suggested the use of a 5-year period for sharing merger benefits, but had not determined what would occur after the fifth year. Reed stated that the applicants had proposed a 10-year period for calculating the benefits of this merger and that the use of a shorter period has significant impacts. Reed stated that the applicants believe that a 10-year period should be adopted by the Commission. Reed mentioned that Baum, Enova's Chairman and CEO, talked with Cmmr. Neep earlier in the day regarding the possibility of using a mechanism that did not pass back any merger benefits for a period of five years. Reed then discussed the material provided regarding how the sharing mechanism mentioned by Baum would work. Reed stated that: (1) the mechanism would look at a ten-year period, (2) the cost-to achieve the merger benefits would be levelized over ten years, (3) during the first five years, shareholders would be allowed to retain all of the forecast merger benefits, but would bear half of the total costs-to achieve, (4) during the first five years, the forecast merger savings would be excluded from the PBR earnings sharing calculations, but any savings in excess of the forecast would be subject to PBR earnings sharing, (5) after year five there would be a rate reduction that would be at least as big as the total forecast merger savings for year six, and bigger if a cost-of-service study supported a higher number, (6) after the year six reduction, customers would be receiving all of the merger benefits, except for the allocation of the second half of the costs-to achieve, which would be in the utilities' cost-of-service, and (7) the result of this approach would be an incentive for the utilities to maximize the merger benefits during the first five years, which would maximize the rate reduction in year six and the benefits to customers thereafter. Reed stated that this would be consistent with the Commission's decision in the SBC/Pac Tel merger to recognize that the merger benefits period should start on 1/1/99. Reed stated that Enova and Pacific Enterprises will need to obtain merger approvals from the Department of Justice, FERC and the SEC, all of which are currently expected to come only after the CPUC acts on the case.

Filer: San Diego Gas & Electric Company

Contact: Elizabeth M. Totah

Phone: (415) 346-1385

Summary: On February 5, 1998, Donald Felsing, President and Chief Operating Officer for Enova Corporation (Enova), met with Cmmr. Neeper, in San Francisco. Also present was Stephen Baum, Chairman and Chief Executive Officer for Enova. Representatives for Enova stated their concern that the ALJ suggested the use of a 5-year period for sharing merger benefits, but had not determined what would occur after the fifth year. Baum stated that it was critical for Enova shareholders to know how the second five years would be treated. Baum stated that the merger is a positive response to the restructuring of the electric industry. Baum stated that Enova shareholders will pay a premium to consummate the merger, and will experience some dilution as a result. Baum stated that the merger savings available to Enova shareholders must be sufficient to offset this impact. Felsing stated that Enova has proposed a 10-year period for calculating the benefits of this merger. Felsing stated the use of a shorter period has significant impacts. Baum and Felsing stated that they believe that a 10-year period should be adopted by the Commission. Baum stated that various methods of sharing could be employed. Baum stated that applicant's testimony identified other jurisdictions that had used a rate freeze approach. Baum stated that it would be consistent with Section 854 of the Public Utilities Code to allow shareholders to keep all benefits during the first five years after the merger, followed by a rate reduction in Year Six that allowed customers to receive all of the benefits in the second five years. Felsing stated that this approach would give shareholders the incentive to maximize the merger benefits in the first five years, which would lead to a larger rate reduction in Year Six, and more benefits to customers in the second five years.

Filer: Enova Corporation

Contact: Elizabeth M. Totah

Phone: (415) 346-1385

Summary: On February 5, 1998, Donald Felsing, President and Chief Operating Officer for Enova, met with Cmmr. Duque, in San Francisco. Also present were: Michelle Cooke, advisor to Cmmr. Duque; and Stephen Baum, Chief Executive Officer and Chairman for Enova. Representatives for Enova stated their concern that the ALJ suggested the use of a 5-year period for sharing merger benefits, but had not determined what would occur after the fifth year. Baum stated that it was critical for Enova shareholders to know how the second five years would be treated. Baum stated that the merger is a positive response to the restructuring of the electric industry. Baum stated that Enova shareholders will pay a premium to consummate the merger, and will experience some dilution as a result. Baum stated that the merger savings available to Enova shareholders must be sufficient to offset this impact. Felsing stated that Enova has proposed a 10-year period for calculating the benefits of this merger. Felsing stated the use of a shorter period has significant impacts. Baum and Felsing stated that they believe that a 10-year period should be adopted by the Commission. Baum stated that various methods of sharing could be employed. Baum stated that applicant's testimony identified other jurisdictions that had used a rate freeze approach. Baum stated that it would be consistent with Section 854 of the Public Utilities Code to allow shareholders to keep all benefits during the first five years after the merger, followed by a rate reduction in Year Six that allowed customers to receive all of the benefits in the second five years. Felsing stated that this approach would give shareholders the

incentive to maximize the merger benefits in the first five years, which would lead to a larger rate reduction in Year Six, and more benefits to customers in the second five years.

Filer: Enova Corporation

Contact: Elizabeth M. Totah

Phone: (415) 346-1385
