
Public Utilities Commission of the State of California

***Results of Public Agenda 3111
Meeting Held on Thursday, April 17, 2003 10:00 a.m.
San Francisco, California***

Commissioners
Michael R. Peevey, President
Geoffrey F. Brown
Susan P. Kennedy
Loretta M. Lynch
Carl W. Wood

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

Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, May 19, 2003 (San Francisco)	Thursday, May 08, 2003 (San Francisco)
Monday, June 02, 2003 (San Francisco)	Thursday, May 22, 2003 (San Francisco)
Monday, June 16, 2003 (San Francisco)	Thursday, June 05, 2003 (San Francisco)
	Thursday, June 19, 2003 (San Francisco)
	Thursday, July 10, 2003 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are **HEX** and **EX** items.
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Public Comment:

Re H-2:

Don Paul, San Francisco, CA

Greg Karras, Community for a Better Environment, Oakland, CA

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

CA-1

Res TL-19025

1883

Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

CA-2

Res ALJ 176-3111

1884

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Article 2.5, Rules 4 and 6.1 of the Commission's Rules of Practice and Procedure.

Outcome Approved

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

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- CA-3
1911** **Res T-16727 - Citizens Telecommunications Company of California, Inc. (CTC-California).**
This resolution authorizes CTC-California to remove the following two features: Dial By Name, and, Repeat Options Twice, Then Disconnect from the Voice Mail product. (Advice Letter 778, filed December 11, 2002)
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-4
1912** **Res T-16728 - Citizens Telecommunications Company of the Golden State (CTC-Golden State).**
This resolution authorizes CTC-Golden State to remove the following two features: Dial By Name, and, Repeat Options Twice, Then Disconnect from the Voice Mail product. (Advice Letter 125, filed December 11, 2002)
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-5
1914** **A01-03-036 - San Diego Gas and Electric Company (SDG&E).**
For a certificate of public convenience and necessity for a 500kV Inter-Connect Project known as Valley-Rainbow. This decision denies SDG&E's Petition to Modify D02-12-066.
(Comr Kennedy - ALJ Cooke)
Outcome Held (5/8/03, Regular Agenda. Possible alternate.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- CA-6
1935** **A02-12-007 - Sierra Pacific Power Company (Sierra Pacific).**
For an order authorizing the sale of four hydroelectric generation plants on the Truckee River to the Truckee Meadows Water Authority. The application is denied without prejudice and Sierra Pacific may file a new application, with adequate justification, including a proponent's environmental assessment. This proceeding is closed.
(Comr Peevey - ALJ Long)
Outcome Signed
[D03-04-043](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
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- CA-7** **Res T-16702**
1940 This resolution adopts a California High Cost Fund-A surcharge rate of 0.21% to take effect on May 1, 2003 and a program budget in the amount of \$48,894,085 for fiscal year 2003-04.
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-8** **Res T-16690**
1947 This resolution adopts a California High Cost Fund-B surcharge rate of 2.70% to take effect on July 1, 2003 and a program budget of \$483.178 million for fiscal year 2003-04.
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-9** **Res T-16689**
1953 This resolution adopts a Universal Lifeline Telephone Service program budget for fiscal year 2003-04 in the amount of \$239.883 million and a surcharge rate of 1.20% to take effect on September 1, 2003 for the funding of this budget.
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-10** **A02-12-003 - Local Gateway Exchange, Inc. (LGE) and Telephone Service Incorporated**
1958 **(TSI)**
This decision approves the joint application of LGE and TSI, which will do business in California as Friendlylec, for the acquisition of the certificate of public convenience and necessity and intellectual assets of LGE by TSI. This proceeding is closed.
(Comr Wood - ALJ O'Donnell)
Outcome Signed
[D03-04-044](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)

- CA-11
1965** **A02-07-040 - France Telecom Corporate Solutions L.L.C. (Applicant).**
This decision grants the Applicant a certificate of public convenience and necessity under Pub. Util. Code § 1001 for authority to provide resold competitive local exchange telecommunications services. This proceeding is closed.
(Comr Peevey - ALJ Bemederfer)
Outcome Signed
[D03-04-045](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-12
1967** **I01-10-002 - Order Instituting Investigation on the Commission's own motion into the operations and practices of Bidwell Water Company and its owners and operators, Thomas and Vicki Jernigan, and Order to Show Cause why findings should not be entered by the Commission under Public Utilities Code Section 855.**
I01-10-002 is dismissed for mootness, and the proceeding is closed.
(Comr Kennedy - ALJ Ryerson)
Outcome Signed
[D03-04-046](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-13
2018** **A03-02-029 - Southern California Edison Company (Edison).**
This decision confirms re-appointment of William E.B. Siart to the Committee for each of Edison's nuclear decommissioning trust funds. This proceeding is closed.
(Exam Clanon)
Outcome Held (5/22/03, Consent Agenda. Further consideration.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

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- CA-14
2021** **A02-03-004 - Inland Express Shuttle, Inc. and Diversified Paratransit, Inc.**
This decision authorizes Paratransit, Inc. to transfer its passenger stage corporation certificate to Inland Express Shuttle, Inc. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D03-04-047](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-15
2033** **Res T-16743 - Roseville Telephone Company (Roseville).**
This resolution approves an Interconnection Agreement between Roseville and ICG Telecom Group, Inc. in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 765, filed February 13, 2003)
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-16
2034** **Res T-16744 - Verizon California, Inc. (Verizon).**
This resolution approves an Interconnection Agreement between Verizon and Cat Communications, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 10423, filed February 14, 2003)
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-17
2035** **Res W-4390 - California Water Service Company (CWSC), Salinas and Bakersfield Districts.**
This resolution denies the acquisition of three water companies and suspending balancing account advice letter filings pending determination of costs associated with acquired water companies included in balancing accounts effective November 29, 2001. (Advice Letters (AL) 1514 and AL 1515, filed May 7, 2002, and AL 1517, filed June 26, 2002)
Outcome Held (5/22/03, Consent Agenda.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
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- CA-18** **A03-02-020 - City and County of San Francisco.**
2036 This decision grants the request of the City and County of San Francisco for authority to construct 11 at-grade crossings and one grade-separated crossing along 3rd Street, in the City and County of San Francisco. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D03-04-048](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-19** **A03-01-009 - Union Pacific Railroad Company (UP).**
2037 This decision grants the request of the UP to widen the railroad overhead over the Central Expressway roadway, in the City of Santa Clara, County of Santa Clara. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D03-04-049](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-20** **I00-11-052 - Investigation on Commission's own motion into the operations, practices, and conduct of Qwest Communications Corporation (Qwest), and its wholly owned subsidiary, LCI International Telecommunications Corporation, doing business as Qwest Communications Services (LCIT), to determine whether Qwest and LCIT have violated the laws, rules and regulations governing manner in which California consumers are switched from one long distance carrier to another and billed for long distance telephone services**
2039 This decision awards the Greenlining Institute and Latino Issues Forum \$202,517.47 in compensation for contributions to D02-10-059. This proceeding is closed.
(Comr Wood - ALJ Econome)
Outcome Signed
[D03-04-050](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)

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- CA-21
2040** **A02-05-065 - City of Richmond.**
For an order preserving the Wigway Warning Devices at the Richmond Avenue Crossing in the City of Richmond. This decision extends the statutory deadline under Public Utilities Code § 1701.2(d) to accommodate issuance of the presiding officer's decision and consideration of any ensuing appeal or request for review.
(Comr Peevey - ALJ Simon)
Outcome Signed
[D03-04-051](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-23
2055** **A02-04-048 - Southern California Edison Company (SCE).**
This decision authorizes SCE to lease to Park Edison, LLC a site on Barre-Ellis and Del Amo-Ellis transmission right of way in the City of Stanton. This proceeding is closed.
(Comr Wood - ALJ McVicar)
Outcome Signed
[D03-04-052](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-24
2058** **I02-05-001 - Investigation into NOS COMMUNICATIONS, INC., dba International Plus, 011 Communications, Internet Business Association, I-Vantage Network Solutions; AFFINITY NETWORK, INC., dba QuantumLink Communications and HorizonOne Communications; and the corporate officers of NOS and ANI, to determine whether they have violated the laws, rules, and regulations governing manner in which California subscribers are solicited, switched from one presubscribed carrier to another, and billed for telephone services**
A01-02-013 - Related matters. This order extends until further order the 12-month statutory deadline for resolving this investigation and directs the Administrative Law Judge a second prehearing conference.
(Comr Brown - ALJ McKenzie)
Outcome Signed
[D03-04-053](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
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- CA-25** **A02-11-055 - Pacific Pipeline System LLC (PPS).**
2059 This decision grants PPS authority to lease utility property to Shell Oil Products U.S. under Pub. Util. Code Section 851. This proceeding is closed.
(Comr Peevey - ALJ Halligan)
Outcome Signed
[D03-04-054](#)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-26** **Res G-3343 - Southern California Gas Company (SoCalGas).**
(Rev.) In compliance with Resolution G-3295 SoCalGas submits for Commission approval two forms that
1916 revise access fees for California gas producers. SoCalGas' forms are approved with modifications.
(Advice Letter 3202, filed November 4, 2002)
04/16/2003 - This item appeared as (E-7) on the agenda distributed to the public.
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- CA-27** **Res E-3793 - Southern California Edison Company (Edison).**
(Rev.) Edison requests authorization to continue offering its Telephone Solicitation Service for Newspapers
1954 and to establish a new non-tariffed product and service category entitled Newspaper Solicitation
Service. This resolution denies Edison's request and orders Edison to immediately terminate its
Newspaper Solicitation Service. (Advice Letter 1436-E, filed February 22, 2000)
04/16/2003 - This item appeared as (E-10) on the agenda distributed to the public.
Outcome Approved
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)

Regular Agenda

Utility and Transportation Orders

Orders Held Over

- H-1** **A02-03-059 - Pacific Bell Telephone Company (Pacific).**
1500 This decision approves the arbitrated interconnection agreement filed by Pacific and Pac-West Telecomm, Inc., under Rule 4.2 of the Commission's revised rules governing filings made pursuant to the Telecommunications Act of 1996, pursuant to Subsection 252(e) of that Act. This proceeding is closed.
(Comr Wood - ALJ Ryerson)
(Agenda 3103, Item 11 12/17/2002 (Brown); Agenda 3105, Item H-8 1/16/2003 (Brown); Agenda 3107, Item H-8 2/13/2003 (Peevey); Agenda 3108, Item H-8 2/27/2003 (Kennedy); Agenda 3109, Item H-6 3/13/2003 (Kennedy); Agenda 3110, Item H-2 4/3/2003 (Peevey))
Outcome Held (5/8/03. Further review and consideration.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

- H-1a** **ALTERNATE TO ITEM 1500**
1798 This alternate decision approves with modification the arbitrated interconnection agreement between SBC-California and Pac-West Telecomm, Inc. Issue number 14 of the Final Arbitrator's Report is modified to comport with prior Commission decisions, such that transport charges are applicable to VNXX traffic terminating outside of the originating local calling area.
(Comr Brown)
(Agenda 3108, Item H-8a 2/27/2003 (Kennedy); Agenda 3109, Item H-6a 3/13/2003 (Kennedy); Agenda 3110, Item H-2a 4/3/2003 (Peevey))
Outcome Held (5/8/03. Further review and consideration.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

**H-2
1865****R01-08-028 - Order Instituting Rulemaking to examine the Commission's future energy efficiency policies, administration and programs.**

This decision approves statewide and local energy efficiency programs for investor-owned utilities to implement in 2003.

(Comr Kennedy - ALJ Malcolm)

(Agenda 3110, Item 1 4/3/2003 (Kennedy))

Outcome Signed

[D03-04-055](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**H-2a
2046****ALTERNATE TO ITEM 1865**

This alternate order adopts the original draft decision of the administrative law judge mailed to parties for comment on March 4. Specifically, this order differs from the revised draft decision by adhering to the RFP process authorizing the Commission rather than the utilities to administer the contracts for monitoring and evaluation of utility energy efficiency programs.

(Comr Lynch)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**H-3
1867****R95-04-043 - Order Instituting Rulemaking on the Commission's own motion into competition for local exchange service.**

I95-04-044 - Related matters. This decision modifies the Commission's policy adopted in D96-08-028 relating to the "grandfathering" of certain customers' area code designations in connection with geographic area code splits, whereby those customers are permitted to keep their original area code.

(Comr Lynch - ALJ Pulsifer)

(Agenda 3110, Item 2 4/3/2003 (Staff))

Outcome Signed

[D03-04-056](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

- H-4
1868** **R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of direct access pursuant to Assembly Bill 1X and D01-09-060.**
 This decision grants, in part, Albertson's Inc. petition to modify D02-03-055, to allow direct access (DA) customers to add new locations or accounts to DA service provided there is no net increase in the amount of load served under DA as of the date direct access was suspended, September 20, 2001.
 (Comr Brown, Comr Wood - ALJ Pulsifer)
 (Agenda 3110, Item 3 4/3/2003 (Wood))
Outcome Signed (Comr. Wood will file a dissent.)
[D03-04-057](#)
 Yes: (Brown, Kennedy, Peevey)
 No: (Lynch, Wood)
 Abstain: (none)
 Absent: (none)
- H-4a
1873** **ALTERNATE TO ITEM 1868**
 This alternate order differs from the proposed decision in that it denies the Petition for Modification of Albertson's. This decision finds that the intention of D02-03-055 is clear that new locations or new accounts are prohibited.
 (Comr Wood)
 (Agenda 3110, Item 3a 4/3/2003 (Wood))
Outcome Defeated
 Yes: (Lynch, Wood)
 No: (Brown, Kennedy, Peevey)
 Abstain: (none)
 Absent: (none)
- H-5
1876** **C00-01-021 - Zacky & Sons Poultry Co. (Zacky), dba Zacky Farms vs. Southern California Edison Company (Edison).**
 This decision approves the Presiding Officer's Decision (POD), with one minor change, and denies appeal of the POD. The POD finds that Zacky's complaint seeking electric service under Edison's agricultural tariff for a poultry processing plant is without merit. This proceeding is closed.
 (Comr Lynch - ALJ Prestidge)
 (Agenda 3110, Item 5 4/3/2003 (Lynch))
Outcome Signed
[D03-04-058](#)
 Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
 No: (none)
 Abstain: (none)
 Absent: (none)

**H-6
1928****C00-01-001 - Air-Way Gins, Inc., et al. vs. Pacific Gas and Electric Company (PG&E).**

This decision concludes that cotton ginning does not result in a "change of form" of harvested or "seed" cotton within the meaning of the eligibility statement for PG&E's agricultural tariffs. No change of form occurs because ginning results in the separation of the cotton fiber from the cottonseed, but neither the fiber nor the seed is severed, crushed, cut into, or otherwise irremediably damaged by ginning. As a result of this determination, the complainant cotton ginners are entitled to a refund for the relevant period of the difference between what they were billed for their ginning activities under PG&E's commercial tariffs and what they should have been billed for this work under the lower agricultural tariffs. For each complainant, the refund period extends back to the Fall of 1996; i.e., three years before the ginners first requested refunds from PG&E. This proceeding is closed.

(Comr Peevey - ALJ McKenzie)

(Agenda 3110, Item 6 4/3/2003 (Lynch))

Outcome Signed (Comr. Lynch will file a dissent in part.)

[D03-04-059](#)

Yes: (Kennedy, Peevey, Wood)

No: (Brown, Lynch)

Abstain: (none)

Absent: (none)

Orders**1
1866 R01-09-001 - Commission's own motion to assess and revise the new regulatory framework for Pacific Bell and Verizon California Incorporated.**

I01-09-002 - Related matters. In this decision, the Commission evaluates the service quality of Pacific Bell and Verizon California, Inc. over the period January 1, 1990 through the present. The Commission ordered such a review in D89-10-031, which established the New Regulatory Framework as means of regulating both carriers.

(Comr Kennedy - ALJ Thomas)

Outcome Held (6/5/03. For alternate.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**2
1938 R99-10-025 - Order Instituting Rulemaking into Distributed Generation.**

This decision orders that, for purposes of fulfilling the requirements of Pub. Util. Code § 353.13(a) on an interim basis, combined heat and power applications and renewable resources, as defined in D02-10-062, sized 5 megawatts or smaller, installed between May 2001 and December 31, 2004, shall be served under the same rates as customers with similar load profiles that do not install distributed generation. The same rate treatment shall be extended to ultra-clean resources, as defined in Pub. Util. Code § 353.2(b), sized 5 megawatts or smaller, installed between January 1, 2003 and December 31, 2005. This proceeding is closed.

(Comr Lynch - ALJ Cooke)

Outcome Signed

[D03-04-060](#)

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

**3
2023 R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**

This draft decision grants in part Southern California Edison Company's (SCE) February 3, 2003 Petition for Modification of D02-12-074. In all other respects, SCE's petition is denied.

(Comr Peevey - ALJ Walwyn)

Outcome Held (5/8/03. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

3a ALTERNATE TO ITEM 2023

2057 This alternate order applies the disallowance cap to a different amount of procurement costs than the administrative law judge's draft decision.

(Comr Peevey)

Outcome Held (5/8/03. Further consideration.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

4 (Rev.) A02-02-012 - Southwest Gas Corporation (Southwest).

2054 For authority to increase rates in San Bernardino, Placer, El Dorado, and Nevada Counties. Interim Opinion authorizing Southwest to establish a memorandum account to record margin revenue shortfalls due to delay in the proceeding.

(Comr Peevey - ALJ DeBerry)

04/16/2003 - This item appeared as (CA-22) on the agenda distributed to the public.

Outcome Held (5/8/03. For alternate.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Utilities Resolutions and Written Reports**Energy Matters**

- E-1
1750** **Res E-3814 - Southern California Edison Company (SCE).**
SCE seeks Commission approval of one power purchase agreement contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. (Advice Letter 1680-E, filed January 14, 2003) (Agenda 3107, Item E-3 2/13/2003 (Brown); Agenda 3108, Item E-3 2/27/2003 (Staff); Agenda 3109, Item E-1 3/13/2003 (Brown); Agenda 3110, Item E-1 4/3/2003 (Kennedy))
Outcome Held (5/8/03. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- E-2
1771** **Res E-3816 - Southern California Edison Company.**
For approval of one power purchase agreement (PPA) contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here. (Advice Letter 1676-E, filed December 24, 2002)
(Agenda 3108, Item E-4 2/27/2003 (Staff); Agenda 3109, Item E-2 3/13/2003 (Staff); Agenda 3110, Item E-2 4/3/2003 (Kennedy))
Outcome Held (5/8/03. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- E-2a
1844** **ALTERNATE TO ITEM 1771**
This alternate resolution differs from the proposed resolution in that it denies approval of one power purchase agreement (PPA) which Southern California Edison Company (SCE) requests to enter into in 2003 to contribute toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here.
(Comr Wood)
(Agenda 3109, Item E-2a 3/13/2003 (Staff); Agenda 3110, Item E-2a 4/3/2003 (Kennedy))
Outcome Held (5/8/03. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

**E-2b
2045****ALTERNATE TO ITEM 1771**

This alternate resolution differs from the proposed resolution in that it grants Southern California Edison Company's request for approval of one power purchase agreement (PPA) contributing toward procurement of at least an additional one percent of the utility's annual electric sales from renewable energy resources irrespective of the utility's residual net short and exempts the PPA from the required online date. Consideration of this PPA had previously been deferred from Resolution E-3809 and is now being addressed here. By Advice Letter 1676-E Filed on December 24, 2002.

(Comr Kennedy)

Outcome Held (5/8/03. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**E-3
1778****Res E-3801 - Pacific Gas and Electric Company (PG&E).**

This resolution approves with modifications PG&E's tariff revisions to implement a flexible pricing option in accordance with Public Utilities Code Section 454.1. (Advice Letter 2276-E, filed August 26, 2002)

(Agenda 3109, Item E-3 3/13/2003 (Staff); Agenda 3110, Item E-3 4/3/2003 (Lynch))

Outcome Held (5/8/03. Review consistency with other decisions.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**E-3a
1962****ALTERNATE TO ITEM 1778**

PG&E submits revisions to implement a flexible pricing option in accordance with PUC Code 454.1. Approved with modifications.

(Comr Peevey)

(Agenda 3110, Item E-3a 4/3/2003 (Lynch))

Outcome Held (5/8/03. Review consistency with other decisions.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**E-4
1843****Res E-3711 - Pacific Gas and Electric Company (PG&E), Southern California Edison (Edison), Southwest Gas Corporation (SWG), and San Diego Gas & Electric (SDG&E).**

PG&E requests authority to revise its electric and gas tariff to add language specifying payment options available to PG&E customers, including credit card payment and electronic billing and payments.

Edison requests approval of a form by which customers may receive and pay their Edison bills electronically through the Internet. SWG requests authority to revise tariffs to allow electronic billing.

SDG&E requests authority to add the definition of electronic billing to its rules, and to discontinue mailing a paper bill to customers enrolled in internet billing. The utilities' requests are approved, subject to compliance with certain consumer protection measures, and subject to certain modifications.

(PG&E Advice Letter (AL) 2221-G/1982-E, filed March 21, 2000; Edison AL 1446-E, filed March 30, 2000; SWG AL 622, filed October 31, 2000; SDG&E AL 1229-E-A/1200-E-A, filed August 10, 2000)

(Agenda 3110, Item E-4 4/3/2003 (Staff))

Outcome Held (5/22/03)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**E-5
1874****Res E-3817 - Sierra Pacific Power Company (Sierra).**

This resolution approves with modifications Sierra's tariff revisions to reinstate an Energy Cost Adjustment Clause "Offset" Balancing Account Mechanism. (Advice Letter (AL) 294-E, filed January 8, 2003 and AL 294-E-A, filed February 6, 2003)

(Agenda 3110, Item E-6 4/3/2003 (Staff))

Outcome Held (5/8/03. For alternate.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**E-6
1913****Res G-3348 - Pacific Gas and Electric Company (PG&E).**

PG&E requests approval of a shareholder reward in the amount of \$7,690.297 as provided for under its Core Procurement Incentive Mechanism for the period November 1, 2000, through October 31, 2001 (Year 8). PG&E's request is conditionally approved. (Advice Letter 2431-G, filed December 23, 2002)

Outcome Approved (Comr. Lynch will file a dissent.)

Yes: (Brown, Kennedy, Peevey, Wood)

No: (Lynch)

Abstain: (none)

Absent: (none)

- E-8** **Res E-3822 - Pacific Gas and Electric Company (PG&E).**
1931 PG&E requests authority to revise tariffs and establish various balancing and memorandum accounts in compliance with D02-04-016, pertaining to Utility Retained Generation cost recovery in 2002 and withdraw certain previously filed advice letters. The request is approved with modifications. (Supplemental Advice Letter (AL) 2240-E-A, filed January 6, 2003, replacing AL 2240-E, filed May 6, 2001, in its entirety.)
Outcome Held (5/8/03)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- E-9** **Res E-3821 - Sierra Pacific Power Company (Sierra).**
1941 This resolution denies Sierra's proposed tariff revisions to terminate the 10% discount for residential and eligible small commercial customers required under AB 1890. Advice Letter 295-E, filed January 20, 2003)
Outcome Held (5/8/03)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- E-11** **Res G-3349**
1955 On the Commission's own motion, this resolution rescinds Resolution G-3273 that granted Southern California Gas Company request to offer a Newspaper Subscription Service.
Outcome Held (5/22/03)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

Legislative Matters

Items Held Over

**HLEG-1
1977**

AB 855 (Firebaugh and Levine)

Wireless telecommunications: access to state property.
(Agenda 3110, Item LEG-3 4/3/2003 (Staff))

Outcome Held (5/8/03)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Items

- LEG-1** **AB 425 (Richman)**
2047 Electric service: rates: interruptible programs.
Outcome Approved (Legislative Subcommittee Recommendation: Oppose bill unless amended.)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- LEG-2** **AB 428 (Richman)**
2048 Electrical corporations: core supply portfolio: core bundled customers.
Outcome Held (5/8/03. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- LEG-3** **AB 816 (Reyes)**
2049 Direct transactions; local public owned utilities.
Outcome Held (5/8/03. Further review.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- LEG-4** **AB 840 (Calderon)**
2050 Public Utilities Commission: evidence: orders or decisions: review.
Outcome Approved (Legislative Subcommittee Recommendation: Oppose bill.)
Yes: (Brown, Kennedy, Lynch, Peevey, Wood)
No: (none)
Abstain: (none)
Absent: (none)
- LEG-5** **AB 855 (Firebaugh and Levine)**
2051 Wireless telecommunications: access to state property.
Outcome Withdrawn
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

Commissioner's Reports

CR-1 **Commissioners' Reports**
1885 Miscellaneous Commissioners' reports.

Outcome Information Only

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

CR-2 **President Peevey Report**
1984 Discussion of and possible action on the Energy Action Plan proposed by a subcommittee of the Energy Resources Conservation and Development Commission, the Consumer Power and Conservation Financing Authority, and the PUC. The Plan establishes shared goals and specific actions to ensure adequate, reliable, and reasonably-priced electrical power and natural gas supplies are achieved and provided through policies, strategies, and actions that are cost-effective and environmentally sound for California's consumers and taxpayers.

Outcome Item Discussed

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

CR-3 **President Peevey Report**
2060 Status Report on upgrades to Path 15, being considered in I00-11-001.

Outcome Item Discussed

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions

M-1 **Management Reports**
1886 Miscellaneous Management reports.
Outcome Withdrawn
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Non-Federal Items

Orders Held Over

HEX-1

R02-06-041 - Conference with Legal Counsel – Application for Rehearing.

1833

Disposition of Application for Rehearing of D02-07-037 filed by The Utility Reform Network. D02-07-037 is the decision in Phase I of this proceeding. D02-07-037 adopts two rules concerning turned back gas capacity on the El Paso Natural Gas Company interstate natural gas pipeline system. It also provides California utilities with full cost recovery for their costs associated with their existing interstate pipeline capacity rights to the extent they comply with the adopted rules.

(Agenda 3109, Item EX-6 3/13/2003 (Staff); Agenda 3110, Item HEX-3 4/3/2003 (Kennedy))

Outcome Signed (Comr. Kennedy will file a concurrence. Comr. Lynch will file a concurrence.)

D03-04-061

Yes: (Brown, Kennedy, Lynch, Peevey, Wood)

No: (none)

Abstain: (none)

Absent: (none)

Orders

- EX-5
2017** **A01-01-021 - Conference with Legal Counsel - Application for Rehearing**
Disposition of Application for Rehearing of D02-08-065, filed by the Southern California Generation Coalition. The Commission issued an interim opinion authorizing new rules for eligibility and conditions of core and wholesale gas service for the Southern California Gas Company and San Diego Gas & Electric Company.
Outcome Held (5/8/03. Further consideration.)
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)
- EX-6
2019** **I99-10-024 - Conference with Legal Counsel - Application for Rehearing**
Disposition of Application for Rehearing of D01-04-036 filed by USP&C. In D01-04-036, the Commission approved a partial settlement between USP&C and the Commission's Consumer Services Division and also found that USP&C violated Sections 2890(e)(2)(A)-(B) and imposed a \$1.75 million fine for such violations. D01-04-036 also ordered USP&C to show cause why it (1) should not be required to disgorge all amounts retained from unauthorized billings, and (2) should not be fined for failing to comply with Sections 2889.9 and 2890.
Outcome Signed
D03-04-062
Yes: (Brown, Kennedy, Lynch, Peevey)
No: (none)
Abstain: (none)
Absent: (Wood)
- EX-8
2025** **A02-05-022 - Conference with Legal Counsel – Application for Rehearing**
A02-05-025, A.02-05-026, A.02-05-031 - Related matters. Disposes of applications for rehearing by Pacific Gas & Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) of D02-11-027. This interim decision established the 2003 rate of return and return on common equity for the above two utilities. Each applicant challenges the adopted return on equity (ROE) granted to it. PG&E contends that the 11.22% ROE adopted in the decision fails to comply with controlling legal precedent, and is arbitrary and capricious in setting its ROE below that adopted for Southern California Edison Co. SDG&E contends that the adopted 10.90% ROE for it fails to contain separate findings on all material issues in violation of Public Utilities Code Sec. 1705, and that it is not supported by the evidence in the record.
Outcome Held (5/8/03)
Yes: (Lynch)
No: (none)
Abstain: (none)
Absent: (none)

**EX-9
2028****(ECP) C02-03-021 - Conference with Legal Counsel – Application for Rehearing**

Disposition of application for rehearing of D02-11-009 filed by C. W. Lee against California Water Service Company (“CWSC”). D02-11-009 dismissed the complaint of Mr. Lee requesting that CWSC be ordered (a) to stop changing the amount written on checks received from customers, (b) to show on each bill the previous balance and most recent payment, and (c) to provide him a complete analysis of his account.

Outcome Signed

D03-04-063

Yes: (Brown, Kennedy, Lynch, Peevey)

No: (none)

Abstain: (none)

Absent: (Wood)

**EX-12
2041****A.01-03-036 - Conference with Legal Counsel – Application for Rehearing**

Disposition of the applications for rehearing of D02-12-066 filed by San Diego Gas & Electric Company (SDG&E) and the California Independent System Operator (ISO) on January 23, 2003. D02-12-066 denied without prejudice SDG&E’s application for a certificate of public convenience and necessity to construct the proposed Valley-Rainbow Interconnect Project.

Outcome Held (5/8/03)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)