
Public Utilities Commission of the State of California

Results of Public Agenda 3164

Meeting Held on Thursday, December 15, 2005 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Dian M. Grueneich

Susan P. Kennedy

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, January 09, 2006 (San Francisco)	Thursday, January 12, 2006 (San Francisco)
Monday, January 23, 2006 (San Francisco)	Thursday, January 26, 2006 (San Francisco)
Tuesday, February 14, 2006 (San Francisco)	Thursday, February 16, 2006 (San Francisco)
Monday, February 27, 2006 (San Francisco)	Thursday, March 02, 2006 (San Francisco)
Monday, March 13, 2006 (San Francisco)	Wednesday, March 15, 2006 (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



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PUBLIC COMMENT

The following items are not subject to public comment:

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

Public Comment:

Re 43: Rebecca Pearl, Environmental Health Coalition, San Diego, CA

Re 46:

Jim Spar, Woodside, CA

Oliver Bock, Million Solar Roofs, Woodside, CA

Re 60:

Adam Sihurle, Environment California, Oakland, CA

Alisha Deen-Steindler, Environmental Justice Coalition for Water, Oakland, CA

Bob Ptacek, Montara Water & Sanitary, Montara, CA

Conner Everts, Southern CA H2O Shed Alliance, Encino, CA

Delaney Gerlich, Statewide Desal Response Group, Santa Monica, CA

Frances Spivy-Weber, Mono Lake Committee, Redondo Beach, CA

Jennifer Clary, Clean Water Action, San Francisco, 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

1

A05-02-005 - Apple Valley Ranchos Water Company (Apple Valley).

[5019]

This decision adopts test year 2006 revenue requirements, authorizes a return on equity, and creates a low-income ratepayer assistance program for Apple Valley. This application is closed.

(Comr Grueneich - ALJ Long)

Agenda 3162, Item 8 11/18/2005 (Staff);

Agenda 3163, Item 3 12/1/2005 (Staff)

Outcome Signed

[D05-12-020](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

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- 2**
[5003] **Res ALJ 176-3164**
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: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 3**
[5044] **R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**
This decision confirms the allocation of the Department of Water Resources' (DWR) Kings River Conservation District contract for operational purposes to Pacific Gas and Electric Company (PG&E), and the allocation of the DWR's City and County of San Francisco contract to PG&E, subject to the terms and conditions of the contract becoming final. The Williams Product D units contract is allocated to Southern California Edison Company (SCE). The Commission preserves the status quo with the two other DWR contracts at issue in this proceeding. The Sempra Energy contract will remain with SCE and the Sunrise Power Company contract will stay with San Diego Gas & Electric Company. While the Commission is not reallocating these contracts, the Investor Owned Utilities (IOU) are free to negotiate mutually agreeable allocations that allow each IOU to maintain grid reliability.
(Comr Peevey - ALJ Brown)
Agenda 3163, Item 5 12/1/2005 (Peevey)
Outcome Signed
[D05-12-021](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 4**
[5061] **Res G-3383 - The California Energy Commission (CEC).**
CEC requests approval of its 2006 program plan and funding request for the Natural Gas Public Interest Research Program. CEC's request is approved pursuant to California Public Utilities Commission Decision 04-08-010.
Agenda 3163, Item 13 12/1/2005 (Staff)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 5**
[5086] **Res T-16918 - Verizon California, Inc. (Verizon).**
Verizon requests authority to grandfather Custom Routing Service. (Advice Letter 11288, filed September 8, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 6**
[5087] **R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**
Southern California Edison Company, South San Joaquin Irrigation District, Pacific Gas and Electric Company and Independent Energy Producers filed petitions to modify D04-12-048. This decision grants in part, and denies in part, the requested modifications.
(Comr Peevey - ALJ Brown)
Outcome Signed
[D05-12-022](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 7**
[5090] **Res L-323**
This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of the accident involving the facilities of Pacific Gas and Electric Company in Cupertino, California, on May 7, 2003.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 8**
[5092] **Res L-325**
This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of an incident involving contact with an overhead primary electric line in Escondido, California, on February 20, 2004.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 9**
[5093] **Res L-326**
This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of an incident involving the explosion of an underground electric vault in Santa Fe Springs, California, on January 9, 2003.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 10**
[5094] **Res L-324**
This resolution authorizes disclosure of certain records concerning the Consumer Protection and Safety Division's investigation of the explosion of an underground electric vault in Newport Beach, California, on December 22, 2003.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 11**
[5099] **R05-08-029 - Rulemaking for the purpose of amending General Order 156.**
This decision amends General Order (GO) 156 to achieve greater reporting uniformity in the utilities' annual GO 156 reports. This proceeding is closed.
(Comr Peevey - ALJ Econome)
Outcome Signed
[D05-12-023](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 12**
[5100] **A05-02-012 - California-American Water Company (Cal-Am).**
A05-02-013 - Related matters. Pursuant to Section 455.2 of the Public Utilities Code, this decision grants interim rate relief to Cal-Am for its Monterey and Felton districts on January 1, 2006.
(Comr Kennedy - ALJ Walwyn)
Outcome Signed
[D05-12-024](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 13**
[5105] **A04-06-024 - Pacific Gas and Electric Company (PG&E).**
Application to revise its electric marginal costs, revenue allocation, and rate design. This decision finds that the contested Agricultural Definition Settlement is not in the public interest. It retains the existing agricultural class eligibility statement. The proceeding is closed.
(Comr Peevey - ALJ Mattson)
Outcome Signed
[D05-12-025](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 14**
[5111] **R04-01-006 - Order Instituting Rulemaking on the Commission's proposed policies and programs governing post-2003 Low Income Assistance Programs.**
A05-06-005, A05-06-009, A05-06-012, A05-06-013 - Related matters. This decision approves Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company low-income program funding requests for 2006-2007. A05-06-005, A05-06-009, A05-06-012, and A05-06-013 are closed.
(Comr Grueneich - ALJ Weissman)
Outcome Signed
[D05-12-026](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 15**
[5112] **Res W-4576 - Del Oro Water Company, Country Estates District (Del Oro).**
This resolution approves Del Oro's request for a rate base offset revenue increase of \$12,813 or 16.95% additional annual revenue. (Advice Letter 134, filed April 8, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 16**
[5120] **Res E-3965 - San Diego Gas & Electric Company (SDG&E).**
SDG&E requests approval of three new renewable resource procurement contracts: SES Solar Two (Stirling), MM Prima Deshecha Energy (Algonquin), and Covanta Otay 3 (Covanta). These contracts are approved without modifications. (Advice Letter 1727-E, filed September 22, 2005)
Agenda 3163, Item 23 12/1/2005 (Staff)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 17**
[5124] **A05-09-001 - Pacific Gas and Electric Company (PG&E).**
Application to recover additional costs related to the 1997 New Year's flood and 1998 February storms recorded in the Catastrophic Event Memorandum Account pursuant to Ordering Paragraph 1 of D04-09-020. This decision affirms the Assigned Commissioner's action to change the determination and find no hearings are needed to decide this proceeding.
(Comr Kennedy - ALJ Long)
Outcome Signed
[D05-12-027](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 18**
[5125] **Res SU-59**
This resolution cancels former resolution SU-33 that granted gas operators a deviation to install plastic pipe across bridges. This deviation is no longer necessary since the federal regulations have been revised to allow plastic pipe to be installed on bridges.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

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- 19**
[5131] **A05-09-002 - City and County of San Francisco.**
This decision grants the request of the City and County of San Francisco to construct two new crossings and reconstruct an existing crossing over the tracks of the Union Pacific Railroad as part of the Islais Intermodal Bridge Project. This proceeding is closed.
(Exam Clark)
Outcome Signed
[D05-12-028](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 20**
[5134] **Res W-4575 - Arrowhead Manor Water Company, Inc. (Arrowhead).**
This resolution authorizes Arrowhead an offset rate increase of \$29,166 or 8.1%, in additional revenue due to increased contract work and purchased water expenses. (Advice Letter 59-W, filed October 19, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 21**
[5135] **Res T-16971 - SureWest Telephone (SureWest).**
This resolution authorizes SureWest to increase its annual revenues by \$987,696 for the 2006 Price Cap Mechanism effective January 1, 2006, in accordance with the provisions of D89-10-031 and D94-09-065. (Advice Letter 1153, filed October 3, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 22**
[5136] **Res T-16972 - Citizens Telecommunications Company of California, Inc. (Citizens).**
This resolution authorizes Citizens to increase its annual revenues by \$677,034 for the 2006 Price Cap Mechanism effective January 1, 2006, in accordance with the provisions of D89-10-031 and D94-09-065. (Advice Letter 922, filed October 3, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 23**
[5137] **Res T-16973 - SBC California (SBC).**
This resolution authorizes SBC to decrease its annual revenues by \$1,205,000 for the 2006 Price Cap Mechanism effective January 1, 2006, in accordance with the provisions of D89-10-031 and D94-09-065. (Advice Letter 27434, filed October 3, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 24**
[5138] **Res T-16974 - Verizon California, Inc. (Verizon).**
This resolution authorizes Verizon to increase its annual revenues by \$390,000 for the 2006 Price Cap Mechanism effective January 1, 2006, in accordance with the provisions of D89-10-031 and D94-09-065. (Advice Letter 11308, filed October 3, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 25**
[5139] **A02-11-027 - Comm South Companies, Inc. and Arbros Communications, Inc.**
For approval of transfer of control to Arcomm Holding Co. Decision 05-10-005 is modified to designate SBC Long Distance, LLC as the interLATA carrier for two customers. This proceeding is closed.
(Comr Brown - ALJ Kenney)
Outcome Signed
[D05-12-029](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 26**
[5140] **C04-12-012 - California Alliance for Utility Safety and Education vs. San Diego Gas and Electric Company and the City of San Diego.**
This decision extends the deadline under Pub. Util. Code §1701.2(d) to April 30, 2006.
(Comr Brown - ALJ Simon)
Outcome Signed
[D05-12-030](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

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- 27**
[5141] **A05-09-007 - Comcast Phone of California, LLC (Applicant).**
This decision grants Applicant a certificate of public convenience and necessity authorizing the provision of limited facilities-based and resold local exchange services within the service territories of Citizens Telephone Company and SureWest Telephone. This proceeding is closed.
(Comr Kennedy - ALJ Prestidge)
Outcome Signed
[D05-12-031](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 28**
[5142] **A05-09-026 - Comtel Telcom Assets LP and VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Solutions, Inc.**
This decision grants the joint application of Comtel Telcom Assets LP (Comtel) and VarTec Telecom, Inc., Excel Telecommunications, Inc., and VarTec Solutions (VarTec Companies) for approval to transfer to Comtel the certificates of public convenience and necessity and related assets and customers of the VarTec Companies. This proceeding is closed.
(Comr Kennedy - ALJ Grau)
Outcome Signed
[D05-12-032](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 29**
[5143] **Res W-4577 - Alisal Water Corporation, Salinas District.**
This resolution authorizes Alisal Water Corporation, Salinas District a general rate increase producing additional annual revenue of \$1,214,936 or 28.75% in 2006 and \$659,376 for escalation year 2007.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

30

[5144]

A05-08-037 - X-5 Solutions, Inc.

This decision grants the unopposed application of X-5 Solutions, Inc., for a certificate of public convenience and necessity authorizing the provision of resold local exchange and interexchange services in California. This proceeding is closed.

(Comr Bohn - ALJ Prestidge)

Outcome Signed[D05-12-033](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

31

[5145]

I05-09-005 - Order Instituting Investigation to facilitate proactive development of transmission infrastructure to access renewable energy resources for California.

This decision changes the category of this proceeding from ratesetting to quasi-legislative.

(Comr Grueneich - ALJ Halligan)

Outcome Signed[D05-12-034](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

32

[5146]

A05-10-006 - Claricom Networks, LLC, Stacom Holdings LLC, Matrix Telecom, Inc., EnergyTRACS Acquisition Corp. and Platinum Equity, LLC.

Pursuant to Pub. Util. Code § 854, Claricom Networks, LLC and Matrix Telecom, Inc., sister entities owned by the same parent company, are authorized to merge into one company as a means of creating efficiencies with the company. This proceeding is closed.

(Comr Bohn - ALJ Patrick)

Outcome Signed[D05-12-035](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

- 33**
[5147] **A05-02-020 - Global Valley Networks (GVN).**
This decision authorizes GVN to sell an office building and related land located in Turlock County pursuant to Section 851. The decision also grants the joint motion of GVN and the Commission Office of Ratepayer Advocates for approval of a settlement agreement regarding certain ratemaking aspects of the transaction. This proceeding is closed.
(Comr Kennedy - ALJ Prestidge)
Outcome Signed
[D05-12-036](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 34**
[5148] **Res T-16975 - SureWest Telephone Company (SureWest).**
This resolution approves a CMRS Interconnection Agreement between SureWest and WestCoast PCS LLC, in accordance with the provisions of General Order 96-A and Resolution ALJ-181.
(Advice Letter 1158, filed October 13, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 35**
[5149] **Res T-16948 - Vanco US, LLC.**
This resolution revokes the certificate of public convenience and necessity by Vanco, LLC at the request of the company.
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 36**
[5150] **Res T-16969 - SureWest Telephone Company (SureWest).**
This resolution approves an Interconnection Agreement between SureWest and U.S. Telepacific, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 1155, filed October 11, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

- 37**
[5151] **Res T-16976 - Citizens Telecommunications Company of California, Inc. (Citizens).**
This resolution approves an Interconnection Agreement between Citizens and Global Connection Inc. of America, in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 921, filed September 15, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 38**
[5152] **Res E-3961 - Pacific Gas and Electric Company (PG&E).**
PG&E requests approval of the Termination and Settlement Agreement as reasonable, which terminates the amended Power Purchase Agreement ("PPA") between PG&E and TIN Inc. ("TIN") and settles a dispute between PG&E and TIN regarding PG&E's de-rating of the firm capacity level in the PPA due to TIN's deliveries in June 2004. Approved. (Advice Letter 2715-E, filed September 22, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 39**
[5153] **A05-06-045 - Southern California Edison Company (SCE).**
This decision authorizes SCE to lease to Champion Chevrolet, LLC, a site on SCE's El Nido-Sepulveda-Culver right of way in the City of Hawthorne. This proceeding is closed. (Comr Grueneich - ALJ McVicar)
Outcome Signed
[D05-12-037](#)
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

40

[5159]

A00-09-061 - Pacific Bell Telephone Company

For authority for pricing flexibility and to increase recurring charges for business access lines, private branch exchange basic and assured trunks, and non-recurring charges for business access lines. This decision awards The Utility Reform Network \$40,378.78 in compensation for its substantial contributions to Decision 05-06-040. This proceeding is closed.

(Comr Kennedy - ALJ Weismehl)

Outcome Signed[D05-12-038](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

41

[5162]

A05-09-024 - Telecom Consultants, Inc. (TCI) and John Toepfer.

This decision grants the request of TCI and John Toepfer, jointly referred to as Applicants, for approval of the acquisition by Toepfer of control over TCI. Toepfer, who currently holds a 20% equity interest, will acquire additional shares to provide him a 81% equity interest and, thereby, direct control over TCI. The transaction will not affect the operation of TCI. The matter is uncontested.

This proceeding is closed.

(Comr Kennedy - ALJ Patrick)

Outcome Signed[D05-12-039](#)

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

42 A04-02-026 - Southern California Edison Company (SCE).

[5051]

This decision approves the steam generator replacement program (SGRP) proposed by SCE for San Onofre Nuclear Generating Station Units 2 & 3 subject to the requirements imposed herein. In addition, the decision certifies the Final Environmental Impact Report for the SGRP pursuant to the California Environmental Quality Act. This proceeding is closed.

(Comr Brown - ALJ O'Donnell)

Agenda 3163, Item 26 12/1/2005 (Peevey)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

42a ALTERNATE TO ITEM 5051

[5154]

This alternate decision differs from the draft decision in that it (1) finds the SGRP cost effective without inclusion of a GHG adder, (2) removes the SONGS cost cap of \$680 million, (3) does not cap SONGS related O&M costs and capital additions, and (4) requires SDG&E to file a Section 851 application regarding ownership share within 120 days of adoption of this alternate decision. This proceeding is closed.

(Comr Peevey)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

[D05-12-040](#)

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

43 **R03-10-003 - Order Instituting Rulemaking to implement portions of AB 117 concerning**
 [5073] **Community Choice Aggregation.**

This decision resolves outstanding issues in Phase 2 of this proceeding, the purpose of which is to implement a program to permit purchases of power by Community Choice Aggregators (CCA) for local residents and businesses. This decision is issued in compliance with Assembly Bill 117 (2002 Stats., ch. 838), enabling cities and counties to form CCAs.

(Comr Peevey - ALJ Malcolm)

Agenda 3163, Item 28 12/1/2005 (Staff)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

[D05-12-041](#)

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

44 **R04-04-026 - Order Instituting Rulemaking to implement the California Renewables**
 [5091] **Portfolio Standard program.**

This decision adopts the methodology for calculating the 2005 market price referent (MPR) to be used for solicitations in the Renewables Portfolio Standard program. The decision directs Energy Division staff to calculate the 2005 MPR, to be applied to the 2005 solicitations that the Commission approved in D05-07-039, based on this methodology.

(Comr Peevey - ALJ Simon)

Outcome Signed (Comr. Grueneich recused herself from this agenda item and was not part of the quorum in its consideration.)

D05-12-042

Yes: (Bohn, Brown, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

45 **A05-05-006 - Pacific Gas and Electric Company (PG&E).**

[5103]

A05-05-011, A05-05-012 - Related matters. This decision establishes a 2006 ratemaking return on common equity of 11.35% for PG&E, 11.60% for Southern California Edison Company, and 10.60% for San Diego Gas & Electric Company. A05-05-006, A05-05-011, and A05-05-012 are closed.

(Comr Peevey - ALJ Galvin)

Outcome Signed

D05-12-043

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

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- 46** **R04-03-017 - Order Instituting Rulemaking regarding policies, procedures and incentives for distributed generation and distributed energy resources.**
[5104] This decision adopts a program to provide incentives for the installation of solar energy technologies in California. The program, which the Commission calls the "California Solar Initiative" builds on the existing Self-Generation Incentives Program already in place for solar incentives. It follows a policy proclamation by the Governor favoring solar development and strong interest by the State Legislature in an expanded solar incentives program in California.
(Comr Peevey - ALJ Malcolm)
Outcome Signed (Comr. Bohn recused himself from this agenda item and was not part of the quorum in its consideration.)
D05-12-044
Yes: (Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 47** **A05-06-007 - Pacific Gas and Electric Company (PG&E).**
[5113] This decision adopts a forecast revenue requirement of \$2.483 billion in 2006 for PG&E's Energy Resources Recovery Account and 340.0 million for PG&E's ongoing Competition Transition Charge. This proceeding is closed.
(Comr Peevey - ALJ Kenney)
Outcome Signed
D05-12-045
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 48** **A02-11-017 - Pacific Gas and Electric Company (PG&E).**
[5115] For authority, among other things, to increase revenue requirements for electric and gas service and to increase rates and charges for gas service effective on January 1, 2003. A02-09-005, I03-01-012 - Related matters. The decision denies PG&E's Petition for Modification of D04-05-055.
(Comr Peevey - ALJ Halligan)
Outcome Withdrawn
Yes: (none)
No: (none)
Abstain: (none)
Absent: (none)

48a (Rev.)

[5116]

ALTERNATE TO ITEM 5115

A02-09-005, I03-01-012 - Related matters. This alternate accepts in part, and denies in part, Pacific Gas and Electric Company's petition to modify D04-05-055 regarding pension contributions. This alternate authorizes PG&E to file an application, separate from its 2007 test year GRC, for a revenue requirement increase of \$185 million to fund its pension contribution for 2006 only. PG&E is further authorized to make that requested revenue requirement increase effective in rates on January 1, 2006, subject to refund to PG&E ratepayers, after the Commission decides upon the merits of PG&E's request.

(Comr Peevey)

12/08/2005 - This revision was not shown on the Agenda mailed to the public.

Outcome Signed

D05-12-046

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

49

[5133]

R _____ - Order Instituting Rulemaking to consider refinements to and further development of the Commission's resource adequacy requirements program.

The Commission opens this rulemaking to continue the ongoing efforts to ensure reliable and cost-effective electricity supply in California through refinement and augmentation of its adopted program of resource adequacy requirements (RAR). Under this program, investor-owned utilities (IOUs) as well as the electric service providers and community choice aggregators operating within the IOUs' service territories (collectively, load serving entities or LSEs) are required to demonstrate that they have acquired the resources needed to meet their forecasted retail customer load plus a reserve margin. The Commission has determined that certain RAR program elements that have been proposed require further consideration before they can be adopted. This is the successor to the RAR portion of Rulemaking 04-04-003, and it will be the forum for such consideration.

Outcome Signed

R05-12-013

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Energy Resolutions and Written Reports

- 50**
[5059] **Res E-3956 - Pacific Gas and Electric Company (PG&E).**
PG&E submits electric tariff revisions to recover balances in balancing accounts, establish the Energy Recovery Bonds Balancing Account revenue requirement, and consolidate changes to electric rates effective January 1, 2006. Approved with modifications. (Advice Letter 2706-E, filed September 1, 2005)
Agenda 3163, Item 29 12/1/2005 (Staff)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 51**
[5060] **Res E-3959 - San Joaquin Local Agency Formation Commission (LAFCo),**
LAFCo requests a Commission opinion on the effect of the application by Lathrop Irrigation District to annex 4,767 acres within Pacific Gas and Electric Company's service territory.
Agenda 3163, Item 30 12/1/2005 (Peevey)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)
- 52**
[5114] **Res E-3962 - Southern California Edison Company (SCE).**
SCE requests the Commission's authorization to revise the Energy Resource Recovery Account tariff to record third party costs associated with certain procurement-related activities. (Advice Letter 1919-E, filed September 30, 2005)
Outcome Approved
Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)
No: (none)
Abstain: (none)
Absent: (none)

Telecommunication Orders**53**

[5108]

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 addresses the Petition by Douglas F. Carlson to Modify D96-12-086 regarding the dialing requirements applicable to calls originating in, and destined to, telephone numbers in the geographic area served by an overlay. Under D96-12-086, customers must dial the prefix "1" followed by the area code and line number for all such calls (commonly referred to as 1+10 digit dialing). Carlson seeks to eliminate the required dialing of the prefix "1" before the area code and line number for calls within an overlay region.

(Comr Peevey - ALJ Pulsifer)

Outcome Signed

D05-12-047

Yes: (Bohn, Brown, Grueneich, Peevey)

No: (none)

Abstain: (none)

Absent: (Kennedy)

Telecommunication Resolutions and Reports

54

[5110]

Res T-16968 - The Siskiyou Telephone Company.

This resolution authorizes California High Cost Fund - A support of \$4,718,043 for The Siskiyou Telephone Company for the year 2006. An intrastate total operating revenue of \$8,992,167 and a total intrastate rate base amount of \$18,754,728 with an authorized overall Rate of Return of 10.00% are adopted for the test year 2006. This resolution is in accordance with the provisions of General Order 96-A and Resolution ALJ-181. (Advice Letter 331, filed July 15, 2005)

Outcome Held (1/12/05. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders

55

A05-02-004 - Southern California Water Company (SCWC).

[5107]

This decision authorizes SCWC to increase rates in its Region III service area: Barstow, Calipatria, Claremont, Apple Valley, Morongo Valley, Los Alamitos, Placentia, San Dimas, San Gabriel, and Wrightwood. This proceeding is closed.

(Comr Grueneich - ALJ Bushey)

Outcome Held (1/12/05. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Transportation/Rail Safety Orders**56**

[5089]

A04-06-030 - City of Petaluma.

The City of Petaluma is authorized to relocate an at-grade crossing of the railroad tracks of the Sonoma Marin Area Rail Transit District (SMART) according to the design set out in the Supplement to Application and the conditions set forth in this decision. Petaluma's authorization continues as long as Caulfield Lane terminates at Hopper Street, and no passenger rail service operates along the SMART tracks. This authorization shall expire in the event that Petaluma extends Caulfield Lane past Hopper Street or passenger rail service initiates along the SMART tracks, because changes in the intersection of Hopper Street and Caulfield Lane and the institution of passenger rail service may affect the safety, and may require changes in the rail crossing. In the event Caulfield Lane is extended past Hopper Street or passenger rail service commences along the SMART railroad tracks, Petaluma must apply to the Commission for continued authorization of this at-grade crossing. This proceeding is closed.

(Comr Grueneich - ALJ Econome)

Outcome Held (1/12/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Other Utility Orders

57

[5106]

R04-09-003 - Order Instituting Rulemaking on the Commission's own motion for the purpose of considering policies and guidelines regarding the allocation of gains from sales of energy, telecommunications, and water utility assets.

This decision adopts gain on sale rules applicable to certain energy, telecommunications and water companies.

(Comr Brown - ALJ Thomas)

Outcome Held (1/26/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**58**

[5161]

FERC Docket No. RM06-4-000

On November 17, 2005, the Federal Energy Regulatory Commission (“FERC”) issued a Notice of Proposed Rulemaking (NOPR) proposing the adoption of transmission pricing reforms designed to promote investment in energy infrastructure. The proposed rules are intended to benefit energy customers by bolstering power-grid reliability and lowering costs for delivered power by reducing transmission congestion. Staff seeks the Commission’s authorization to file comments on FERC’s NOPR. These comments must be submitted by January 11, 2006.

Outcome Approved-Staff Recommendation

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

Commissioner's Reports

59

President Peevey and Commissioner Grueneich Joint Report

[5157]

Discussion of the Center for Resource Solutions Report entitled "Achieving a 33% Renewable Energy Target" and directing Executive Director Larson to forward the report to the Governor's Climate Action Team.

Outcome Item Discussed

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions

60

Executive Director Larson Report

[5015]

Discussion and possible action on Water Action Plan.

Agenda 3161, Item 46 10/27/2005 (Staff);

Agenda 3162, Item 46 11/18/2005 (Staff)

Outcome Approved

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

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

62

[4956]

R02-11-039 - Conference with Legal Counsel - Application for Rehearing

Disposition of applications for rehearing of D04-05-017 and D04-05-018 filed by Mirant Delta, LLC and Mirant Potrero, LLC; Western Power Trading Forum et al.; and Elk Hills Power, LLC.

D04-05-017 and D04-05-018 adopted requirements for the operation and maintenance of electric generating facilities pursuant to Public Utilities Code Section 761.3. D04-05-017 adopted Logbook Standards for thermal powerplants; D04-05-018 adopted General Order 167 implementing General Duty Standards and Maintenance Standards for electric generating facilities.

Agenda 3160, Item 29 10/6/2005 (Staff);

Agenda 3161, Item 50 10/27/2005 (Staff);

Agenda 3162, Item 49 11/18/2005;

Agenda 3163, Item 36 12/1/2005 (Staff)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

63

[5102]

A05-09-031 - Conference with Legal Counsel - Application for Rehearing

Disposition of Application for Rehearing of Resolution W-4556 (Resolution) filed by the Office of Ratepayer Advocates. Resolution W-4556 granted the request of Great Oaks Water Company, a Class A water utility, to file its General Rate Case by advice letter rather than by formal application. The Resolution stated that the request was granted as an experiment to determine whether and when the advice letter process may be a suitable alternative to the formal application process.

Agenda 3163, Item 37 12/1/2005 (Staff)

Outcome Signed

D05-12-048

Yes: (Bohn, Brown, Grueneich, Kennedy, Peevey)

No: (none)

Abstain: (none)

Absent: (none)

64

[5122]

A04-05-017 - Conference with Legal Counsel - Application for Rehearing

Disposition of application for rehearing of D05-07-042 filed by the California Attorney General (AG). D05-07-42 amends Wiltel Communications LLC's (Wiltel) Certificate of Public Convenience and Necessity (CPCN) to remove on an interim basis the requirement that Wiltel apply for a CPCN for certain smaller construction projects. The Decision concludes that because of the CPCN requirement, Wiltel had been subject to a stricter level of California Environmental Quality Act (CEQA) review than its competitors.

Agenda 3163, Item 39 12/1/2005 (Kennedy)

Outcome Held (1/12/05.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)