

---

# ***Public Utilities Commission of the State of California***

## ***Public Agenda 3135***

***Wednesday, June 9, 2004 10:00 a.m.***

***San Francisco, California***

### **Commissioners**

**Michael R. Peevey, President**

**Geoffrey F. Brown**

**Susan P. Kennedy**

**Loretta M. Lynch**

**Carl W. Wood**

*For each agenda item, a summary of the proposed action is included; the Commission's decision may, however, differ from that proposed.*

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

---

### **Scheduled Commission Meetings 505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> Room 5305 (1:30 p.m.) <b><i>Closed to the Public</i></b>	<i>Commission Meeting</i> Auditorium (10 a.m.) <b><i>Open to the Public</i></b>
Friday, July 02, 2004 (San Francisco)	Wednesday, June 09, 2004 (San Francisco)
Monday, August 16, 2004 (San Francisco)	Thursday, July 08, 2004 (San Francisco)
Monday, August 30, 2004 (San Francisco)	Thursday, August 19, 2004 (San Francisco)
Monday, September 20, 2004 (San Francisco)	Thursday, September 02, 2004 (San Francisco)
	Thursday, September 23, 2004 (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.*

### ***Matters of Public Interest***

***For the convenience of the public and media representatives, items of widespread public interest will be taken up at the beginning of the meeting.***

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

### Public Comment:

## 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.*

### Consent Agenda - Orders and Resolutions

- 1**                    **Res TL - 19044**  
[3534]                Resolution approving issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.
- 2**                    **Res ALJ 176-3135**  
[3536]                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.
- 3**                    **A02-03-047 - Southern California Gas Company and San Diego Gas & Electric Company.**  
[3451]                For authority to continue funding of LEV programs. A02-03-048, A02-03-049 - Related matters. This decision denies the request of Raymond Tate, Jr., for intervenor compensation because Tate failed to timely file a notice of intent to claim intervenor compensation as required by Pub. Util. Code Section 1804(a) and is not a 'customer' as defined in Section 1802(b).  
(Comr Wood - ALJ Thomas)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
Agenda 3134, Item 8 5/27/2004 (Lynch)

---

Consent Agenda - Orders and Resolutions (continued)

- 4**  
[3468]            **Res W-4470 - Del Oro Water Company (DOWC), Lime Saddle District.**  
This resolution authorizes DOWC, Lime Saddle District a surcharge of \$2.17 per month per customer for five years producing an annual increase in revenue of \$11,889 for a total of \$59,445 to recover legal expenses. (Advice Letter (AL) 126, filed December 24, 2003, and Supplemental AL 126-A, filed April 8, 2004)  
Agenda 3133, Item 15 5/6/2004 (Staff);  
Agenda 3134, Item 11 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171128](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171128)
- 5**  
[3490]            **R01-10-024 - Order Instituting Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.**  
This decision grants, in part, Pacific Gas and Electric Company's December 4, 2003 Petition to Modify D02-10-062. This proceeding is closed.  
(Comr Peevey - ALJ Walwyn)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
Agenda 3134, Item 12 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173715](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173715)
- 6 (Rev.)**  
[3530]            **A00-12-015 - California Association of Competitive Telecommunications Carriers.**  
This decision approves in part the Competitive Local Exchange Carriers' request for advice letter treatment of Sections 851 through 854 matters. This proceeding is closed.  
(Comr Lynch - ALJ Galvin)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*  
06/07/2004 - This revision was not shown on the Agenda mailed to the public.
- 7**  
[3533]            **A01-10-011 - Pacific Gas and Electric Company.**  
Application proposing a market structure and rules for the northern California natural gas industry for the period beginning January 1, 2003 as required by Commission Decision 01-09-016. This decision addresses the February 27, 2004 petition of the Small Cogeneration Consortium to modify D03-12-061.  
(Comr Lynch - ALJ Wong)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173968](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173968)

---

Consent Agenda - Orders and Resolutions (continued)

- 8**  
[3546]                    **Res TL-19042**  
This resolution authorizes vessel common carriers to adjust fares and rates up to 15% to offset higher fuel costs.  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172423](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172423)
- 9**  
[3552]                    **R02-06-041 - Order Instituting Rulemaking to require California natural gas and electric utilities to preserve interstate pipeline capacity to California.**  
This decision denies the motion to accept a late-filed notice of intent (NOI) to claim compensation by The Utility Reform Network (TURN) and denies the concurrent request for an award of \$45,656.66 in intervenor compensation in connection with D02-07-037 and D03-04-061 and D04-01-047. TURN did not file its NOI until after this proceeding was closed and more than 17 months after the due date for the NOI. This proceeding is closed.  
(Comr Lynch - ALJ Brown)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171264](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171264)
- 10**  
[3590]                    **A04-04-010 - Long Nam Trieu and Sogo Bus Company, LLC.**  
This decision authorizes Iris Nieh to sell and Long Nam Trieu to purchase 92% membership interest in Sogo Bus Company, LLC, a passenger stage corporation. This proceeding is closed.  
(Exam Clark)  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*
- 11**  
[3592]                    **A04-03-026 - Chamkaur Giri dba Fairfield Airporter (Applicant).**  
This decision authorizes Applicant to extend his passenger stage corporation service to include the on-call transportation of passengers and their baggage between points in Napa and Yolo Counties, on the one hand, and San Francisco, Oakland, and Sacramento International Airports, on the other hand. This proceeding is closed.  
(Exam Clark)  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*
- 12**  
[3594]                    **Res E-3870 - Pacific Gas and Electric Company (PG&E).**  
This resolution approves PG&E Amendment No. 7 of the Qualified Decommissioning Trust Agreement and Amendment No. 4 of the Non-qualified Decommissioning Trust Agreement. (Advice Letter 2503-E, filed April 30, 2004)

---

Consent Agenda - Orders and Resolutions (continued)

- 13**  
[3595]            **Res W-4475 - Big Basin Water Company (BBWC).**  
This resolution authorizes BBWC an interim general rate increase subject to refund, producing additional gross annual revenue of \$30,000 (12.75%).  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172790](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172790)
- 14**  
[3596]            **R03-03-017 - Order Instituting Rulemaking on the Commission's own motion to re-examine the underlying issues involved in the submetering discount for mobile home parks and to stay D01-08-040.**  
I03-03-018; C00-01-017 - Related matters. On April 7, 2004, the complainant, Robert Hambley, et al., and the defendant, Hillsboro Properties, filed a motion to close C00-01-017. The motion is unopposed. This decision grants the motion. C00-01-017 is closed.  
(Comr Brown - ALJ O'Donnell)  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173908](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173908)
- 15**  
[3597]            **A02-05-065 - City of Richmond (City).**  
In D03-09-023, the Commission authorized The Burlington Northern Santa Fe Railway Company (BNSF) to continue work on changing the warning devices at the Richmond Avenue crossing (Crossing) in the City. In accordance with the joint request of BNSF and the City, today this decision approves the parties' settlement agreement dated March 29, 2004, which specifies work to be done at the Crossing that differs from that authorized by D03-09-023. This decision modifies D03-09-023 accordingly. The Settlement will allow upgrade of the warning devices and safety improvements to the approaches to the Crossing, and will keep in place but inoperative the wigwag warning devices at the Crossing. The decision also grants the City's request to withdraw its application for rehearing of D03-09-023. This proceeding is closed.  
(Comr Peevey - ALJ Simon)  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172805](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172805)
- 16**  
[3598]            **Res W-4476 - Hillview Water Company (HWC).**  
This resolution authorizes HWC a temporary surcharge to recover undercollections in its purchased power and water testing cost balancing-type memorandum accounts, producing an annual increase in revenue of \$64,225 or 3.95% over 24 months. (Supplemental Advice Letter 72-A, filed April 16, 2004)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=161545](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=161545)

---

Consent Agenda - Orders and Resolutions (continued)

- 17**                    **Res W-4477 - California Water Service Company (CWSC).**  
[3600]                    This resolution authorizes surcharges in each of CWSC, Palos Verdes, Salinas, Selma and Stockton Districts to recover under-collections in purchased water and purchased power balancing accounts producing additional annual revenues of \$4,212,967 or 4.2% for those combined districts. (Advice Letter (AL) 1622 and AL 1624, filed March 25, 2004, and AL 1642, AL 1643, AL 1647, AL 1648, AL 1649, and AL 1650, filed April 1, 2004)
- 18**                    **A01-02-024 - AT&T Communications of California, Inc. and WorldCom, Inc.**  
[3605]                    A01-02-035, A02-02-031, A02-02-032, A02-02-034, A02-03-002 - Related matters. This decision grants the joint petition for modification of AT&T Communications of California Inc. and Pacific Bell Telephone Company, dba SBC California. The DS-1 port rate adopted in D03-07-023 is modified to reflect the interim 69.4% discount adopted in D02-09-052.  
(Comr Wood - ALJ Duda)  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173046](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173046)

---

## Regular Agenda

### Regular Agenda - Energy Orders

**19 A03-05-012 - Pacific Gas and Electric Company (PG&E).**

[2910]

PG&E seeks Commission approval pursuant to Pub. Util. Code §851 of certain licenses and leases of PG&E property already in effect (the “agreements” or “transactions”). In total PG&E seeks approval of 256 transactions. Most of these agreements were entered into several years ago. Each permits various uses of PG&E property by third parties. The transactions did not have prior approval of the Commission pursuant to Pub. Util. Code §851. PG&E states that it discovered many of these agreements in various branch office files while conducting an extensive search in the PG&E bankruptcy proceeding. Because the 256 transactions may implicate environmental review or may not meet the criteria for General Order (GO) 69-C transactions, PG&E states that it decided it would be prudent to seek formal approval of the transactions under Section 851. In addition, PG&E asserts that Commission environmental review under the California Environmental Quality Act (CEQA) is unnecessary because the majority of the transactions fit within CEQA exemptions, nine received adequate local CEQA review, and six pre-date CEQA and are thus not subject to its requirements. This decision grants Section 851 approval for 255 of the transactions on a prospective basis. The Commission notes one of the transactions fits within recent Commission decisions finding agreements allowing floating boat docks as appropriate under GO 69-C. Therefore, Commission's approval here is not required. The decision declines to impose a penalty for failure to obtain prior approval of the transactions. With respect to CEQA, the Commission notes that because all of the agreements are several years old, any activity which may have warranted Commission's environmental review has long since occurred. Accordingly, Commission's CEQA review at this time has little value for practical purposes. Nevertheless, the Commission will address the CEQA issues raised by PG&E and determine where possible, the applicability of the claimed exemptions. This proceeding is closed. (Comr Kennedy - ALJ Walker)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3124, Item 42 12/4/2003 (Kennedy);

Agenda 3127, Item 18 1/22/2004 (Wood);

Agenda 3128, Item 30 2/11/2004 (Wood);

Agenda 3130, Item 36 3/16/2004 (Lynch);

Agenda 3131, Item 24 4/1/2004 (Lynch);

Agenda 3133, Item 34 5/6/2004 (Kennedy)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172384](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172384)

---

Regular Agenda - Energy Orders (continued)

**19a**                    **ALTERNATE TO ITEM 2910**

[3306]

This alternate differs from the Proposed Decision in the manner in which CEQA concerns are resolved and in its retroactive treatment of the leases. The Proposed Decision approved the leases on a going-forward basis, while declaring them to be void for periods prior to the approval. In response to comments, the ALJ reversed that position, proposing that the Commission grant a retroactive exemption for the leases, pursuant to Section 853. The alternate adheres to the ALJ's original position on this issue.

(Comr Wood)

Agenda 3130, Item 36a 3/16/2004 (Lynch);

Agenda 3131, Item 24a 4/1/2004 (Lynch);

Agenda 3133, Item 34a 5/6/2004 (Kennedy)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=168529](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=168529)

**20**

[3268]

**A02-05-004 - Southern California Edison Company (SCE).**

I02-06-002 - Related matters. SCE's test year revenue requirement is established, a late payment charge and adjustments to other service charges are approved, a post-test year ratemaking mechanism is approved, 1997-98 capital additions are approved, and proposals for performance incentives are denied.

(Comr Wood - ALJ Wetzell)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*This matter may be considered during the Ratesetting Deliberative Meeting.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3130, Item 41 3/16/2004 (Wood);

Agenda 3131, Item 29 4/1/2004 (Kennedy);

Agenda 3132, Item 37 4/22/2004 (Kennedy);

Agenda 3133, Item 36 5/6/2004 (Peevey);

Agenda 3134, Item 34 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173639](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173639)

---

Regular Agenda - Energy Orders (continued)

**20a****ALTERNATE TO ITEM 3268**

[3269]

This alternate differs from the Proposed Decision in 3 ways, none of which affect the revenue requirement:

1. It modifies Section 5.5 Service Guarantees to adopt ORA's proposed 8-part service standard.
2. It modifies Section 6.2.7 Employee Compensation Issues to point out weaknesses in the current Total Compensation Study methodology, order SCE to develop a new study for the next GRC, and adopt Greenlining's proposal to require SCE to annually report to the Commission on total compensation to its ten most highly-compensated employees.
3. It modifies Section 13.2 The Case for Performance Incentives. CCUE had proposed benchmarks and incentives. SCE and CCUE then reached a settlement adopting modified benchmarks and incentives. The PD rejects both, stating that incentives are inconsistent with Cost of Service ratemaking. The alternate adopts CCUE's proposal.

There are changed Findings, Conclusions and Ordering Paragraphs to match these text changes. In all other respects, the drafts are the same.

(Comr Wood)

Agenda 3130, Item 41a 3/16/2004 (Wood);

Agenda 3131, Item 29a 4/1/2004 (Kennedy);

Agenda 3132, Item 37a 4/22/2004 (Kennedy);

Agenda 3133, Item 36a 5/6/2004 (Peevey);

Agenda 3134, Item 34a 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=166832](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=166832)

Regular Agenda - Energy Orders (continued)

**20b ALTERNATE TO ITEM 3268**

[3516]

I02-06-002 - Related matters. This Alternate Decision of Commissioner Kennedy makes changes to the Proposed Decision of ALJ Wetzell and does not incorporate any modifications from Commissioner Wood's Alternate Decision. Additionally, the changes made to ALJ Wetzell's PD represent an increase in SCE's current rate base of \$129 million. Specifically, this Alternate Decision would change the Proposed Decision by:

Modifying Section 4.5 to increase Transmission and Distribution Operation and Maintenance Expenses by \$1.9 million.

Modifying Section 5.2.3.4 to fully fund the Economic and Business Development Program - \$2.514 million.

Modifying Section 5.4.2 to grant Edison's request to recover \$10.8 million associated with Real Time Energy Metering;

Modifying Section 6.5.2 to increase Information Technology Expenses by \$9.969 million.

Modifying Section 6.5.3 to increase Information Technology Capital Expenditures by \$6 million.

Modifying Section 8.5 to reduce TURN's proposal to treat customer deposits as an offset to rate base to the 1996 - 2001 five-year average of \$80 million rather than the PD's use of a 2000 - 2001, 13 month average of \$117 million.

Modifying Section 9.2 to approve SCE's request for an increase in depreciation rates for certain accounts.

(Comr Kennedy)

Agenda 3133, Item 36b 5/6/2004 (Peevey);

Agenda 3134, Item 34b 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173459](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173459)

**21**

[3313]

**I00-11-001 - Order Instituting Investigation into implementation of Assembly Bill 970 regarding the identification of electric transmission and distribution constraints, actions to resolve those constraints, and related matters affecting the reliability of electric supply.**

This decision provides that a collaborative study group, coordinated by the California Independent System Operator and Commission staff, develop a transmission development plan for the Tehachapi area based on the magnitude of the identified wind resource.

(Comr Lynch - ALJ TerKeurst)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3131, Item 32 4/1/2004 (Staff);

Agenda 3132, Item 39 4/22/2004 (Staff);

Agenda 3133, Item 38 5/6/2004 (Peevey);

Agenda 3134, Item 35 5/27/2004 (Peevey)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173130](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173130)

---

Regular Agenda - Energy Orders (continued)

**21a ALTERNATE TO ITEM 3313**

[3618]

Like the ALJ's decision, this alternate provides for a collaborative study group. In parallel, it also requires Southern California Edison to return to the Commission with an application for a Certificate of Public Convenience and Necessity to build the first phase of Tehachapi area transmission network upgrades.

(Comr Peevey)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173394](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173394)

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

[3438]

This decision approves the five proposals that SDG&E presented to meet its short-term and long-term grid reliability needs. These proposals were the result of an open and competitive Request for Proposal (RFP) process that solicited bids from all qualified resources, including turn-key natural gas-fired generating units, power purchase agreements (PPA), demand response programs, and renewable resources. Out of 22 bids received, these five proposals were identified as conforming to the RFP specifications and were found to be the least cost/best fit choices for meeting the utility's need to have a diversified portfolio of resources to meet its customers grid reliability needs, are consistent with SDG&E's long-term resource plan, benefit consumers, and are in the public interest. The proposals include a demand response program from Comverge, a renewable resource contract with Envirepel, and contracts for three gas-fired facilities, Ramco, Palomar, and Otay Mesa. Ramco is a turn-key combustine turbine intermediate unit, Palomar is a turn-key 500/555 MW combined-cycle power plant, and Otay Mesa is a 10-year PPA for a 485/573 MW combined cycle facility. This proceeding is closed.

(Comr Peevey - ALJ Brown)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3133, Item 44 5/6/2004 (Wood);

Agenda 3134, Item 39 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173637](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173637)

## Regular Agenda - Energy Orders (continued)

- 22a**  
[3440] **ALTERNATE TO ITEM 3438**  
Like the ALJ's Proposed Decision (PD), this Alternate also approves the five proposals that SDG&E presented to meet its short-term and long-term grid reliability needs. However, unlike the ALJ's PD, this Alternate approves certain ratemaking mechanisms that SDG&E proposed, specifically, a higher return on equity for generation assets that will be utility-owned, and a debt equivalency premium in connection with the proposed Otay Mesa long-term power purchase agreement (PPA) to compensate SDG&E for the negative impact on its credit profile that will result from entering into the PPA.  
(Comr Peevey)  
Agenda 3133, Item 44a 5/6/2004 (Wood);  
Agenda 3134, Item 39a 5/27/2004 (Wood)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=170439](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=170439)
- 22b**  
[3571] **ALTERNATE TO ITEM 3438**  
This alternate differs from the Proposed Decision in that it (1) rejects the Otay Mesa contract proposal without prejudice, subject to its participation in a new Request for Proposals to be undertaken by SDG&E within 90 days; (2) requires SDG&E to present additional information related to its request for a waiver from the affiliate transaction ban prior to final consideration of the Palomar proposal; and (3) rejects certain requests related to revenue requirement and ratemaking related to Ramco and Palomar.  
(Comr Wood)  
Agenda 3134, Item 39b 5/27/2004 (Wood)
- 23**  
[3442] **A00-06-010 - Pacific Gas and Electric Company.**  
This decision grants Section 851 approval on a prospective basis for 78 agreements and denies Section 851 approval for 27 agreements that have terminated or relate to property that has been sold. This proceeding is closed.  
(Comr Wood - ALJ Kenney)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
Agenda 3133, Item 45 5/6/2004 (Kennedy)
- 24**  
[3474] **A03-08-004 - Pacific Gas and Electric Company (PG&E).**  
This decision adopts the 2004 Energy Resource Recovery Account revenue requirement for PG&E. The decision also adopts on an interim basis and subject to adjustment or change, PG&E's amended 2004 Competition Transition Charge revenue requirement.  
(Comr Peevey - ALJ Wong)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
Agenda 3134, Item 40 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173930](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173930)

---

Regular Agenda - Energy Orders (continued)

**25**                    **I00-11-001 - Order Instituting Investigation into implementation of Assembly Bill 970**  
[3549]                    **regarding the identification of electric transmission and distribution constraints, actions to**  
                                 **resolve those constraints, and related matters affecting the reliability of electric supply.**

This decision adopts guidelines for the development and use of transmission costs in assessing Renewable Portfolio Standard (RPS) bids in the initial RPS procurement.

(Comr Lynch - ALJ TerKeurst)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174172](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174172)

**26**                    **R04-04-026 - Order Instituting Rulemaking to implement the California Renewables**  
[3585]                    **Portfolio Standard Program.**

This decision adopts standard contract terms and condition for use in the California Renewables Portfolio Standard Program, as required by Pub. Util. Code § 399.14(a)(2)(D), consistent with the March 8, 2004 Joint Ruling issued in R01-10-024.

(Comr Peevey - ALJ Allen)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174190](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174190)

**27**                    **R04-04-026 - Order Instituting Rulemaking to implement the California Renewables**  
[3586]                    **Portfolio Standard Program.**

This decision adopts a methodology for calculating and disclosing the Market Price Referent to be used in implementing the California Renewable Portfolio Standard program.

(Comr Peevey - ALJ Allen)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172877](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172877)

---

**Regular Agenda - Energy Resolutions and Written Reports**

- 28**  
[3544]            **Res E-3866**  
Certification to the Securities and Exchange Commission (SEC) whether the California Public Utilities Commission has the resources and authority to safeguard the interests of California customers of PacifiCorp, an indirect utility subsidiary of ScottishPower plc, a holding company registered with the SEC under the Public Utility Holding Company Act of 1935, as amended (PUHCA or the Act), 15 U.S.C. §§ 79a, et seq.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174068](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174068)
- 28a**  
[3588]            **ALTERNATE TO ITEM 3544**  
The Commission certifies to the Securities and Exchange Commission (SEC) that the California Public Utilities Commission has the resources and authority to safeguard the interests of California customers of PacifiCorp, an indirect utility subsidiary of ScottishPower plc, a holding company registered with the SEC under the Public Utility Holding Company Act of 1935, as amended (PUHCA or the Act), 15 U.S.C. §§ 79a, et seq. pursuant to the conditions imposed.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174059](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174059)
- 29 (Rev.)**  
[3610]            **Res E-3874 - Pacific Gas and Electric Company (PG&E).**  
The resolution approves PG&E's new renewable resource procurement contract with Buena Vista Energy, LLC. (Advice Letter 2494-E, filed April 23, 2004)  
06/01/2004 - This revision was not shown on the Agenda mailed to the public.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173690](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173690)

## Regular Agenda - Telecommunication Orders

**30** **R01-09-001 - Order Instituting Rulemaking on the Commission's own motion to assess and**  
 [2636] **revise the new regulatory framework for Pacific Bell (Pacific) and Verizon California**  
**Incorporated.**

I01-09-002 - Related matters. This proposed decision addresses Phase 2B audit issues. The proposed decision sustains most of the findings of an audit of Pacific's intrastate financial results for the period 1997-1999 that were considered during Phase 2B. Despite the audit adjustments, this decision, read in combination with the findings reached by the Commission in Phase 2A of this proceeding, does not increase Pacific's earnings to a level requiring it to make refunds to its ratepayers.

(Comr Kennedy - ALJ Thomas)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3123, Item 40 11/13/2003 (Staff);

Agenda 3125, Item 70 12/18/2003 (Staff);

Agenda 3126, Item 57 1/8/2004 (Kennedy);

Agenda 3129, Item 31 2/26/2004 (Wood);

Agenda 3131, Item 39 4/1/2004 (Staff);

Agenda 3134, Item 45 5/27/2004 (Staff)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174066](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174066)

**30a** **ALTERNATE TO ITEM 2636**

[2637]

I01-09-002 - Related matters. This alternate proposed decision resolves Phase 2B audit issues. The alternate proposed decision sustains the analysis in the audit conducted by Overland on 51 of 68 issues, and reverses its findings on 17. The alternate proposed decision accepts Pacific's claim of lawyer-client confidentiality concerning certain information, but prohibits the booking of contingent liability accruals that rely on this information. The alternate resolves ambiguities in the Commission's process for resolving discovery disputes. Consistent with D01-06-077, the alternate orders Pacific to pay interest on the amounts due to customers at the 90-day commercial paper rate.

(Comr Kennedy)

Agenda 3123, Item 40a 11/13/2003 (Staff);

Agenda 3125, Item 70a 12/18/2003 (Staff);

Agenda 3126, Item 57a 1/8/2004 (Kennedy);

Agenda 3129, Item 31a 2/26/2004 (Wood);

Agenda 3131, Item 39a 4/1/2004 (Staff);

Agenda 3134, Item 45a 5/27/2004 (Staff)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=155051](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=155051)

Regular Agenda - Telecommunication Orders (continued)

**31**                    **A02-07-050 - SBC Pacific Bell Telephone Company (SBC California).**  
 [3236]                This decision grants SBC California's motion to dismiss this application and closes the proceeding. This proceeding is closed with prejudice for a period of two years, during which time SBC California may not seek recategorization of its directory assistance services.  
 (Comr Lynch - ALJ Malcolm)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*  
 Agenda 3130, Item 50 3/16/2004 (Staff);  
 Agenda 3131, Item 46 4/1/2004 (Brown);  
 Agenda 3132, Item 51 4/22/2004 (Kennedy);  
 Agenda 3133, Item 51 5/6/2004 (Kennedy)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171322](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171322)

**31a**                    **ALTERNATE TO ITEM 3236**  
 [3557]                This alternate, like the ALJ's draft decision, grants SBC's motion to dismiss A02-07-050. The alternate, unlike the draft decision, does not set a time in which SBC is prohibited from applying for recategorization of its directory assistance service. The alternate finds that such a policy is not in the public interest and is inconsistent with pricing policies adopted in the NRF proceeding. This proceeding is closed.  
 (Comr Kennedy)

**32**                    **I02-05-001 - Investigation into NOS COMMUNICATIONS, INC., dba International Plus,**  
 [3424]                **011 Communications, Internet Business Association, I-Vantage Network Solutions;**  
**AFFINITY NETWORK, INC., dba QuantumLink Communications and HorizonOne**  
**Communications; and 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.**  
 A01-12-013 - Related matters. This decision approves with modifications the settlement agreement filed on December 9, 2003 by respondents and the Consumer Protection and Safety Division. Under the settlement, respondents will pay the Commission \$2.95 million over a 24 month period, and 1400 eligible customers will receive restitution payments. Respondents have also agreed to abide by a marketing and sales compliance program included in a recent FCC consent decree. I02-05-001 is closed.  
 (Comr Brown - ALJ McKenzie)  
*Pub. Util. Code § 311 – This item was mailed for Public Comment.*  
*Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.*  
 Agenda 3133, Item 52 5/6/2004 (Staff);  
 Agenda 3134, Item 48 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173129](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173129)

---

Regular Agenda - Telecommunication Orders (continued)

**33**

**A01-02-024 - AT&T Communications of California, Inc. and WorldCom, Inc.**

[3523]

A01-02-035, A02-02-031, A02-02-032, A02-02-034, A02-03-002 - Related matters. This decision adopts revised monthly recurring unbundled network element (UNE) rates for several UNEs that Pacific Bell Telephone Company dba SBC-California sells to competitive local exchange carriers. The UNEs for which revised monthly recurring rates are adopted are loops (including 2-wire, DS-1 and DS-3), switching, dedicated transport, signaling system 7 (SS7) links, and the DS-3 entrance facility without equipment. The rates in today's order replace interim rates for loops and switching that were set in D02-05-042 and replace rates for other UNEs originally adopted in D99-11-050. This order adopts a statewide average 2-wire loop rate of \$12.92 and a flat rate for switching usage of \$2.64 per port. These rates result in a UNE-Platform rate of \$16.90 per month. The Commission sets these rates based on the average of the results of the models proposed by SBC-CA and the HAI Model, Version 5.3, proposed by AT&T Communications of California and WorldCom, Inc. An average of the two competing models is used based on the finding that both models are flawed. These proceedings are closed.

(Comr Wood - ALJ Duda)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

**33a**

**ALTERNATE TO ITEM 3523**

[3524]

A01-02-035, A02-02-031, A02-02-032, A02-02-034, A02-03-002 - Related matters. This alternate decision adopts revised monthly recurring unbundled network element (UNE) rates for several UNEs that Pacific Bell Telephone Company dba SBC-California sells to competitive local exchange carriers. The alternate adopts a statewide average 2-wire loop rate of \$13.26 and a flat rate for switching usage of \$2.77 per port. These rates result in a UNE-Platform rate of \$17.38 per month. The rates are based on the average of the results of the models proposed by SBC-CA and the HAI Model, Version 5.3, proposed by AT&T Communications of California and WorldCom Inc. An average of the two competing models is used based on the finding that both models are flawed. This alternate incorporates inflation factors into the SBC-CA model and it assumes the use of 60% Integrated Digital Loop Carrier equipment as a modeling input.

(Comr Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171946](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171946)

---

**Regular Agenda - Telecommunication Resolutions and Reports****34**

[3108]

**Res T-16818 - SBC California (SBC).**

This resolution dismisses without prejudice SBC's request to waive the installation service charge for eligible residence and business customers returning from facilities-based carrier service. This resolution finds that it is inappropriate to use the informal 'burden test' in SBC's advice letter filings addressed in this resolution. The imputation tests required under the Implementation Rate Design Decision are used in this resolution. This resolution does not require any retroactive changes to rates and charges set based on the informal burden test and does not trigger any price increases for services which were approved previously through the use of the informal burden test. (Advice Letters 24278 and 24279, filed October 10, 2003)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

Agenda 3127, Item 37 1/22/2004 (Staff);

Agenda 3128, Item 49 2/11/2004 (Kennedy);

Agenda 3129, Item 34 2/26/2004 (Staff);

Agenda 3130, Item 51 3/16/2004 (Peevey);

Agenda 3131, Item 47 4/1/2004 (Peevey);

Agenda 3133, Item 55 5/6/2004 (Kennedy);

Agenda 3134, Item 50 5/27/2004 (Brown)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=169794](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=169794)

**34a**

[3564]

**ALTERNATE TO ITEM 3108**

This alternate differs from the proposed resolution in one significant way: it affirms and maintains the Telecommunications Division's policy as adopted in previous resolutions to use the "non-recurring burden test" to permit the discounting or waiver of non-recurring charges when the service provided covers costs. As a consequence, this resolution does not trigger immediate \$56 million in price increases for SBC's telecommunications services which were approved previously through use of the "burden test."

(Comr Kennedy)

Agenda 3134, Item 50a 5/27/2004 (Brown)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172614](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172614)

**35**

[3603]

**Res T-16846**

This resolution grants the disbursement \$7.835 million from the California High Cost Fund A to fund three (3) Rural Telecommunications Infrastructure Grant Programs per D03-09-071.

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173422](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173422)

---

**Regular Agenda - Water/Sewer Orders****36**

[3099]

**A02-07-021 - Southern California Water Company (SCWC).**

In Interim Decision 03-05-001 on May 8, 2003, the Commission approved a settlement between the City of Santa Monica (City) and SCWC that conveyed SCWC water rights to the City and relieved SCWC from its participation in a number of pending lawsuits related to the Charnock Groundwater Basin. The issue of ratemaking treatment of the settlement proceeds and the issue of contamination payments made to SCWC by oil companies were deferred to this phase of the proceeding. This decision resolves those issues. The application is closed.

(Comr Kennedy - ALJ Walker)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3127, Item 42 1/22/2004 (Lynch);

Agenda 3129, Item 37 2/26/2004 (Lynch);

Agenda 3131, Item 50 4/1/2004 (Wood);

Agenda 3132, Item 54 4/22/2004 (Staff);

Agenda 3133, Item 57 5/6/2004 (Wood);

Agenda 3134, Item 52 5/27/2004 (Brown)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173638](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173638)

**36a**

[3459]

**ALTERNATE TO ITEM 3099**

This Alternate Decision directs the Southern California Water Company to refund to ratepayers the net proceeds received from the City for SCWC's Charnock Basin cause of action, to remove relevant Charnock Basin assets from rate base in its current general rate case for the region, Application (A.) 03-10-006, to transfer net proceeds received from Potentially Responsible Parties (PRPs) with respect to the Charnock Basin contamination from Account 704 (purchased water) to Account 704.02 (purchased water balancing account) for later refund to ratepayers of the excess shown in Account 704.02, and to book future net proceeds to be received from PRPs with respect to the Charnock Basin contamination to Account 704.02 for later refund to ratepayers of the excess shown in Account 704.02.

(Comr Lynch)

Agenda 3132, Item 54a 4/22/2004 (Staff);

Agenda 3133, Item 57a 5/6/2004 (Wood);

Agenda 3134, Item 52a 5/27/2004 (Brown)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173801](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173801)

---

Regular Agenda - Water/Sewer Orders (continued)

**37**                    **R03-09-005 - Order Instituting Rulemaking on the Commission's own motion to evaluate existing practices and policies for processing general rate cases and to revise the general rate case plan for Class A water companies.**  
[3213]

This decision adopts rate case plan filing schedule and content requirements. This proceeding shall remain open.

(Comr Brown - ALJ Bushey)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*

Agenda 3132, Item 55 4/22/2004 (Staff);

Agenda 3134, Item 53 5/27/2004 (Staff)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173808](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173808)

**38**                    **A02-11-044 - San Gabriel Valley Water Company.**  
[3348]

This decision authorizes San Gabriel Water Company (Fontana Division) revenue increases of \$7.6 million or 23.7% for 2004, \$1.7 million or 4.6% for 2005, and \$1.7 million or 4.2% for 2006. The average residential customer's bill for 23 hundred cubic feet will increase from \$37.11 to \$46.24 per month. This proceeding is closed.

(Comr Peevey - ALJ Patrick)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

Agenda 3132, Item 57 4/22/2004 (Brown);

Agenda 3133, Item 59 5/6/2004 (Brown);

Agenda 3134, Item 54 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173640](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173640)

**38a**                    **ALTERNATE TO ITEM 3348**  
[3568]

This alternate decision differs from the ALJ Proposed Decision in two ways: 1) It adopts a cap using a 3 year average of the company's recorded plan additions for the period 2001-2003 and 2) The condemnation proceeds from the County of San Bernardino will be subject to an audit by Water Division staff and will be addressed in San Gabriel Fontana District's next GRC.

(Comr Brown)

Agenda 3134, Item 54a 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=172509](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=172509)

---

Regular Agenda - Water/Sewer Orders (continued)

**39**

**A01-09-062 - California Water Service Company.**

[3550]

A01-09-063, A01-09-064, A01-09-065, A01-09-066, A01-09-067, A 01-09-068, A01-09-069, A01-09-070, A01-09-072, A01-09-073 and A01-09-074 - Related matters. This decision adopts a methodology for calculating the effective date surcharge for California Water Service Company. A01-09-062, A01-09-063, A01-09-064, A01-09-065, A01-09-066, A01-09-067, A01-09-068, A01-09-069, A01-09-070, A01-09-072, A01-09-073, and A01-09-074 are closed.

(Comr Kennedy - ALJ Bushey)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*

**39a**

**ALTERNATE TO ITEM 3550**

[3553]

A01-09-063, A01-09-064, A01-09-065, A01-09-066, A01-09-067, A 01-09-068, A01-09-069, A01-09-070, A01-09-072, A01-09-073 and A01-09-074 - Related matters. This alternate adopts the methodology proposed by California Water Service Company for implementing the effective date set in D03-04-033 for the rates adopted in D03-09-021.

(Comr Kennedy)

## Regular Agenda - Water/Sewer Resolutions and Reports

**40**

**Res W-4471 - Stirling Bluffs Corporation (Stirling).**

[3469]

This resolution authorizes Stirling a general rate increase in rates producing \$1,425 or 1.3% in additional annual revenue.

Agenda 3133, Item 16 5/6/2004 (Kennedy)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171180](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171180)

---

**Regular Agenda - Transportation/Rail Safety Orders****41**

[3584]

**I03-07-009 - Investigation for the purpose of establishing a list for the fiscal years 2004-2005 and 2005-2006 of existing and proposed crossings at grade of city streets, county roads or state highways in need of separation, or projects affecting 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.**

This interim order adopts the California Grade Separation Priority List for Fiscal Year 2004-2005, as required by Streets and Highways Code Section 2452. I03-07-009 will remain open until the Commission issues the final order adopting the Grade Separation Priority List for Fiscal Year 2005-2006.

(Comr Wood - ALJ Henderson)

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

*Pub. Util. Code §1701.1 -- This proceeding is categorized as Quasi-Legislative.*

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174158](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174158)

**Regular Agenda - Other Utility Orders****42**

[3354]

**Res ALJ 184**

This resolution adopts an annual process for setting and updating hourly rates for use by intervenors in seeking compensation for substantially contributing to a Commission decision, as provided in the statutory intervenor funding program. The hourly rates that the Commission establishes through this process will govern intervenors and their representatives who have recently participated in Commission proceedings, and will provide guidance to other intervenors and representatives.

*Pub. Util. Code § 311 – This item was mailed for Public Comment.*

Agenda 3132, Item 61 4/22/2004 (Staff);

Agenda 3133, Item 61 5/6/2004 (Wood);

Agenda 3134, Item 58 5/27/2004 (Wood)

[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174020](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174020)

**Regular Agenda - Legal Division Matters**

**43**                    **FCC CG Docket No. 04-208**  
[3609]                Filing of comments before the Federal Communications Commission on the National Association of State Utility Consumer Advocates' Petition for Declaratory Ruling Regarding Truth-in-Billing and Billing Format (filed March 20, 2004).

**44 (Rev.)**           **FCC CC Docket No.92-105**  
[3619]                In the Matter of The Use of N11 Codes and Other Abbreviated Dialing Arrangements. The Commission will file comments in the FCC's rulemaking proceeding regarding Abbreviated Dialing Arrangements.  
06/07/2004 - This revision was not shown on the Agenda mailed to the public.

---

**Regular Agenda - Legislative Matters**

- 45**                    **AB 1169 (Bermudez)**  
[3368]                Public utilities: telephone corporations; disposition of property.  
                         Agenda 3131, Item 52 4/1/2004 (Staff);  
                         Agenda 3132, Item 62 4/22/2004 (Kennedy);  
                         Agenda 3133, Item 65 5/6/2004 (Staff);  
                         Agenda 3134, Item 60 5/27/2004 (Staff)  
                         [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171297](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171297)
- 46**                    **AB 1776 (Bowen)**  
[3578]                Electrical energy: thermal powerplants.  
                         Agenda 3134, Item 61 5/27/2004 (Staff)
- 47**                    **AB 2006 (Nunez)**  
[3370]                Electrical restructuring: Reliable Electric Service Act of 2004.  
                         Agenda 3131, Item 54 4/1/2004 (Staff);  
                         Agenda 3132, Item 64 4/22/2004 (Staff);  
                         Agenda 3133, Item 67 5/6/2004 (Staff);  
                         Agenda 3134, Item 62 5/27/2004 (Staff)  
                         [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171256](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171256)
- 48**                    **AB 2303, as amended (Leno)**  
[3614]                Public utilities: corporate taxation: insolvency.  
                         [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174186](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174186)
- 49**                    **AB 2430 (Wiggins)**  
[3373]                Commercial air carriers: hot air balloons.  
                         Agenda 3131, Item 57 4/1/2004 (Staff);  
                         Agenda 3132, Item 67 4/22/2004 (Kennedy);  
                         Agenda 3133, Item 70 5/6/2004 (Staff);  
                         Agenda 3134, Item 64 5/27/2004 (Staff)  
                         [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171265](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171265)

---

Regular Agenda - Legislative Matters (continued)

- 50**                    **AB 2505 (Maldonado)**  
[3375]                    Public utilities: stocks and security transactions.  
                              Agenda 3131, Item 59 4/1/2004 (Staff);  
                              Agenda 3132, Item 69 4/22/2004 (Kennedy);  
                              Agenda 3133, Item 71 5/6/2004 (Staff);  
                              Agenda 3134, Item 65 5/27/2004 (Staff)  
                              [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171263](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171263)
- 51**                    **AB 2593 (Calderon)**  
[3503]                    Self-generation incentive program.  
                              Agenda 3133, Item 79 5/6/2004 (Staff);  
                              Agenda 3134, Item 69 5/27/2004 (Staff)
- 52**                    **AB 2643 (Canciamilla)**  
[3613]                    Energy: natural gas.  
                              [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174205](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174205)
- 53**                    **AB 2652 (Bates)**  
[3504]                    Electricity: Repowering powerplants.  
                              Agenda 3133, Item 80 5/6/2004 (Staff);  
                              Agenda 3134, Item 70 5/27/2004 (Staff)
- 54**                    **AB 2768 (Richman)**  
[3376]                    Telecommunications: regulatory streamlining.  
                              Agenda 3131, Item 60 4/1/2004 (Staff);  
                              Agenda 3132, Item 70 4/22/2004 (Kennedy);  
                              Agenda 3133, Item 72 5/6/2004 (Staff);  
                              Agenda 3134, Item 71 5/27/2004 (Staff)  
                              [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=171296](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=171296)
- 55**                    **AB 2799 (Calderon)**  
[3616]                    Telecommunications: billings.
- 56**                    **AB 2858 (Ridley-Thomas)**  
[3615]                    Charter-party carriers of passengers: drivers and key employees: background checks.  
                              [http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174187](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174187)

---

Regular Agenda - Legislative Matters (continued)

- 57**                    **SB 909 (Machado)**  
[3612]                Public water systems: mutual water companies: grant funds.  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174204](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174204)
- 58**                    **SB 1201 (Torlakson)**  
[3379]                Electrical restructuring: BART.  
Agenda 3131, Item 63 4/1/2004 (Staff);  
Agenda 3132, Item 73 4/22/2004 (Staff);  
Agenda 3133, Item 74 5/6/2004 (Staff);  
Agenda 3134, Item 73 5/27/2004 (Staff)
- 59**                    **SB 1478 (Sher)**  
[3581]                Renewable energy.  
Agenda 3134, Item 74 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=174203](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=174203)
- 60**                    **SB 1624 (Bowen)**  
[3506]                Public Utilities Commission: Office of Ratepayer Advocates.  
Agenda 3133, Item 82 5/6/2004 (Staff);  
Agenda 3134, Item 76 5/27/2004 (Staff)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173445](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173445)
- 61**                    **SB 1858 (Dunn)**  
[3582]                Telephone corporations: statewide emergency telephone system.  
Agenda 3134, Item 77 5/27/2004 (Brown)  
[http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC\\_ID=173443](http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=173443)
- 62**                    **Proposed Federal Legislation:**  
[3583]                Staff Proposal for Federal Legislation to Strengthen California Rail Safety Standards.  
Agenda 3134, Item 78 5/27/2004 (Staff)

**Regular Agenda - Commissioner's Reports**

**Regular Agenda - Management Reports and Resolutions**

## 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 disclosures required by Government Code Sections 11125.2 and 11126.3(f).*

### Closed Session - Non-Federal

- 63**                    **Conference with Legal Counsel - Applications for Rehearing**  
 [3538]                    Compilation of applications for rehearing recently filed with the Commission.  
                               *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*
- 64**                    **R01-10-024 - Conference with Legal Counsel - Applications for Rehearing**  
 [3565]                    Disposition of Applications for Rehearing of D04-01-050 filed by Cogeneration Association of California/Energy Producers and Users Coalition, Southern California Edison Company (SCE), San Diego Gas & Electric Company, Alliance for Retail Energy Markets, Constellation NewEnergy, Inc., and California Wind Energy Association, and Application for Rehearing of D03-12-062 filed by SCE. In D04-01-050 and D03-12-062, the Commission adopted a long-term regulatory framework under which California's electric utilities will plan for and procure the energy resources and demand-side investments necessary to ensure their customers receive reliable service at low and stable prices.  
                               *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*  
                               Agenda 3134, Item 82 5/27/2004 (Staff)
- 65**                    **A02-11-020 - Conference with Legal Counsel - Applications for Rehearing**  
 [3599]                    Order disposing of joint application for rehearing of D04-03-040 filed by California Water Service Company (Cal Water) and the Office of Ratepayer Advocates (ORA). D04-03-040 authorizes a general rate increase for the Redwood Valley District of Cal Water.  
                               *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*
- 66**                    **A02-12-027 - Conference with Legal Counsel - Application for Rehearing**  
 [3606]                    A02-12-028, I03-03-016 - Related matters. Disposition of the application for rehearing of D03-12-058 filed by Southern California Edison Company (SCE). D03-12-058 found Local 483 Utility Workers Union of America eligible for intervenor compensation under Chapter 9, Article 5, Section 1801, et seq., of the Public Utilities Code.  
                               *Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.*

---

**Closed Session - Initiation of Litigation - Non-Federal**

Consideration of possible Commission initiation of, or intervention in, litigation.

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

**67**

[3409]

**Conference with Legal Counsel - Initiation of Enforcement Proceeding**

Deliberation on institution of proceeding on disciplinary actions against person or entities subject to Commission's jurisdiction. (Disclosure of case name would fail to protect the private economic or business reputation of the person or entity if the proceeding or disciplinary action is not commenced.)

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

*Gov. Code § 11126(d)(2), allows this item to be considered in Closed Session.*

Agenda 3132, Item 79 4/22/2004 (Kennedy);

Agenda 3133, Item 88 5/6/2004 (Staff);

Agenda 3134, Item 84 5/27/2004 (Staff)

**Closed Session - Threatened Litigation - Non-Federal**

Significant exposure to litigation

*Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session*

### **Closed Session - Personnel Matters**

Consideration of appointment, employment, evaluation of performance, or dismissal of a public employee or to hear complaints or charges brought against that employee by another person or employee.

*Gov. Code § 11126(a), allows this item to be considered in Closed Session*

**Closed Session - Threatened Litigation - Federal**

Significant exposure to litigation in federal agency or court proceedings.

*Gov. Code § 11126(e)(2)(B), allows this item to be considered in Closed Session*

**Closed Session - Initiation of Litigation - Federal**

Consideration of possible Commission initiation of, or intervention in, federal agency or court proceedings.

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

**68**

[3611]

**FCC WC Docket No. 03-109 - Conference with Legal Counsel - Initiation of Litigation**

FCC WC Docket No. 03-109, In the Matter of Lifeline and Link-Up.

*Gov. Code § 11126(e)(2)(C)(i), allows this item to be considered in Closed Session.*

**Closed Session - Federal****69**                    **Case Nos. C 04-00580 VRW (Bankruptcy Case No. 01 30923 DM) - Conference with Legal**  
[3540]                    **Counsel - Existing Litigation**

Loretta Lynch vs. California Public Utilities Commission, Pacific Gas and Electric Company (Debtor), U.S. District Court for the Northern District of California, Case No. C 04-00580 VRW; Pacific Gas and Electric Company (Debtor), United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 01 30923 DM.

*Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.*

**70**                    **Case No. 00-1012 et al. - Conference with Legal Counsel - Existing Litigation**  
[3510]

United States Telecom Association v. Federal Communications Commission, et al., U.S. Court of Appeals for the D.C. Circuit, Case No. 00-1012 et al.

*Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.*

Agenda 3133, Item 92 5/6/2004 (Staff);

Agenda 3134, Item 91 5/27/2004 (Staff)

**Closed Session - FERC Docket No. EL00-95-000**

Conference with Legal Counsel - Existing Litigation; San Diego Gas & Electric Co., EL00-95-000

*Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.*