
Public Utilities Commission of the State of California

Public Agenda 3168

Thursday, March 2, 2006 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Geoffrey F. Brown

Rachelle B. Chong

Dian M. Grueneich

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.) <i>Closed to the Public</i>	<i>Commission Meeting</i> Auditorium (10 a.m.) <i>Open to the Public</i>
Monday, March 13, 2006 (San Francisco)	Thursday, March 02, 2006 (San Francisco)
Monday, April 10, 2006 (San Francisco)	Wednesday, March 15, 2006 (San Francisco)
Monday, April 24, 2006 (San Francisco)	Thursday, April 13, 2006 (San Francisco)
Monday, May 08, 2006 (San Francisco)	Thursday, April 27, 2006 (San Francisco)
	Thursday, May 11, 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.*

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
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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 C88-03-016 - The City of St. Helena, Town of Yountville, County of Napa, Napa Valley Vintners Association vs. Napa Valley Wine Train, Inc.

[52367]

Following decisions by the Court of Appeal and the California Supreme Court, this decision denies Petition for Modification filed by Wine Train and closes this proceeding. The denial leaves standing Decision 01-06-034, in which the Commission determined that Wine Train’s excursion service is not a public utility service.

(Comr Grueneich - ALJ Vieth)

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

Agenda 3167, Item 11 2/16/2006 (Brown)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222991

2 Res ALJ 176-3168

[5235]

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.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222141

Consent Agenda - Orders and Resolutions (continued)

- 3**
[5271] **A04-02-031 - City of Gridley.**
This decision grants the application of the City of Gridley to close a lightly used rail crossing but denies approval at this time for construction of a major new crossing that, while clearly needed, presents significant safety concerns. The denial of the application is without prejudice to refile by the City of Gridley of a crossing plan that more compellingly addresses safety issues raised by the California Department of Transportation, Commission staff, and the Union Pacific Railroad Company. This proceeding is closed.
(Comr Peevey - 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 3167, Item 13 2/16/2006 (Peevey)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221694
- 4**
[5291] **A04-06-035 - San Deigo Gas & Electric Company.**
For recovery of costs related to the 2003 Southern California Wildfires under the Catastrophic Event Memorandum Account. This decision awards The Utility Consumers' Action Network \$59,388.92 for its substantial contributions to D05-08-037 on San Diego Gas & Electric Company's 2003 Southern California Wildfires Recovery. This proceeding is closed.
(Comr Peevey - ALJ Long)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3167, Item 24 2/16/2006 (Chong)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=220769
- 5**
[5292] **A05-01-007 - Network International Solutions, Inc. (Applicant).**
This decision dismisses Applicant's request for a certificate of public convenience and necessity to provide facilities-based and resold competitive local exchange services based on Applicant's failure to complete the application. This proceeding is closed.
(Comr Peevey - ALJ Prestidge)
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=221736

Consent Agenda - Orders and Resolutions (continued)

- 6**
[5293] **R01-12-009 - Order Instituting Rulemaking on the Commission's own motion to evaluate existing practices and policies for processing offset rate increases and balancing accounts in the water industry to decide whether new processes are needed.**
This decision suspends, until further notice, the earnings test adopted in Decision 03-06-072 which currently applies to balancing account recovery for Class A water companies' balancing accounts existing on or after November 29, 2001. This proceeding is closed.
(Comr Brown - ALJ Econome)
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=222818
- 7**
[5304] **I _____ - Order Instituting Investigation on the Commission's own motion into the rates, operations, practices, service, and facilities of San Gabriel Valley Water Company.**
In San Gabriel Valley Water Company (San Gabriel) last general rate case decision (Decision 04-07-034), the Commission left open for further hearing an adjustment for some \$27 million received by San Gabriel as payment for sales, condemnation, and water contamination damages. This Ordering Instituting Investigation puts San Gabriel on notice that a reduction in rates and refunds may result.
Agenda 3167, Item 26 2/16/2006 (Bohn)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223051
- 8**
[5305] **C05-10-002 - Douglas J. and Sherri L. Massongill vs. Hillview Water Company, Inc.**
This decision denies the complaint, finding that the fact that the undeveloped property briefly had water service in 1998 (until cancelled by the prior owners) does not qualify the property for an exemption from the moratorium on new service connections imposed in 2001. This proceeding is closed.
(Comr Peevey - ALJ Vieth)
Pub. Util. Code § 311 – This item was mailed for Public Comment.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Adjudicatory.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=219939
- 9**
[5316] **Res T-16996**
This resolution implements D05-12-013 adopting: the enrollment forms for the Universal Lifeline Telephone Service (ULTS) program; setting the effective date of General Order 153 as of July 1, 2006; a uniform customer notification to be used by utilities providing ULTS services informing consumers of the ULTS program changeover from self-certification to means-tested/income-documented requirement.
Pub. Util. Code § 311 – This item was mailed for Public Comment.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222853

Consent Agenda - Orders and Resolutions (continued)

- 10**
[5322] **R02-01-011 - Order Instituting Rulemaking regarding the implementation of the suspension of direct access pursuant to Assembly Bill 1X and Decision 01-09-060.**
- This decision establishes the procedures for eligible publicly owned utilities to be added to the list of entities whose customers are exempt from Municipal Departing Load Customer Responsibility Surcharges as authorized by Decision 04-11-014. In D04-11-014, the Commission adopted eligibility criteria for existing publicly-owned utilities whose customers may qualify for the limited Cost Responsibility Surcharges exemption applicable to "transferred load" as discussed in that order. (Comr Brown - ALJ Pulsifer)
- 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=222829
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- 11**
[5337] **A05-11-001 - Mukesh Berry, dba Berry Airport Shuttle Service & Limo (Applicant).**
- This decision authorizes Applicant to operate as a passenger stage corporation between points in the Counties of Alameda, San Mateo, and Santa Clara, on the one hand, and San Francisco, Oakland, and San Jose International Airports, on the other hand. This proceeding is closed. (Exam Clark)
- Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*
- http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221279
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- 12**
[5338] **A05-12-034 - Matthew B. Tozer, William J. Edelhauser, James L. Shafer, William H. Caouette, Robert Black, Thomas James Orr, Deborah Lynn Bull, Levon Gugasian and Zarouhi Gugasian.**
- This decision authorizes Gugasian Trust to acquire control of Catalina Passenger Service, Inc., a vessel common carrier, through the purchase of 100% of the issued and outstanding share of corporate stock. This proceeding is closed. (Exam Clark)
- Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*
- http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221274
-
- 13**
[5339] **A05-09-029 - Gurpal Singh Banga and Kulwinder Singh.**
- This decision authorizes Gurpal Singh Banga to transfer his passenger stage corporation certificate to Kulwinder Singh. This proceeding is closed. (Exam Clark)
- Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.*
- http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221278

Consent Agenda - Orders and Resolutions (continued)

- 14** **A05-12-009 - Horse Run Tour, Inc. (Applicant).**
[5340] This decision authorizes Applicant to operate as a passenger stage corporation between Los Angeles, on the one hand, and San Jose and San Francisco, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
(Exam Clark)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221277
- 15** **A05-11-018 - Red Vans Mg'mt. Services, Inc. (Applicant).**
[5344] This decision authorizes Applicant to operate as a passenger stage corporation between points in Los Angeles, Orange, Ventura, Riverside, and San Bernardino Counties, on the one hand, and Los Angeles International, John Wayne, Ontario International, Long Beach, and Bob Hope Airports, Los Angeles and Long Beach Harbors, the Los Angeles Amtrak Station, and the Los Angeles Greyhound Terminal, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
(Exam Clark)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221291
- 16** **A05-12-031 - Georgi Demetrov Nikolov and Christian Georgiev Demetrov (Applicants).**
[5345] This decision authorizes Applicants to operate as a passenger stage corporation between points in the Counties of Alameda, Marin, San Francisco, and Sonoma, on the one hand, and San Francisco, Oakland, and San Jose International Airports, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221289
- 17** **A05-02-029 - Southern California Edison Company (SCE).**
[5352] For approval of incremental energy efficiency program activities for summer 2005. This decision grants The Utility Reform Network \$7,304.95 and denies Women's Energy Matters \$4,800 for participation leading to Decision 05-05-012. This proceeding involved a request by the SCE for extraordinary funds for energy efficiency programs designed to reduce peak demand during the summer of 2005. Because SCE did not issue its request for funding until February 25, 2005, and the programs required a spring start-up, the entire process occurred on an extremely expedited basis. Application 05-02-029 is closed.
(Comr Peevey - ALJ Weissman)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221369

Consent Agenda - Orders and Resolutions (continued)

18 **A05-11-019 - SKK Enterprises, Inc. (Applicant).**
[5353] This decision authorizes Applicant to operate as a passenger stage corporation between points in Los Angeles, Orange, Ventura, Riverside, and San Bernardino Counties, on the one hand, and Los Angeles International, John Wayne, Ontario International, Long Beach, and Bob Hope Airports, Los Angeles and Long Beach Harbors, the Los Angeles Amtrak Station, and the Los Angeles Greyhound Terminal, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.
(Exam Clark)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221296

19 **I _____ - Order Instituting Investigation on the Commission's own motion into the rates, operations, practices, service and facilities of PacifiCorp.**
[5362] This Order Instituting Investigation places PacifiCorp on notice that this investigatory proceeding is opened to allow the Commission to hear proposals other than those presented by PacifiCorp in its application seeking a general rate increase and implementation of an energy cost adjustment clause and a post test year-adjustment mechanism.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221789

20 **Res W-4587 - Rogina Water Company, Inc. (RWC).**
[5356] This resolution authorizes RWC a general rate increase producing an additional annual revenue of \$97,531 or 20% in 2006. RWC, A Class C water utility, has requested authority under Section VI of General Order 96-A and Section 454 o the Pub. Util. Code to increase its water rates to recover increased expenses of operation and earn an adequate return on its plant investment.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221467

Regular Agenda

Regular Agenda - Energy Orders

- 21** **R04-04-003 - Order Instituting Rulemaking to promote policy and program coordination and integration in electric utility resource planning.**
[5241]
- This decision considers Pacific Gas and Electric Company's request to purchase and deliver gas, as needed for electric and gas system reliability purposes, to supply generating units under the California Independent System Operator reliability must run contracts with Calpine Company and its affiliates, and for authorization to recover from its ratepayers the costs associated with these activities.
(Comr Peevey - ALJ Brown)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
Agenda 3165, Item 48 1/12/2006 (Staff);
Agenda 3166, Item 36 1/26/2006 (Peevey);
Agenda 3167, Item 46 2/16/2006 (Peevey)
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221712
- 22** **I _____ - Order Instituting Investigation on the Commission's own motion into the rates, operations, practices, service and facilities of Pacific Gas and Electric Company.**
[5341]
- This Order Instituting Investigation (OII) is issued as a companion to, and consolidated with, Pacific Gas and Electric Company's (PG&E) general rate case proceeding Application 05-12-002. The purpose of this OII is to enable the Commission to consider matters that are outside the confines of the specific relief sought by PG&E in A05-12-002. In A05-12-002 PG&E requested an increase of its base rate revenues of \$682 million for Test Year 2007.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221327
- 23** **A05-07-018 - Lodi Gas Storage, L.L.C. (LGS).**
[5355]
- This decision grants a certificate of public convenience and necessity (CPCN) to LGS to construct and operate the Kirby Hills Natural Gas Storage Facility in Solano County. The facility will consist of three parts: (1) a gas receiving and metering station, which will be constructed near pipelines 400 and 401 of Pacific Gas and Electric Company, (2) a 5.9-mile pipeline, and (3) a gas storage and withdrawal site in the Kirby Hills area that is connected to the receiving/metering station via the pipeline. This decision also adopts the Final Initial Study/ Mitigated Negative Declaration (IS/MND) prepared by the Commission as lead agency for the project pursuant to the California Environmental Quality Act. As a condition of receiving the CPCN, LGS will be required to comply with each and every condition set forth in the Final IS/MND, which is virtually identical to the Draft IS/MND that was circulated for public review and comment on January 17, 2006. This proceeding is closed.
(Comr Bohn - ALJ McKenzie)
Pub. Util. Code §1701.1 -- This proceeding is categorized as Ratesetting.
http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223133

Regular Agenda - Energy Orders (continued)

24 (Rev.) **R_____ - Order Instituting Rulemaking regarding policies, procedures and rules for the California Solar Initiative Program, the Self-Generation Incentive Program and other distributed generation and distributed energy resource programs.**
[5367]

Order instituting rulemaking regarding policies, procedures and rules for the California Solar Initiative Program, the Self-Generation Incentive Program and other distributed generation and distributed energy resource programs.

(Comr Peevey - ALJ Malcolm)

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

02/24/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223015

Regular Agenda - Energy Resolutions and Written Reports

25

Res E-3968 - San Diego Gas & Electric Company (SDG&E).

[5306]

This resolution denies SDG&E's request to allow the City of San Marcos to borrow 19 years into their future Rule 20.A allocation. (Advice Letter 1722-E, filed August 29, 2005)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222119

Regular Agenda - Telecommunication Orders

26
[5130]

R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.

I93-04-002 - Related matters. This decision, in the "Verizon UNE phase" of OANAD, sets unbundled network element (UNE) rates for Verizon California and price floors for Category II services. Rates are set using the HM 5.3 model proposed by AT&T and MCI, and include a 9.89% cost of capital and an overhead markup of 8.93%. The average basic loop rate is \$14.07, a 24% increase from the \$11.36 interim loop rate set in D05-01-057. The new flat monthly port rate is \$3.12. The Verizon models are rejected as not forward-looking. Verizon must calculate billing adjustments of interim rates to the rates in this order, but payment of any billing adjustment is stayed pending further proceedings to determine payment options. With regard to price floors, the Commission agrees to modify D99-11-050 and remove unbundled switching from the price floor calculation. Verizon is directed to file a compliance filing updating its price floor calculations based on the methodology used in D03-03-033, updated to reflect the UNE prices in to-day's order.

(Comr Peevey - ALJ Duda)

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

Agenda 3165, Item 49 1/12/2006 (Staff);

Agenda 3166, Item 39 1/26/2006 (Chong);

Agenda 3167, Item 54 2/16/2006 (Bohn)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222037

27
[5185]

R03-08-018 - Order Instituting Rulemaking to review policies concerning intrastate carrier access charges.

This decision reduces intrastate access charges by eliminating two non-cost based charges - the network interconnection charge and transport interconnection charge. Local exchange carriers are ordered to record lost revenue in a memorandum account. This proceeding is closed.

(Comr Peevey - ALJ Bushey)

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

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

Agenda 3166, Item 40 1/26/2006 (Peevey);

Agenda 3167, Item 55 2/16/2006 (Staff)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221474

Regular Agenda - Telecommunication Orders (continued)

28 (Rev.) **R00-02-004 - Order Instituting Rulemaking on the Commission's own motion to establish consumer rights and protection rules applicable to all telecommunications utilities.**
[5211]

This decision adopts Revised General Order No. 168, Market Rules to Empower Consumers and to Prevent Fraud. The General Order enumerates consumer rights and freedom of choice principles; extends to wireless carriers rules addressing (i) investigatory efforts of the Consumer Affairs Branch, (ii) worker identification, and (iii) Emergency 911 access that currently apply only to holders of Commission-issued Certificates of Public Convenience and Necessity; and combines these rules with a set of anti-slamming rules. The decision adopts rules governing the placement of all types of charges on telephone bills, and repeals interim rules dedicated to placement of non-communications charges on telephone bills. This decision also initiates new education and enforcement efforts designed to empower consumers and root out fraud. It focuses Commission resources on creating a new Commission-led telecommunications consumer education program that will use multiple languages to reach out to California residents. This decision enhances the Commission's ability to enforce laws and regulations in a timely and effective manner through creating a special Telecommunications Consumer Fraud Unit; expanding its toll-free hotline to cover allegations of fraud; and increasing cooperation with other law enforcement agencies. In order to ensure that the needs of non-English speaking populations in particular are protected, the decision further directs Commission Staff to draft a report on in-language practices and any special problems faced by consumers with limited English proficiency. (Comr Peevey)

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

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

Agenda 3166, Item 42 1/26/2006 (Brown);

Agenda 3167, Item 56 2/16/2006 (Staff)

03/01/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223140

Regular Agenda - Telecommunication Orders (continued)

28a (Rev.)

[5312]

ALTERNATE TO ITEM 5211

The Alternate Decision proposes a comprehensive telecommunications consumer protection program with four equally essential elements: a Consumer Bill of Rights, clear and concise Rules to enforce those Rights, a new emphasis on the Education of consumers, and improved Enforcement of the Rules. The proposed Rules are a streamlined subset of the 2004 Rules that respond to carrier concerns regarding cost, innovation, and competition; establish a uniform, level playing field for carriers; and respond to increased complaints about telecommunications service. The Alternate Decision keeps in place the current Cramming and Slamming Rules. The Education element in the Alternate Decision differs by establishing a program that is shared between the Commission and carriers, rather than simply the responsibility of the Commission. The Enforcement element of the Alternate Decision encourages collaborative efforts between the Commission and the Attorney General, but places greater emphasis on the Commission's responsibility to protect California telecommunications consumers. (Comr Grueneich)

Agenda 3167, Item 56a 2/16/2006 (Staff)

02/22/2006 - This revision was not shown on the Agenda mailed to the public.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223172

29

[5354]

A05-07-024 - Pacific Bell Telephone Company dba SBC California.

This decision determines which Routine Network Modifications Pacific Bell Telephone Company d/b/a SBC California must perform for Competitive Local Exchange Carriers. Routine Network Modifications are the modifications that must be made to transform a DS0 voice-grade loop to an unbundled DS1, high capacity loop.

The Federal Communications Commission's rules require incumbent Local Exchange Carriers (LECs) to perform all those activities that LECs regularly undertake for their own customers, with the exception of construction of a new loop.

(Comr Peevey - ALJ Jones)

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

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=223112

Regular Agenda - Water/Sewer Orders**30**

[5220]

R04-09-002 - Order Instituting Rulemaking on the Commission's own motion to develop rules and procedures to preserve the public interest integrity of government financed funding, including loans and grants, to investor-owned water and sewer Utilities.

This decision adopts rules that shall govern the accounting and ratemaking treatment for grant funds received by all classes of regulated water utilities through the passage of Proposition 50 - The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002. Receipt of these funds by Commission-regulated water utilities will allow the utilities and their customers to benefit by providing cost-free funds for needed investments in water supply, treatment, and security. 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 Quasi-Legislative.

Agenda 3166, Item 44 1/26/2006 (Peevey);

Agenda 3167, Item 58 2/16/2006 (Chong)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=221772

Regular Agenda - Water/Sewer Resolutions and Reports

31

Res W-4583 - Great Oaks Water Company.

[5219]

This resolution authorizes Great Oaks Water Company a general rate increase producing an additional annual revenue of \$570,256 or 5.17% for test year 2006-2007. (Advice Letter 173, filed June 24, 2005)

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

Agenda 3166, Item 17 1/26/2006 (Staff)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=217574

Regular Agenda - Other Utility Orders**32**

[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 a process for allocating gains on sale received by certain electric, gas, telecommunications and water utilities when they sell utility land, assets such as buildings, or other tangible or intangible assets formerly used to serve utility customers. In most cases, utility ratepayers should receive 75% of the gain, based on our finding that ratepayers bear most of the risk associated with owning such property. The utilities' shareholders should receive the remaining 25% of the gain on sale.

This rule of thumb will apply to routine asset sales where the after-tax sale price is \$50 million or less, or where the gain or loss from the sale is \$10 million or less. Most ordinary asset sales that come before this Commission for approval should meet these criteria.

The rule we develop here will not apply where the after-tax asset sale price exceeds \$50 million or the gain or loss exceeds \$10 million. The rule also does not apply to utility sales of assets of extraordinary character; sales of nuclear power plants; where a party alleges the utility engaged in highly risky and non-utility-related ventures; or where a party alleges the utility grossly mismanaged the assets at issue. (Comr Brown - ALJ Thomas)

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

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

Agenda 3164, Item 57 12/15/2005 (Staff);

Agenda 3166, Item 46 1/26/2006 (Staff);

Agenda 3167, Item 60 2/16/2006 (Chong)

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222936

Regular Agenda - Legal Division Matters**33**

[5363]

Department of Energy Notice of Inquiry re National Interest Electric Transmission Corridors

On February 2, 2006, pursuant to Section 1221(a) of the Energy Policy Act of 2005, the Department of Energy (DOE) issued a Notice of Inquiry seeking comments and information concerning its plans for an electricity transmission congestion study and possible designation of National Interest Electricity Transmission Corridors (NIETCs). Specifically, DOE is seeking comment on criteria for gauging the suitability of candidate geographic areas as NIETCs. Staff seeks the Commission's authorization to file comments on DOE's NOI. These comments must be submitted by March 6, 2006.

http://www.cpuc.ca.gov/Cyberdocs/AgendaDoc.asp?DOC_ID=222733

Regular Agenda - Legislative Matters - Discussion

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

- 34** **Conference with Legal Counsel - Applications for Rehearing**
[5238] 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.
- 35** **San Diego Superior Court No. GIC 857224. - Conference with Legal Counsel - Existing Litigation**
[5294] People of the State of California, et al. v. Sempra Energy, et al., San Diego Superior Court No. GIC 857224
Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.
- 36** **R04-04-026 - Conference with Legal Counsel - Application for Rehearing**
[5342] Disposition of application for rehearing of Decision 05-11-025 filed by Pacific Gas and Electric Company. In D05-11-025, the Commission established the parameters for participation of energy service providers, community choice aggregators, and small and multi-jurisdictional utilities in the Renewables Portfolio Standards Program.
Gov. Code § 11126(e)(2)(B)(i), allows this item to be considered in Closed Session.
- 37** **R04-04-003 - Conference with Legal Counsel - Application for Rehearing**
[5357] R04-04-025 - Related matters. Disposition of applications for rehearing of Decision 05-12-009 filed by Pacific Gas & Electric Company (PG&E) and Southern California Edison Company (Edison). In D05-12-009, the Commission continued the interim relief provided in D04-01-050 for qualifying facilities (QFs) with expired or expiring contracts. Therefore, PG&E, Edison and San Diego Gas & Electric Company (SDG&E) were ordered to enter into five-year SO1 contracts with QFs with contracts that expire or will expire between January 1, 2006 and the time a decision concerning QF pricing is issued in the combined dockets. Pricing for the contracts would be pursuant to the short-run avoided cost (SRAC) methodology adopted in D01-03-067.
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.

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.

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FERC Docket No. EL06-____. - Conference with Legal Counsel - Initiation of Litigation

[5365]

Complaint of Pacific Gas & Electric Company, FERC Docket No. EL06-____.

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

Closed Session - Federal

- 39** **FERC Docket No. RM 06-8-000, et al. - Conference with Legal Counsel - Existing Litigation**
[5361] Long-Term Firm Transmission Rights in Organized Electricity Markets, FERC Docket No. RM06-8-000, Long-Term Transmission Rights in Markets Operated by Regional Transmission Organizations and Independent System Operators, FERC Docket No. AD05-7-000, and California Independent System Operator, FERC Docket No. ER02-1656, et al. (MRTU or MD02)
Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.
- 40** **U.S. Court of Appeals for the Ninth Circuit, Case No. 04-16493. - Conference with Legal**
[5359] **Counsel - Existing Litigation**
Lynch et al. v. California Public Utilities Commission, et al., U.S. Court of Appeals for the Ninth Circuit, Case No. 04-16493.
Gov. Code § 11126(e)(2)(A), allows this item to be considered in Closed Session.

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.

Closed Session - FERC Docket No. ER02-1656

Conference with Legal Counsel – Existing Litigation; California Independent System Operator Corporation, FERC Docket No. ER02-1656

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