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# *Public Utilities Commission of the State of California*

## *Results of Public Agenda 3197*

*Meeting Held on Thursday, August 23, 2007 10:00 a.m.*

*San Francisco, California*

### **Commissioners**

**Michael R. Peevey, President**

**John A. Bohn**

**Rachelle B. Chong**

**Dian M. Grueneich**

**Timothy Alan Simon**

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

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### **Scheduled Commission Meetings**

**505 Van Ness Avenue, San Francisco**

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, September 17, 2007 (San Francisco)	Thursday, September 06, 2007 (San Francisco)
Monday, October 01, 2007 (San Francisco)	Thursday, September 20, 2007 (San Francisco)
Monday, October 15, 2007 (San Francisco)	Thursday, October 04, 2007 (San Francisco)
Monday, October 29, 2007 (San Francisco)	Thursday, October 18, 2007 (San Francisco)
Friday, November 09, 2007 (San Francisco)	Thursday, November 01, 2007 (San Francisco)

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

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



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## PUBLIC COMMENT

**The following items are not subject to public comment:**

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

### Public Comment:

Re 44:

Don Tullman, Guardian Industries, Kingsburg, CA  
 Martin Bergman, Guardian Industries Corp, Clovis, CA  
 Ray Siada, Guardian Industries, Auburn Hills, MI

### Consent Agenda

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

### Orders and Resolutions

#### **1 (Rev.) Res E-4052 - Southern California Edison Company (SCE).**

[6651]

This Resolution requests Commission approval to establish a Renewable Transmission Feasibility Study Costs Memorandum Account to record up to \$6 million to study the feasibility of accessing new renewable resources. This Resolution approves SCE's request with modifications intended to fold SCE's proposed scope of work into a larger statewide effort. Specifically, SCE is authorized to establish a renewable transmission memorandum account and record costs, up to \$4.5 million, provided its studies are conducted within the framework of the newly-established California Renewable Energy Transmission Initiative (CRETI). (Advice Letter (AL) 2062-E, filed November 22, 2006 and Supplemental AL 2062-E-A, filed April 2, 2007 to replace AL 2062-E in its entirety)

Agenda 3193, Item 15 6/7/2007 (Staff);

Agenda 3194, Item 7 6/21/2007 (Staff);

Agenda 3195, Item 3 7/12/2007 (Staff);

Agenda 3196, Item 3 7/26/2007 (Staff)

08/17/2007 - This revision was not shown on the Agenda mailed to the public.

#### **Outcome Approved**

[Res E-4052](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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- 2**  
[6849]      **ALJ 176-3197**  
Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Rule 7.1 of the Commission's Rules of Practice and Procedure.  
**Outcome Approved**  
[ALJ 176-3197](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 3**  
[6833]      **Res L-347**  
This resolution authorizes the disclosure of certain records concerning the California Public Utilities Commission Consumer Protection and Safety Division's investigation of a February 8, 2006, electric incident in Escondido, California.  
**Outcome Approved**  
[Res L-347](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 4**  
[6681]      **R06-02-013 - Order Instituting Rulemaking to integrate procurement policies and consider long-term procurement plans.**  
R06-04-010 - Related matters. This decision provides procedural guidance to parties that seek intervenor compensation for their work in the Procurement Review Groups, Peer Review Groups and Public Advisory Groups for procurement and energy efficiency portfolio development of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company. The Commission specifies the type of information the Commission needs in requests for compensation to satisfy the law and assure the effective use of ratepayer funds.  
(Comr Grueneich, Comr Peevey - ALJ Malcolm)  
Agenda 3194, Item 13 6/21/2007 (Staff);  
Agenda 3195, Item 4 7/12/2007 (Staff)  
**Outcome Withdrawn**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)

**5** **R04-04-026 - Order Instituting Rulemaking to implement the California Renewables Portfolio Standard Program.**

[6688]

In D04-06-014, the Commission adopted standard terms and conditions (STCs) to be used in contracts executed to procure electricity pursuant to the California Renewables Portfolio Standard Program. The Commission specified that some STCs are subject to modification by parties while others are not. Petitioners seek clarification of the process for changing STCs. Petitioners also seek the lifting of all current restrictions on negotiation of designated STCs. The petition is granted with respect to providing clarification, and denied in all other respects. The proceeding is closed.

(Comr Peevey - ALJ Mattson)

Agenda 3194, Item 16 6/21/2007 (Staff);

Agenda 3196, Item 4 7/26/2007 (Staff)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**6** **Res EGPB-3**

[6822]

This resolution approves of the Final Report on the Audit of the Portrero Generating Station, performed by the Electric Generation Performance Branch of the Consumer Protection and Safety Division (CPSD-EGPB), and authorizes public disclosure of the Final Audit Report. The Final Audit Report (Appendix A to EGPB-3) is attached to the public version of the Final Resolution. No formal action is recommended.

**Outcome Approved**

[Res EGPB-3](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**7** **R06-03-004 - Order Instituting Rulemaking Regarding Policies, Procedures and Rules for California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.**

[6823]

This decision grants, in part, petition to modify D06-08-028 and D06-12-033 regarding building integrated photovoltaic systems.

(Comr Peevey - ALJ Duda)

**Outcome Signed**

[D07-08-007](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**8** **R99-11-022 - Order Instituting Rulemaking into Implementation of Public Utilities Code Section 390.**

[6827]

This decision grants the Joint Motion of Pacific Gas and Electric Company (PG&E), The Utility Reform Network, the Division of Ratepayer Advocates and Indicated Qualifying Facility (QF) Switchers (Indicated QF Switchers) (Settling Parties) for Commission adoption of the Settlement Agreement between PG&E and Indicated QF Switchers entered into by some of the owners and/or operators of QFs that had purchase power agreements with PG&E in 2000.

(Comr Peevey - ALJ DeBerry)

**Outcome Signed**

[D07-08-008](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**9** **R06-04-009 - Order Instituting Rulemaking to Implement the Commission's Procurement Incentive Framework and to Examine the Integration of Greenhouse Gas Emissions Standards into Procurement Policies.**

[6828]

This decision denies the Petition for Modification filed by the Energy Producers and Users Coalition and the Cogeneration Association of California on February 26, 2007. However, this decision modifies D07-01-039 to further clarify how our adopted cogeneration thermal credit methodology will be applied to bottoming cycle cogeneration.

(Comr Peevey - ALJ Gottstein)

**Outcome Signed**

[D07-08-009](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**10** **Res T-17091**

[6829]

This resolution grants approval of Fiscal Year 2008-09 Universal Lifeline Telephone Service Fund Budget in compliance with Public Utilities Code Section 270(A).

**Outcome Approved**

[Res T-17091](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**11** **I01-04-026 - Order Instituting Investigation into the revenue requirement of SureWest Telephone Company pursuant to D00-11-039.**  
[6831]

This decision makes permanent the temporary reduction in SureWest's annual California High Cost Fund B (CHCF-B) draw by a \$1.3 million consumer dividend to \$10.2 from \$11.5 million. More importantly, it provides for SureWest's annual CHCF-B draw to end on January 1, 2012. Finally, it removes the D05-08-004 requirement that SureWest prepare and submit an updated cost proxy model. I01-04-026 is closed.

(Comr Peevey - ALJ Galvin)

**Outcome Held (9/6/07, Consent Agenda.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**12** **A00-12-004 - Calnev Pipe Line Company (Calnev) and Kinder Morgan Energy Partners, L.P.**  
[6834]

Consistent with the directive of D07-05-061, this decision grants the petition for modification of D01-03-074 to expressly reflect that its authorization to transfer control of Calnev Pipe Line LLC to Kinder Morgan Energy Partners, L.P. also extends to Kinder Morgan Inc., which has effective control over Calnev through indirect ownership and control of both the general partner of KMEP and the entity to which the general partner has delegated authority to manage KMEP's business affairs.

A00-12-004 is closed.

(Comr Peevey - ALJ Vieth)

**Outcome Signed**

[D07-08-010](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**13** **Res T-17105**

[6835]

This resolution sets the Deaf and Disabled Telecommunications Equipment and Relay Service Program budget for FY 08-09. Budget set at same level (\$69.03 million) as FY 07-08.

**Outcome Approved**

[Res T-17105](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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- 14**  
[6837]      **Res ST-90**
- This resolution grants approval of the final report on the 2007 safety audit of the Port of Los Angeles (POLA) Waterfront Red Car Line. Commission General Order No. 164-C requires staff to conduct on-site safety reviews of transit agencies operating Rail Fixed Guideway Systems at least once every three years. Staff of the Rail Transit Safety Section conducted an on-site safety audit of POLA and its safety program. Staff also conducted a post-audit exit conference with POLA management on March 2, 2007. A full description of the audit, including the scope, results, and recommendations, is contained in the final audit report.
- Outcome Approved**
- [Res ST-90](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 15**  
[6839]      **Res ALJ 202**
- This resolution extends the pilot program established in Resolution ALJ-186, which permits the Commission to approve certain transactions involving the transfer or disposition of utility property by advice letter, rather than a formal Section 851 application and Commission decision, for an additional three years. The Resolution also amends the pilot program in order to reflect recent amendments to Pub. Util. Code Sections 851 and 853, and the Commission's adoption of General Order 96-B, applicable to advice letters generally. The Commission may further amend the pilot program in the future, based on its continuing experience with the pilot program and the comments of the parties.
- Outcome Approved**
- [Res ALJ 202](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 16**  
[6841]      **Res E-4106 - San Diego Gas & Electric Company (SDG&E).**
- This resolution requests approval to amend the foreign equity benchmark in the Investment Management Agreement with State Street Global Advisors, an investment manager of SDG&E's nuclear power plant decommissioning trust funds. (Advice Letter 1898-E filed May 18, 2007)
- Outcome Approved**
- [Res E-4106](#)
- Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
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- 17**  
[6850]      **Res W-4655 - Apple Valley Ranchos Water Company.**  
This resolution authorizes a revision to Rule 15, main extensions, to incorporate a supplemental water acquisition fee to be charged to applicants for a main extension. (Advice Letter 140-W filed February 5, 2007)  
**Outcome Approved**  
[Res W-4655](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 18**  
[6853]      **ALJ 203**  
This resolution approves the change of the preliminary determination made earlier by the Commission regarding the need for hearing in Application 06-11-003.  
**Outcome Approved**  
[ALJ 203](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 19**  
[6855]      **I05-06-041 - Order Instituting Investigation on the Commission's Own Motion into Methodology for Economic Assessment of Transmission Projects.**  
This decision awards The Utility Reform Network \$118,690.25 in compensation for its substantial contributions to D06-11-018. Today's award payment is allocated to the affected utilities based on their California-jurisdictional electric revenues for the 2005 calendar year. Investigation 05-06-041 is closed.  
(Comr Grueneich - ALJ TerKeurst)  
**Outcome Signed**  
[D07-08-011](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 20**  
[6859]      **Res W-4656 - Peerless Water Co. (Peerless).**  
This resolution revokes the Certificate of Public Convenience and Necessity of Peerless.  
**Outcome Approved**  
[Res W-4656](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 21**  
[6860]      **Res W-4657 - Weimar Water Company, Inc.**  
This resolution authorizes a rate base offset revenue increase producing an increase in gross annual revenues of \$131,451 or 33.14%. (Advice Letter 48-W filed March 06, 2007)  
**Outcome Approved**  
[Res W-4657](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 22**  
[6870]      **Res T-17102 - Hotline of San Luis Obispo County (SLO).**  
This resolution grants the application of SLO to use the 2-1-1 dialing code for health and human services information and referral service in San Luis Obispo County.  
**Outcome Approved**  
[Res T-17102](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 23**  
[6872]      **A07-05-018 - Southern California Edison Company (SCE).**  
This decision grants SCE the authority to issue \$3 billion of Debt Securities consisting of long-term debt and \$500 million of preferred stock, as requested in Application A07-05-018. A07-05-018 is closed.  
(Comr Bohn - ALJ Galvin)  
**Outcome Signed**  
[D07-08-012](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
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- 24**  
[6873]      **A07-04-006 - Kamran Yazdani dba A Value Shuttle L.L.C.**  
This resolution authorizes A Value Shuttle L.L.C. to operate as a passenger stage corporation between points in Los Angeles, Orange, Ventura, Riverside, San Bernardino, and San Diego Counties, on the one hand, and Los Angeles International, John Wayne, Ontario International, Long Beach, San Diego International, and Burbank Airports, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-013](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 25**  
[6874]      **A07-04-012 - Red Vans Mgm't. Services, Inc.**  
This resolution authorizes Red Vans Mgm't. Services, Inc. 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)  
**Outcome Signed**  
[D07-08-014](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 26**  
[6875]      **A07-04-023 - Convenient Shuttle, LLC.**  
This decision authorizes Convenient Shuttle LLC to operate as a passenger stage corporation between points in Alameda, Contra Costa, Marin, Santa Cruz, Monterey, San Francisco, San Mateo, Santa Clara, and Solano Counties, 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.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-015](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 27**  
[6876]      **A07-04-025 - Sea Planes, Inc.**  
This decision authorizes Sea Planes, Inc. to increase passenger fares and excess baggage charges for its scheduled vessel common carrier service between the mainland point of Marina del Rey and Avalon and Two Harbors on Santa Catalina Island, and between Avalon and Two Harbors. The increases for the various categories of passenger fares average 27.2% for cross-channel service and 9.1% for intra-island service. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-016](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 28**  
[6877]      **A07-04-026 - Kesete Takele dba BlueJ Express Shuttle.**  
This decision authorizes Applicant to operate as a passenger stage corporation between points in Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Solano Counties, 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.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-017](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 29**  
[6878]      **A07-05-027 - Main Event Transportation, Inc.**  
This decision authorizes Main Event Transportation, Inc. to modify its passenger stage corporation operation to include scheduled service between San Jose International Airport and San Francisco International Airport. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-018](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

- 30**  
[6879]            **A07-02-028 - Jeffrey J. Tennison and Michelle L. Tennison, and Aero Airport Shuttle and Charter Service LLC.**  
This decision authorizes Applicants to expand their passenger stage corporation operation to include scheduled service between points in Lake County and the City of Calistoga, on the one hand, and Sonoma County Airport, on the other hand; and to establish a zone of rate freedom. This proceeding is closed.  
(Exam Clark)  
**Outcome Signed**  
[D07-08-019](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 31**  
[6883]            **A07-05-035 - Comtel Telecom Assets LP (Comtel).**  
This decision authorizes the transfer of control of Comtel resulting from a minority member acquiring a majority ownership interest in Comtel's corporate structure. This proceeding is closed.  
(Comr Simon - ALJ Patrick)  
**Outcome Signed**  
[D07-08-020](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 32**  
[6885]            **A06-02-026 - Golden State Water Company.**  
For an order pursuant to Public Utilities Code Section 851 approving a Settlement in a Water Rights Adjudication. This decision awards Donald R. Ward for the Orcutt Area Advisory Group, Inc. \$11,976.72 in compensation for his substantial contributions to  
D07-05-041.  
(Comr Bohn - ALJ DeAngelis)  
**Outcome Signed**  
[D07-08-021](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 33**  
[6889]      **A07-04-016 - Arrowhead Manor Water Co., Inc. (Arrowhead).**  
This decision approves the application of Arrowhead for authority to sell its water system to the County of San Bernardino County Service Area 70 Improvement Zone, CG. This proceeding is closed.  
(Exam Kahlon)  
**Outcome Signed**  
[D07-08-022](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 34**  
[6891]      **A06-02-023 - Golden State Water Company.**  
For an order authorizing it to increase rates for water service in its Region II Service Area. This decision extends until October 23, 2007, the time for deciding the issues that have been litigated in this ratesetting proceeding pursuant to the authority set forth in Pub. Util. Code §1701.5(a) and Rule 14.6(c)(10) of the Commission's Rules of Practice and Procedure.  
(Comr Bohn - ALJ McKenzie)  
**Outcome Signed**  
[D07-08-023](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 35**  
[6894]      **Res E-4083 - Pacific Gas and Electric Company (PG&E).**  
This resolution requests approval of the Microgy renewable resource procurement contract. This contract is approved without modification. (Advice Letter (AL) 2996-E, filed February 28, 2007 and Supplemental AL 2996-E-A, filed July 12, 2007)  
**Outcome Approved**  
[Res E-4083](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 36**  
[6895]      **A07-05-026 - Siskiyou Telephone Company (Siskiyou).**  
This decision approves the transfer of control of Siskiyou from the existing shareholders of its parent company to the shareholders as they will exist after the transfer. Application 07-05-026 is closed.  
(Comr Chong - ALJ Patrick)  
**Outcome Signed**  
[D07-08-024](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 37**  
[6896]      **A06-12-021 - NewPath Networks LLC. (NewPath).**  
This decision grants the application of NewPath Networks, LLC, to construct a fiber-fed Distributed Antenna Communications System, along a portion of Highway 50 between Kyburz and Strawberry in El Dorado County. This decision also finds that the project, as mitigated, will not have significant adverse environmental impacts and approve an initial Study/Mitigated Negative Declaration for the project, pursuant to California Environmental Quality Act. This proceeding is closed.  
(Comr Bohn - ALJ Prestidge)  
**Outcome Signed**  
[D07-08-025](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 38**  
[6897]      **A07-03-023 - Broadband Associates International (Broadband).**  
In this decision Broadband seeks a certificate of public convenience and necessity under Pub. Util. Code §1001 for authority to provide full facilities-based local exchange and interexchange telecommunications services. This decision grants the application, subject to certain requirements and conditions. It also specifies a procedure to be followed if Applicant wishes to pursue full facilities-based construction activities that involve potential exemptions from environmental review under the California Environmental Quality Act. This proceeding is closed.  
(Comr Simon - ALJ Patrick)  
**Outcome Signed**  
[D07-08-026](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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- 39**  
[6898]      **A07-05-034 - Sprint Communications Company, L.P. (Sprint).**  
This decision grants the request of Sprint to expand the authority received from the Commission in Decision D97-08-045 so that Sprint may provide limited facilities-based competitive local exchange telecommunications services as a Competitive Local Carrier within the service territories of SureWest Telephone (formerly known as Roseville Telephone Company) and Citizens Telephone Company dba Frontier Communications of California. The application is unopposed. This proceeding is closed.  
(Comr Simon - ALJ Patrick)  
**Outcome Signed**  
[D07-08-027](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 40**  
[6899]      **A06-11-002 - Southwest Gas Corporation (Southwest).**  
This decision grants Southwest the authority to engage in various financing activities as requested in Application 06-11-002. This proceeding is closed.  
(Comr Grueneich - ALJ Hecht)  
**Outcome Held (9/6/07, Consent Agenda. Further review.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 41**  
[6903]      **Res ALJ-204**  
This resolution approves the change of the preliminary determination made earlier by the Commission regarding the need for an evidentiary hearing in Application 07-02-019 to no hearing needed.  
**Outcome Approved**  
[Res ALJ-204](#)  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

**42**

[6904]

**A07-02-016 - Southern California Edison Company (SCE).**

This decision grants the request of SCE for approval of a renewables portfolio standard power purchase agreement with Chateau Energy, Inc. The contract will provide SCE with eligible renewable energy from a biomass facility located near Imperial, California for a term of 15 years. The project's capacity is 15 megawatts with an expected on-line date in 2008. This proceeding is closed.

(Comr Peevey - ALJ Fukutome)

**Outcome Signed**[D07-08-028](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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## Regular Agenda

### Energy Orders

#### 43                    **A02-11-017 - Pacific Gas and Electric Company (PG&E).**

[6617]

For authority, among other things, to increase revenue requirements for electric and gas service and to increase rates and charges for gas service effective on January 1, 2003. I03-01-012; A02-09-005 - Related matters. This decision finds that PG&E systematically violated its tariff Rule 17.1 by issuing backbills related to periods of no bills and to estimated bills, where the cause for the estimation was within PG&E's control, beyond the time limits permitted under the tariff. The Commission orders PG&E to refund, at shareholder expense, approximately \$23 million for illegal backbill charges. The Commission further orders PG&E to refund reconnection fees (with interest) and pay credits to certain customers whose service was shutoff for nonpayment of illegal backbills. These proceedings are closed.

(Comr Peevey - ALJ Yacknin)

Agenda 3192, Item 48 5/24/2007 (Staff);

Agenda 3194, Item 41 6/21/2007 (Peevey);

Agenda 3195, Item 42 7/12/2007 (Peevey)

**Outcome Held (9/6/07. Possible different decision.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

#### 43a (Rev.)

[6907]

#### **ALTERNATE TO ITEM 6617**

PROPOSED ORDER OF COMMISSIONER PEEVEY DIFFERENT FROM PRESIDING OFFICER'S DECISION. I03-01-012; A02-09-005 - Related matters. This Decision Different addresses PG&E's violation of Rule 17.1 of its tariffs, which limits the period for which it can backbill customers. It determines whether refunds are warranted, who should finance the refunds, the time period that should be used to determine the refunds, and whether PG&E should be penalized. It also addresses possible prospective remedies regarding changes to Rule 9 of PG&E's tariffs and the ratemaking treatment of uncollectible amounts. It goes on to respond to the South San Joaquin Irrigation District's (SSJID) assertion that PG&E violated Rule 9 by failing to regularly read SSJID's meters and issuing inappropriate bills. This Decision Different reaches the same conclusions as the Mod-Pod, but does so via a different legal analysis with respect to the statute of limitations, tolling, and CorDaptix stabilization period.

(Comr Peevey)

08/14/2007 - This item was not listed on the agenda distributed to the public.

**Outcome Held (9/6/07. Possible different decision.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

- 
- 44**  
[6840]      **A04-04-008 - Southern California Edison Company (SCE).**  
A04-06-018; A05-10-010 - Related matters. In D05-09-018, the Commission approved electric economic discount rate tariffs for SCE and PG&E which permitted discounting public purpose program (PPP) surcharges. In D06-04-002 the Commission kept the application open to consider whether the gas PPP could be discounted. The Commission now holds that public purpose programs which the Legislature has enacted as “nonbypassable” cannot be discounted. A04-04-008, A04-06-018, and A05-10-010 are closed.  
(Comr Peevey - ALJ Barnett)  
**Outcome Held (9/6/07.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 44a**  
[6842]      **ALTERNATE TO ITEM 6840**  
A04-06-018; A05-10-010 - Related matters. This alternate finds that public purpose program charges are nonbypassable and, therefore, nondiscountable. The alternate requires that modifications to the economic development rate (EDR) be applied to all EDR contracts on a prospective basis and does not require modification of existing contracts.  
(Comr Peevey)  
**Outcome Held (9/6/07.)**  
Yes: (none)  
No: (none)  
Abstain: (none)  
Absent: (none)
- 45**  
[6848]      **A04-08-018 - Southern California Gas Company (SoCalGas).**  
This decision addresses the terms and conditions by which natural gas produced by gas producers located in California will be granted access to the gas transmission system of SoCalGas. This proceeding is closed.  
(Comr Peevey - ALJ Wong)  
**Outcome Signed**  
D07-08-029  
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
No: (none)  
Abstain: (none)  
Absent: (none)

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**Energy Resolutions and Written Reports****46**                    **Res E-4064 - Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE).**  
[6824]

This resolution requests approval of proposed tariffs applicable to new municipal departing load. (Advice Letter (AL) 2483-E-A, filed September 23, 2005, as supplemented by AL 2483-E-B, filed April 17, 2006, and AL 1979-E-A filed April 17, 2006)

**Outcome Approved**

Res E-4064

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**48**                    **Res E-4092 - San Diego Gas & Electric Company (SDG&E).**  
[6844]

This resolution requests revisions to Gas and Electric Rule 6 - Establishment and Re-Establishment of Credit. SDG&E's request is approved with a modification. (Advice Letter 1882-E/1679-G, filed March 21, 2007)

**Outcome Approved**

Res E-4092

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**49**                    **Res E-4107 - Southern California Edison Company (SC&E).**  
[6845]

This resolution requests establishment of Schedule Wi-Fi-1 and associated agreement to provide unmetered electric service for the attachment of Wi-Fi Devices to SCE-owned streetlights. This request is granted as modified. (Advice Letter 2127-E, filed May 23, 2007)

**Outcome Approved**

Res E-4107

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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**Communication Orders****50**

[6847]

**R05-04-005 - Order Instituting Rulemaking on the Commission's Own Motion to Assess and Revise the Regulation of Telecommunications Utilities.**

R98-07-038 - Related matters. The Uniform Regulatory Framework advice letter procedures are coordinated with the Telecommunications Industry Rules, which are adopted. R98-07-038 is closed.

(Comr Chong - ALJ Kotz)

**Outcome Held (9/6/07.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**51**

[6846]

**R05-04-005 - Order Instituting Rulemaking on the Commission's Own Motion to Assess and Revise the Regulation of Telecommunications Utilities.**

R98-07-038 - Related matters. This decision consolidates the General Order (GO) 96-B and Uniform Regulatory Framework (URF) Phase 2 rulemakings. The URF advice letter procedures are coordinated with GO 96-B. Detariffing procedures are adopted.

(Comr Chong - ALJ Bemserfer)

**Outcome Held (9/6/07)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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**Communication Resolutions and Reports****52 (Rev.)****Res T-17104**

[6836]

This resolution adopts a budget of \$33,202,000 for the California Teleconnect Fund Administrative Committee (CTF-AC) for the fiscal year (FY) 2008-09.

08/20/2007 - This revision was not shown on the Agenda mailed to the public.

**Outcome Approved**

Res T-17104

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**67 (Rev.)****Res T-17103**

[6825]

This resolution approves the California High Cost Fund-B Administrative Committee Expense Budget for July 1, 2008 through June 30, 2009 to comply with the requirements of Public Utilities Code Section 270 (A).

08/15/2007 - This item was not listed on the agenda distributed to the public.

08/15/2007 - This item appeared as (47) under Regular Agenda/Energy Resolutions and Written Reports section on the agenda distributed to the public.

**Outcome Approved**

Res T-17103

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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**Water/Sewer Orders****53**

[6629]

**A06-01-005 - California-American Water Company.**

This decision resolves the revenue requirement phase of the general rate case application of California-American Water Company for its Los Angeles district test year 2007 and attrition years 2008 and 2009.

(Comr Bohn - ALJ Walwyn)

Agenda 3193, Item 35 6/7/2007 (Peevey);

Agenda 3194, Item 44 6/21/2007 (Peevey)

**Outcome Withdrawn**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**53a**

[6830]

**ALTERNATE TO ITEM 6629**

This alternate resolves the revenue requirement phase of the general rate case application of California-American Water Company for its Los Angeles district test year 2007 and attrition years 2008 and 2009. The alternate's major difference from the proposed decision is that the alternate rejects the proposed WRAM.

(Comr Peevey)

**Outcome Signed (Comr. Bohn reserves the right to file a concurrence.)**

D07-08-030

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**54**

[6851]

**A06-02-023 - Golden State Water Company (GSWC).**

This decision grants rate increases for the period 2007 to 2009 for Region II and the general office operations of GSWC. The decision also accepts all but one of the terms of a settlement stipulation that GSWC and Division of Ratepayer Advocates (DRA) submitted on 8/4/06 concerning virtually all of the Region II issues and some of the general office issues. However, with respect to GSWC's general office General Rate Case, the decision also concludes that (1) neither GSWC's nor DRA's cost allocation study should be accepted, so a new approach developed by the Commission should be used instead, (2) owing to the vagueness of its cost estimates, GSWC should not be allowed to recover more than \$2.983 million for the new Customer Information/ Customer Relationship Management computer system it has requested without first filing a Tier 3 advice letter pursuant to General Order 96-B, (3) 21 of the new general office jobs requested by GSWC should be approved, but a 10% reduction in the amounts requested for these jobs should be imposed due to GSWC's failure to present the full rationale for many of these positions until the company submitted rebuttal testimony, (4) the 4 new general office jobs needed principally to comply with the requirements of the Sarbanes-Oxley Act should be authorized, but the costs of these positions should be split equally between GSWC's shareholders and its ratepayers, (5) DRA's attack on 8 new general office jobs that were allowed as part of D04-03-039 should be rejected, and (6) most of the miscellaneous issues noted in the 8/4/06 stipulation on which GSWC and DRA were unable to reach agreement should be resolved in favor of the company. This proceeding is closed.

(Comr Bohn - ALJ McKenzie)

**Outcome Held (9/6/07.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

**54a**

[6852]

**ALTERNATE TO ITEM 6851**

This alternate decision (like the proposed decision) grants rate increases for the period 2007 to 2009 for Region II and the general office operations of GSWC. The decision also accepts all but one of the terms of a settlement stipulation that GSWC and Division of Ratepayer Advocates (DRA) submitted on 8/4/06 concerning virtually all of the Region II issues and some of the general office issues. However, with respect to GSWC's general office GRC, the decision also concludes that (1) neither GSWC's nor DRA's cost allocation study should be accepted, so a new approach developed by the Commission should be used instead, (2) owing to the vagueness of its cost estimates, GSWC should not be allowed to recover more than \$2.983 million for the new Customer Information/ Customer Relationship Management computer system it has requested without first filing a Tier 3 advice letter pursuant to General Order 96-B, (3) 19 of the new general office jobs requested by GSWC should be approved (4) the 4 new general office jobs needed principally to comply with the requirements of the Sarbanes-Oxley (SOX) Act should be authorized. (5) DRA's attack on 8 new general office jobs that were allowed as part of D04-03-039 should be rejected, (6) most of the miscellaneous issues noted in the 8/4/06 stipulation on which GSWC and DRA were unable to reach agreement should be resolved in favor of the company, and (7) it affirms the ALJ's ruling denying the motion of DRA to strike rebuttal testimony. This proceeding is closed. The alternate differs from the proposed decision in two areas. The alternate would fully fund the costs of the SOX positions with ratepayer funds, and the alternate would assess a \$25,000 penalty for GSWC's failure to present the full rationale for many of the new general office positions until the company submitted rebuttal testimony. It directs Water Division to issue an Order to Show Cause (OSC) why GSWC should not be fined \$25,000 for its conduct and directs DRA to serve as the Commission's advocate for the fine in the OSC hearing. (Comr Bohn)

**Outcome Held (9/6/07.)**

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

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## Transportation/Rail Safety Resolutions and Reports

**55**

**Res SX-81**

[6838]

This resolution recommends to the California Transportation Commission for funding the amount of \$3,900,000 for fiscal year 2008-09 for maintaining automatic grade crossing protection devices under the California Public Utilities Code Section 1231.1

**Outcome Approved**

Res SX-81

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

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**Legal Division Matters****56**

[6861]

**WC Docket No. 07-139**

On June 8, 2007, AT&T Inc., on behalf of its ILEC affiliates, filed a petition requesting forbearance under 47 U.S.C. § 160(c) from enforcement of certain Automated Reporting Management Information System (ARMIS) Reporting requirements. Specifically, AT&T seeks forbearance for its ILEC affiliates from Commission rules requiring submission of ARMIS Reports 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report), and 43-08 (Operating Data Report.) Public Notice DA 07-3332; WC Docket No. 07-139.

**Outcome Approved-Staff Recommendation**

WC Docket No. 07-139

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

## Closed Session

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

### Applications for Rehearing

- 58**                      **C06-04-026 - Conference with Legal Counsel - Applications for Rehearing**  
 [6832]                      Disposes of the application for the rehearing of D07-01-004 in C06-04-026 filed by Global NAPS California, Inc. (Global NAPS). D07-01-004 granted the summary judgment motion of Cox California Telcom, LLC (Cox) and ordered Global NAPS to pay Cox the sum of \$985,439.38, plus interest on overdue amounts at the rate of one and one-half percent per month.  
**Outcome Signed (Comr. Bohn recused himself from this agenda item and was not part of the quorum in its consideration. Comr. Chong recused herself from this agenda item and was not part of the quorum in its consideration.)**
- D07-08-031  
 Yes: (Grueneich, Peevey, Simon)  
 No: (none)  
 Abstain: (none)  
 Absent: (none)
- 59**                      **A06-05-025 - Conference with Legal Counsel - Application for Rehearing**  
 [6854]                      Disposition of Application for Rehearing of D07-05-031 filed by San Lorenzo Valley Water District (SLVWD). The Decision approved a transfer of indirect control of California American Water Company (Cal-Am), wholly owned by American Water Works Company, Inc. (American Water), through the sale of up to 100% of the shares of common stock of American Water through an Initial Public Offering (IPO), and subsequent IPOs. The change of control is to occur at the holding company level, and was requested by Cal-Am and its parent companies RWE Aktiengesellschaft (RWE), Thames Water Aqua Holdings GmbH (Thames GmbH), and American Water. The Decision approved the proposed transfer subject to conditions intended to ensure that the transaction will result in benefits to Cal-Am's ratepayers.  
**Outcome Signed**
- D07-08-032  
 Yes: (Bohn, Chong, Grueneich, Peevey, Simon)  
 No: (none)  
 Abstain: (none)  
 Absent: (none)

**60**

[6862]

**R01-08-028 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Application for Rehearing of D07-05-012 filed by Women's Energy Matters (WEM). D07-05-012 denies WEM's request for compensation for its participation in certain phases of R01-08-028.

**Outcome Signed**

D07-08-033

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

**61**

[6901]

**A06-04-017 - Conference with Legal Counsel - Application for Rehearing**

Disposition of Request for Stay of Decision D07-06-038 filed by Larry and Cheryl Andresen. In D07-06-038 the Commission granted Sierra Pacific Power Company (SPP) a Permit to Construct a new 2/3 mile 60-kilovolt power line, pursuant to General Order 131-D, near Hirschdale, in Nevada County, California. The power line will be constructed on an existing SPP distribution line right-of-way, and includes replacement of power poles. As the Lead Agency for environmental review, the Commission approved a Final Mitigated Negative Declaration for the proposed project which was determined to meet the requirements of the California Environmental Quality Act.

**Outcome Signed**

D07-08-034

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)