

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE  
STATE OF CALIFORNIA**

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Order Instituting Rulemaking on the	)	
Commission's Proposed Policies	)	
Governing Restructuring California's	)	R.94-04-031
Electric Services Industry and	)	
Reforming Regulation	)	

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Order Instituting Investigation on the	)	
Commission's Proposed Policies	)	
Governing Restructuring California's	)	I.94-04-032
Electric Services Industry and	)	
Reforming Regulation	)	

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**ASSIGNED COMMISSIONER'S RULING**

**Notice of Assignment of Commissioners and Administrative Law Judge:** Parties will take note that the rulemaking and investigation are assigned to President Fessler with a co-assigned Commissioner status in Commissioner Knight. Administrative Law Judge Kim Malcolm has been assigned to both matters.

**Scope of ruling:** This ruling sets forth some guidelines for the Commission's review of electric industry restructuring and grants extensions of time for opening and reply comments ordered in R.94-04-031.

**Requests for Extensions of Time:** On April 27, 1994, PG&E filed a

motion seeking an extension of time for comments. PG&E seeks an additional 60 days for opening comments and an additional 15 days for reply comments.

This ruling grants the parties an extension for opening comments to June 8. Reply comments will be due June 21. Because of the limited time between receipt of the comments and the June 14 full panel hearing in Los Angeles, copies to the Commissioner offices and the Commission's staff shall be hand delivered or sent by way of overnight mail.<sup>1</sup> The subject of these comments is discussed below.

**Comments and Full Panel Hearings:** Because of the importance and breadth of the issues raised in this rulemaking, the Commission intends to hold a series of full panel hearings. To afford the maximum time advantage in preparing for and participating in these full panel hearings, I hereby announce general topics for the first two hearings and tentative dates for a total of four possible full panel hearings. The Commission will seek rounds of comments on specific areas of inquiry which will correspond to the topics of each full panel hearing. The parties may craft their written and oral comments as they deem appropriate within the general framework of these broad issues.

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<sup>1</sup>Staff to be included in such service are: ALJ Malcolm, Virginia Coe, Director of Strategic Planning, and Paul Clanon, Assistant Director of the Commission Advisory and Compliance Division.

The schedule set out in this rulemaking is ambitious so the schedule of comments, full panel hearings, and reply comments is likewise demanding. It is my intention to stage the Commission's inquiry to first encourage discourse on the broad, foundational policies asserted in the rulemaking. After such opportunity, parties will then be encouraged, in subsequent written comments and full panel hearings, to provide specific, comprehensive recommendations on industry structure and regulation given the thoughts aired at the first full panel hearings.

**June 14, 1994 Full Panel Hearing:** As reviewed in the rulemaking (p. 5), a clear consensus emerged during our informal policy deliberations that the Commission must fundamentally reform California's regulatory policy governing investor-owned utilities. In the rulemaking, the Commission proposes policies to correct what it perceives to be a mismatch between regulation and the marketplace. For the first full panel hearing the Commission wishes to read and discuss parties' broad-based reactions and thoughts on what parties deem to be the key issues raised in the rulemaking to determine the wisdom and practicality of going forward with the policies proposed in the rulemaking. We will address the foundational premise embodied in the rulemaking that the generation supply market is, or could be, sufficiently competitive and mature to support a modified utility role that will enhance service to consumers through choice. We also will address the proposed policy that, as market forces play an increasing role in the delivery

of electric services, the Commission's duty to protect consumers should broaden to maintain the integrity of the marketplace in the competitive sectors of the industry while continuing to exercise adequate oversight in those sectors where competition is absent or insufficient. We also wish to test the assertion in the proposal that its adoption would: "benefit both large and small electric consumers, providers of electric services, including the utilities we oversee, California businesses, and the state's economy."

A more detailed agenda for the June 14 full panel hearing will be distributed to the parties on or before June 3, 1994.

**July 1, 1994, Full Panel Hearing:** The Commission will hear parties views on the proposal's assertion of continued dedication to what may be termed equity/social and environmental policies and their viability in a competitive environment. Among the equity/social goals embodied in current Commission practice are low income ratepayer assistance programs, economic development programs, and the development of low and zero emission vehicles. California's environmental objectives have included the promotion of fuel diversity, demand side management, energy conservation and renewable resources. Comments on balancing such public policy objectives in the competitive environment are due June 24. Reply comments are due July 8.

**IT IS RULED** that,

1. The date for filing opening comments on subjects relating to the

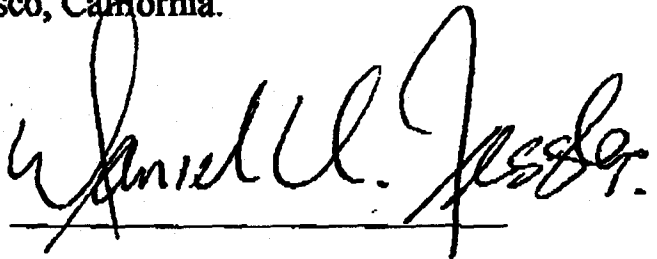
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competitive premises, the regulator's role, and the marketplace implications of the proposed policies, as set forth in this ruling, is extended from May 20, 1994 to June 8, 1994. Reply comments on these subjects will be due June 21, 1994. Copies to the Commissioner offices and the Commission's staff shall be hand delivered or sent by way of overnight mail.

2. Comments on balancing public policy objectives in the competitive environment, as discussed in this ruling, are due June 24, 1994. Reply comments are due July 8, 1994. Copies to the Commissioner offices and the Commission's staff shall be hand delivered or sent by way of overnight mail.

3. The official service list for this proceeding, created pursuant to Ordering Paragraph 4 of R.94-04-031, is attached to this ruling.

Dated May 11, 1994, at San Francisco, California.

A handwritten signature in black ink, appearing to read "Daniel Wm. Fessler", written over a horizontal line.

**Daniel Wm. Fessler**  
*President of the Commission*

**Proposed Schedule of Comments, Full Panel Hearings,  
and Reply Comments**

**I.**

- June 8**      **First Round Comments**
- June 14**    **Full Panel Hearing: "Competitive Premise, Regulator's  
Role and Marketplace Implications"**
- June 21**    **First Round Reply Comments**

**II.**

- June 24**    **Second Round Comments**
- July 1**      **Full Panel Hearing: "Balancing Public Policy  
Objectives"**
- July 8**      **Second Round Reply Comments**

**III.**

- July 5:**      **Commission announces decision on need for Third  
Full Panel Hearing and assigns topic. Timetable  
for initial and reply comments to be announced.**
- July 21:**    **Tentative date for Third Full Panel Hearing if  
ordered.**

**IV.**

- July 25:**    **Commission announces decision on need for Fourth  
Full Panel Hearing and assigns topic. Timetable for  
initial and reply comments to be specified.**
- August 4:**   **Tentative date for Fourth Full Panel Hearing if  
ordered.**

**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling on all parties of record in this proceeding or their attorneys of record.

Dated May 11, 1994, at San Francisco, California.



**NOTICE**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number of the service list on which your name appears.

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The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are

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**needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.**