a seven-year program; provide that a total of twenty students be enrolled in the program; impose as a condition to enrollment in the program that accepted applicants agree to practice primary care medicine for a minimum of four years following completion of the program; provide that the state subsidize COMP for the difference between the cost of its tuition and that of state-supported medical schools and would require any student who fails to complete the program or the required years of subsequent practice to reimburse the full cost of the subsidy for the time the student attended the program; and provide that COMP shall receive $60,000 per year to cover the costs of the administration of the primary care research. *[A. W&M]*

AB 2156 (Polanco). Under existing law, insurers that provide professional liability insurance, or the parties to certain settlements where there is no professional liability insurance as to the claim, are required to report a settlement or award in a malpractice claim that is over specified dollar amounts to the applicable licensing board. As amended May 25, this bill would require reports filed with OMBC by professional liability insurers to state whether the settlement or arbitration award has been reported to the federal National Practitioner Data Bank. *[S. Inactive File]*

RECENT MEETINGS

The Board has not met since October 30, 1993.

FUTURE MEETINGS

July 23 in Sacramento.

PUBLIC UTILITIES COMMISSION

Executive Director: Neal J. Shulman
President: Daniel Wm. Fessler
(415) 703-1487

The California Public Utilities Commission (PUC) was created in 1911 to regulate privately-owned utilities and ensure reasonable rates and service for the public. Today, under the Public Utilities Act of 1951, Public Utilities Code section 201 *et seq.*, the PUC regulates the service and rates of more than 43,000 privately-owned utilities and transportation companies. These include gas, electric, local and long distance telephone, radio-telephone, water, steam heat utilities and sewer companies; railroads, buses, trucks, and vessels transporting freight or passengers; and wharfingers, carloaders, and pipeline operators. The Commission does not regulate city- or district-owned utilities or mutual water companies.

It is the duty of the Commission to see that the public receives adequate service at rates which are fair and reasonable, both to customers and the utilities. Overseeing this effort are five commissioners appointed by the Governor with Senate approval. The commissioners serve staggered six-year terms. The PUC's regulations are codified in Chapter 1, Title 20 of the California Code of Regulations (CCR).

The PUC consists of several organizational units with specialized roles and responsibilities. A few of the central divisions are: the Advisory and Compliance Division, which implements the Commission's decisions, monitors compliance with the Commission's orders, and advises the PUC on utility matters; the Division of Ratepayer Advocates (DRA), charged with representing the long-term interests of all utility ratepayers; and the Division of Strategic Planning, which examines changes in the regulatory environment and helps the Commission plan future policy. In February 1989, the Commission created a new unified Safety Division. This division consolidated all of the safety functions previously handled in other divisions and put them under one umbrella. The Safety Division is concerned with the safety of the utilities, railway transports, and intrastate railway systems.

Members of the Commission include Daniel Wm. Fessler, President, Patricia M. Eckert, Norman D. Shumway, P. Gregory Conlon, and Jessie J. Knight, Jr.

MAJOR PROJECTS

Vial Committee Releases Recommendations on PUC Reforms. Last fall, in response to several controversial PUC decisions and actions, Senator Herschel Rosenthal—who chairs the Senate Committee on Energy and Public Utilities—convened a Subcommittee on PUC Reforms to look into proposed changes to the Commission's structure and procedures. In turn, the Subcommittee appointed an advisory group of outside experts in regulatory law and procedure, chaired by former PUC President Don Vial, to closely examine the way the Commission handles its responsibilities and to recommend changes to enhance its performance. *[14:1 CRLR 167–68]*

On June 1, the so-called "Vial Committee" released its report and recommendations for several key changes to the Commission's structure and procedures. Among other reforms, the Committee suggested that the PUC be permitted to create a "Case and Issues Management Forum" which would be exempted from the Bagley-Keene Open Meeting Act for purposes of enabling the Commissioners to exercise more effective procedural management of the many matters over which the PUC has jurisdiction. The Committee also recommended that the Commission make better use of the rulemaking process to set industrywide standards and rules, as opposed to its traditional practice of promulgating rules via individualized adjudicatory ratesetting or other Commission decisions. Finally, the Committee suggested that the Commission explore ways to utilize less formal (and much more expedited) procedures in carrying out its responsibilities, including the use of informal "conference" hearings and alternative dispute resolution techniques. (*See* COMMENTARY on page 3 of this issue for a more detailed summary of the Vial Committee's recommendations.)

At this writing, the Vial Committee's report has been transmitted to Senator Rosenthal and the Senate Subcommittee for analysis and possible inclusion in pending legislation.

TURN Proposes Legislation to Improve PUC Accountability and Appeals Process. Consumer groups which are also dissatisfied with the Commission's recent performance have turned to the legislature in their search for improved PUC structure and procedures. On February 22, representatives of several public interest groups, led by Toward Utility Rate Normalization (TURN), introduced a three-bill reform package aimed at curbing recent abuses at the PUC. "The secret processes and backroom deals that have become business as usual at the PUC must stop," said TURN Executive Director Audrie Krause, referring to the October 1993 scandal arising from the Commission's "intraLATA" toll call competition decision. A chagrined PUC quietly rescinded the decision after it was revealed that Pacific Bell officials were invited into PUC offices to help write the decision the night before it was released. *[14:1 CRLR 166–67; 13:4 CRLR 203]* This legislation was introduced as a direct response to that incident, and is an attempt to install the necessary procedures and mechanisms to ensure that the PUC effectively protects the public interest.

The legislation includes SB 1325, authored by Senator Quentin Kopp, which would provide a right to appeal PUC decisions to a state court of appeal. Currently, the only avenue of appeal is a discretionary petition for review to the California Supreme Court, which rarely decides to review PUC decisions. The sec-

ond reform measure, AB 2840, authored by Assemblymember Hilda Solis, would amend the Bagley-Keene Open Meeting Act to prohibit Commissioners from holding private one-on-one meetings to line up votes before making a formal public decision. It would also require the PUC to hold public hearings at the beginning and end of every major proceeding and attend annual forums in each utility's service area to hear customer concerns.

The third bill, AB 2850, authored by Assemblymember Martha Escutia, would require the Commission to circulate "alternate decisions"—which are proposed decisions written by a major proceeding's "assigned Commissioner" as an alternative to the proposed decision of the PUC administrative law judge (ALJ) who presided over the evidentiary hearing in that proceeding—for public comment 30 days prior to a Commission vote. Alternate rulings often differ substantially from the ALJ's proposed decision in a proceeding, and currently are not subject to public scrutiny and are often not even based on the record. Two recent decisions criticized by TURN, the rescinded intraLATA competition decision and the Pacific Telesis spin-off decision *[14:1 CRLR 166–67]*, were based on a Commissioner's alternate ruling. (*See* LEGISLATION for more information on these bills.)

At this writing, both the PUC and the telephone utilities oppose SB 1325 and AB 2840; although the utilities oppose AB 2850, the PUC has yet to take a position on it. TURN hopes to win the support of key legislators through backing from a broad-based coalition of public interest groups. TURN is providing to the public a "sample" PUC reform letter which consumers may send to state legislators to express their support for the bills.

PUC Proposes Restructuring of California's Electric Services Industry. On April 20, the PUC issued its long-awaited proposal to restructure California's electric services industry. The gist of the proposal would isolate for regulation the necessarily monopolistic *transmission* of electricity (power lines, transformers), and deregulate power *generation*. *[14:1 CRLR 170]* With the advent of smaller and varied types of generators able to produce competitively priced electricity, and the transferability of electricity over greater distances, *generation* could be separated out for competition—which could enhance efficiency and lower costs. The PUC hopes that deregulation of power generation ratesetting will lower California's current electricity prices (which are much higher than those in the rest of the nation), reduce costly administrative burdens which are imposed on all parties by the current regulatory structure, and position California's electricity utilities to compete in new markets. The means to these ends, under the Commission's restructuring plan, would be "retail wheeling" and "performance-based rate setting."

The first part of the Commission's plan would implement "retail wheeling" where competition exists. Retail wheeling allows the consumer to buy power from alternative power generators—the local utility, an out-of-town utility, a power broker, or an independent producer. The selected supplier would deliver the electricity to the local utility, and the local utility would distribute or "wheel" it to the customer or business through the existing network of power lines. The local utility would receive a fee for delivering the power, while the supplier would receive a larger fee for generation costs. Local utilities which do not offer a competitive price for power generation would become little more than the transportation link in the power chain. This option, dubbed by the PUC as "direct access," would be available to consumers according to the following timetable:

–Consumers receiving service at the transmission level (50,000 kilovolts or greater) could become direct access consumers on January 1, 1996.

–Consumers receiving service at the primary level could become direct access consumers on January 1, 1997.

–Consumers receiving service at the secondary level could become direct access consumers on January 1, 1998.

–All commercial consumers could become direct access consumers after January 1, 1999.

–All remaining consumers could become direct access consumers after January 1, 2002. Additionally, consumers may continue to receive electricity service from their local utility in the traditional manner with prices regulated by the PUC.

The second part of the Commission's plan would implement performance-based ratesetting (PBR). PBR allows the utilities' rates to be set according to an average market price for electricity. If the utility is able to generate or purchase electricity for less than the benchmark price, the savings are split between the ratepayers and the utility's stockholders. This approach eliminates the current ratesetting system which examines the utility's costs item by item and sets rates to allow the utility a reasonable profit. Under PBR, if the utility does not become more efficient, the losses are split between ratepayers and stockholders as well. The system is intended to provide an incentive for the utilities to streamline their operations and increase their efficiency. Under the Commission's proposal, utilities would be allowed to collect the costs of past uneconomic generating assets developed under the old regulatory framework from both direct access and traditional consumers. Currently, three of the major electricity utilities in California have submitted proposals for PBR, and the Commission has already approved a two-year trial PBR program for San Diego Gas & Electric Company (SDG&E). *[13:4 CRLR 206]*

Criticism of the PUC's restructuring plan erupted almost immediately. Consumer groups expressed concern that the proposal is stacked unfairly in favor of the utilities. Specifically, they oppose charging consumers to allow the utilities to pay off their uneconomic power generation plants (largely nuclear powerplants). Moreover, ratepayer groups such as UCAN in San Diego and TURN in San Francisco expressed concern that the major utilities would lose large commercial consumers to the open market, making residential and small business consumers more expensive to serve. They also disputed that small consumers, when they were allowed into the direct access market, would be able to realize any savings, as they are unorganized buyers and lack the bargaining power to obtain alternative generation opportunities. Finally, in the wake of the PUC's tentative approval of SDG&E's performance-based ratesetting plan, consumer groups were concerned that the less stringent review of utilities costs under performance-based rates would lead inevitably to excessive rates. They argue that pegging rates of a natural monopoly to average rates charged by other regulated monopolies is not responsive to actual costs, and allows windfall profits based on the density of users on the line, right-of-way costs, and many other factors unrelated to market dynamics.

Environmental groups also criticized the PUC's proposed plan. While utilities are currently required by regulation to obtain a percentage of their electricity from alternative sources which are more environmentally friendly than traditional fossil fuel-based sources, such alternative sources traditionally carry higher generation costs. Environmental groups expressed concern that these sources will not be able to compete effectively in the open market, resulting in less energy being generated through renewable, pollution-free, environmentally preferable methods. Competition would be especially difficult against the new generation of natural gas turbine generators which are currently the most cost-efficient. Any savings, they say,

from the open market approach would be offset by the unassessed external costs on the environment of generating more electricity through fossil fuel-based sources. Although the PUC has discussed allowing consumers to check a box on their electricity bill saying that they want their energy generated by alternative sources, environmental groups feel this approach would merely ensure higher rates for "consumers with a conscience." The environmentalists contend that many sources of power (nuclear, coal, water) entail huge external costs which are not reflected in their price—because current laws do not assess those costs. Relegating such generation to the marketplace and removing the major regulatory check to compensate for the market's distortions and omissions will mean serious long-term degradation in return for short-term self-indulgent savings. Environmentalists note that one solution to this dilemma would be a substantial "external cost" fee assessed on each type of power source based on its lack of renewability or other long-term cost—to encourage a marketplace accountable to the full impact of choices made.

The utilities generally favor the PUC's plan as proposed. Their biggest fears have been that stockholders would have to shoulder the cost of retiring old, uneconomic investments in nuclear generators, and that they would not be able to use performance-based rates. Since the restructuring plan calls for both PBR and shifting the cost of old investments to consumers, utilities now generally support the plan.

In registering his separate concurrence with the PUC's plan, Commission President Daniel Wm. Fessler noted three concerns. First, he noted that the broad area of the market created by the proposal would embrace not only other states, but other nations as well. The PUC would lack jurisdiction over such a market, and it is unclear which institution could monitor industry performance within the market or police against discrimination, anticompetitive practices, or unfair dealing. While currently California utility companies are located within California, that would no longer be true under the retail wheeling portion of the Commission's plan. California authorities lack jurisdiction over wholesale wheeling rates—now under the Federal Energy Regulatory Commission (FERC); and future markets may be international—beyond even federal jurisdiction. Second, Fessler expressed concern that the shift from regulatory control of the market to a market based on contracts will pose problems for California's legal infrastructure. Will the legal system be able to provide timely and affordable remedies when a contract is violated? Finally, Fessler noted some concern that the new system may not be reliable enough to provide necessary power to all Californians. Fessler invited comments on these issues in the coming months.

Under the timetable set by the Commission in its proposal, comments must be received by May 20 and reply comments are due on June 6. At this writing, the PUC is scheduled to hold an initial hearing to receive comments on the proposal on June 14.

Commission Approves SDG&E Rate Increase, and Continues Consideration of Long-Term PBR Proposal. Also on April 20, the PUC approved a settlement authorizing a $57.4 million increase in electric rates for SDG&E to cover increases in fuel and purchased power costs. The approved rate increase, down from SDG&E's original request for a $67.7 million rate hike, is the first rate proceeding under its performance-based ratesetting proposal which was approved on a two-year trial basis by the Commission in July 1993. *[13:4 CRLR 206]* This increase will raise the average electricity bill by about 90 cents.

In the meantime, PUC ALJ Mark Wetzell continues to consider SDG&E's request to utilize PBR until at least 1999. In public hearings held throughout the spring, UCAN—a San Diego-based ratepayer organization—expressed strong opposition to the "fine print" in SDG&E's proposal, which UCAN contends will require ratepayers to pay 4–5% more each year for the rest of the decade and result in $250 million in profits to SDG&E. Although UCAN did not oppose the PBR concept during the proceedings which led to the PUC's July 1993 approval of the two-year pilot project, the organization closely scrutinized SDG&E's proposal for a long-term extension of the mechanism and has concluded that the plan is both "ingenious and insidious." UCAN has vowed to fight SDG&E's proposal; at this writing, ALJ Wetzell is scheduled to release his proposed decision in July.

PUC Initiates Proceedings to Streamline Regulations Governing Non-Monopoly Telephone Service Providers. On February 3, the PUC instituted a joint rulemaking and investigative proceeding which would streamline regulations governing many telecommunications service providers in California. The proceedings center around a comprehensive revision of the regulatory requirements for so-called "nondominant" telephone corporations. Nondominant corporations are defined by the PUC as those which do not possess the ability to harm consumers through the exercise of market power. This class of service providers does not include AT&T, the dominant long distance company, monopoly local exchange carriers (LECs) such as Pacific Bell and GTE California, or cellular companies. The rulemaking arises from a three-year plan to open telecommunications markets to competition, disclosed in the PUC's December 1993 report to Governor Wilson entitled *Enhancing California's Competitive Strength: A Strategy for Telecommunications Infrastructure. [14:1 CRLR 168–69]* The report concludes that open markets will improve the state's competitiveness and assure that all Californians benefit from advanced telecommunications.

The gist of the revision would allow nondominant service providers to avoid the complex certification and tariff approval process with a registration procedure, which might be as simple as a one-page form to be filed with the Commission. To provide consumer safeguards, each business utilizing the registration process must agree to be bound by the PUC's applicable consumer protection standards, as well as those of other state or local consumer protection agencies. Furthermore, the business must agree to enforcement of these standards in the appropriate jurisdiction, such as the small claims court in the locale of the customer.

In conjunction with this proceeding, the PUC has ordered a comprehensive evaluation of the needs of telecommunications consumers, including the identification of specific areas requiring consumer protection and suggestions on the best ways to meet the needs of consumers served by the nondominant service providers. The order notes that in this context, consumer protection is defined broadly to include consumer education, public notice and information, complaint handling, and assistance to consumers who wish to participate in PUC proceedings. The Commission intends to include within this evaluation a review of consumer rights and protections extended by other regulatory entities, such as the state Department of Consumer Affairs, the state Attorney General's Office, the Federal Communications Commission, and the Federal Trade Commission.

Acknowledging that such wide-sweeping reform is not within its authority under existing law, the Commission is also seeking amendments to the Public Utilities Code which would authorize it to waive the certification and tariffing requirements for registration of nondominant telephone corporations. AB 3767 (Andal) would permit the Commission to apply "registration only" regulation to telephone corporations with-

out monopoly or significant market power (*see* LEGISLATION). If this legislation is approved during 1994, the Commission anticipates making this simplified registration process effective in early 1995. If the legislation fails, the Commission may consider implementing alternative legal procedures in the interim.

PUC Initiates Proceedings to Determine Allocation of Pacific Telesis Spin-Off Refund. On January 28, ALJ Greggory Wheatland asked for written comments from interested parties on the proposed disposition of the $49 million fund established to compensate ratepayers for the spin-off of Pacific Telesis' wireless operations. Telesis was required to establish the fund as one condition of the PUC's approval of the spin-off, to compensate ratepayers for research and development costs of wireless and cellular systems financed through phone rates between 1974 and 1983. *[14:1 CRLR 167; 13:4 CRLR 204]* The Commission initiated the request for comments to determine how to allocate the funds.

In its spin-off decision, the PUC identified several alternative methods of allocating the funds, including the funding of advanced telecommunications for schools and libraries or for rural or economically underdeveloped areas; reinstating the Telecommunications Education Trust (TET) to fund programs to inform the public about telecommunications services and programs; funding outreach to inform qualified consumers about low-cost phone service through the Universal Lifeline program; and flowing the refund through to ratepayers in the form of reduced phone rates.

The Center for Public Interest Law (CPIL) and other TET grantees submitted comments urging the Commission to use the funds to continue the operation of TET. The PUC established the TET in 1988 as a vehicle to help consumer groups and community-based organizations inform ratepayers about the rapidly changing environment in the communications industry. The original TET fund was created from a $16.5 million fine levied against Pacific Bell for abusive and deceptive marketing practices primarily affecting low-income and limited or non-English speaking people. *[11:4 CRLR 206; 10:4 CRLR 179]* The current TET funding mechanism is due to sunset in September 1994.

In its comments, CPIL suggested that all indicators point to even more dramatic changes in the telecommunications environment in the coming years, with intraLATA competition, the advent of personal communications services, and the development of the "information superhighway." CPIL's comments stressed the importance of continuing the work of TET in promoting consumer education, especially education of low-income and non-English-speaking consumers, by providing them with information about how to make informed decisions in this rapidly changing environment.

At this writing, the Commission is scheduled to decide how to allocate these funds later this year.

PUC Denies Pacific Bell's Appeal of Improper Late Charges Penalty. On April 20, the Commission rejected a request for rehearing by Pacific Bell of a decision ordering it to pay $47.5 million in fines imposed for regularly charging customers improper late fees and connection charges. The fine includes $35 million in refunds to customers and $15 million in penalties. Although interest on the fines has raised the total to over $53 million, PacBell has already paid $5.5 million of the fine.

The penalty was ordered upon findings that, from 1986–91, PacBell wrongfully charged late fees when in fact customers had paid their bills on time. *[13:2&3 CRLR 210]* The decision concluded that PacBell managers knew about the payment processing problems, yet failed to correct them because of the complexity of its system and the cost involved in adopting stricter processing standards. The PUC's intent in assessing the penalty was to signal PacBell's management and shareholders that these types of ongoing violations will not be tolerated.

PacBell officials, who continue to claim that the company had no ongoing knowledge of the problems, have expressed disappointment in the punitive nature of the penalty. Officials for the company suggested that they might appeal the decision to the California Supreme Court. The Commission has determined that unrefunded portions of the fine will be distributed to Pacific Bell customers, by a method to be determined at a later proceeding.

Administrative Law Judge Orders California Cable Television Association to Disclose Proprietary Information to Pacific Bell. On April 1, PUC ALJ Robert L. Ramsey ordered the California Cable Television Association (CCTA) to comply with discovery requests filed by Pacific Bell, which would require CCTA to disclose member information concerning deployment of fiber optic cable and intentions to provide telecommunications services which would compete directly with LECs such as Pacific Bell. CCTA is a professional association comprised of over 350 California cable system operators. CCTA has opposed the discovery requests on the grounds that the information is irrelevant to the underlying proceeding, is privileged, and consists of materials which the association does not maintain and cannot legally be compelled to gather from its membership. CCTA has appealed the decision to the full Commission.

PacBell's discovery request came in response to a petition by CCTA to modify a provision of the PUC's New Regulatory Framework (NRF) decision that requires preapproval of any LEC investment of fiber optic cable beyond the feeder system; CCTA wants the PUC to expand the preapproval requirement to include any LEC investment in coaxial cable beyond the feeder system. The original preapproval requirement was imposed due to a fear that the LECs might use monopoly ratepayer revenues to cross-subsidize construction of fiber optic infrastructure, not for traditional telephone service, but to deliver enhanced services such as cable television. CCTA claims that an expansion of the preapproval requirement to coaxial cable is necessary due to the recently disclosed plans of Pacific Bell to spend $16 billion to replace the copper wire infrastructure with fiber optic and coaxial cable, creating an infrastructure capable of transmitting hundreds of television signals and one billion bits of computer data every second to homes or businesses. *[14:1 CRLR 169]*

According to CALTEL, an association of nondominant telephone companies which also regularly appears before the PUC, ALJ Ramsey's ruling in this matter is "without precedent." CALTEL argues that requiring individual members of an association to fulfill discovery requests merely because the association is a party to the proceeding would have a chilling effect upon participation in Commission proceedings by associations. CCTA additionally argues that discovery of any information pertaining to fiber and coaxial deployment by cable television providers is irrelevant to the instant case, because cable operators are not public utilities and the extent of their use of fiber and coaxial cable can have no bearing on cross-subsidy protections at issue in this proceeding. Further, CCTA argues that cable television technology and delivery methods are so substantially different from the LEC's infrastructure that any comparison of the two would be meaningless.

Pacific Bell and GTE California contend, however, that an association appearing before the commission can be compelled to provide relevant information from its members. They claim that the

basic thrust of the discovery requests is to determine what services CCTA members are providing or intend to provide that could require the use of fiber optic cable. If the cable operators believe that such fiber placement will be cost-effective, Pacific Bell and GTE argue that this would have a bearing on the economic feasibility of LEC plans to implement fiber optic cable. Both LECs have petitioned the PUC to eliminate the original preapproval requirement for fiber cable deployment beyond the feeder system, arguing that it is no longer necessary and impedes the LECs' ability to offer advanced telecommunications services.

FCC Promulgates Rules for Interstate Caller ID. On April 18, the Federal Communications Commission (FCC) established regulations for interstate Caller ID. The rules become effective on April 12, 1995, and will preempt state law only with regard to calls made between states. Because the federal standards are less restrictive than current California Caller ID regulations, the PUC may be faced with the prospect of either forcing the telephone service providers to develop two sets of standards or modifying its regulations to conform to the federal model.

The new regulations will appear as 47 C.F.R. Part 64.1600–64.1604. They provide that any common carrier using the SS7 switching technology must transmit the calling party's number with all interstate calls (SS7 is the technology that makes Caller ID service possible). The rules further provide that all common carriers must provide a free per-call blocking option for all such calls. There is no provision for per-line blocking. All common carriers must use the code *67, dialed as the first three digits of the call, as the per-call blocking code (described by the FCC as the caller's "request for privacy"). The receiving carrier must, with specified exceptions, ensure that calls blocked in this fashion are not disclosed. No common carrier may charge any customer for the call-blocking service. Finally, any common carrier using SS7 technology must notify all customers that their phone numbers may be identified to a called party, and inform customers how to maintain privacy by using the *67 function.

The FCC rules differ from those developed by the PUC in 1992 *[13:1 CRLR 135]* in that the PUC ordered telephone companies to offer three free blocking options: per-call blocking, per-line blocking, and per-line blocking with per-call enabling. Per-line blocking is viewed as essential for customers with unlisted phone numbers who wish to keep their numbers private. However, the FCC declined to require a per-line blocking option because of a concern that, in emergencies, caller would forget to disable the blocking and prevent emergency response teams from quickly identifying the caller. The PUC also requires companies to establish an extensive customer notification and education program. To date, no major telephone corporation in California has elected to provide Caller ID service.

The federal rules override state Caller ID regulations for interstate calls only. State PUCs may still apply their own rules to calls made within the state. However, Pacific Bell has announced that it may petition the PUC to modify its Caller ID rules to conform to the federal rules, because two sets of standards will be confusing to customers as well as more expensive for the phone company.

PUC Institutes Review of General Freight Transportation Regulation. On January 1, the provisions of AB 2015 (Moore) (Chapter 1226, Statutes of 1993) added a third category to the PUC's existing freight transportation regulatory scheme. This third category is the Integrated Intermodal Small Package (IISP) carrier, which transports by motor vehicle packages or articles weighing not more than 150 lbs. Under AB 2015, these carriers are specifically excluded from the definition of a common carrier in Public Utilities Code section 212 and from the definition of a highway or "contract" carrier in Public Utilities Code section 3511, thus exempting IISP carriers from the PUC's regulations concerning common carriers and contract carriers. *[13:4 CRLR 210–11]*

Common carriers are the most strictly regulated general freight carriers. They are required to file tariffs containing all their rates with the PUC for approval. Tariff schedules are designed to prevent price discrimination among shippers by developing a pricing system for transportation of goods based on a carrier's cost of operation. These tariffs are public information. Carriers must follow approved tariff schedules in their pricing. In addition to tariff regulation, common carriers are held to an obligation to provide service without discrimination. To ensure adequate service for rural and small communities, each carrier must serve all areas for which they have filed tariff rates, at least once a week, unless no service is requested. PUC regulations also make common carriers liable for loss or damage to any item in their possession. This liability may not be limited by the carrier without a written agreement with the shipper in which the limited liability is in exchange for a lower rate.

Contract carriers have considerably more regulatory freedom than common carriers insofar as rate filing and rate regulation is concerned. However, contract carriers (like common carriers) are generally liable for the full cost of any item lost or damaged while in their possession (although contract carriers frequently limit their liability as part of their contracts). Common carriers and contract highway carriers are both responsible for compliance with other Commission regulations concerning C.O.D. bonds, documentation and collection of charges from shippers, loss and damage claim procedures, and public inspection of tariffs.

According to the PUC, the 1993 passage of AB 2015 may have "unintentionally skewed" competition in the general freight industry by permitting the basically unregulated IISP category to operate. Although they must register with the PUC, pay registration and vehicle fees, and meet certain safety and insurance requirements, IISP haulers need not file or seek approval of tariffs and contracts, or follow Commission rules on public information, loss and damage claims, overcharge claims, and C.O.C. shipments. Thus, on March 16 the Commission issued an Order Instituting Investigation and Rulemaking (I.94-03-036) in order to examine whether AB 2015 has had the unintended effect of disrupting the competitive balance between carriers, and to determine whether changes in the Commission's rules to decrease the regulation of general freight carriers are in the public interest. The Commission's order set forth six alternative regulatory proposals—including several options which would eliminate the filing of tariffs—and sought comments on the alternatives and other issues relevant to the need to revamp the PUC's regulation of the general freight industry. Opening comments were due by May 1; all commenters were to serve their comments on all other parties by May 11; and, at this writing, responses are due by June 11.

Rules on Disqualification of ALJs. Last fall, the PUC issued proposed rules to implement Public Utilities Code section 309.6, which requires the Commission to adopt procedures governing the disqualification of its ALJs for bias or prejudice. *[14:1 CRLR 171]* Following a comment period, the Commission released on March 9 an interim ruling in which it revised the language of the proposed rules in response to comments received and instituted a formal 45-day public comment period under the Administrative Procedure Act.

The PUC's revised proposal would add Rule 63.1 *et seq.* to Article 16, Title 20 of the CCR. Revised section 63.2 sets forth the following grounds for ALJ disqualifi-

cation: (1) the ALJ, his/her spouse, or a close relative is likely to be a material witness in the proceeding; (2) the ALJ has, within the past two years, served as a representative in the proceeding or in any other proceeding involving the same issues, or served as a representative for or given advice to any party in the present proceeding upon any matter involved in the proceeding; (3) the ALJ has a financial interest in the subject matter of the proceeding; an ALJ is deemed to have an financial interest if (a) a spouse or minor child living in the household has a financial interest, or (b) the ALJ or his/her spouse is a fiduciary who has a financial interest; (4) the ALJ is a member of a party to the proceeding, or his/her spouse, relative, or spouse of a relative is a party or an officer, director, or trustee of a party to the proceeding; and (5) the ALJ believes that his/her recusal would be in the best interests of justice, there is doubt as to the ALJ's impartiality, or a reasonable person would doubt that the ALJ is able to be impartial; bias or prejudice towards a lawyer in the proceeding may be grounds for disqualification.

Revised section 63.3 sets forth circumstances which are not grounds for disqualification, including the following: (1) the ALJ is or is not a member of a racial, ethnic, religious, sexual, or similar group and the proceeding involves the rights of such a group; (2) the ALJ has experience, technical competence, or specialized knowledge of or has, in any capacity, expressed a view on a legal, factual, or policy issue presented in the proceeding; and (3) the ALJ has, as a representative or public official, participated in the drafting of laws or in the effort to pass or defeat laws, the meaning, effect, or application of which is in issue in the proceeding, unless the ALJ believes that his/her prior involvement is so well-known as to raise a reasonable doubt in the public mind as to his/her capacity to be impartial.

Revised Rule 63.4 sets forth the procedure for disqualifying an ALJ, which may be accomplished by the ALJ or upon the motion of any party. If a party moves for disqualification, the ALJ must notify the PUC's Chief ALJ, who will rule on the motion to disqualify. A party may appeal the ruling of the Chief ALJ by filing an appeal within 10 days; the appeal will be decided by the full Commission.

The public comment period on the revised rules ended on May 16; at this writing, Commission staff is reviewing the proposed rules and plans to schedule the matter on the full Commission's agenda later this year.

■ LEGISLATION

SB 1325 (Kopp), AB 2840 (Solis), and **AB 2850 (Escutia)** are legislative proposals sponsored by ratepayer organizations to reform the procedures of the PUC (*see* MAJOR PROJECTS).

• ***SB 1325 (Kopp)***, as amended April 18, would express legislative intent to make changes necessary to eliminate the original review jurisdiction of the California Supreme Court over PUC decisions and generally authorize judicial review of PUC proceedings to take place in either the Supreme Court or a court of appeal. *[S. Appr]* A similar bill, ***AB 3640 (Bornstein)***, is being sponsored by several utilities. *[A. Floor]*

• ***AB 2840 (Solis)***. Existing law states that the PUC's meetings shall be open and public and, under the Bagley-Keene Open Meeting Act, that any meeting at which the rates of entities under the PUC's jurisdiction are changed shall be open and public. As amended April 14, this bill would additionally require any meeting of the PUC at which a fact or rule that may influence a rate is discussed or determined to be open and public. It would require the Commission, at the start and conclusion of each general rate case, rulemaking, or investigation, to meet in public to deliberate regarding the issues to be addressed in the proceeding, and to schedule public participation hearings for customer testimony on utilities' rates or services. The bill would prohibit serial, rotating, or seriatim meetings of the Commission for the purpose of developing a consensus on a pending decision unless the notice and public access provisions of the Bagley-Keene Open Meeting Act are met, and would define the term "meeting." *[A. Floor]*

• ***AB 2850 (Escutia)***. Existing law requires the PUC, upon scheduling hearings and specifying the scope of issues to be heard in any proceeding involving an electrical, gas, telephone, railroad, or water corporation, or a highway carrier, to assign an ALJ to preside over the hearings, either sitting alone or assisting the commissioner(s) who will hear the case. Existing law permits the Commission, in issuing its decision, to adopt, modify, or set aside the proposed decision of the ALJ or any part of that decision. Every finding, opinion, and order made in the proposed decision and approved or confirmed by the PUC shall, upon that approval or confirmation, be the finding, opinion, and order of the PUC. As amended April 4, this bill would require any item appearing on the PUC's public agenda as an "alternate decision" (as defined) to an ALJ's proposed decision to be served upon all parties to the proceeding and be subject to public review and comment before the PUC may vote on it. The bill would also require that, prior to commencement of any meeting at which commissioners vote on items on the public agenda, the PUC make available to the public copies of the agenda and any other writings distributed to all or a majority of the commissioners for discussion or consideration at the meeting. *[S. E&PU]*

SB 1957 (Rosenthal), as amended May 3, would prohibit ex parte communications regarding adjudicative proceedings conducted by the PUC after the date the initial comment period expires on an ALJ's proposed decision served on all parties. This bill would also prohibit the PUC from voting on certain alternative public agenda items to proposed decisions of ALJs until those items, and a summary of the substantive changes proposed in the proposed decision of the ALJ by those items, have been available to the public. *[S. Floor]*

SB 1956 (Rosenthal). Existing law states that the PUC's meetings shall be open and public in accordance with the Bagley-Keene Open Meeting Act. That act provides, with respect to the PUC, that the requirement that the public be provided an opportunity to address the Commission on each agenda item, as specified, does not apply to agenda items that involve decisions of the PUC regarding adjudicatory hearings, as defined. As amended May 4, this bill would delete that exemption and would prohibit serial, rotating, or seriatim meetings, as specified. *[S. Floor]*

AB 3720 (Costa), SB 1966 (Calderon), and **AB 3606 (Moore)** would implement some of the Commission's recommendations made in *Enhancing California's Competitive Strength: A Strategy for Telecommunications Infrastructure*, the PUC's December 1993 report to the Governor in which it proposed sweeping changes in the state regulatory structure of the telecommunications industry, including a call for open competition in all telecommunications markets by January 1, 1997. *[14:1 CRLR 168–69]*

• ***AB 3720 (Costa)***, as amended May 12, would require the PUC to authorize open competition for intrastate long distance ("intrastate interLATA") service if authorized by changes to federal law or judicial decree; Congress is currently considering bills to allow LECs such as Pacific Bell and GTE California into the long distance market. If Pacific Bell is not authorized by changes to federal law or judicial decree to provide intrastate long distance service, then this bill would require the PUC to order Pacific Bell to

provide intrastate long distance service by July 1, 1995, and to seek a waiver of relevant federal restrictions. AB 3720 would also require the PUC to ensure that competition in this market is fair and that Pacific Bell does not leverage its near-monopoly on local service to compete unfairly in the intrastate long distance market, which is currently occupied primarily by AT&T, MCI, and Sprint. *[A. Floor]*

• ***SB 1966 (Calderon)***, as amended April 4, would declare that it is the policy of the state to establish open and competitive markets in telecommunications. Under existing law, LECs are not permitted to enter the long distance marketplace, and long distance companies are not currently allowed to enter the local or short-distance toll call markets (although that will probably change in California by the end of 1994 if the PUC's tainted October 1993 toll call decision is properly drafted, circulated, and approved). Further, cable and local telephone companies are not currently allowed to enter each other's markets under the federal Cable Act of 1984. This bill would implement the major recommendation in the PUC's December 1993 report by declaring state policy to establish open and competitive markets, with full produce and price competition, in the telecommunications industry. *[A. U&C]*

• ***AB 3606 (Moore)***, as amended April 18, would make a legislative finding and declaration that a policy for telecommunications in California is to promote lower prices, broader consumer choice, and avoidance of anticompetitive conduct. The bill would provide that all telecommunications markets subject to PUC jurisdiction may be opened to competition not later than January 1, 1997, and require the PUC to take steps to ensure that competition in telecommunications markets is fair and that the state's universal service policy is observed. The bill would provide that if any LEC obtains the right to offer cable television or video dialtone service within its service territory from a regulatory body or court of competent jurisdiction, any cable television or telecommunications corporation may immediately have the right to enter into the local telecommunications market within the service territory of that LEC by filing for approval a certificate of public convenience and necessity, if necessary, which shall be expeditiously reviewed by the PUC. The bill would require the PUC to expedite its open network architecture and network development, interconnection, and other related dockets so that whatever additional rules and regulations that may be necessary to achieve fair local exchange competition shall be in place no later than January 1, 1997. *[A. Floor]*

SB 1304 (Ayala). Existing law requires electrical corporations to make available to qualifying heavy industrial customers optional interruptible or curtailable service, at a rate to reflect a pricing incentive. As amended May 10, this bill would require the PUC to direct each public utility electrical corporation to renew its efforts to reduce the rates charged heavy industrial customers to a level competitive with other states, and would require each electrical corporation to report to the PUC no later than June 30, 1995, on those measures or practices it has identified that would permit it to reduce its firm service rates for heavy industrial customers to the level of its interruptible or curtailable service rates provided to those customers as of January 30, 1993. This bill would also express legislative findings and declarations and state the legislative intent with respect to these provisions. *[S. Appr]*

SB 1456 (Rosenthal), as amended April 5, would require the PUC to authorize public utilities, selected by the Commission, to establish catastrophic event memorandum accounts, among other accounts, and to record in those accounts specified costs that would be recoverable in rates following a request by the affected utility, a showing of their reasonableness, and approval by the PUC. The bill would also require the PUC to hold expedited proceedings in response to utility applications to recover costs associated with catastrophic events. *[A. U&C]*

AB 783 (Polanco). Existing law requires the PUC to authorize public utilities to engage in programs to encourage economic development and requires a utility's reasonable expenses for economic development programs to be allowed, to the extent of ratepayer benefit, when the PUC sets rates to be charged by those public utilities electing to initiate these programs. As amended March 21, this bill extends the permitted incentives to include Recycling Market Development Zones. This bill authorizes the board of a municipal utility district that has owned and operated an electric distribution system for at least eight years and has a population of 250,000 or more to engage in programs to encourage economic development that benefits its ratepayers. This bill was signed by the Governor on April 26 (Chapter 53, Statutes of 1994).

AB 2737 (Cannella), as amended April 28, would require public utilities to provide to peace officers and to federal investigators and law enforcement officers, as defined by reference to existing law, with names, prior addresses, places of employment, and dates of service of utility customers under specified conditions. *[A. W&M]*

AB 2837 (Baca), as introduced February 14, would prohibit the PUC from ordering an electrical or gas corporation to put low-income energy services out for bid, and would rescind any such orders made prior to January 1, 1995. *[S. E&PU]*

AB 3704 (Bronshvag). Existing law prescribes the circumstances under which telephone corporations can release information regarding residential subscribers without their consent in writing. As amended April 11, this bill would permit release of information relating to Universal Lifeline telephone customers to public utilities for the sole purpose of low-income ratepayer assistance outreach efforts. *[S. E&PU]*

AB 3643 (Polanco), as amended May 2, would require the PUC to initiate an investigation and open a proceeding to examine the current and future definitions of universal service in telecommunications; and require the PUC to report to the legislature by January 1, 1996, on its findings and recommendations. *[A. Floor]*

AB 3767 (Andal), as amended May 3, would, until January 1, 1999, authorize the PUC to determine that some or all nondominant telephone corporations, as defined, shall be subject to registration-only regulation, subject to specified conditions, and set forth the duties and authority of the PUC in regulating these corporations (*see* MAJOR PROJECTS). *[A. W&M]*

SB 1939 (Rosenthal), as amended April 26, would require the PUC to establish special rates for a three-year period to encourage telecommuting in the region of the state affected by the Northridge earthquake of January 17, 1994. The bill would appropriate $4 million to the extent permitted by a specified court decision, to the Department of Transportation for a grant to the City of Los Angeles, to be expended over a three-year period, to support the Southern California Emergency Telecommuting Partnership's efforts to promote and sustain telecommuting in response to the Northridge earthquake. *[S. Floor]*

SB 1998 (Kopp), as amended May 17, would require the PUC to require every telephone corporation, except wireless or cellular corporations, to adopt at least one alternative billing plan that is a system that bills its residential subscribers for calls in increments of no more than thirty seconds per incremental charge. *[S. Floor]*

SB 1960 (Rosenthal), as amended May 17, would require the PUC to establish the California Education and Libraries Information Technologies Trust Fund to fund

projects by the Golden State Education Network, authorize specified grants, and continuously appropriate the fund to support the projects of the Network. *[S. Appr]*

AB 1879 (Bornstein). Existing law requires the PUC to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer. The PUC is also required to establish a standard limited allowance of gas and electricity to which specified residential customers are entitled in addition to the baseline quantity. As amended April 21, this bill would include, within those residential customers to which the additional limited allowance of gas and electricity applies, customers 62 years of age or older who reside in extreme climatic zones, as defined. It would also establish a different baseline quantity of gas and electricity for those customers. *[A. W&M]*

SB 1962 (Rosenthal), as amended May 2, would require the PUC to maintain a telecommunications education program similar to its existing Telecommunications Education Trust (TET) to protect the interests of California consumers. The bill would create the Telecommunications Education Program Fund, to be administered by the PUC, and authorize, until December 31, 1997, the PUC to impose a fee on all telephone corporations doing business in the state to be deposited in the fund. The total of all fees collected would not be more that $3 million on an annual basis. The moneys in the fund, upon appropriation by the legislature, would be used by the PUC for telecommunications education grants and programs. The bill additionally would permit the PUC, no later than April 1, 1995, to determine an alternative method for establishment of a TET-type program consistent with the goals set forth in the bill. If the PUC makes that determination, the bill would permit the PUC to implement the alternative program no later than July 1, 1995, in lieu of all or a part of the program otherwise set forth in the bill. The provisions of the bill would be repealed on January 1, 2001. *[S. Appr]*

ACR 131 (Escutia). Existing law requires the PUC to annually compile a list of the most urgently needed railroad crossing projects that require grade separation or alteration. As introduced May 9, this measure would request the PUC to conduct a study on at-grade railroad crossings from the Ports of Long Beach and Los Angeles to downtown Los Angeles. *[A. U&C]*

AB 3524 (Bowler). Under existing law, the furnishing of specified passenger transportation services by a charter-party carrier of passengers is subject to the jurisdiction and control of the PUC; these services are required to be furnished pursuant to a certificate of public convenience and necessity or a permit issued by the PUC, subject to specified filing fees. Existing law limits these permits to service areas with mileage restrictions. As amended May 12, this bill would alter these mileage restrictions for designated permits, and revise the amount of filing fees for a specified classification.

Existing law sets forth the requirements to be met before a permit or certificate may be issued for charter-party carriers of passengers. This bill would make these provisions applicable to the issuance or renewal of permits, and set forth certain requirements to be met before a certificate may be issued or renewed. *[A. W&M]*

AB 3452 (Mountjoy). Existing law provides generally for the regulation of highway permit carriers by the PUC and provides specifically for the regulation of dump truck carriers as a specialized type of truck transportation. As amended May 18, this bill would require the PUC to establish only just, reasonable, and nondiscriminatory rates for dump truck carriers; determine, on an annual basis, the costs of efficient dump truck carriers and adjust the rates of those carriers to reflect costs that have increased or decreased since the rates were last adjusted; and require the PUC to establish or approve expedited rate deviation procedures for dump truck carriers. *[A. Floor]*

AB 3589 (Rainey), as introduced February 25, would specifically require the PUC to establish just, reasonable, and nondiscriminatory minimum rates for dump truck carriers, and authorize the PUC to approve applications by dump truck carriers for deviations from those minimum rates. *[A. Floor]*

AB 3332 (Conroy). Existing law provides that when the PUC's executive director determines that any household goods carrier, passenger stage corporation, highway common carrier or cement carrier, or highway carrier, or any officer, director, or agent of any household goods carrier, passenger stage corporation, highway common carrier, or cement carrier, or highway carrier, is failing, omitting, or about to fail or omit to do anything required of it by law or by any order, decision, rule, direction, or requirement of the Commission, or is doing anything, about to do anything, permitting anything, or about to permit anything to be done in violation of law or of any order, decision, rule, direction, or requirement of the PUC, the executive director may make application to the superior court for injunctive relief, a restraining order, or other order, upon a showing by the executive director that a person or corporation has engaged in or is about to engage in these acts or practices. As introduced February 24, this bill would specifically include within the type of order that the court may grant an order allowing vehicles used for subsequent operations subject to the order to be impounded at the carrier's expense and with no civil liability to the PUC, subject to release only by subsequent court order following a petition to the court by the defendant or owner of the vehicle. *[S. Jud]*

The following is a status update on bills reported in detail in CRLR Vol. 14, No. 1 (Winter 1994) at pages 172–74:

SB 320 (Rosenthal), as amended April 21, 1993, would permit the PUC to expand the funding base of the Universal Lifeline Telephone Service program surcharge to include any or all telephone corporations or telecommunications services, except for basic monthly telephone service, provided by telephone corporations. *[A. U&C]*

AB 860 (Moore), as amended April 12, 1993, would require the PUC, in the regulation of cellular telecommunications utilities, to implement a regulatory mechanism that permits the utilities to raise and lower prices within a specified range with minimum intervention and review by the PUC. *[S. E&PU]*

AB 1386 (Moore), as amended August 27, 1993, would require the PUC to cause a gas corporation to publish a tariff establishing terms and conditions of wholesale gas service for a municipality within its service territory, including rates, as specified; prohibit the PUC from imposing conditions that foreclose competition between the utility and the municipality, but allow utilities to petition the PUC to abandon service within municipalities eligible for wholesale gas service under the provisions of this bill; permit the PUC to grant petitions for abandonment of service, but when granting a petition for abandonment, the PUC would be required to impose conditions requiring that affected municipalities provide service on a nondiscriminatory basis to former customers of the utility abandoning service; define the basis on which the PUC may establish charges to be paid by a municipality to a utility for the transfer of gas distribution facilities to the municipality in the event the utility abandons service; and require the PUC to disallow any consideration of the expense of redundant distribution facilities when setting the rates of a utility which has failed to take advantage of the abandonment provisions of the bill. *[S. Inactive File]*

SB 662 (Bergeson), as amended May 17, 1993, would require the PUC, in con-

sultation with specified departments and representatives, to prepare and adopt a program for telecommunications services for disabled persons for motorist aid in the event of a freeway emergency, to comply with specified federal standards. *[A. Trans]*

SB 141 (Alquist), as amended March 17, would appropriate funds for the support of the PUC in the 1994–95 fiscal year, in lieu of funds appropriated by the Budget Act of 1994. This bill and several others are intended to force legislative discussion of the possible consolidation of the California Energy Commission into the PUC or into a new Department of Energy and Conservation, as proposed by Governor Wilson in his January 5 "State of the State" address. *[A. W&M]*

AB 2333 (Morrow), as amended March 3, would require telephone, gas, and electric utilities to provide district attorney inspectors and investigators with limited customer information under specified conditions with respect to investigations relating to missing or abducted children. The bill would require inspectors and investigators requesting this information to prepare and sign a written affidavit supporting the request, and would provide that specified persons and entities shall not be subject to criminal or civil liability for reasonably relying on an affidavit pursuant to this provision. *[S. Inactive File]*

AB 1879 (Peace). Existing law requires the PUC to designate a baseline quantity of electricity and gas necessary for a significant portion of the reasonable energy needs of the average residential customer. The PUC is also required to establish a standard limited allowance of gas and electricity to which specified residential customers are entitled in addition to the baseline quantity. As amended April 21, this bill would include, within those residential customers to which the additional limited allowance of gas and electricity applies, customers 62 years of age or older who reside in extreme climatic zones, as defined. It would also establish a different baseline quantity of gas and electricity for those customers. *[S. E&PU]*

SB 335 (Rosenthal), as amended May 10, is no longer relevant to the PUC.

AB 2363 (Moore). Existing law prohibits gas, heat, or electrical corporations and their subsidiaries that are regulated as public utilities by the PUC from conducting work for which a contractor's license is required, except under specified conditions. As amended April 19, 1993, this bill would also permit the work to be performed if the work is incidental to another utility function and is performed by a utility employee who is present on the premises for the other function. *[A. Inactive File]*

AB 2028 (Bronshvag), as amended April 13, 1993, would require the PUC to implement the consensus recommendations contained in the report of the California Electromagnetic Field Consensus Group dated March 20, 1992. *[12:2&3 CRLR 260] [S. Appr]*

AB 766 (Hauser), as amended April 21, would require the PUC to undertake a propane safety inspection and enforcement program for propane distribution systems to ensure compliance with the federal pipeline standards by propane operators within the state, and permit the PUC to adopt rules, at least as stringent as the federal law, in order to protect the health and safety of customers served by propane distribution systems. This bill would require the State Board of Equalization and the PUC to establish a uniform billing surcharge designed to cover the cost of implementing these provisions. *[S. Inactive File]*

AB 173 (V. Brown), as amended August 30, 1993, would limit the amount of salary paid to the President and each member of the PUC to an amount no greater than the annual salary of members of the legislature, excluding the Speaker of the Assembly, President pro Tempore of the Senate, Assembly majority and minority floor leaders, and Senate majority and minority floor leaders. *[S. Inactive File]*

The following bills died in committee: **AB 683 (Moore)**, which would have required the PUC to reopen and reconsider a specified decision relating to rates charged retail electric customers for electricity from the Diablo Canyon Nuclear Powerplant; **SB 828 (Mello)**, which would have required the PUC to adopt and implement regulations to assure that electrical corporations meet specified requirements in providing electric power to commercial customers maintaining high technology dependent operations; **SB 1177 (Alquist)**, which would have required the PUC to review the federal Energy Policy Act of 1992 and to report to the legislature by March 31, 1994, concerning the effects of the Act on electric transmission services in California; **SB 1077 (Lewis)**, which would have repealed various provisions relating to the establishment of the rates which are charged by common carriers; and **SB 1147 (Rosenthal)**, which would have required the PUC to determine the total statewide dollar amount of social costs which are embedded in regulated utility rates for delivered natural gas, and spread that amount equally as a surcharge to all consumers of natural gas in the state, whether regulated or unregulated, utility or nonutility.

■ FUTURE MEETINGS

The full Commission usually meets every other Wednesday in San Francisco.

STATE BAR OF CALIFORNIA

President: Margaret Morrow
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The State Bar of California was created by legislative act in 1927 and codified in the California Constitution at Article VI, section 9. The State Bar was established as a public corporation within the judicial branch of government, and membership is a requirement for all attorneys practicing law in California. Today, the State Bar has over 141,000 members, which equals approximately 17% of the nation's population of lawyers.

The State Bar Act, Business and Professions Code section 6000 *et seq.*, designates a Board of Governors to run the State Bar. The Board President is elected by the Board of Governors at its June meeting and serves a one-year term beginning in September. Only governors who have served on the Board for three years are eligible to run for President.

The Board consists of 23 members—seventeen licensed attorneys and six nonlawyer public members. Of the attorneys, sixteen of them—including the President—are elected to the Board by lawyers in nine geographic districts. A representative of the California Young Lawyers Association (CYLA), appointed by that organization's Board of Directors, also sits on the Board. The six public members are variously selected by the Governor, Assembly Speaker, and Senate Rules Committee, and confirmed by the state Senate. Each Board member serves a three-year term, except for the CYLA representative (who serves for one year) and the Board President (who serves a fourth year when elected to the presidency). The terms are staggered to provide for the selection of five attorneys and two public members each year.

The State Bar includes twenty standing committees; fourteen special committees,