

1 [Commendation]

2 COMMENDING THE UTILITY REFORM NETWORK FOR PETITIONING THE CALIFORNIA
3 PUBLIC UTILITIES COMMISSION TO REQUIRE UTILITIES TO CHANGE THEIR
4 ACCOUNTING METHODS AND COMMENDING THE CALIFORNIA PUBLIC UTILITIES
5 COMMISSION FOR REQUIRING PG&E AND SOUTHERN CALIFORNIA EDISON TO
6 REVIEW THE TURN PROPOSAL.

7

8 WHEREAS, Ratepayers expected AB 1890, California's deregulation plan, to create
9 competition among utilities and lower rates; and,

10 WHEREAS, California's deregulation plan specifically requires utility rates to be frozen
11 for a period of time before rising to market levels, and does not allow the utilities to recover
12 additional charges after the rate freeze to make up for alleged shortfalls in revenue during the
13 rate freeze period; and,

14 WHEREAS, The deregulation legislation froze rates at historically high levels in order
15 to permit utilities to collect billions of dollars in so-called stranded investments; and,

16 WHEREAS, The express intent of the legislation was to provide 20% rate reductions
17 for homeowners, renters, and small business customers at the end of the rate freeze; and,

18 WHEREAS, Customers will be subjected to a surcharge on their bills for ten years to
19 pay for a self-financed 10% rate reduction that was funded by the issuance of bonds; and,

20 WHEREAS, The California Public Utilities Commission (CPUC) has held that no costs
21 incurred during the rate freeze can be carried forward into the post rate freeze period; and,

22 WHEREAS, PG&E has requested a rate hike in order to recoup a reported loss of
23 \$2.18 billion; and,

24 WHEREAS, The Utility Reform Network (TURN) has been an advocate for California's
25 utility consumers for more than 25 years; and,

1 WHEREAS, TURN has petitioned the CPUC to require utilities to change their
2 accounting methods to balance profits against reported losses; and,

3 WHEREAS, On October 27, 2000, CPUC Administrative Law Judge Minkin ruled that
4 PG&E must draft a proposal to pay off its debt without passing its losses to customers; and,

5 WHEREAS, Administrative Law Judge Minkin's decision requires PG&E and Southern
6 California Edison to review the TURN proposal and to draft accounting rule change proposals
7 that would create an equitable solution to the problem; now, therefore, be it

8 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
9 commends The Utility Reform Network for petitioning the California Public Utilities
10 Commission to require utilities to change their accounting methods; and, be it

11 FURTHER RESOLVED, That the Board commends the California Public Utilities
12 Commission for requiring PG&E and Southern California Edison to review the TURN
13 proposal.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 001940

Date Passed:

Resolution commending the Utility Reform Network for petitioning the California Public Utilities Commission to require utilities to change their accounting methods and commending the California Public Utilities Commission for requiring PG&E and Southern California Edison to review the TURN proposal.

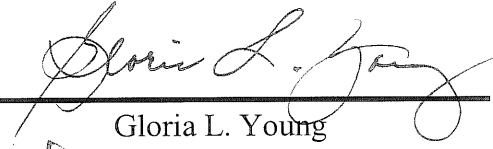
November 6, 2000 Board of Supervisors — ADOPTED

Ayes: 9 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom,
Teng

Absent: 2 - Yaki, Yee

File No. 001940

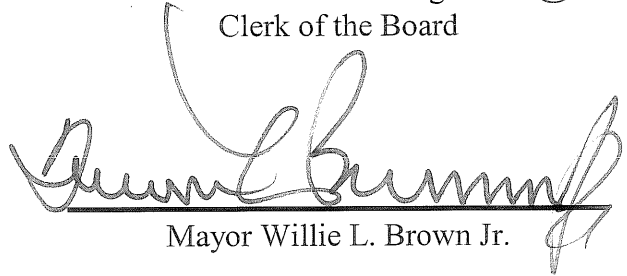
I hereby certify that the foregoing Resolution was ADOPTED on November 6, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

NOV 17 2000

Date Approved



Mayor Willie L. Brown Jr.