



CPUC Public Agenda 3381
Thursday, July 14, 2016 9:30 a.m.
San Francisco, CA



Commissioners:
Michael Picker, President
Michel Peter Florio
Catherine J.K. Sandoval
Carla J. Peterman
Liane M. Randolph

www.cpuc.ca.gov





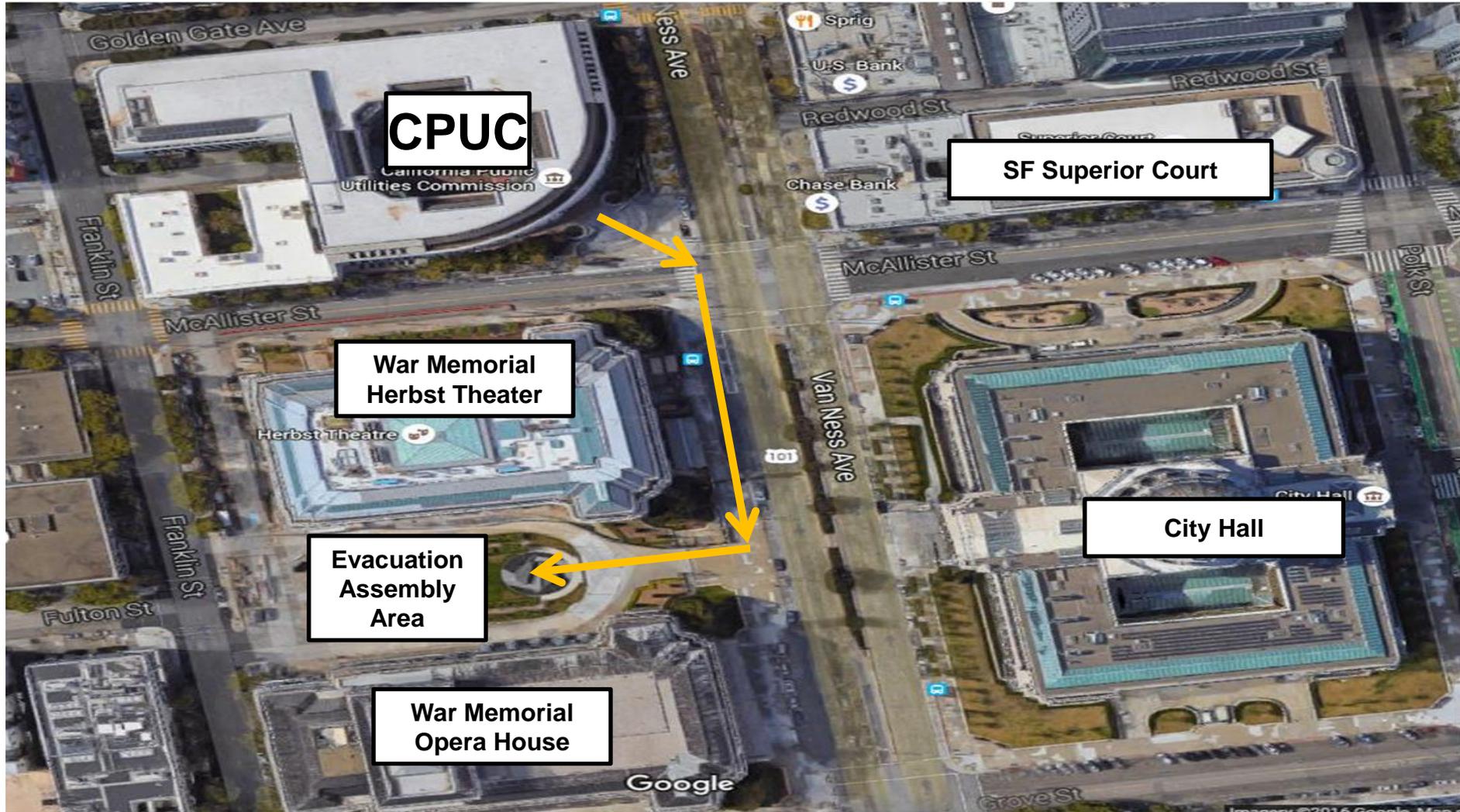
The Pledge of Allegiance



“I pledge allegiance to the Flag of the
United States of America,
and to the Republic for which it stands,
one nation under God,
indivisible,
with liberty and justice for all.”



Evacuation Assembly Location





Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

Public Comment is not permitted on the following items:

- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
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Public Agenda Changes

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 CPUC meeting.

- Items on Today's Consent Agenda are: 1, 3, 4, 5, 6, 7, 8, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28.
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- Items 32 from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- Item 9 has been moved to the Regular Agenda.
- No Item has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to 8/18/16: 2, 10, 11, 16, 30, 30a, 31, 33, 37, 38, 39, 40, 41, 42, 43.





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda – Communications Resolutions and Reports

Item # 9 [14966] – Inyo Nicasio Underserved Broadband Project

Res T-17523

PROPOSED OUTCOME :

- Conditional approval of funding for the grant application of Inyo Networks, Inc. from the California Advanced Services Fund (CASF) in the amount of \$1,491,078 for the Nicasio Broadband Project located in the Nicasio community of western Marin County, a CASF “priority area.”

SAFETY CONSIDERATIONS :

- This project is expected to provide broadband services to three anchor institutions and provide safety benefits in the Nicasio community with a robust broadband service in the event of severe weather, natural disasters as well as improved access to e-health services.

ESTIMATED COST :

- \$1,491,078.





Nicasio- Inyo Networks, Inc.

CASF Project



Selena Huang

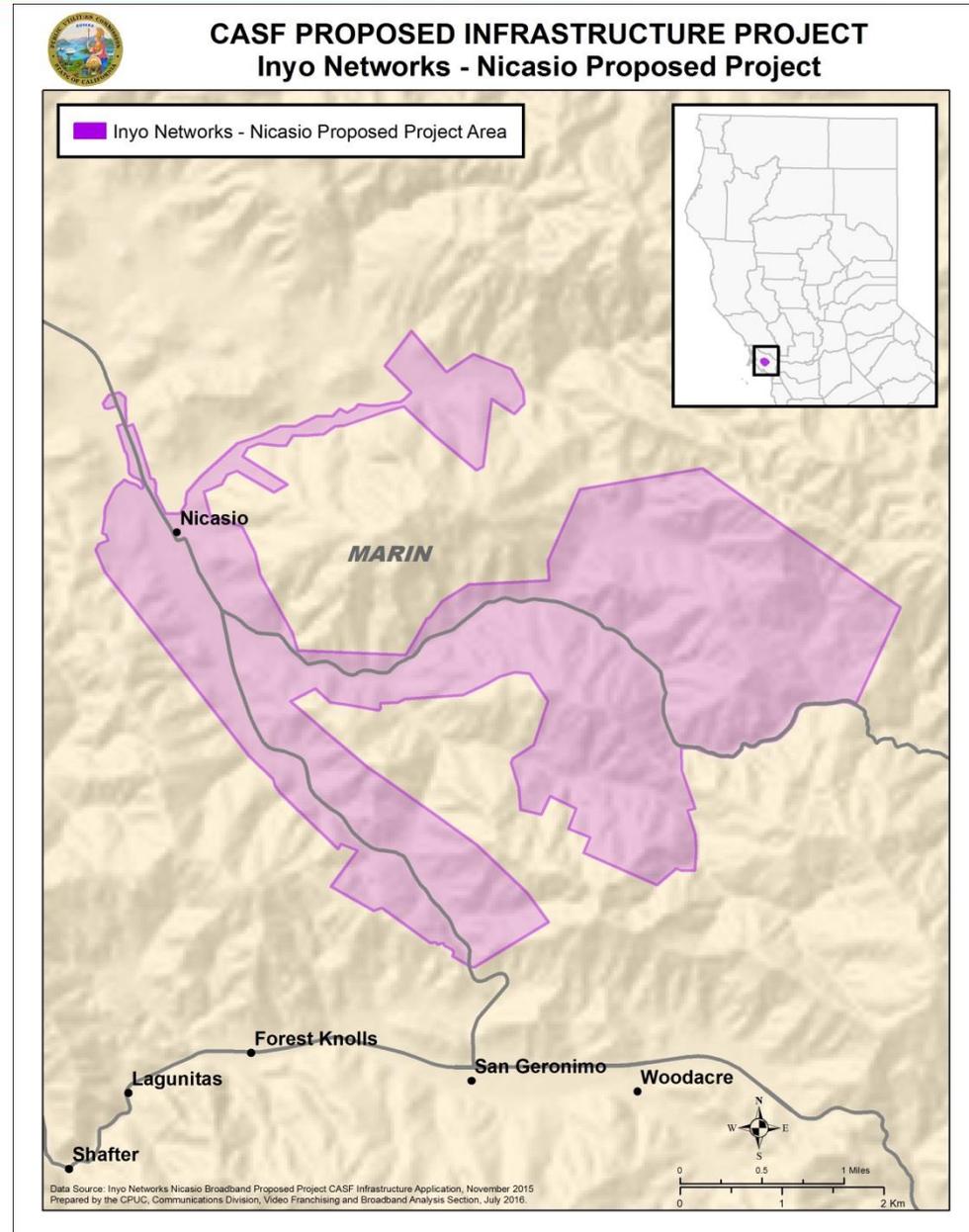
Program and Project Supervisor, Communications Division

July 14, 2016



Summary

- **Nicasio community of western Marin County**
- **Applied on Nov. 13, 2015**
- **No challenges received**
- **Fiber-to-the-premises**
- **1 Gbps down/up**
- **216 underserved households**
- **3 anchor institutions**
- **Grant request: \$1,491,078 (60% of \$2,485,130) / \$6,903 per household**
- **\$994,052 to be financed by Broadband Utility Note**
- **Performance bond required**





Broadband Utility Note (40% Match)

- The notes offering will be registered with the California Department of Business Oversight under the Securities & Exchange Commission's standardized process, the Small Company Offering Registration process.
- The homeowners in the project area will be offered an opportunity to purchase the notes. The interest rate will be based on market conditions. Currently, the applicant is proposing an interest rate of 3% per year.
- If the notes were not fully subscribed, according to the applicant, the monies would be returned to the investors.





Deviation from the Matching Fund Requirement

- This deviation does not waive the matching fund requirement but only extends the time for Inyo to satisfy the requirement.
- The Broadband Utility Notes mechanism could become a viable alternative for others to follow—first time proposed for CASF projects.
- If Inyo Networks Inc. is unable to secure the matching funds within 365 days from the approval date of this Resolution, then the funding approval is rescinded automatically.





Regular Agenda – Communications Resolutions and Reports

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Regular Agenda – Energy Orders

Item # 29 [14781] – Denial of Application for Southern California Gas Company and San Diego Gas & Electric Company for Approval of Rates for Proposed North-South Natural Gas Pipeline Project

A13-12-013

Application of Southern California Gas Company and San Diego Gas & Electric Company for Authority to Recover North-South Project Revenue Requirement in Customer Rates and for Approval of Related Cost Allocation and Rate Design Proposals.

Ratesetting

Comr Florio - Judge Bemesserfer

PROPOSED OUTCOME :

- Rejects Joint Application of Southern California Gas Company and San Diego Gas & Electric Company to recover in rates the cost of a new natural gas pipeline between Adelanto and the Moreno Pressure Limiting Station for failure to demonstrate need.
- Finds that proposals to rely on operational reforms, modified contracts, and tariffs can enhance system reliability.
- Closes the proceeding.

SAFETY CONSIDERATIONS :

- Rejects proposed route of high pressure gas pipeline which passes through congested areas.

ESTIMATED COST :

- The rejected North-South Pipeline Project would have cost ratepayers an estimated \$621 million.





Regular Agenda - Orders Extending Statutory Deadline

Item # 34 [14994] – Order Extending Statutory Deadline

A14-04-011

In the Matter of the Application of San Diego Gas & Electric Company for a Certificate of Public Convenience and Necessity for the Sycamore- Penasquitos 230 Kilovolt Transmission Line Project.

Ratesetting

Comr Picker - Judge Yacknin

PROPOSED OUTCOME:

- Extends statutory deadline this proceeding to September 21, 2016.

SAFETY CONSIDERATIONS:

- None as a result of this decision.

ESTIMATED COST:

- There are no costs associated with this decision.





Regular Agenda - Orders Extending Statutory Deadline (continued)

Item # 35 [14996] – Order Extending Statutory Deadline

R11-11-007

Order Instituting Rulemaking into the Review of the California High Cost Fund-A Program.

Quasi-Legislative

Comr Sandoval - Judge Colbert

PROPOSED OUTCOME:

- Extends statutory deadline this proceeding to October 7, 2016.

SAFETY CONSIDERATIONS:

- None as a result of this decision.

ESTIMATED COST:

- There are no costs associated with this decision.





Regular Agenda - Legal Division Matters

Item # 36 [15001] – Comments on the Federal Communications Commission Notice of Proposed Rulemaking

CG Docket No. 16-145, GN Docket No. 15-178

Federal Communications Commission (FCC) Notice of Proposed Rulemaking (NPRM) In the Matter of Transition from TTY to Real-Time Text Technology; Petition for Rulemaking to Update the Commission’s Rules for Access to Support the Transition from TTY to Real-Time Text Technology, and Petition for Waiver of Rules Requiring Support of TTY Technology; CG Docket No. 16-145, GN Docket No. 15-178.

The Federal Communications Commission (FCC) has issued a Notice of Proposed Rulemaking (NPRM) seeking public comment on its proposal to update the FCC’s rules to facilitate a transition from text telephone (TTY) technology to an interoperable means of providing “real-time” text (RTT) communication over Internet Protocol (IP) enabled network and services. Because the FCC’s proposal poses significant ramifications for the California’s Deaf and Disabled Telecommunications Program (DDTP), CPUC staff seeks authority to submit comments. Comments are due July 11, 2016; the California Public Utilities Commission would submit late-filed comments.





Commissioners' Reports





Regular Agenda - Commissioner Reports

Item # 44 [14993] – Adoption of the Strategic Plan Directives and Governance Policies

Commission Action on Strategic Plan Directives and Governance Policies.





Adoption of Strategic Directives and Policies

I. Strategic Directives

A body of statements that collectively define the universe of results the Commission expects the CPUC to achieve.

II. Governance Process Policies, and

Policies developed by the Commission to help assure its effective governance.

III. Commission-Staff Linkage Policies

Policies developed by the Commission to clarify the expected performance of its direct reports.





Strategic Plan - Process

Today's action is the first step of the Commission's Strategic Plan.

The strategic directives and polices we are adopting today were developed primarily through a top-down approach directly by the Commissioners.

The second step will be the development of specific metrics and action items by CPUC management and staff.





Strategic Directives

A body of statements that collectively define the universe of results the Commission expects the CPUC to achieve.

- Mission
- Safety
- Reliability and Resiliency
- Rates and Affordability
- Universal Access/Universal Service
- Consumer Protection, Education, and Assistance
- Compliance and Enforcement
- Climate Change
- Environmental Sustainability
- Economic Prosperity
- Administration
- Communication and Engagement
- Decision-making Process
- Coordination with Other Governmental Entities
- Risk Management





Governance Process Policies

Policies developed by the commission to help assure its effective governance.

Commission Purpose

Commissioner Job Description

Appointment and Role of the President

Commissioner Code of Conduct

Meeting Procedures

Committee Principles

Commissioner and Commission Comments to State and Federal Agencies

Commissioner Training and Orientation





Commission-Staff Linkage Policies

Policies developed by the Commission to clarify the expected performance of its direct reports.

Priorities for the Executive Director

Priorities for the General Counsel

Priorities for the Chief Administrative Law Judge

Priorities for the Internal Auditor

Commission Evaluation of Direct Reports





Regular Agenda - Commissioner Reports

Item # 44 [14993] – Adoption of the Strategic Plan Directives and Governance Policies

Commission Action on Strategic Plan Directives and Governance Policies.





Commissioners' Reports





Calaveras-Tuolumne Counties Rim Fire Report



Commissioner Catherine J.K. Sandoval
California Public Utilities Commission

July 14, 2016





Hydrogen Fuel Cell Battery Backup for Calaveras Telephone Remote





AT&T Stray Wire

SAFETY VIOLATION

- Dewey Meadows, Yosemite National Park, Rim Fire staging area
- Wire attached to trees not poles







**SAFETY VIOLATION – WIRE UNDER TREE!
POTENTIAL FIRE HAZARD**





**Stray wire
attaches at pole
across the street
from Dewey
Meadows.**

AT&T Pole





Stray wire
attaches to
adjacent tree
and drops to
pole.





- Line runs down pole to AT&T cable canister.





Cable Canister





- Line attaches to tree on left, drops to pole.





Team Sandoval, Supervisor Hanvelt, Scott from Forest Service





SFPUC Hetch Hetchy Transmission Lines,
SF Water Source Threatened by Rim Fire
Example of Water – Energy Nexus





SFPUC Hetch
Hetchy
Transmission Lines



**Rim of the World:
rural energy & water utility facilities impact
urban water source/ urban living**





Rim Fire results in
dead trees everywhere
-- available biomass.





Hetch Hetchy Pumping Facility, Dam & Pipes



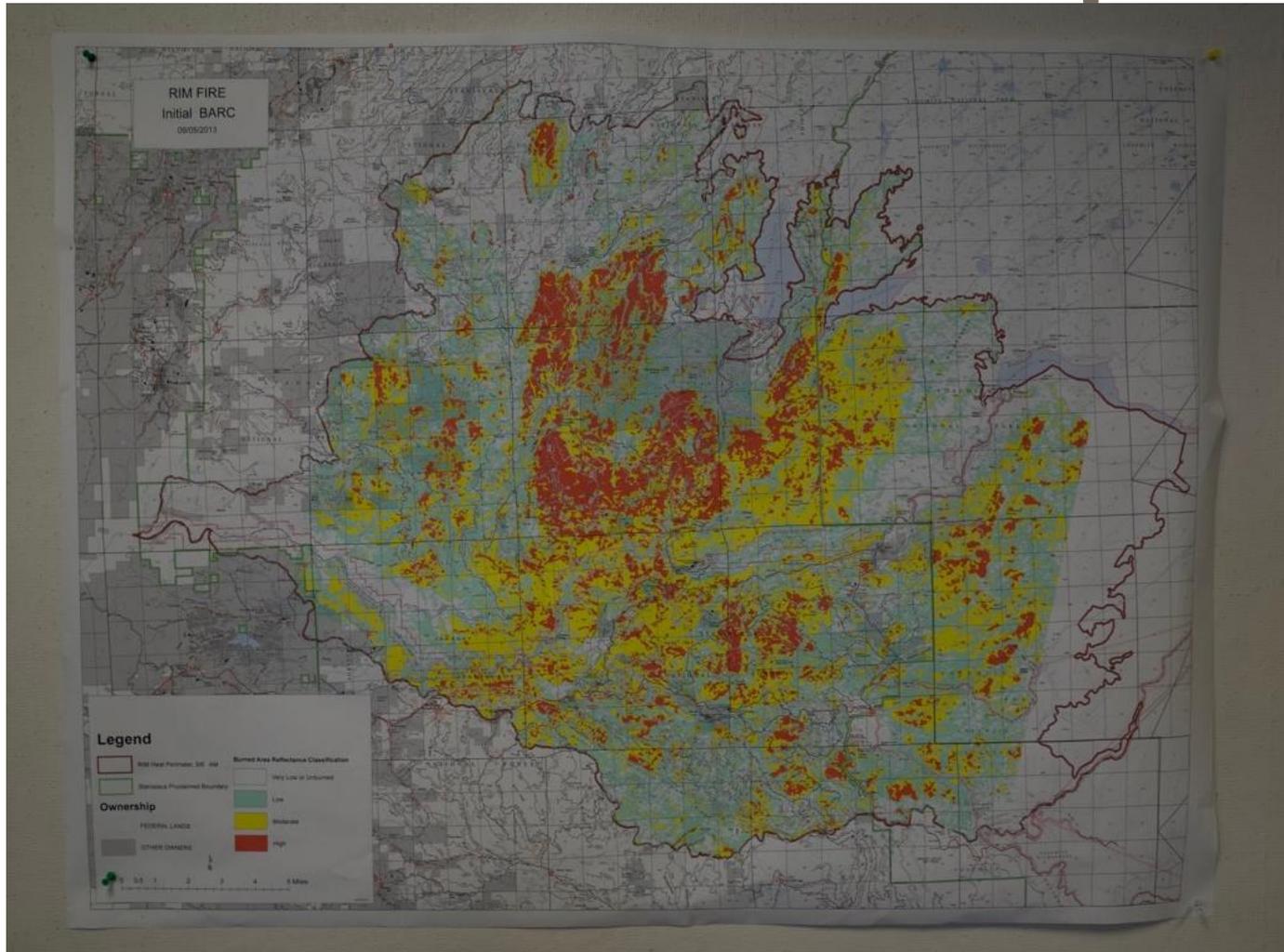
Water
facilities
require
Energy

*Water –
Energy
Nexus
at the
watershed*





Rim Fire Area Map





Bark Beetle Infestation



More dead trees – more biomass
and growing





Thank you!

ALJ Robert Mason, ALJ Katherine MacDonald, ORA Chris Ungson, Patrick Rosvall & Calaveras Telephone, CalFire, US Forest Service, Tuolumne Sheriff Dept, Courtney Aviation high-tech firefighters, Supervisor Hanvelt of Tuolumne County, Supervisor Edson of Calaveras County, Ann Hoang, Assistant Public Advisors Emilio Victorio-Sanchez & Julian Yan, Team Sandoval, and all CPUC staff who helped make this event possible.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 45 [14974]

Report and Discussion on Recent Consumer Protection and Safety Activities





Consumer Protection and Enforcement Division Progress Report



Nick Zanjani
Director

Consumer Protection and Enforcement Division

July 14, 2016





Presentation Outline

- ❖ CPED Overview
- ❖ Recent Activities
- ❖ Accessing CPED Information
- ❖ Locating CPED Reports
- ❖ CPED Monthly Data Report Overview
- ❖ CPED Monthly Activity Report Overview
- ❖ Next Steps





CPED Overview

- ❖ Consumer Affairs Branch (CAB):
 - Assists consumers of gas, electric, water, and telecommunications services with billing and service matters

- ❖ Transportation Enforcement Branch (TEB):
 - Responsible for permitting and enforcement of companies involved in the transportation of people or used goods

- ❖ Utilities Enforcement Branch (UEB):
 - Investigates alleged violations of the Public Utilities Code, CPUC regulations, and other California statutes involving gas, electric, water, and telecommunications companies





Recent Activities

❖ Administrative Changes:

- CPED Website
- CPED Org Chart
- Modifications to Outlook, Oracle, Intranet, Content Server, Databases, Docket, etc.
- Position Control Efforts

❖ Monthly Reports:

- Monthly Data Report (Informal Consumer Complaints)
- Monthly Activity Report (Regulatory Enforcement Work)





Accessing CPED Information

[Home](#) | [About Us](#) | [History and Structure](#)

CPUC History & Organizational Structure

In 1911, the CPUC was established by Constitutional Amendment as the Railroad Commission. In 1912, the Legislature passed the Public Utilities Act, expanding the Commission's regulatory authority to include natural gas, electric, telephone, and water companies as well as railroads and marine transportation companies. In 1946, the Commission was renamed the California Public Utilities Commission.

The Governor appoints the five Commissioners, who must be confirmed by the Senate, for six year staggered terms. The Governor appoints one of the five to serve as CPUC President. The CPUC employs economists, engineers, administrative law judges, accountants, lawyers, and safety and transportation specialists. The Office of Ratepayer Advocates is an independent arm of the CPUC that represents consumers in CPUC proceedings, pursuant to statute.

The CPUC has a Public Advisor who assists the public in participating in CPUC proceedings, and a unit that is charged with informally resolving consumer complaints.

CPUC Divisions

Our [Executive Office](#) ensures that procedural matters are handled in a timely manner and is also responsible for efficient internal operations.

The [News and Outreach](#) office raises the awareness of the CPUC by informing and educating the media and the public about the CPUC's services, policies, and decisions.

The [Consumer Protection and Enforcement Division \(CPED\)](#) serves as the first line of defense for California utility customers. CPED collects and resolves consumer complaints, establishes and enforces rules and regulations for transportation carriers, and investigates allegations of utility waste, fraud, and abuse.



Looking for Consumer Information?

The CPUC regulates **privately owned** electric, natural gas, telephone, water, and sewer utilities. Unfortunately, we cannot help you resolve issues with publicly owned or municipal utilities, such as SMUD or the Los Angeles Department of Water and Power.

[Visit the Consumer Information Website](#)

Organization Charts

[CPUC Overview](#)

[Administrative Services Division](#)

[Administrative Law Judge Division](#)

[Communications Division](#)

[Consumer Protection and Enforcement Division](#)

[Energy Division](#)

[Executive Office](#)





Locating CPED Reports



[Home](#) | [About Us](#) | [Divisions](#) | [Consumer Protection and Enforcement Division](#)
| [Consumer Protection and Enforcement Division](#)

Consumer Protection and Enforcement Division

The Consumer Protection and Enforcement Division (CPED) serves as the first line of defense for California utility customers. CPED collects and resolves consumer complaints, establishes and enforces rules and regulations for transportation carriers, and investigates allegations of utility waste, fraud, and abuse.

CPED is comprised of three separate branches: the **Consumer Affairs Branch**, the **Transportation Enforcement Branch**, and the **Utilities Enforcement Branch**. More information on each branch is provided below.

For CPED monthly reports, please visit <http://cpuc.ca.gov/cpedreports>

Consumer Affairs Branch

The Consumer Affairs Branch (CAB) assists consumers of gas, electric, water, and telecommunications services with billing and service matters. CAB answers questions, processes complaints, and helps resolve application denials with programs such as LifeLine and CARE.

You can learn more about CAB by visiting its website at <http://cpuc.ca.gov/cab/>.

Transportation Enforcement Branch

The Transportation Enforcement Branch (TEB) is responsible for permitting and enforcement of companies



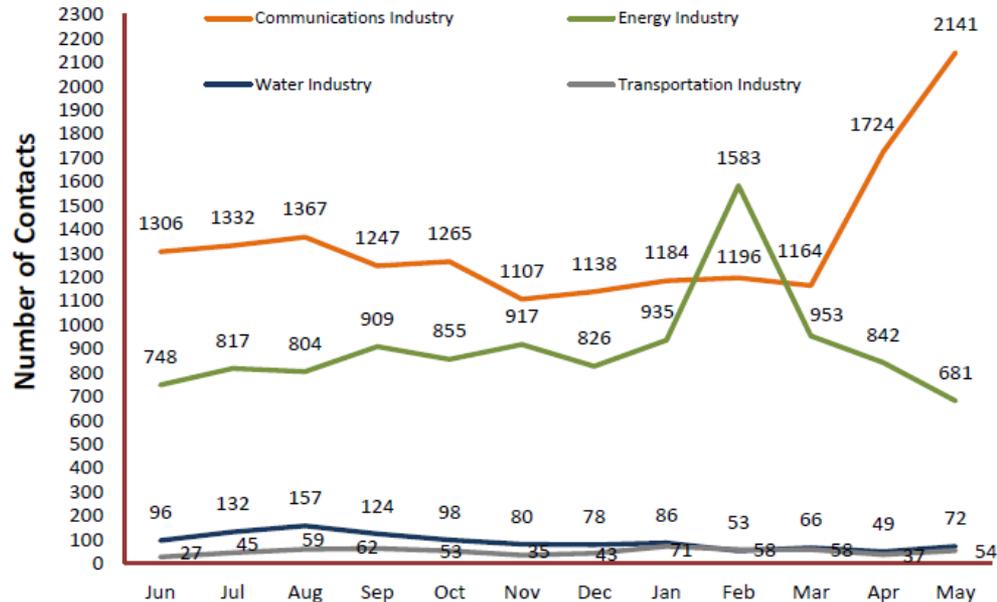


CPED Monthly Data Report Overview

Overview

2,948 CONTACTS (May 2016)

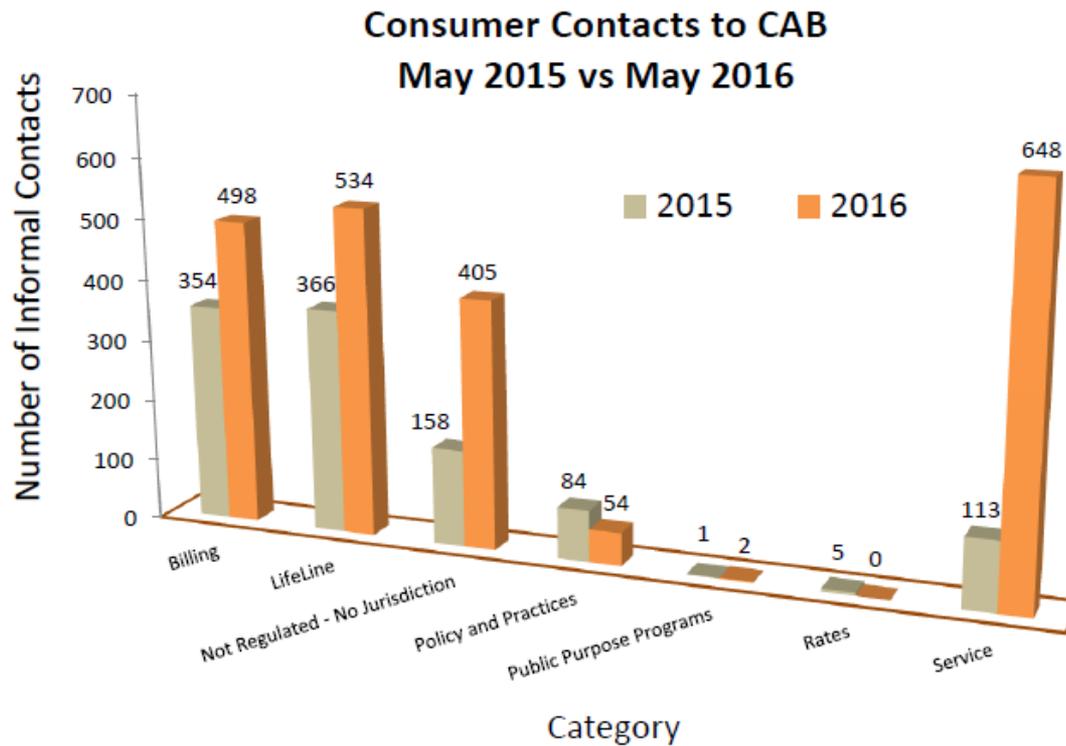
Consumer Contacts Received by Industry 12-Month Trend (June 2015 - May 2016)





Communications

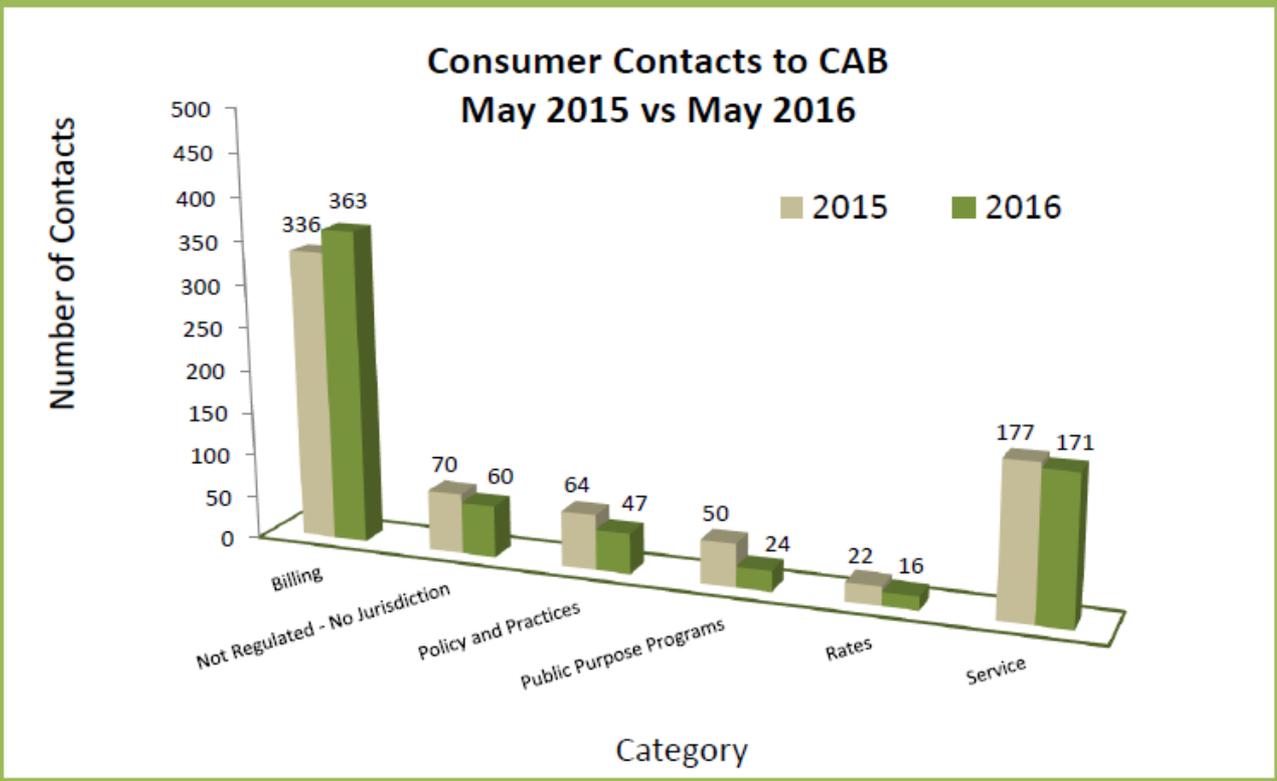
2,141 CONTACTS (May 2016)





Energy

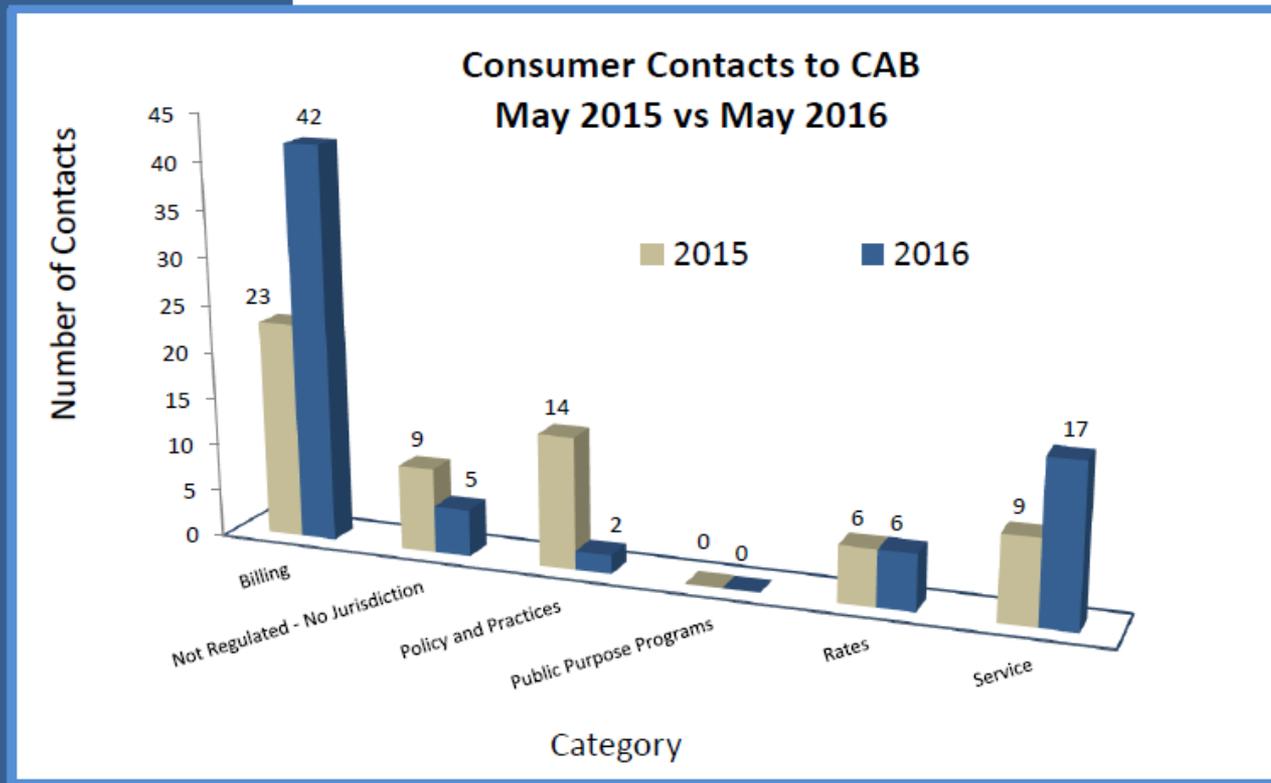
681 CONTACTS (May 2016)





Water

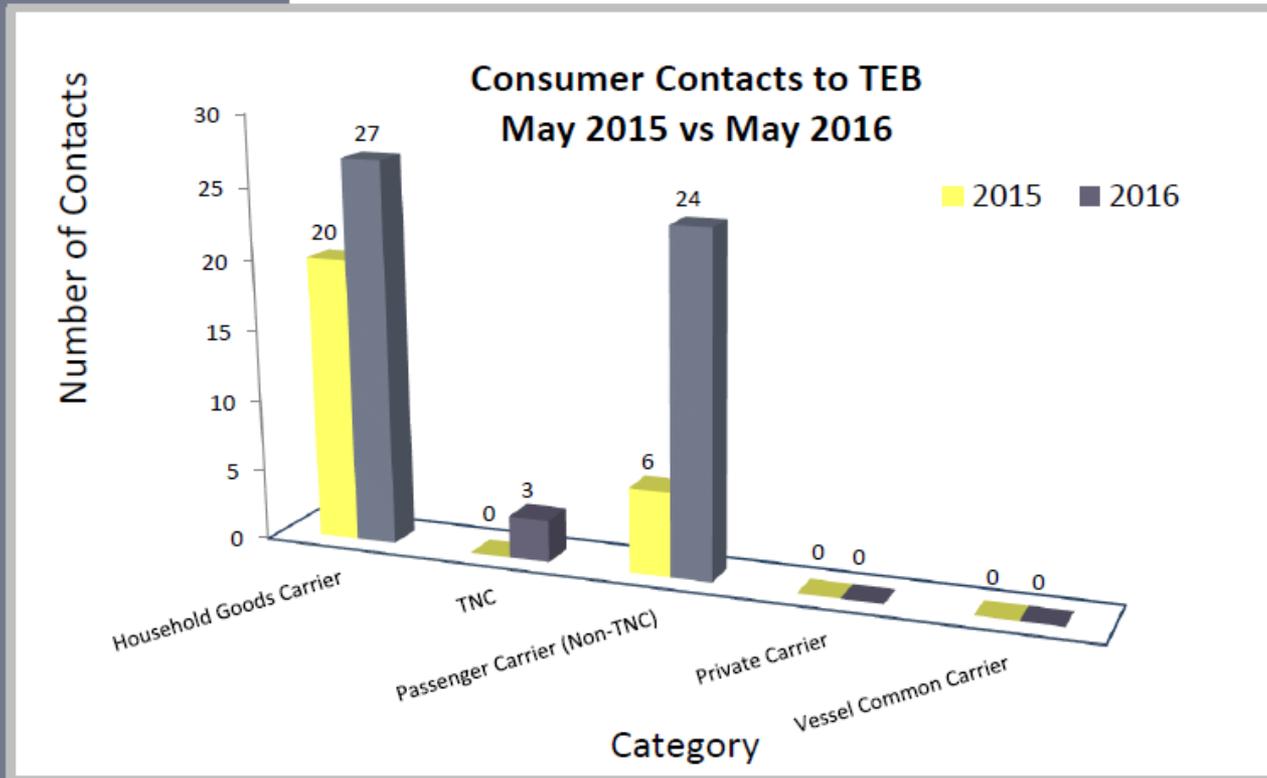
72 CONTACTS (May 2016)





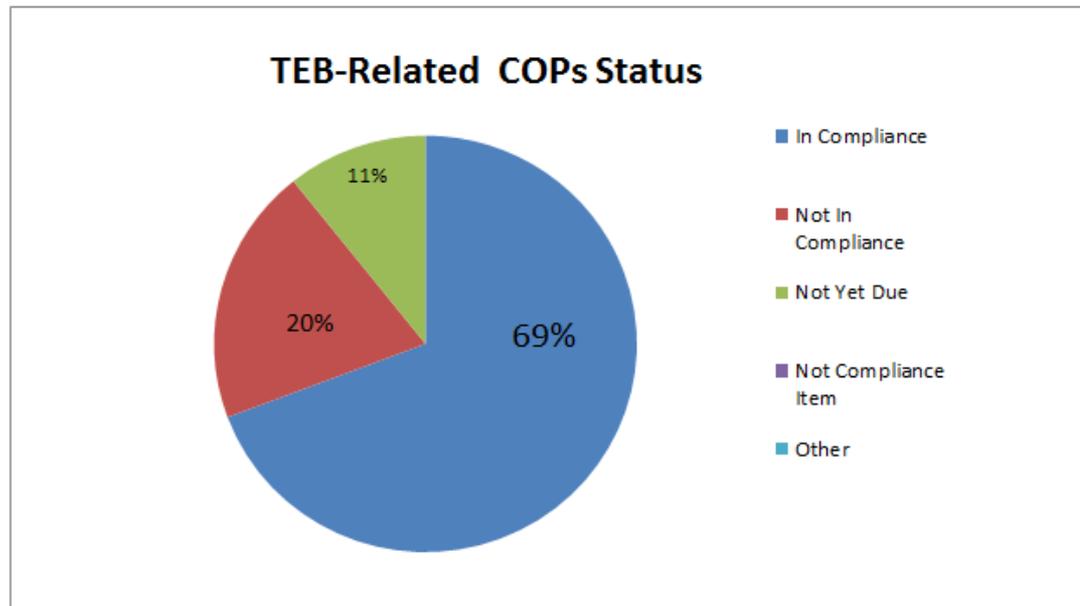
Transportation

54 CONTACTS (May 2016)



CPED Monthly Activity Report Overview

COMPLIANCE WITH ORDERING PARAGRAPHS (COPS)



The Commission did not add any new transportation-related ordering paragraphs (OP) in May. Currently, TEB tracks 205 OPs that primarily direct applicants to meet the specific conditions within CPUC-approved CPCN certificates, detailed in Appendix D. Of those, 22 are not yet due, 142 are in compliance and 41 are not in compliance. TEB does not issue a permit, nor may an applicant operate, until the carrier submits proof of compliance with the Commission's OPs from the decision that approved the CPCN.





CITATIONS, FINES, AND RESTITUTION

CAB's efforts can result in California consumers receiving refunds of monies paid for utility services. CAB helped California consumers win back \$17,705 in May. Year-to-date refunds for 2016 are \$209,102. CAB does not issue fines or citations, but instead may negotiate the refunds through its informal complaint resolution process.

Date	Refund Amount
May 2016	\$17,705
January 1, 2016 – May 31, 2016	\$209,102





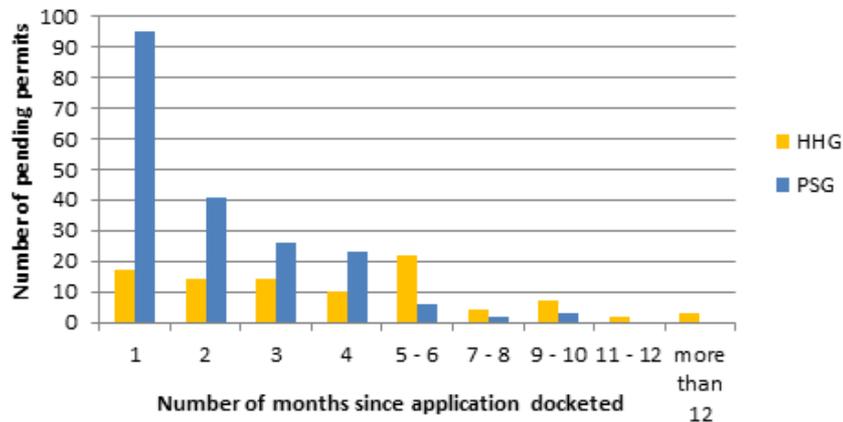
KEY ACTIVITIES

TEB received a total of 308 applications (including new, renewal, refile and transfer) and issued 286 permits during May 2016. TEB suspended 379 carriers' authorities, and revoked 410 authorities; reinstated 442 permits from suspension or revocation. TEB also processed 526 changes to carriers' equipment lists, and transmitted 212 bus terminal inspection notices to the California Highway Patrol. As of May 31, 2016, 323 applications await action by the CHP (inspections) or DMV (pull notice enrollment).





Age Distribution of Pending Carrier Permits



Type of Activity	Passenger Carrier	Household Goods
New Applications Received	70	11
Renewal Applications Received	209	0
Refile Applications Received	8	3
Transfer Applications Received	6	2
Permits Issued	277	9
Permits Suspended	357	22
Permits Revoked	393	17
Permits Reinstated (from suspension/revocation)	406	36
Applications awaiting action by DMV and/or CHP	235	88
Carrier-initiated suspensions	35	
Carrier-initiated revocations	6	
Vehicles Added/Deleted	526	
Address and Business Name Changes	87	
Terminal Inspection Notices Sent to CHP	212	
Total Active/Suspended Authorities as of 5/31/16	8550	1053





❖ UEB Monthly Highlights:

- Protested the applications of two carriers to register as inter-exchange telephone corporations.
- Investigated CEQA violations, billing issues, and service outages across various utilities.
- Other advocacy work: submitted OII testimony, reached a settlement in principle, and attended a prehearing conference in three separate cases.
- Currently working on 77 cases.





Next Steps

- ❖ Compose 2016 CPED Action Plan
- ❖ Fill Vacancies
- ❖ Establish New Airport Transportation Enforcement Programs
- ❖ Assist in SB 541 Consultant Study
- ❖ Improve Performance Metrics
- ❖ Help Build eFast Transportation Portal
- ❖ Start Reform Principles Planning





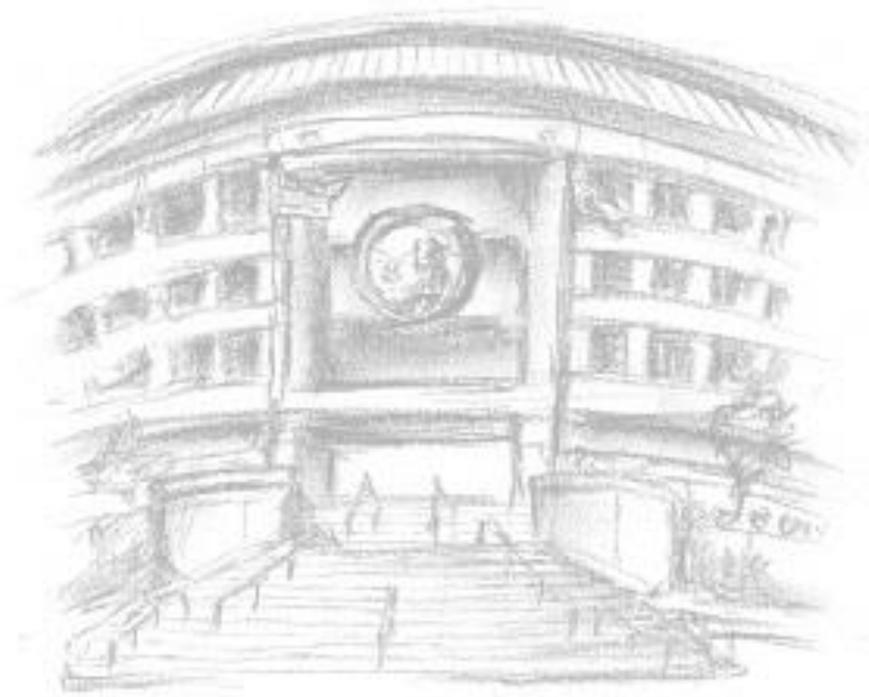
Thank you!

For Additional Information:

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

CAB Complaints Hotline: 800-649-7570

TEB Complaints Hotline: 800-894-9444





Regular Agenda – Management Reports and Resolutions

Item # 45 [14974]

Report and Discussion on Recent Consumer Protection and Safety Activities





Regular Agenda – Management Reports and Resolutions

Item # 46 [14975]

Management Report on Administrative Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

**The Public Meeting is adjourned.
The next Public Meeting will be:**

**August 18, 2016 at 9:30 a.m.
in San Francisco, CA**

