



CPUC Public Agenda 3394
Thursday, March 23, 2017 9:30 a.m.
San Francisco, CA



Commissioners:
Michael Picker, President
Carla J. Peterman
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen

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.”





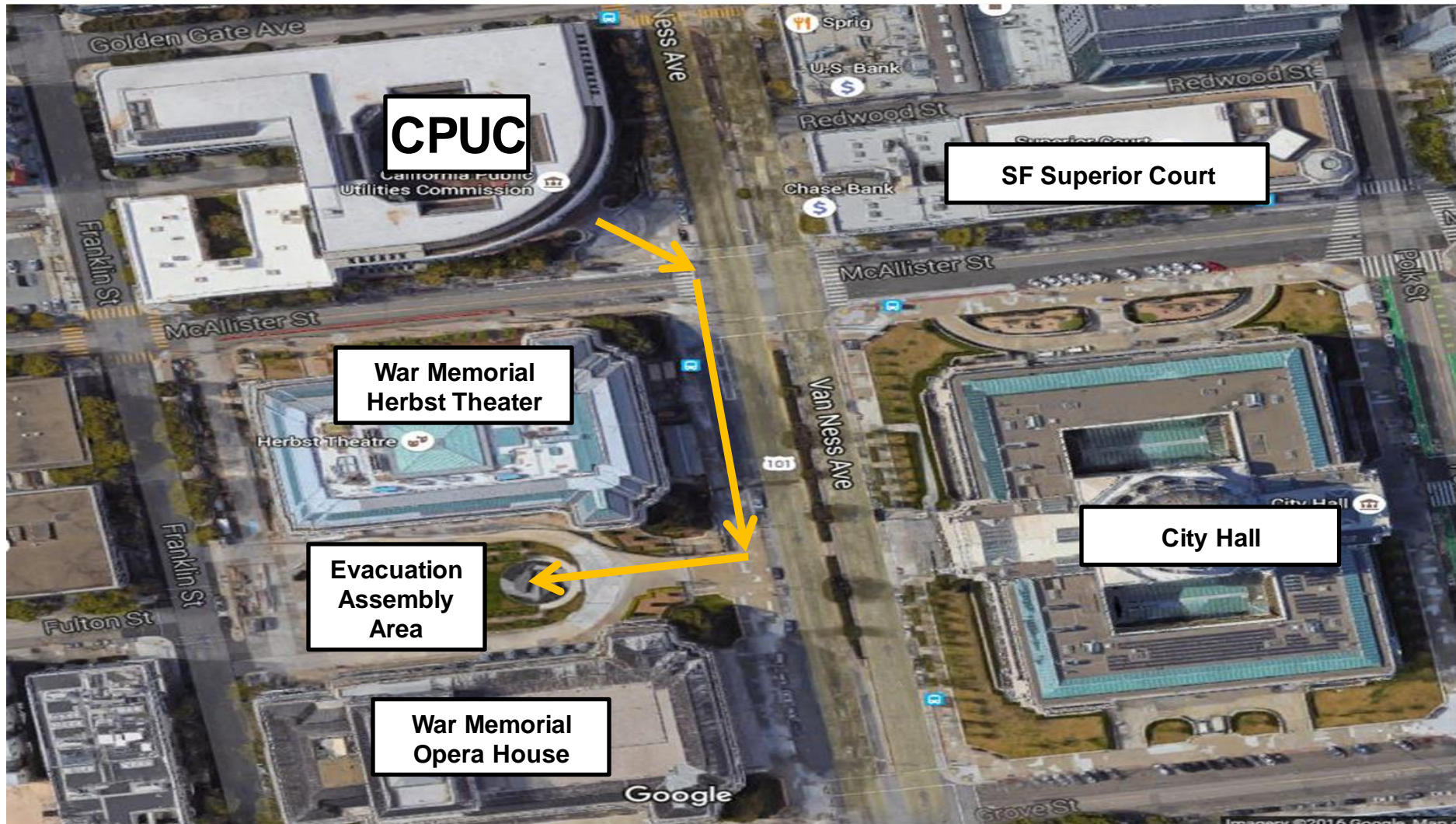
Emergency Evacuation

Safety is our number one priority:

Please listen to the emergency evacuation instructions for this location.



Evacuation Assembly Location





CPUC Mission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services.





CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship





Commissioner Code of Conduct

- **I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.**
- **II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.**
- **III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.**
- **IV. Commissioners are public officials who should uphold the integrity of their office at all times.**





**In Memory of Shelley Bergum 1953 – 2016
for her Significant Contributions to the Deaf and
Disabled Constituents of California**



Deaf & Disabled Telecommunications Program

PU Code Section 2881 directs the CPUC to ensure service access to 911 and other emergency services for Californians with disabilities. This program is dedicated to serve people who cannot use a standard telephone because of difficulty seeing, hearing, speaking, moving, or remembering.

CONSUMER FOCUS

	2014-15	2015-2016
Total CTAP Consumers with Equipment	651,693	667,203
Contact Center Calls Handled (inbound and out-bound)	228,537	201,355
Contact Center Emails Handled (inbound and out-bound)	6,070	8,439
Certification Forms Received at the Contact Centers	20,306	18,262
Consumer Visits to the Service Centers	22,640	19,467
Outreach Presentations to the Community	6,110	6,342
Field Advisor Visits to Consumers' Homes	8,471	8,304
Contact Center Web Chats Handled	599	523
Marketing Campaigns	8	7
New Consumers with Equipment	18,613	15,510
Outbound CRS or Relay Calls (including Speech-to-Speech and Captioned Telephone)	2,326,029	2,222,539
FY 2015/16 Enacted Budget	FY Enacted 2016/17 Budget	
\$64.584 Million	\$67.969 Million	

MAJOR PROGRAM AREAS

Equipment Contact Center and Service Centers (CTAP)

- Amplified phones
- Big-button speakers and picture phones
- Voice carry over phones
- Text telephone and telebraille

Speech Generating Devices

- Text-to-Speech equipment

California Relay Service (CRS)

- Traditional Relay Service
- Captioned Telephone Service
- Speech-to-Speech Service
- Visually Assisted Speech-to-Speech Service

Multilingual Access

Application process available in TTY, English, Spanish, Chinese, Hmong, Vietnamese, and Russian

Community Approach

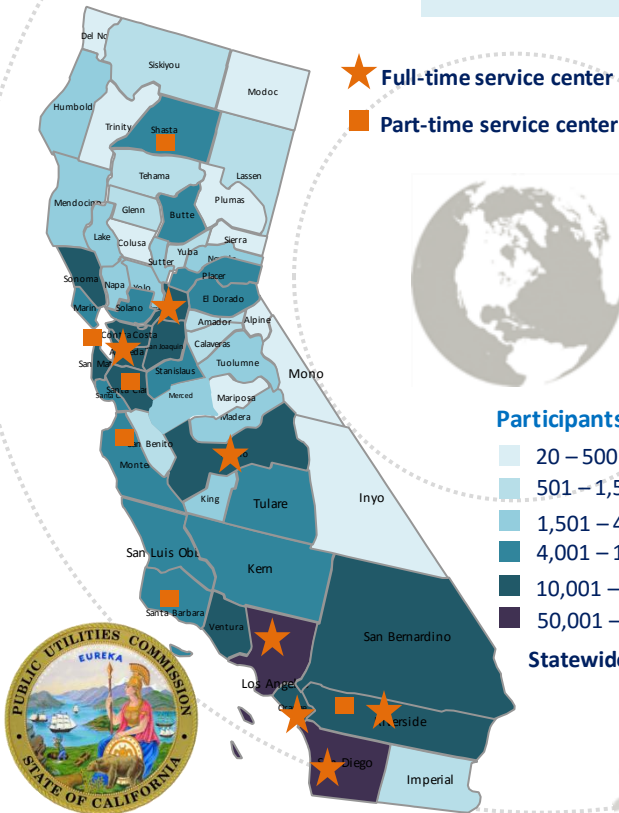
Application available to small businesses, qualifying non-profit agencies, or schools with programs serving students with hearing challenges

- ★ Full-time service center
- Part-time service center

Participants by County

- 20 – 500
- 501 – 1,500
- 1,501 – 4,000
- 4,001 – 10,000
- 10,001 – 50,000
- 50,001 – 167,000

Statewide Total: 667,203



Please note that the Participants by County map reflects information as of September 2015. For more information about DDTP please visit: <http://ddtp.cpuc.ca.gov>



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, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 28, 29, and 30.
- 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.
- **Item 31** 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.
- **No Item** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to **4/6/17**: 13, 16, 26, 27, 32.





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 – Communication Orders and Resolutions

Item # 33 [15454] – Approving \$46,709,036 California Advanced Service Fund Grant for Inyo Networks' Digital 299 Broadband Infrastructure Project to Link Humboldt Bay Region to the Northern Sacramento Valley

Res T-17548

PROPOSED OUTCOME :

- Approves \$46,709,036 the funding for the grant application of Inyo Networks, Inc. for the Digital 299 middle mile broadband project. Project will provide high-capacity backhaul infrastructure and interconnection points to communities along State Route 299 corridor. Project would also directly connect 307 underserved households and 117 Community Anchor Institutions to last-mile internet services capable of 1 Gbps throughout.

SAFETY CONSIDERATIONS :

- Mostly underground wired system provides redundant infrastructure in an area with limited access points and high earthquake and fire risk. Proposed cellular towers facilitate communication with first responders in an area with poor cellular telephone coverage.

ESTIMATED COST :

- Would expand \$46,709,036 from CASF Infrastructure grand fund.





Digital 299 - Inyo Networks, Inc. CASF Project



Mike Amato

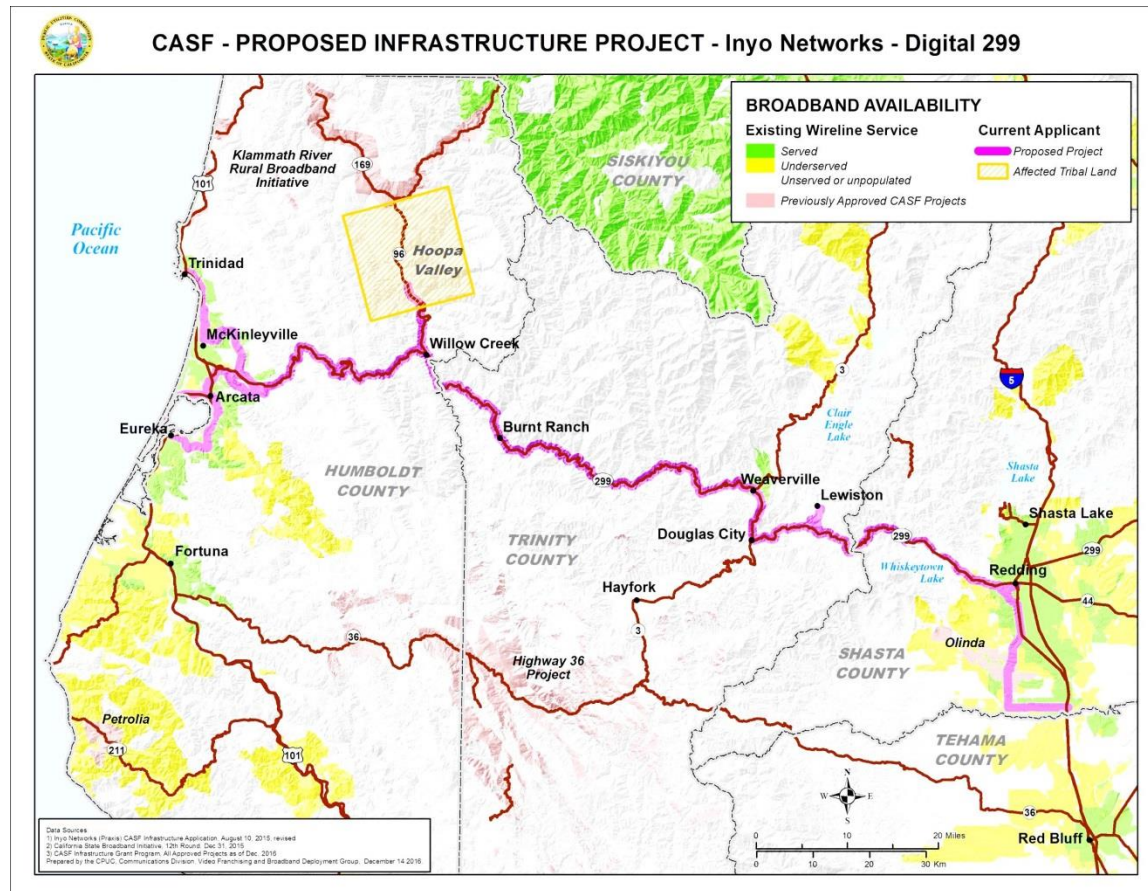
Acting Director, Communications Division

March 23, 2017



Changes Proposed

1. Increases grant for non last-mile portion from 60 to 70 percent (total grant is now \$46,709,036).
2. Modifies performance bond requirement by shifting responsibility to underground digging contractors and imposing additional requirements.





70% Subsidy Except for Lewiston

Budget Breakdown

<u>Category</u>	<u>Total Cost</u>	<u>CASF grant</u>
Lewiston last-mile connection	\$2,425,359	\$1,455,215 (60%)
Middle-mile/other expenses	\$64,648,315	\$45,253,821 (70%)





Performance Bond Modification

Modification to the bond requirement focuses on underground work (estimated at \$42.3 million):

- Inyo would require its subcontractors contracted for underground digging to bond their work.
- Inyo would provide copies of the bonds to CD, with the Commission being named as a co-bonded party.
- This would likely increase construction bids by about \$1.2 million, but Inyo will absorb cost and not seek additional CASF funds.

Bonded portion would be equivalent to 90.6% of the CASF grant and 60.8% of total project budget.





Additional Requirements

For the un-bonded portion of the project, additional measures would be taken to minimize risk:

- In order to reduce chance of buying materials and having them go unused, Inyo would only purchase materials immediately before construction begins.
- Inyo would provide monthly (instead of the usual quarterly) progress reports with fiscal updates. This would allow CD to actively monitor the fiscal condition of the project and detect issues.

CD recommends this approach because it will mitigate risk to the fund, ease the financial impact of bonding on Inyo, and reasonably assure that the project moves forward.





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Regular Agenda – Orders Extending Statutory Deadline

Item # 34 [15550] – Order Extending Statutory Deadline

A15-02-001, A15-02-002, A15-02-003, A15-02-013, A15-02-024, and A15-03-004 - Related matters. In the Matter of the Application of Southwest Gas Corporation for Approval of Low-Income Programs and Budgets for Program Years 2015-2017. Consolidated applications include Bear Valley Electric Service, Liberty Utilities (CalPeco Electric) LLC, PacifiCorp, West Coast Gas Company, and Alpine Natural Gas Operating Company No.1, LLC.

Ratesetting

Comr Rechtschaffen - Judge Colbert

PROPOSED OUTCOME :

- Extends statutory deadline for completion of these proceedings until June 1, 2017.

SAFETY CONSIDERATIONS :

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST :

- There are no costs associated with this Order Extending Statutory Deadline.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 35 [15552]

**Report and Discussion on Recent Consumer Protection
and
Safety Activities**





Safety & Enforcement Division



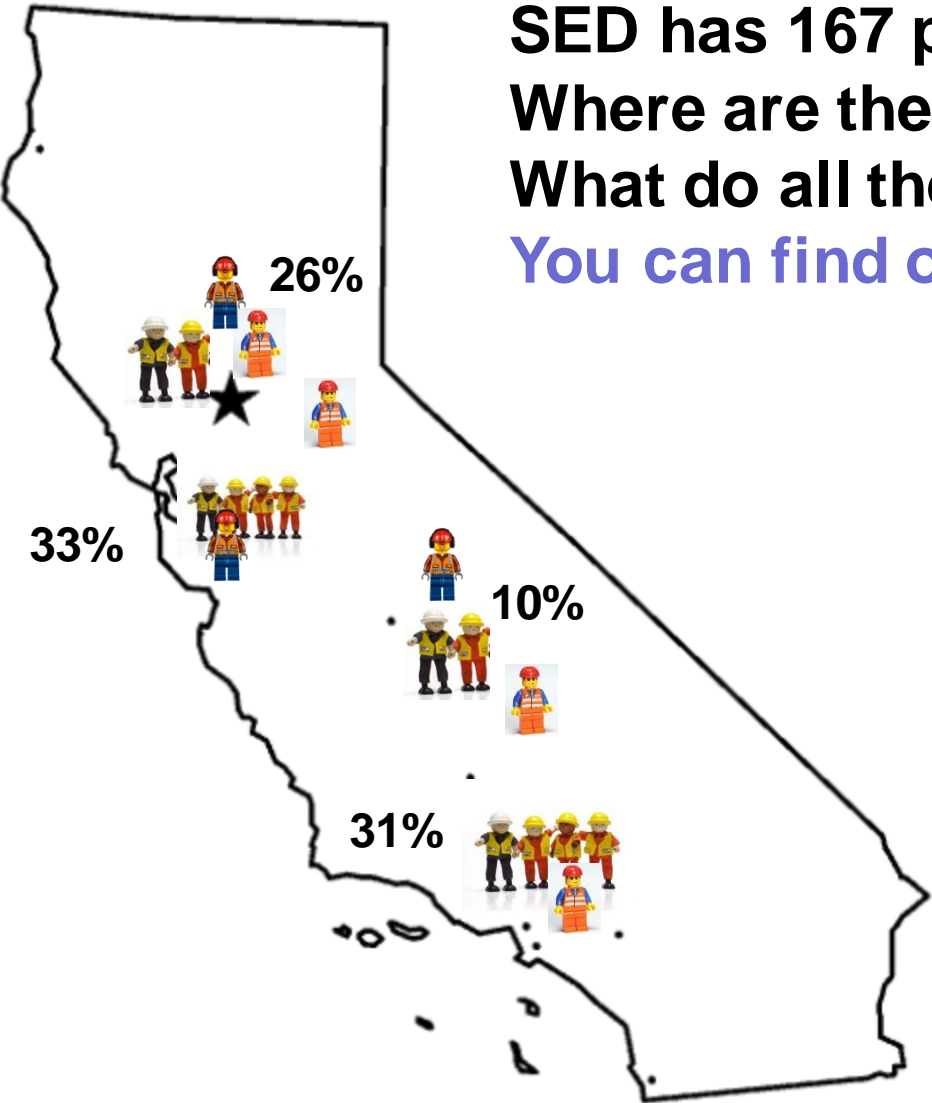
Annual Work Plan 2017

March 23, 2017



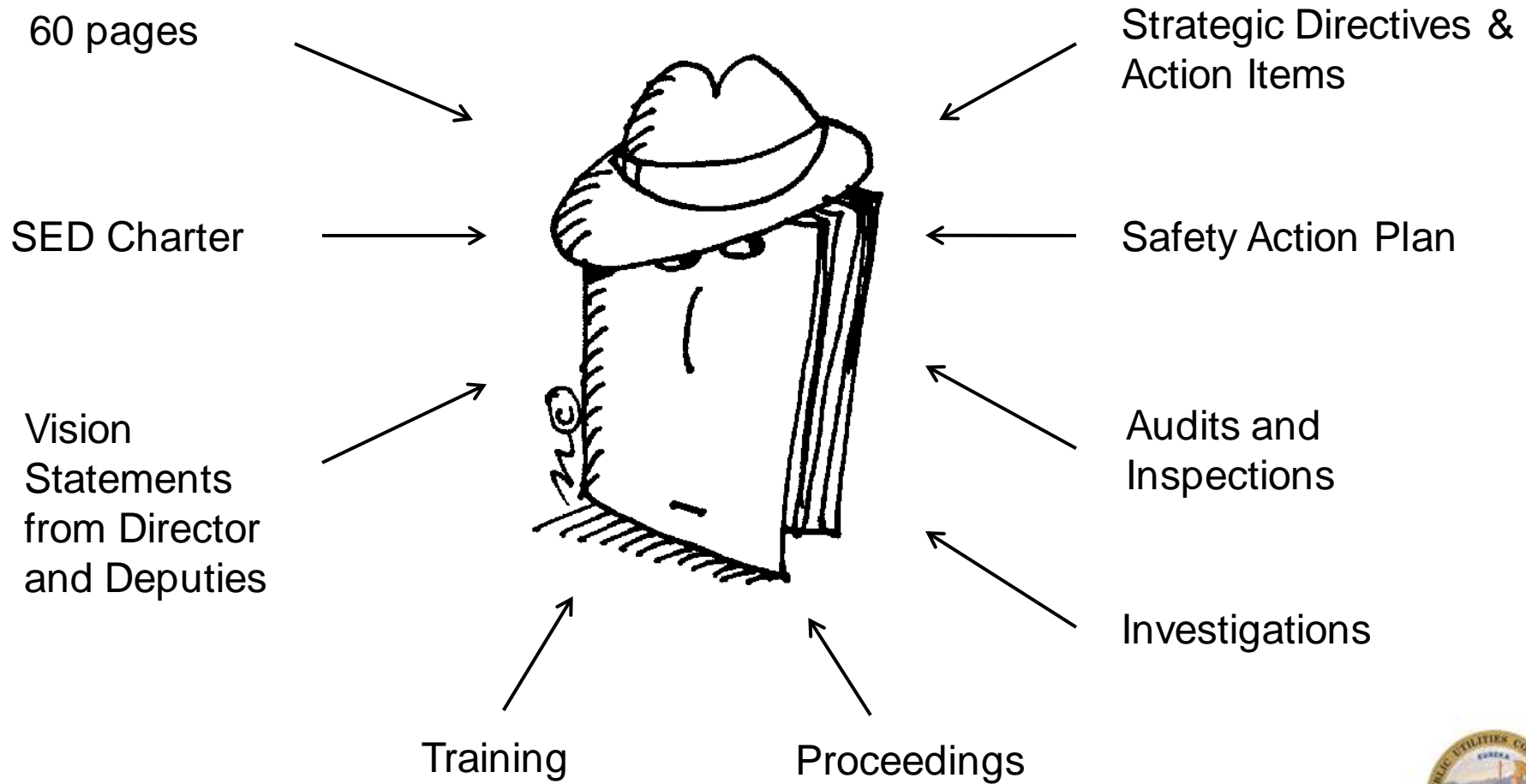


SED has 167 positions.
Where are they all?
What do all these people do?
You can find out in our annual plan!





What is SED Planning? It's Not a Mystery!





SED Director has Priorities

1. Administrative support and internal operations hold SED back. I'm going to fix this.
2. Partner up! SED will expand collaboration with communities, local governments, State and Federal agencies.
3. Make safety visible. We do great work and I'm going to talk about it.

ELIZAVETA MALASHENKO: DIRECTOR'S VISION

My goal as SED Director has always been to build a premier safety organization in the United States. About three years ago, Ken Bruno and I visited Washington State Utilities and Transportation Commission to learn how they turned around their pipeline safety program after an Olympic Pipe Line accident in Bellingham that killed three youths on June 10, 1999. We spent several days there as Washington staff walked us through their decade-long effort to build a program that's now considered to be one of the top pipeline safety programs in the nation. I wanted to figure out what they did, so that at some point down the line the CPUC could be in their shoes. After Ken and I came back from Washington, we got together with the gas branch and over a three month period completely redesigned our gas safety program - from the way that we conduct audits to how we investigate safety incidents. Those efforts have resulted in a 12 percent jump in our Pipeline and Hazardous Materials Safety Administration (PHMSA) score in just 2 years. I'm incredibly proud of all the work that SED's gas branch has done, but I see it only as the beginning for what SED can achieve.

One area that continues to hold SED back is administrative support and internal operations. This domain spans budget management, travel approval and reimbursement, timekeeping, procurement of safety gear, vehicle management, contract management, hiring process, document management, process documentation and many other supporting activities that are vital to making SED run. This domain has been a challenge for the CPUC for some time. CPUC Executive Director Tim Sullivan refers to this problem as the "collapse of CPUC's administrative core", which he attributes to lack of resources and attention that this area has experienced for many years. As the CPUC makes a push to rebuild the administrative core, SED must participate in that effort and solve the related problems that exist within our own Division. Work related to improving SED administrative support and internal operations is going to be one of my top priorities for 2017. My mantra for this work is "no self-inflicted wounds". We may not be able to solve all of the issues, since many of them are outside of SED's control, but whatever is within our control we must fix.

Another area where I would like to see SED continue to grow is in the development of partnerships with communities and local governments, as well as state and federal agencies. Ensuring safety of the entire utility and rail infrastructure in California is an immense task and it's not something that SED can do alone. Last year, I negotiated agreements between CPUC and the Governor's Office of Emergency Services (Cal OES) and the Division of Oil, Gas and Geothermal Resources (DOGGR). Currently I'm in the process of finalizing the agreement with Cal FIRE. There are many other state and federal agencies with which CPUC can deepen relationship in order to jointly promote infrastructure safety. Engagement with local governments and communities is also key. At the end of the day, safety is always a local issue. Nothing makes that more apparent than when an incident happens and a community is impacted. I strive to have SED work in partnership with communities and local governments,



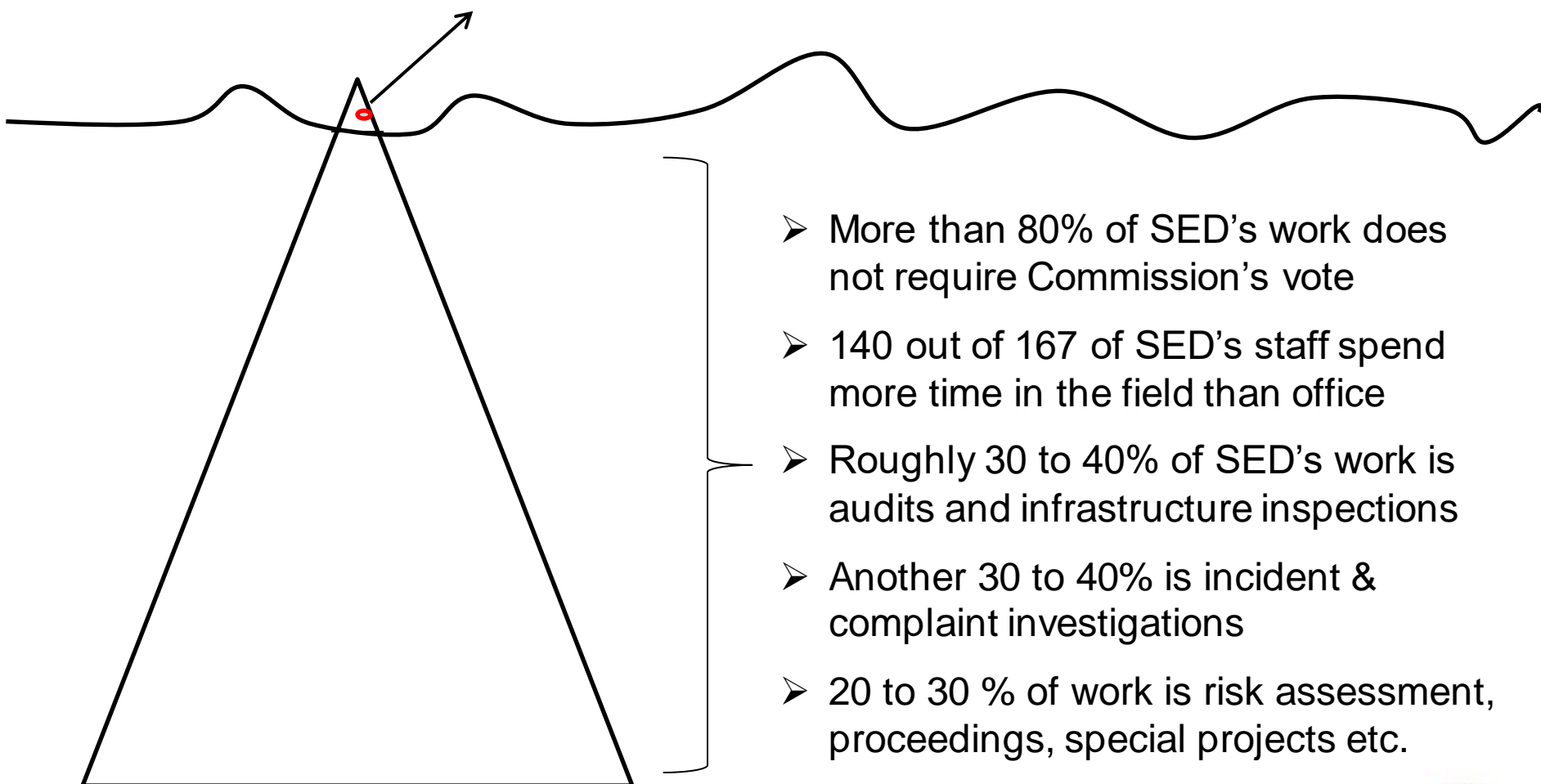


8 Action Items Pertaining to Strategic Directives





Director's Work & Priorities





2,180 Railroad Inspection Days

2,550 gas inspection field days

360 MHP and 94 propane inspections

20 electric and telco audits

500 inspection days of seaports

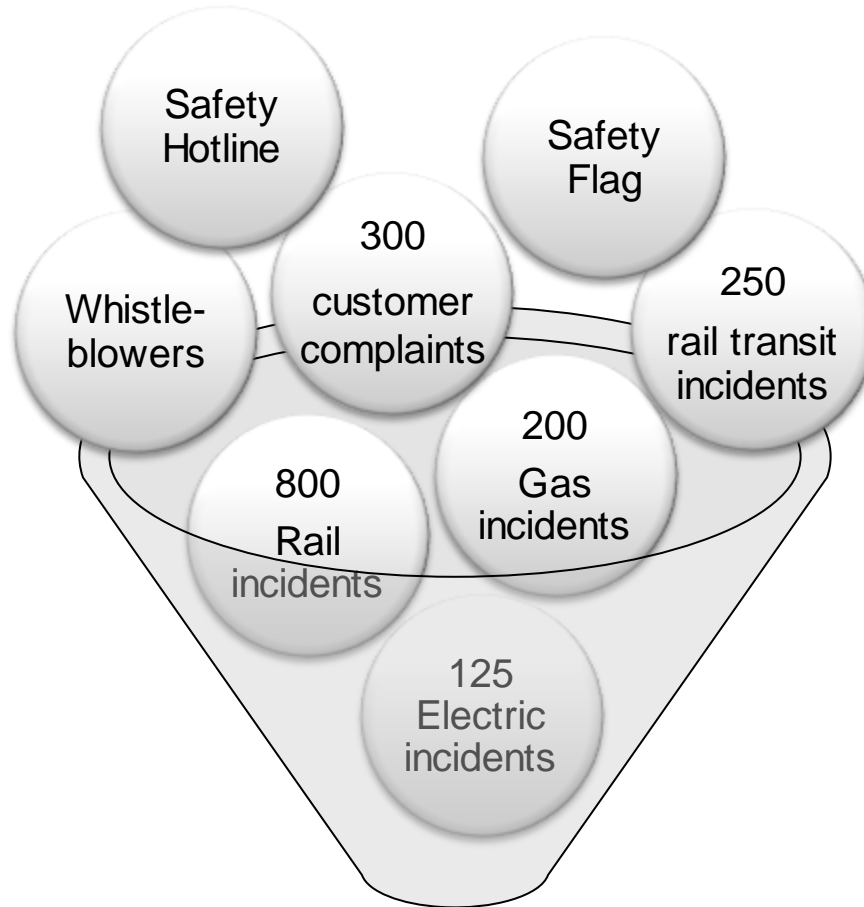
69 gas audits

3 triennial rail transit audits

CA Infrastructure

- 4 million utility poles
- 200,000 miles of overhead electric lines
- 70,000 miles of underground lines
- 100,000 miles of utility-owned natural gas pipelines
- 3,200 small mobile home (MHP) and propane operators
- 1,000 power plants
- 9,000 miles of railroad track
- 13,500 rail crossings





**More than 1,500
Investigations a Year**





...And Much Much More

Evaluation of Risk Mitigation Effectiveness

Trends Toward Utility "Hot Work"

Utility use of contracting and impact on safety

Evaluation of National Electric Safety Code

Enforcement of 811 "Call before you dig" program

Expand Railroad Bridge Evaluation Program

Monitor Crude Oil and Coal Train Movements

Continue the Positive Train Control Program

Section 130 Program Contracts: Crossings Inventory

20 Rail Crossings Applications

Safety Model Assessment Proceeding (A.15-05-002, et al)

Gas Leak Abatement OIR (R.15-01-008)

PG&E Safety Culture Investigation (I.15-08-019)

Physical Security of the Electric Supply System (R.15-06-009)

Fire-Threat Maps and Fire-Safety Regulations OIR (R.15-05-006)

Vehicle Electrification (A.17-01-020/-021/-022)

SoCal Gas Safety Enhancement Plan (A.14-12-016)

Long-term Viability of Natural Gas Storage Facilities (I.17-02-002)

Consideration of Changes to Rule 18 in General Order 95 (R.16-12-001)

Physical Security of the Electric System (R.15-06-009)





Regular Agenda – Management Reports and Resolutions

Item # 35 [15552]

**Report and Discussion on Recent Consumer Protection
and
Safety Activities**





Regular Agenda – Management Reports and Resolutions

Item # 36 [15553]

Management Report on Administrative Activities





Employee Recognition of CPUC Employees



Timothy J. Sullivan
Executive Director

California Public Utilities Commission

March 23, 2017



Retirement Resolution

- **Gurbux Kahlon – Energy Division**





Regular Agenda – Management Reports and Resolutions

Item # 36 [15553]

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:**

**April 6, 2017 at 9:30 a.m.
in Santa Rosa, CA**

