



CPUC Public Agenda 3425
Thursday, October 11, 2018 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.”





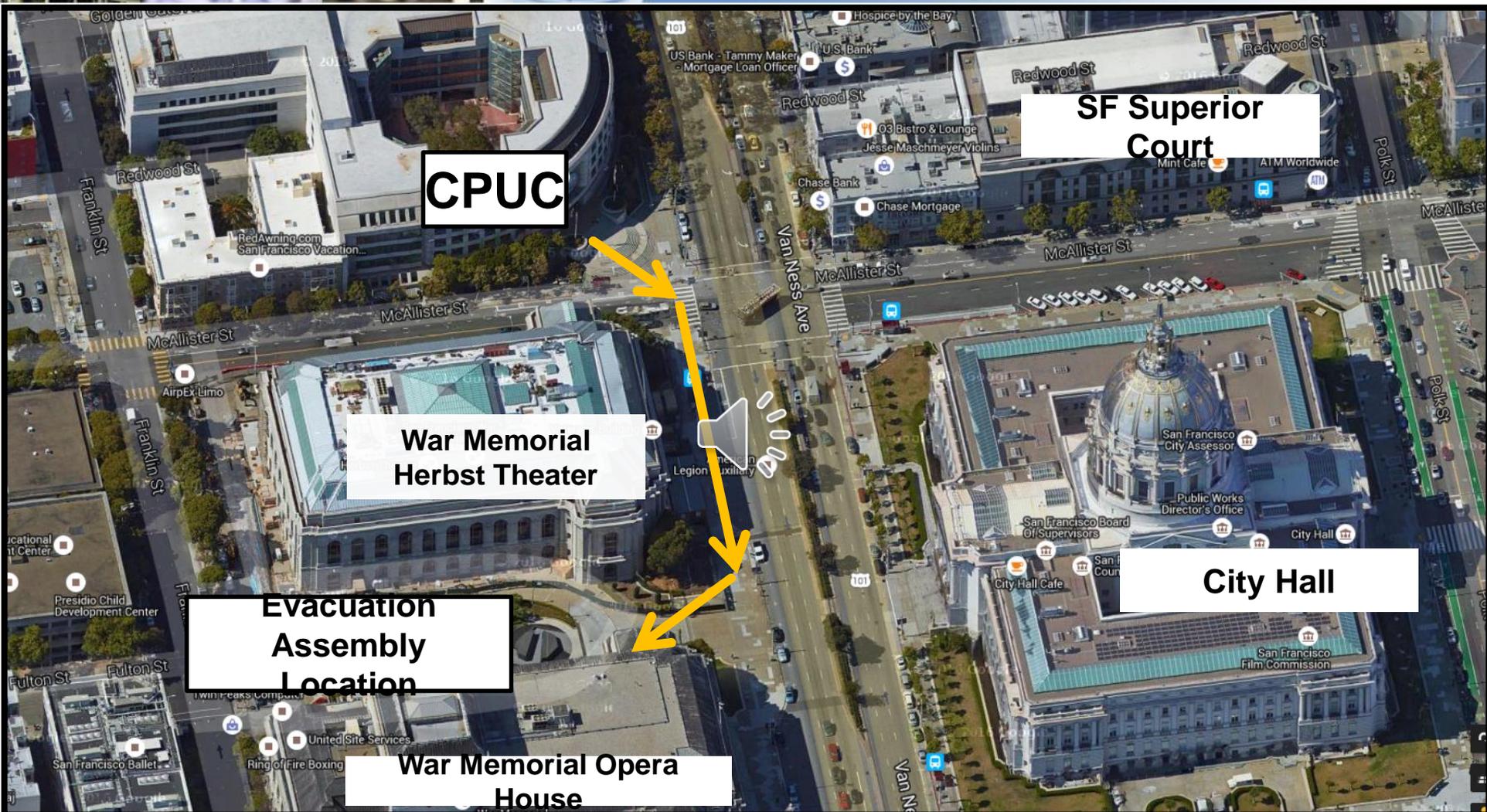
Emergency Evacuation

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.**





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:

- **27, 28, 39, 39A, 42 and 43.**
- 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.
- 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.

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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, 4, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 21, 22, 23, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, and 36.**
- 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.
- **No Item** 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.
- **Item 2** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 10/25/18: **5, 6, 15, 19, 20, 24 and 38.**
 - Held to 11/08/18: **3, and 30.**





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- Energy Orders

Item # 37 [16734] – Revision and Consideration of Alternatives to the Power Charge Indifference Adjustment

R.17-06-026

Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.

Ratesetting

Comr Peterman - Judge Roscow

PROPOSED OUTCOME :

- Adopts revised market price benchmarks to be used in the calculation of the Power Charge Indifference Adjustment (PCIA.)
- Adopts a true-up mechanism, a collar with a floor and a cap that will limit the change of the PCIA from one year to the next, and a prepayment option for Direct Access customers and Community Choice Aggregations.
- A new phase of this Rulemaking is ordered to enable parties to continue working together to develop longer-term solutions regarding utility procurement portfolio optimization and cost reduction.
- This proceeding remains open.

SAFETY CONSIDERATIONS :

- This decision does not order any actions by the utilities relating to safety.

ESTIMATED COST :

- There are no costs associated with this decision.





Regular Agenda- Energy Orders (continued)

Item # 37A [16774] – Commissioner Peterman's Alternate to Item 16734

R.17-06-026

Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.

Ratesetting

Comr Peterman

PROPOSED OUTCOME :

- The Alternate Proposed Decision (APD) differs from the PD in four main substantive respects. First, the APD finds that legacy UOG is PCIA eligible and should be recovered from CCA customers. Second, the APD terminates the 10-year limit on PCIA cost recovery for post-2002 UOG and certain storage costs. Third, the APD establishes a PCIA collar starting in 2020, with the cap limiting upward or downward changes in the PCIA to 25% in either direction from the prior year. Fourth, the APD, for 2019 ERA forecasts only, adopts the Platt's Portfolio Content Category 1 REC index value for the Market Price Benchmark's RPS Adder.

SAFETY CONSIDERATIONS :

- This decision does not order any actions by the utilities relating to safety.

ESTIMATED COST :

- There are no costs associated with this decision.





Regular Agenda- Transportation/Rail Safety Orders

Item # 39 [16645] – Modified Presiding Officer's Decision Regarding Alleged Violations by San Francisco Bay Area Rapid Transit District Relating to the October 19, 2013 Fatal Accident

I.16-06-010

Order Instituting Investigation on the Commission's Own Motion into the Fatal Accident on the Bay Area Rapid Transit District's Line between the Walnut Creek and Pleasant Hill Stations in the County of Contra Costa, California on October 19, 2013.

Adjudicatory

Comr Randolph- Judge Kim

PROPOSED OUTCOME:

- Orders San Francisco Bay Area Rapid Transit (BART) to pay a fine of \$659,000.
- Places BART on probation for three years.
- Stays 2/3 of total fine.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- This decision and its directives will deter future safety violations, improve BART's safety culture and practices, and result in safer BART operation and practices.

ESTIMATED COST:

- \$659,000 to be paid by BART.





Regular Agenda- Transportation/Rail Safety Orders (continued)

Item # 39A [16899] – Decision Different to Item 16645

I.16-06-010

Order Instituting Investigation on the Commission's Own Motion into the Fatal Accident on the Bay Area Rapid Transit District's Line between the Walnut Creek and Pleasant Hill Stations in the County of Contra Costa, California on October 19, 2013.

Adjudicatory

Comr Randolph- Judge Kim

PROPOSED OUTCOME:

- Orders San Francisco Bay Area Rapid Transit (BART) to pay a fine.
- Places BART on probation for three years with several conditions.
- Conditionally stays a portion of total fine.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- This decision and its directives will deter future safety violations, improve BART's safety culture and practices, and result in safer BART operation and practices.

ESTIMATED COST:

- Assessed fine to be paid by BART.





Regular Agenda- Orders Extending Statutory Deadline

Item # 40 [16873] – Order Extending Statutory Deadline

R.11-03-013

Order Instituting Rulemaking Regarding Revisions to the California Universal Telephone Service (LifeLine) Program.

Quasi-Legislative

Comr Guzman Aceves - Judge MacDonald

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until April 23, 2019.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

- There are no costs associated with this Order.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 41 [16880] – Order Extending Statutory Deadline

A.17-04-025

Application of the City of Saratoga for an order authorizing construction of an at-grade pedestrian, and bicycle crossing (CPUC No.001V-9.80-D) over tracks of the Union Pacific (DOT No. 924492L), providing connectivity between Fredericksburg Drive and Guava Court in the City of Saratoga, County of Santa Clara.

Ratesetting

Comr Randolph - Judge Fortune

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until March 31, 2019.

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.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 42 [16881] – Order Extending Statutory Deadline

C.17-10-013

County of Orange vs. Southern California Edison Company.

Adjudicatory

Comr Rechtschaffen - Judge Semcer

PROPOSED OUTCOME:

- Extends the Statutory Deadline to April 13, 2019.

SAFETY CONSIDERATIONS:

- There are no safety consideration associated with this decision.

ESTIMATED COST:

- There are no costs associated with this decision.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 43 [16887] – Order Extending Statutory Deadline

C.16-04-009

BB's Deli, LLC, Complainant vs. San Diego Gas & Electric Company

Adjudicatory

Comr Guzman Aceves - Judge Miles

PROPOSED OUTCOME:

- Extends statutory deadline for completion of this proceeding until December 13, 2018.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

- There are no costs associated with this Order.





Regular Agenda- Orders Extending Statutory Deadline (continued)

Item # 44 [16888] – Order Extending Statutory Deadline

A.16-09-005

Application of Southern California Gas Company and San Diego Gas & Electric Company to Recover Costs Recorded in the Pipeline Safety and Reliability Memorandum Accounts, the Safety Enhancement Expense Balancing Accounts, and the Safety Enhancement Capital Cost Balancing Accounts.

Ratesetting

Comr Peterman - Judge Mason

PROPOSED OUTCOME:

- Extends statutory deadline for completion of this proceeding until February 28, 2019.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

- There are no costs associated with this Order.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 45 [16891]

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





Utility Safety Review in the Energy Division: Risk Spending Accountability Reports



Presented by Dorothy J. Duda, Program
Manager, Energy Division

October 11, 2018



Agenda

- Overview of Risk Safety Framework
- Energy Division (ED) Staff Reports on Safety Spending Accountability
- Reporting Schedule
- Current Activities



Overview

☐ Risk Safety Framework Rulemaking R.13-11-006/ Decision D.14-12-025

The Commission adopted a Revised Rate Case Plan Process

- Safety Model Assessment Proceeding (S-MAP) – Develop models for safety risk assessment
- Risk Assessment Mitigation Phase (RAMP) – Stakeholder review of utility safety risks and mitigation plans prior to each utility general rate case (GRC)
- General Rate Cases (GRCs)
 - Safety costs reviewed as part of overall cost review
 - Utility files Risk Spending Accountability Report
 - Energy Division issues staff report on Utility Risk Spending Accountability Report

☐ Safety Action Plan 2014 and 2015 Reports by Energy Division Staff



Staff Safety Action Plan Reports

PG&E 2017 GRC

- Published in October 2016
- Major Findings
 - Spent 3% less than authorized over 2014-2015.
 - Causes
 - Delay in 2014 GRC.
 - Redirecting capital expenditures based on attrition year mechanism.

Website

Electric Costs → Rates and Cost Reporting

<http://www.cpuc.ca.gov/General.aspx?id=6442454550>

Table 1-1: 2014-2015: Comparison of Authorized vs. Actual Expense and Capital (\$000s)

	(a) 2014 Authorized	(b) 2014 Actual	(b-a)/(a) Percent Change	(c) 2015 Authorized	(d) 2015 Actual	(d-c)/(c) Percent Change
Electric Distribution						
Expense	\$584,511	\$585,953	0%	\$600,196	\$681,902	14%
Capital	\$1,021,431	\$1,002,446	-2%	\$881,683	\$1,073,325	22%
Electric Generation						
Expense	\$521,569	\$491,755	-6%	\$536,674	\$510,285	-5%
Capital	\$491,819	\$413,245	-16%	\$424,530	\$436,818	3%
Gas Distribution						
Expense	\$358,487	\$366,120	2%	\$365,641	\$378,204	3%
Capital	\$539,302	\$403,278	-25%	\$465,517	\$484,447	4%
Other						
Expense	\$353,606	\$305,335	-14%	\$364,456	\$329,933	-9%
Capital	\$294,447	\$246,423	-16%	\$254,162	\$278,577	10%
Total	\$4,165,172	\$3,814,555	-8%	\$3,892,859	\$4,173,491	7%
Expense	\$1,818,173	\$1,749,163	-4%	\$1,866,967	\$1,900,324	2%
Capital	\$2,346,999	\$2,065,392	-12%	\$2,025,892	\$2,273,167	12%

Table 1-2: 2014-2015: Combined Spending, with Balancing Account Impact (\$000s)

	Authorized	Actual	Difference	Percent
2014	\$4,165,172	\$3,814,555	-\$350,617	-8%
2015	\$3,892,859	\$4,173,491	\$280,632	7%
Two year total	\$8,058,031	\$7,988,047	-\$69,984	-1%
Balancing Account and CEMA	\$0	\$172,300	\$172,300	N/A
Total Less BA, CEMA Recovery	\$8,058,031	\$7,815,747	-\$242,284	-3%



Staff Safety Action Plan Reports

SCE 2018 GRC

- Published in May 2017
- Major Findings
 - Expensed 16% less and capitalized 9% more than authorized.
 - About half of GRC spending is related to reducing safety risks.
 - Causes
 - Mountainview Maintenance.
 - Distribution Pole Replacement

Website

Electric Costs → Rates and Cost Reporting

<http://www.cpuc.ca.gov/General.aspx?id=6442454550>

Table ES-1: Comparison of Actual Safety Expense and Capital for 2015 (\$000s)

	(a) 2015 Requested	(b) 2015 Authorized	(c) 2015 Actual	Actual vs. Requested		Actual vs. Authorized	
				(c-a) Variance	(c-a) / a Percent Variance	(c-b) Variance	(c-b) / b Percent Variance
Electric Transmission and Distribution							
Expense	\$ 532,583	\$ 520,506	\$ 439,023	\$ (93,560)	-17.6%	\$ (81,483)	-15.7%
Capital	\$ 1,639,440	\$ 1,401,708	\$ 1,810,699	\$ 171,260	10.4%	\$ 408,991	29.2%
Sub-total	\$ 2,172,022	\$ 1,922,214	\$ 2,249,722	\$ 77,700	3.6%	\$ 327,509	17.0%
Electric Generation							
Expense	\$ 147,209	\$ 145,723	\$ 110,780	\$ (36,429)	-24.7%	\$ (34,943)	-24.0%
Capital	\$ 128,877	\$ 125,948	\$ 146,896	\$ 18,019	14.0%	\$ 20,948	16.6%
Sub-total	\$ 276,086	\$ 271,671	\$ 257,676	\$ (18,410)	-6.7%	\$ (13,995)	-5.2%
Other							
Expense	\$ 154,000	\$ 146,644	\$ 117,511	\$ (36,489)	-23.7%	\$ (29,133)	-19.9%
Capital	\$ 383,338	\$ 353,988	\$ 329,039	\$ (54,299)	-14.2%	\$ (24,949)	-7.0%
Sub-total	\$ 537,338	\$ 500,632	\$ 446,550	\$ (90,788)	-16.9%	\$ (54,082)	-10.8%
All							
Expense	\$ 833,792	\$ 812,873	\$ 667,314	\$ (166,478)	-20.0%	\$ (145,559)	-17.9%
Capital	\$ 2,151,655	\$ 1,881,644	\$ 2,286,634	\$ 134,980	6.3%	\$ 404,990	21.5%

Table ES-3: Effect of Balancing Accounts on Spending (\$000s)

	(a) 2015 Authorized	(b) 2015 Actual	(b-a) Variance	(b-a) / a Percent Variance
Expense in PLDPBA	\$ 36,904	\$ 20,034	\$ (16,870)	---
Capital in PLDPBA	\$ 356,244	\$ 576,189	\$ 219,945	---
Total Expense	\$ 796,003	\$ 667,314	\$ (128,689)	-16.2%
Total Capital	\$ 2,101,589	\$ 2,286,634	\$ 185,045	8.8%



Risk Spending Accountability Reporting Schedules

- Rate Case Plan Reports

Utility	Record Year	Received/Due
PG&E	2020	March 2021
SCE	2021	May 2022
SDG&E	2019	September 2020
SoCal Gas	2019	July 2020
Bear Valley	2018	June 2019*
PacifiCorp	2019	June 2020*
Liberty	2019	June 2020*
SW Gas	2021	June 2022*

- “Interim” Reports

Utility	Record Year	Received/Due
PG&E	2016	March 2017
	2017	March 2018
	2018	March 2019
	2019	March 2020
SCE	2016	December 2018*
	2017	December 2018*
	2018	May 2019*
	2019	May 2020*
	2020	May 2021*
SDG&E	2014	June 2017
	2015	June 2017
	2016	October 2017
	2017	December 2018*
	2018	September 2019*
SoCal Gas	2014	June 2017
	2015	June 2017
	2016	October 2017
	2017	December 2018*
	2018	July 2019*
SMJUs	TBD	

*Dates Subject to Change.



Current Energy Division Activities

- Held workshops in September 2018 and is reviewing comments from the workshop.
- Helping to develop reporting standards to be used by all electric and gas IOUs as part of the S-MAP proceeding. An S-MAP decision on this is expected in early 2019 that is expected to give further guidance on the format and timing of utility risk spending accountability reports.
- Continue to review “Interim” Risk Spending Accountability Reports and post those reports on the Commission website.
- Continue to review safety testimony in RAMP/GRC proceedings, e.g., in the SDG&E/SoCalGas 2019 GRC and its associated RAMP proceeding.



Public Utilities Code Section 591

Commission reporting requirements will be consistent with Public Utilities Code Section 591, effective January 1, 2018, which reads:

- (a) The commission shall require an electrical or gas corporation to annually notify the commission ... of each time ... capital or expense revenue authorized by the commission for maintenance, safety, or reliability was redirected by the electrical or gas corporation to other purposes.
- (b) The commission shall ensure that the notification provided by each electrical or gas corporation is also made available in a timely fashion to the Office of the Safety Advocate, Public Advocate's Office of the Public Utilities Commission, and parties on the service list of any relevant proceeding.



Questions/Comments

Electric Costs:

Michael Zelazo, (916) 327-6797, michael.zelazo@cpuc.ca.gov

Natural Gas:

Kevin Flaherty, (415) 703-3842, kevin.flaherty@cpuc.ca.gov

Website:

www.cpuc.ca.gov/Costs_Rates





Regular Agenda – Management Reports and Resolutions

Item # 45 [16891]

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





Regular Agenda – Management Reports and Resolutions

Item # 46 [16892]

Management Report on Administrative Activities





The CPUC Thanks You For Attending Today's Meeting

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

**October 25, 2018 at 9:30 a.m.
in San Francisco, CA**

